

# STRENGTHENING OF THE PROTECTED AREA NETWORK IN MONGOLIA

UNDP Project ID: PIMS 4180



## TERMINAL EVALUATION REPORT

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10 September 2015



## Project Identification

<b>Title:</b>	<b>Strengthening of the Protected Area Network in Mongolia (SPAN)</b>
UNDP Project ID:	PIMS 4180
ATLAS Project ID:	00074228
GEF Project ID:	3820
TE time-frame:	June – August 2015, mission 27 June – 9 July 2015
Date of TE Report:	10 September 2015
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GEF IV Focal Area:	Biodiversity
GEF IV Strategic Programme:	Sustainable Financing of Protected Area Systems at the National Level (SP1)
Implementing Partner:	UNDP
Executing Partner:	Ministry of Environment, Green Development and Tourism
Other main partners:	Argali Research Centre, GIZ, Denver Zoological Society, WWF Mongolia, TNC
Evaluation Team:	Crawford Prentice and Orgiltuya Dashzevge

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Following completion of the Draft Report on 23rd July 2015, review comments were received from the Project Implementation Unit, the UNDP Country Office and the UNDP-GEF Regional Technical Advisor in Bangkok. These comments have either been included into the revised text where they related to factual inaccuracies or omissions in the draft, or have been reproduced in full as footnotes to the appropriate text sections to reflect the views of those involved. The Terminal Evaluation Team has made responses to some of the comments. We thank the reviewers sincerely for their feedback, which have undoubtedly improved this evaluation report.

The views expressed in this Terminal Evaluation report are intended to provide an overview of, and some of the lessons learned from, the SPAN Project as it nears completion. We have tried to give an objective, fair and balanced assessment based on the project documentation, our own observations and the interviews with a wide range of individuals who have been deeply involved in the project's implementation.

Crawford Prentice would like to express his sincere gratitude to the National TE Consultant, Orgiltuya Dashzevge for her great energy, enthusiasm, organizational skills and insights, and without whose excellent interpretation and translation skills none of this would have been possible.

Finally, one of the great joys of this work was witnessing how committed conservationists, government workers and local communities are coming together around a shared vision for a more secure future for Mongolia's outstanding natural landscapes and wildlife. We offer our sincere best wishes for continued success in this great endeavour.

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## Executive Summary

PROJECTSUMMARYTABLE				
Project Title: Strengthening of the Protected Area Network in Mongolia				
GEF Project ID:	3820		At endorsement(US\$)	At completion* (US\$)
UNDP Project	PIMS 4180; ATLAS 00074228	GEF financing:	1,363,630	1,363,630**
Country:	Mongolia	IA/EA own:	700,000	686,904
Region:	Central Asia	Government:	500,000	479,025
Focal Area:	Biodiversity	Other:		
		GTZ:	1,000,000	688,500
		Denver Zoological Society	500,000	609,694
		WWF Mongolia	222,858	587,576
Operational Program:	Sustainable Financing of Protected Area Systems at the National Level (SP1)	Total co-financing:	2,922,858	3,051,699
Executing Agency:	Ministry of Environment, Green Development and Tourism	Total Project Cost:	4,286,488	4,415,329
Other Partners involved:	Argali Research Centre, GIZ, Denver Zoological Society, WWF Mongolia, TNC	Prodoc Signature (date project began):	6 September 2010	
		(Operational) Closing Date:	Proposed: 31 Dec 2015	Actual: Not yet

\*As of TE finalization in August 2015 – the project is likely to run to 31 December 2015

\*\*Anticipated that all GEF funds will have been utilized by project closure

### Brief Project Description

- S1. Located at the crossroads of the Central Asian Steppes, the Siberian Taiga 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. Mongolia's protected area system has been significantly expanded, with more than 90 protected areas totaling 28 million ha (as of 2013), or 17.8% of the country's surface area. However, capacities and resources for protected area (PA) management have not kept pace with the expansion of the PA system, resulting in a situation where most PAs in Mongolia suffer from inadequate resources to conserve important species and habitats that they are supposed to protect.
- S2. In order to improve the management effectiveness and sustainable financing of the PA system, Mongolia's Ministry of Environment, Green Development and Tourism (MEGDT) is cooperating with UNDP on a PA network strengthening project. The project works towards overcoming three key barriers – weak policies, planning and information management; operational capacity weaknesses; and thirdly under-resourced PAs that lack capacity to develop new funding sources. It aims to improve the regulatory environment and develop and deploy 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, covering three Aimags (provinces), Dornogovi, Uvurkhangai and Arkhangai (see **Fig 1**). At the national level, the project supports

MEGDT 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.



**Figure 1. Mongolia showing locations of Orkhon Valley National Park and Ikh Nart Nature Reserve demonstration sites**

- S3. The UNDP/GEF Project **Strengthening of the Protected Area Network in Mongolia (SPAN)** (PIMS 4180) is a project of the Government of Mongolia executed by the Ministry of Environment, Green Development and Tourism (MEGDT) with the support of the GEF through UNDP. GEF support totals US\$ 1,363,630 with cash contribution of US\$700,000 from UNDP and co-financing from government, GIZ, Denver Zoological Foundation and WWF totaling US\$ 2,922,858. The project document was signed in September 2010 and the project is expected to be completed by the end of December 2015 after a five year implementation period.
- S4. The SPAN project has the objective of *catalysing the management effectiveness and financial sustainability of Mongolia's protected areas system*. Current annual revenue to the National PA system totals approximately US\$2.5 million. The project will develop the management and financial capacity of MEGDT 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 financing gap requirements for the Mongolia PA system was estimated at US\$5 to US\$7.5 million in 2009.
- S5. Three project outcomes will contribute towards the achievement of the objective by:
- i. Strengthening the policy, legal and institutional frameworks for sustainable financing and management of the national PA system;
  - ii. Ensuring that institutional and staff capacities are installed to effectively manage and govern the national PA system; and
  - iii. Demonstrating sustainable financing and innovative collaboration approaches at two PA demonstration sites that result in improved conservation outcomes

S6. It is expected that the demonstration of sustainable financing at the site level will be replicated throughout the national PA system and the project will have long-lasting impacts on sustainable conservation outcomes.

**Table 1: Evaluation rating table**

Evaluation Rating Table		
No.	Performance Criteria	Rating
<b>1</b>	<b>M&amp;E Design at Entry</b>	
1a	M&E Plan Implementation	S
1b	Overall quality of M&E	S
<b>2</b>	<b>IA and EA Execution</b>	
2a	Quality of UNDP implementation – Implementing Agency (IA)	MS
2b	Quality of execution – Executing Agency (EA)	S – HS
2c	Overall quality of implementation/execution	S
<b>3</b>	<b>Assessment of Outcomes</b>	
3a	Relevance	R
3b	Effectiveness	HS
3c	Efficiency	S
3d	Overall project outcome rating	S-HS
<b>4</b>	<b>Sustainability</b>	
4a	Financial resources	ML
4b	Socio-political	ML
4c	Institutional framework and governance	ML
4d	Environmental	L
4e	Overall likelihood of sustainability	ML

## Summary of conclusions, recommendations and lessons

### Conclusions

S7. Overall, there is little doubt that the SPAN project has had a major impact on the development of the Mongolian PA system. While scorecard numbers may seem abstract, the results (see **Annex 9**) demonstrate that the human capacity for management of the PA system has been radically uplifted to a new level through the development of state of the art methodologies in management planning, business planning, GIS mapping, monitoring, co-management, and other subjects, training large numbers of PA system staff and stakeholders, and applying these approaches across the PA system. The major impacts of three successive national PA forums have reinforced and accelerated this process, with a fourth to come before project closure, and hopefully continued annual events thereafter.

S8. Secondly, although the project has struggled with pushing much needed and highly important revisions to the SPA Law through to final parliamentary approval (through several changes in government), the analysis, the sustained inter-sectoral working group process, and supporting technical and awareness programmes have created a momentum that is likely to bear fruit with patience and continued support. Its passage will undoubtedly have a major impact on the whole PA system and its financial basis.

S9. Thirdly, the work programmes at the demonstration sites have both shown solid results, in the form of two different models of effective management regimes based on advanced management and business plans, governed by joint management committees that have brought PAA staff, Aimag and soum government and citizens' representatives, and local communities together around the same table. The trust and collaboration that

have developed indicate mutual respect, and positive contributions have arisen as the project advanced, with increasing engagement on all sides including willingness to finance activities within PAs, and communities shifting attitudes towards pro-conservation where they have become involved, with consequent reductions in poaching, deforestation and overgrazing.

S10. The scope for replication throughout the Mongolian PA system is high (indeed MEGDT has supported development of management plans for all remaining 89 PAs with state budget after the 10 supported by SPAN), and the MRPA project offers an opportunity to help achieve upscaling of relevant SPAN outcomes. Examples of spontaneous replication include WWF developing a Business Plan for one SPA and one LPA in western region, application of a similar management approach to INNRR at Khar Yamaat LPA. In Dornogobi aimag: a management plan and business plan were developed for one LPA in from local budget, application of a similar approach to INNRR management at Khamriin Khiid LPA; Aimag policy to expand assigned area of INNRR park administration. Overall, the project is resulting in scaled-up co-management approaches, partnership among park administration and local stakeholders, including local government, communities, private sector, in PA management and financing, and a shift towards a more business-like attitude amongst PA managers.

S11. Overall, the clear logframe provided an adequate and sound basis for planning, and the project has been well managed, participatory, proactive and effective. It has achieved substantial buy-in from its stakeholders, and there is a sense that the momentum generated by the project will help to drive the continued development of the PA system. The strategic engagement with NGO partners (ARC, TNC, WWF, others) has been a strength in delivering on high quality PA management planning and co-management, and in supporting the policy working group.

S12. The sustainability of the project outcomes benefits from the strong ownership of MEGDT/PAAD and the continued interest of UNDP, with the joint management of the UNDP/GEF MRPA project providing an excellent vehicle for supporting relevant SPAN outcomes.

#### Summary of Logframe target status at terminal evaluation

Target status	Objective		Outcome 1		Outcome 2		Outcome 3		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Target Achieved	3	75%	7		7	100	12	85.8	29	80.6
On Track to achieve Target	0		3		0		1	7.1	4	11.1
Target at high risk of not being achieved	1	25%	1				1	7.1	3	8.3
<b>TOTAL</b>	<b>4</b>		<b>11</b>		<b>7</b>		<b>14</b>		<b>36</b>	

#### Outcome and Output Summary Rating Table (see Annex 9 for details)

Outcome / Output	Rating
Objective – management effectiveness and financial sustainability for PA system	MS-S
Outcome 1 – National Policy, Legal & Institutional Frameworks for PA mgt	S
Output 1.1 – Mgt Plans, financing & budget requirements applied across the PA System	MS
Output 1.2 – Mgt & budget plans incl. innovative financing & applied across PA System	MS

Output 1.3 – Institutional arrangements enable MEGDT to support national SF for PAS	HS
<b>Outcome 2 – Institutional &amp; Staff Capacities for PA management</b>	<b>S-HS</b>
Output 2.1 – PA staff access to training facilities for mgt & business planning	HS
Output 2.2 – Financial specialists and data mgt systems in place for PA resource use	S
Output 2.3 – Mgt, incentive and reporting systems in place	S
<b>Outcome 3 – Sustainable Financing &amp; Collaborative Mgt at Demo Sites</b>	<b>S</b>
Output 3.1 – Mgt Plans, Budget Plans, Business Plans for 2 sites	HS
Output 3.2 – New financing mechanisms resulting in increased revenue	MS
Output 3.3 – Collaborative approach between Pas and partners for improved PA mgt	HS

**Priority recommendations for project exit (i.e. priority actions for the remaining implementation period):**

S13. The TE recommends that the **project completion date** should not be before 31 December 2015 in order to ensure full support to submission of the revised SPA Law to the fall Parliamentary Session, including advocacy and technical assistance. This is a critical and outstanding project outcome.

S14. The **Project Board** should finalize, approve and operationalize a suitable Exit Strategy for the project ASAP. The Exit Strategy should include defined actions to be taken to ensure the sustainability of each output and outcome, the responsible party for each action and related M&E framework. The Project Board should meet urgently to discuss proposals prepared by the project proponents.

S15. The **Project Board** should expedite completion of unfinished outputs as far as possible. The key priorities are the outstanding revisions to national legislation (SPA Law) and budgetary procedures impacting the use of multiple revenue sources by the PA system. **MEGDT** should facilitate the participation of key project staff in the design of the 3<sup>rd</sup> stage of the National PA Programme to help embed and sustain SPAN's key outcomes in the future development of the PA system.

S16. **UNDP and MEGDT** should carefully review the management resources allocated to the joint PIU for SPAN / MRPA and provide additional temporary support where necessary. This includes upgrading the Project Coordinator and M&E Officer pay scales in line with their experience and demanding roles.

S17. **MEGDT** should give attention to more focused and directed application of user rights regulation to apply funds to SPA management to ensure sustainable financing for PAAs.

S18. **MEGDT** should intensify efforts to document and publicize the demonstration site experiences through various means – the national PA Forum, publications, and more importantly through study tours and exchange visits. This should include government officials from other Ministries (especially Ministry of Finance) and MPs in order to strengthen their understanding of the vision for a sustainable, well managed and collaborative PA system.

**Recommended actions to follow up or reinforce initial benefits from the project**

S19. The MRPA project provides an excellent avenue to reinforce SPAN outcomes that have direct relevance to MRPA objectives, thus additional support for securing the sustainability of related key SPAN outcomes should be considered by the **joint Project Board** and planned for after the close of SPAN. In particular, it is likely that

sustained support to the policy working group, as well as for continued targeted advocacy efforts will be important to support the final approval of the revisions to the SPA Law, as well as related laws and regulations pertaining to sustainable financing of the PA system. Continued dialogue and closer collaboration with Ministry of Finance is critical to progress these issues.

S20. GIS / GPS training for PAAs has been effective and progressive. A system for continuing professional development of PAA staff should be emplaced by **MEGDT** to maintain this capacity across the system.

S21. Systematic M&E for the PA network (“Mong METT”) is being transferred to an online system – this needs to be completed by end of project. **UNDP/GEF** should document and make available the tailored Mong METT system to inform other countries with similar ambitions (for example, Indonesia).

S22. Community engagement at the demonstration sites has been effective, and demand is increasing as a result, so **MEGDT and UNDP** should give serious attention as to how to further resources can be made available to maintain community engagement and motivation. Ultimately, this may be most sustainable through making Soum conservation funds available through applying appropriate criteria. The **MRPA project** should consider this issue. **UNDP GEF SGP** may also be an appropriate vehicle to consider, as well as linkage with other relevant projects eg the KfW climate change adaptation project.

### **Suggestions for future directions underlining main objectives**

S23. A key awareness raising and capacity development need, which also fits the scope of the MRPA project, is continued awareness raising through national PA forums and other measures, and reaching out to Aimag and Soum governments to increase understanding of the values of PAs, the successful joint management councils and community co-management at the demonstration sites, and the financing needs and options for PAs. Full use should be made of SPAN experience through study tours to the demonstration sites for lawmakers on PA management and sustainable financing issues.

S24. While discussed during SPAN, limited progress was made in engaging the mining industry in supporting PA management through options such as CSR scheme contributions and biodiversity offsets. These issues deserve focused attention through a separate project through **MEGDT / UNDP** as they have potential to release significant financial resources in support of conservation goals. The experience and expertise of **NGOs such as TNC** should be considered (see for example, Heiner et al. 2013<sup>1</sup>).

S25. One important proposal made by the MTE and endorsed here, is to establish a mechanism to coordinate inputs from the wide range of players strongly engaged in supporting improvements to the effectiveness of Mongolia’s PA system. These include UNDP and GEF, bi-lateral agencies, NGOs and increasingly, local government. Engaging the support of these partners in an integrated way is clearly a priority for **MEGDT**, with the support of UNDP as a close partner. 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 annual PA Forum, the establishment of a small PA Partners Board **led by MEGDT** could play a very useful role in driving the process forward.

### **Lessons Learned**

S26. Capacity building training for communities and local government at demonstration sites was highly effective. It was notable that these stakeholders immediately identified their enhanced ability to collaborate as a major

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<sup>1</sup>Heiner, M et al. 2013. Identifying conservation priorities in the face of future development: applying development by design in the Mongolian Gobi. TNC

benefit of the project, rather than any material gains. This approach should be upscaled through MRPA and other initiatives to support the national PA system.

S27. The training provided overall was wide-ranging and strong, but a need remains for further training on fund-raising / income generation / management of trust funds. This would strengthen financial sustainability at the site level and facilitate reaching out to new opportunities (eg mining company CSR and biodiversity offsets, etc)

S28. The legal review process may have benefited from stronger consideration of international experience from countries facing similar conservation / sustainable land management practices in order to inform the proposals. The national legal/policy consultancy team could have strengthened the process through more capacity building for the working groups, and facilitated round table discussions on key issues to help inform policy development.

S29. The ecosystem services valuation study was an important contribution towards underpinning political support for development of the PA system, which should have continued impact if the results are well used. Adaptive management was demonstrated in presenting findings to different audiences before all reports were finalized – this effort should be intensified in order to support the passage of the revised SPA Law at its next submission, as well as in strengthening appreciation of the overall value of the PA system versus other land use options.

S30. Frequent changes and lack of continuity in the Project Board impacted guidance for the project. While this was largely related to changes in government, it was a problem for project implementation. The large size of the Project Board (up to 24 members) was also unsuitable for a steering / decision-making body. At times, the high seniority of PB members was also an issue, impacting participation and at times a lack of focus on practical issues. While politically sensitive, careful selection of PB members requires due attention in project design and by the GEF Implementing Agency.

S31. The innovative establishment of a joint PIU and Project Board for the SPAN and MRPA projects was well intended to maximize synergies between these two well-sequenced projects on Mongolia's PA system, as well as to achieve cost efficiencies and to take advantage of the experienced PIU staff and achieve continuity. With careful planning, especially regarding the human resource requirements to run two significant GEF projects concurrently, adjustments in workplans, and adequate IA support, this can be considered an efficient model.

S32. Some key factors enabling successful outcomes for the SPAN project that should be considered in the design and implementation of other PA system projects include:

- Strong project design during PPG stage benefiting from detailed PA system gap analysis led by NGO and government experts, enabling a clear role for the project in addressing national priorities and strong support from partners;
- Strong support from UNDP CO at project start up through a dedicated officer, and a highly committed and united PIU led by an experienced manager, communicating closely with PA administration authorities and the UNDP CO;
- Innovative and highly effective outreach through the National PA Forums, serving to enable large-scale participation throughout the PA system, promoting a clear vision of a more effective PA system, and generating momentum for change;
- Engagement of national experts from different government agencies, parliamentary committees and NGOs in legal / policy working groups to enable an integrated and informed approach to legislative advancement;

- Combined approach of demonstrating alternative modes for PA management at site level coupled with national policy / fiscal development, and exposing national policy-makers to real changes on the ground through site visits to enhance their understanding and motivation;
- Substantial large scale effort in capacity building for the PA system based on state of the art techniques for management planning, business planning, co-management, digital mapping, etc, led by leading experts; and
- Collaborative engagement of local government, communities and other key stakeholders through site management committees, enabling increased access to sustainable financing through local government and business sources and more participatory site management approaches supported by small grants for community-led activities.

**Mongolian words**

<b><i>Aimag</i></b>	Largest administrative unit of Mongolia equivalent to Province
<b><i>Soum</i></b>	Administrative unit within <i>Aimag</i> equivalent to County
<b><i>Bagh</i></b>	Administrative unit within a <i>Soum</i>
<b><i>Ger</i></b>	Traditional dwelling for nomads
<b><i>Khural</i></b>	People’s representative governing body, at different levels of government

## Acronyms and Abbreviations

APR	Annual Project Report
BZ	Buffer Zone
CAP	Conservation Action Planning
CBD	Convention on Biological Diversity
CSR	Corporate Social Responsibility
GEF	Global Environment Facility
GIS	Geographic Information System
GIZ	German Agency for International Cooperation (formerly GTZ)
GoM	Government of Mongolia
INNR	Ikh Nart Nature Reserve
IUCN	World Conservation Union
KfW	German Banking Group
LC	Local Coordinator (project implementation team staff)
LPA	Local Protected Area
M&E	Monitoring & Evaluation
MEGDT	Ministry of Environment, Green Development and Tourism (formerly MNET and then MEGD)
METT	Management Effectiveness Tracking Tool
MIRADI	Adaptive management software for conservation projects by Conservation Measures Partnership
MoF	Ministry of Finance
MNT	Mongolian Tughrik currency (US\$1 = 1980 MNT during the TE mission)
MTE	Mid-Term Evaluation
NEX	National Execution
NGO	Non-government Organisation
NIM	National Implementation Modality
NPD	National Project Director
NP	National Park
NR	Nature Reserve
OVNP	Orkhon Valley National Park
PA	Protected Area
PAA	Protected Area Administration
PB	Project Board (a.k.a. Project Steering Committee)
PC	Project Coordinator
PAAD	Protected Areas Administration Department
PIU	Project Implementation Unit
PIR	Project Implementation Report
OVNP	Orkhon Valley National Park
RTA	UNDP Regional Technical Advisor
SPA	Strictly Protected Area
SPAN	Strengthening of the Protected Area Network in Mongolia (UNDP/GEF Project)
TE	Terminal Evaluation
TNC	The Nature Conservancy
UB	Ulaanbaatar
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WB	World Bank
WHS	World Heritage Site
WWF	World Wide Fund for Nature

# 1. Introduction

## 1.1 Purpose of the evaluation

1. The five-year UNDP/GEF Medium-sized Project *Strengthening of the Protected Area Network in Mongolia (SPAN)*, which started implementation in January 2011, is now in its final stages, due for completion by 31 December 2015. The Operational Guidance for GEF Agencies in Conducting Terminal Evaluations states that *the GEF Agencies are required to prepare, in English, a terminal evaluation report at project completion for all GEF full-size projects (FSP)... Terminal evaluations should be conducted within six months before or after project completion.* This report presents the conclusions of the Terminal Evaluation (TE), prepared by two independent experts hired by UNDP - the International Team Leader (Mr Crawford Prentice) and National Expert (Ms Orgiltuya Dashzevge). It has been prepared according to UNDP's Terms of Reference (see **Annex 1**).
2. The objectives of the TE were to evaluate the project's results and impacts, including an assessment of sustainability; to assess the effectiveness and efficiency of resource use; to provide a basis for decision-making on actions to be taken post-project at both the government and UNDP programming level, and to collate and analyze specific lessons learned and best practices, which might be of relevance to other projects in the country. For this, the TE aims to provide a comprehensive and systematic account of the performance of the completed project by assessing its project design, process of implementation, achievements vis-à-vis project objectives endorsed by the GEF including any agreed changes in the objectives during project implementation, and any other results achieved.
3. Evaluations for UNDP Supported GEF financed projects have the following complementary purposes:
  - To promote accountability and transparency, and to assess and disclose the extent of project accomplishments.
  - To synthesize lessons that can help to improve the selection, design and implementation of future GEF financed UNDP activities.
  - To provide feedback on issues that are recurrent across the UNDP portfolio and need attention, and on improvements regarding previously identified issues.
  - To gauge the extent of project convergence with other UN and UNDP priorities, including harmonization with other UN Development Assistance Framework (UNDAF) and UNDP Country Programme Action Plan (CPAP) outcomes and outputs.
  - To contribute to the GEF Evaluation Office databases for aggregation, analysis, and reporting on the effectiveness of GEF operations in achieving global environmental benefits and on the quality of M&E across the GEF system.
4. The TE has been conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the *UNDP Terminal Evaluation Guidance for GEF Financed Projects*<sup>2</sup>.

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<sup>2</sup><http://web.undp.org/evaluation/documents/guidance/gef/undp-gef-te-guide.pdf>

## 1.2 Scope & Methodology

5. The scope, overall approach and methodology for the project terminal evaluation was described in the TE Inception Report approved by the UNDP Country Office before the TE mission took place. This is summarized and updated below based on the actual process followed.

### Timeline and milestones

6. The time-frame for this evaluation follows the UNDP TOR (**Annex 1**), consisting of four steps:
  - i. **Preparation** - 12-24 June 2015. *Key deliverable: TE Inception Report*
  - ii. **TE Mission to Mongolia** - 27 June through 9 July 2015 (see itinerary in **Annex 2** for details). *Key deliverable: presentation of initial findings to UNDP Mongolia CO on 8 July 2015.*
  - iii. **Drafting of TE Report** – *Key deliverable: Draft TE Report submitted to UNDP CO by 23 July 2015.*
  - iv. **Finalization of TE Report** - incorporating feedback on comments and audit trail for responses. *Key deliverable: Final TE Report submitted to UNDP CO by 20 August 2015.*

### Scope of the evaluation

7. The evaluation assessed the progress of activities against the project's logical framework matrix. In addition, it analyzed adaptation to changing conditions (adaptive management), partnerships in implementation arrangements, changes in project design, overall project management main findings and key lessons including examples of best practices for future projects in the country, region and GEF.

### Methodology for data gathering and analysis

8. The overall approach and method for conducting this project terminal evaluation followed official guidance for UNDP supported GEF financed projects. In particular, the evaluation effort was framed using the criteria of relevance, effectiveness, efficiency, sustainability, and results/impact:
  - **Relevance** – the extent to which the activity is suited to local and national development priorities and organisational policies, including changes over time.
  - **Effectiveness** – the extent to which an objective has been achieved or how likely it is to be achieved.
  - **Efficiency** – the extent to which results have been delivered with the least costly resources possible.
  - **Sustainability** – the likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally as well as financially and socially sustainable.
  - **Results/Impact** – the positive and negative, and foreseen and unforeseen, changes to and effects produced by a development intervention. In GEF terms, results include direct project outputs, short-to medium term outcomes, and longer-term impact including global environmental benefits, replication effects and other, local effects.

9. Accordingly, an evaluation question matrix was prepared that applied a set of questions covering each of these criteria to the project in question, in line with the UNDP TOR (**Annex 1**), and which is annexed to this final TE report (**Annex 6**).
10. The evaluation has sought to provide evidence-based information that is credible, reliable and useful. The evaluation followed a participatory and consultative approach ensuring close engagement with government counterparts, in particular the UNDP Country Office, project team, UNDP GEF Regional Technical Advisor based in the region and key stakeholders.
11. During the course of the TE, three sources of primary data and information were examined. Firstly, a wide variety of documents covering project design, implementation progress, monitoring and review (including the Mid-Term Evaluation), studies, local and national development plans, policies/ legislation/ regulations on protected area and natural resource management, reserve management plans and community co-management / tourism initiatives – among others. This covered and elaborated on the documents listed in the UNDP TOR, and is presented in **Annex 5**.
12. The updated METT forms for both sites were reviewed, and these are given in **Annex 11** including minor adjustments in scores and TE comments. The submitted assessments for both sites were considered to be largely accurate (with only minor scoring adjustments needed) and the comments and next steps sections had been fully completed, providing a sound basis for further management action. However, these could not be discussed on site as the translated results were only received after the TE mission.
13. Constraints experienced by the TE included that the most recent progress report available was the PIR dated June 2014 (one year before the TE), GEF and UNDP Capacity Development Scorecard results updated to mid-2015 were only available after the TE mission, as was cofinancing information. Project Board meeting minutes were only made available on 10 September and quarterly and annual reports to MEGDT were not provided for review.
14. Secondly, face-to-face consultations with a wide range of stakeholders (see below and **Annex 3**), using “semi-structured interviews” with a key set of questions in a conversational format. The questions asked will aim to provide answers to the points listed in the evaluation matrix in **Annex 6**. An initial list of questions was provided in the TE Inception Report, which was adjusted according to specific stakeholder interviews during the field mission and by follow up Skype calls as necessary. Interviews were confidential and the information used discreetly without accreditation in this report. Accordingly, details of interview discussions are not provided in this report. Triangulation of results, i.e. comparing information from different sources, such as documentation and interviews, or interviews with different stakeholders, has been used to corroborate or check the reliability of evidence as far as possible. Constraints experienced by the TE included the short period available for interviews in UB (in part due to outward travel delay), and the onset of Naadam festivities at Ikh Nart while the mission was in progress.
15. Thirdly, direct observations of project results and activities were conducted at the field demonstration sites of Ikh Nart Nature Reserve (INNR) and Orkhon Valley National Park (OVNP), including consultations with local government and park administration staff, herder community representatives, tour operators and camp staff, and participants in field activities.

16. The stakeholders interviewed included:

- MEGDT Protected Areas Administration Department, and M&E and Internal Auditing Department
- UNDP CO and regional staff with project-related responsibilities
- Project team (PIU, national consultants and out-posted staff and consultants)
- Project Board members
- Related national government agencies – Ministry of Finance, Ministry of Construction and Urban Development
- Aimag and Soum regional/local government leaders
- PA administration staff and rangers at the demonstration sites
- Community representatives and community-based organisations
- NGOs and associated technical experts
- Private-sector individuals and organisations

17. Throughout the course of the evaluation, the team took account of international best practices in PA management, sustainable financing and community participation in its assessment of project performance, especially in relation to the related CBD guidance.

### Evaluation criteria and ratings

18. The assessment of project performance was carried out based against expectations set out in the Project Logical Framework/Results Framework. The evaluation covered the specified criteria of relevance, effectiveness, efficiency, sustainability and impact, applying the following ratings in the TOR (**Annex 1**) to the specified performance criteria in the table presented in the Executive Summary:

- a. **Highly satisfactory (HS)**. The project had no shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.
- b. **Satisfactory (S)**. The project had minor shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.
- c. **Moderately satisfactory (MS)**. The project had moderate shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.
- d. **Moderately unsatisfactory (MU)**. The project had significant shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.
- e. **Unsatisfactory (U)**. The project had major shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.
- f. **Highly unsatisfactory (HU)**. The project had severe shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency.

## 1.3 Structure of the evaluation report

19. The structure of the evaluation report follows the ToR for this assignment (see **Annex 1**), which in turn is based on the *UNDP Terminal Evaluation Guidance for GEF Financed Projects*<sup>3</sup>. Section 1

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<sup>3</sup><http://web.undp.org/evaluation/documents/guidance/gef/undp-gef-te-guide.pdf>

describes the purpose, scope, methodology and approach of the evaluation. Section 2 provides the project description and development context for the intervention, including the underlying problem to be addressed, project objectives and expected results. Section 3 provides the findings of the evaluation, relating to project design/formulation, implementation and results, and presents the evaluation's conclusions, recommendations and lessons to be learned. In addition, supporting information is provided in the annexes. The main outcomes of the evaluation are also presented in the Executive Summary at the beginning.

## 2. Project description and development context

### 2.1 Project start and duration

20. The GEF Project Identification Form (PIF) for the SPAN project was prepared in 2008 and approved on 16 December 2008. Project preparation continued through 2009 and early 2010, with GEF CEO Endorsement provided on 12 August 2010 and the Project Document signed at an official ceremony on 6 September 2010. Project implementation officially began in January 2011 and is expected to end on 31 December 2015 after a five-year implementation period. The project Inception Workshop was successfully convened on 16-17 May 2011. As recognized by the MTE, the project achieved a rapid start thanks to the strong support of UNDP and MEGD<sup>4</sup> and the high capacity of the project team. However, delays occurred during 2012 due to the parliamentary elections and installation of the new government, partially offset by the very proactive approach of the new government to environmental issues. This included the upgrading and strengthening of the Environment Ministry (MEGD) to a core ministry (with 100 staff), the passage of new environmental legislation, and the launch of a new Green Development Strategy by MEGD in June 2013. This new policy document included 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. These policy developments greatly strengthened the implementation context for the SPAN project, which now provided MEGD with the technical and financial means to plan and achieve these ambitious targets, particularly by delivering on the two model demonstration sites in preparation for their national-scale replication. The planned duration of five years stretched the financial resources available, but in reality this period was fully required to achieve sustainable outcomes and the overall project objective.

### 2.2 Problems that the project sought to address

21. The Project Document (September 2009) describes the key problems that the project sought to address, with the wider context being further informed by a gap analysis for biodiversity conservation in Mongolia completed one year later<sup>5</sup>. Despite its low population density, Mongolia's biodiversity is recognized as being under considerable threat, especially from livestock land use practices, mining development, hunting and climate change. High and increasing numbers of livestock are a cause for concern, placing enormous pressures on grasslands within and outside Protected Areas. Both legal and illegal hunting affect rare and

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<sup>4</sup>Tourism was not included in the Ministry at that time

<sup>5</sup>Chimed-Ochir B, Hertzman T, Batsaikan N, Batbold D, Sanjmyatav D, Onon Yo, Munkchuluun B. 2010. Filling the gaps to protect the biodiversity of Mongolia. WWF Mongolia Programme, Ulaanbaatur. 134pp.

once common species (especially mammals) and populations of many species continue declining as a result of hunting. Within PAs, populations of animals also appear to be in decline primarily due to poaching, and wildlife trade shows an increasing trend. Illegal felling of trees is widespread - between 1990 and 2005, Mongolia lost 10.8% of its forest cover, or around 1,240,000 hectares<sup>6</sup>. Mineral resource exploration and exploitation is a major concern - some 40% of the country's territory is covered by mining exploration leases. The PA network protects lands and waters from mining; however, mining still impacts the water quality of rivers and lakes. Habitats for key species overlap with allocated mining exploration and other developments, constraining expansion of the PA system. Efforts are evident to allow mining within PAs and to degazette PAs for this purpose.

22. In order to protect its biodiversity, the Government of Mongolia has pursued a rapid expansion of its protected area network, with the National Programme on PAs (NPPA, 1998) targeting 30% coverage of the country by 2030. Considerable progress has been made towards this target with coverage at around 18% of the territory, (excluding the Local Protected Area system, which covers an additional 10% of the country, but with unspecified conservation values). However, under the “business-as-usual” scenario, Mongolia’s protected area system, which holds significant global values, would remain poorly managed, under financed and would not effectively meet conservation objectives. The effectiveness of the protected area system would further suffer from institutional constraints as well as poorly developed financial planning systems. Without the GEF support, continuing poor management of protected areas, driven by the lack of clear, objective-led planning, weak operational capacity, under-utilised PA models, and poorly resourced and allocated budgets would have continued to hinder the effectiveness of the PA system to conserve Mongolia’s biodiversity. As a result, the above threats continue to cause biodiversity declines.
23. Thus, 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 this solution rested on three interlinked pillars: 1) a refined policy framework and institutional arrangements, 2) adequate capacity of MEGDT/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. The project aimed to remove the following key barriers to the long-term solution.
24. **Barrier # 1: Weak Policies, planning and information management:** At baseline, the legal framework and guidelines on PA management planning and decision making systems did not ensure optimal deployment of funds, staff and equipment at the system and site levels to address threats to biodiversity. Whilst a Law on Special Protected Areas (SPA Law, 1994, and other related laws) existed, the national system lacked integrated management and financial planning processes and there was no single unifying national vision or management plan for the PA system. Further, the NPPA did not address the need for functional management plans based on the objectives of each PA, the SPA Law did not require management plans to be in place, and

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<sup>6</sup>FAO’s Global Forest Resources Assessment (2005) and the State of the World’s Forests (2005, 2003, 2001). (Source: <http://rainforests.mongabay.com/deforestation/2000/Mongolia.htm>).

no effective policy guidance existed to guide MEGDT staff on effective management or financial planning or to require PA budget requests to be based on such management plans. In addition, coordination between stakeholders, MEGDT and donors was lacking, with no mechanisms to coordinate policy revision efforts within government and Parliament. Understanding of the issues and needs facing the PA system, and therefore support for the PA system, at all levels of government was low. In addition, poor information management hampered understanding of the state of PA management effectiveness in order to apply corrective measures. Legal authority and responsibilities were not clearly understood or communicated between MEGDT and the PAAs and local government. Disagreements over how land, entrance and other use fees and taxes inhibited their use as revenue mechanisms for the PA system.

25. **Barrier #2: Operational Capacity Weaknesses:** The capacity building needs of PA staff to perform PA functions were not systematically assessed and there were neither long term capacity building plans nor adequate allocation of resources for such activities. This led to ineffective use of existing PA resources – both human and financial - to achieve any meaningful biodiversity conservation impacts. Additionally, such operational weaknesses are a contributor to the lack of design and implementation of financing mechanisms across the PA system. The MNET PAA department was understaffed, and the skills required to effectively manage the PA system were not fully developed. Staff performance evaluations were not systematically undertaken. A key barrier was a lack of professional training and development programs to encourage staff motivation for capacity development. Actual budgets, revenues and expenditures at the PA Administration level were not being used or tracked to measure cost effectiveness, performance or used to inform decision making. There was no standard for PAA Director or staff performance, and no shared information about operational and investment cost of PAAs. At baseline, a PA ranger was responsible for approximately 86,350 ha, with a very low salary at around 220-280 US\$ per month and often inadequate equipment.
26. **Barrier # 3: Protected areas are under-resourced to protect biodiversity and are not equipped to develop new funding sources:** There was a significant knowledge gap on what financial resources are actually required to make the PA system financially sustainable. Existing legal, institutional and capacity gaps did not empower PA authorities at the national level or individual PA managers to identify and implement measures for more cost-effective PA management and sustainable financing. In addition to a lack of management plans, there was a lack of comprehensive budget plans (based on the management plans) and no business plans existed (except Khustai NP) for revenue generation. The MEGDT/GoM budgeting system did not demand budget justification based on conservation objectives. PAA budget proposals were based on their own “needs” based on expenses and also a revenue projection / plan. They are not allowed to spend any revenue in excess of this plan. If they earn more revenue this is kept in the PAA account and the MoF determines how it is used. The Law on SPA creates a provision for mining and tourism companies to contribute to PA financing through voluntary contributions or in cases where they violate legislation. However, it does not provide a mechanism for channeling such revenue from these industries to PAs. Similarly, no nation-wide tourist entrance fee collection system is in place and limited financing mechanisms exist beyond such income (eg airport departure tax). Past environmental trust initiatives in Mongolia have not shown promising results due to unclear aims and a lack of political and administrative support. Finally, policy makers and the public have limited access to knowledge on PA values. This has meant that local “development” decisions are often made that are detrimental to PAs – such as mining concessions or over-stocking of domestic animals adjacent to PAs. Increased local government

and other stakeholder involvement and financial contributions are urgently needed for effective PA management.

27. In summary, since 2008, although the number and area of PAs has continued to grow, the budgets available to actually manage these areas remained extremely limited, with little or no funds available for conservation activities. Thus increases in budget have been absorbed 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 remained unchanged from 1994 and 1997 respectively, and did not enable the desperately needed new approaches to sustainable financing or collaborative management to be implemented. 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 remain inadequate.

### 2.3 Immediate and development objectives of the project

28. The SPAN project has the Objective of *catalysing the management effectiveness and financial sustainability of Mongolia's protected areas system*. Current annual revenue to the National PA system totals approximately US\$2.5 million. The project will develop the management and financial capacity of MEGDT 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 financing gap requirements for the Mongolia PA system was estimated at US\$5 to US\$7.5 million in 2009.
29. Three project outcomes will contribute towards the achievement of the objective by:
- Strengthening the policy, legal and institutional frameworks for sustainable financing and management of the national PA system;
  - Ensuring that institutional and staff capacities are installed to effectively manage and govern the national PA system; and
  - Demonstrating sustainable financing and innovative collaboration approaches at two PA demonstration sites that result in improved conservation outcomes
30. It is expected that the demonstration of sustainable financing at the site level will be replicated throughout the national PA system and the project will have long-lasting impacts on sustainable conservation outcomes.
31. The project's logical framework matrix (see **Annex 9**) provides the hierarchy of objectives, summarized in **Table 2** below.

**Table 2. Logical framework structure of the SPAN project, describing the different levels of objectives**

<b>Development Goal</b>	<i>No goal is described in the Project Document</i>
<b>Objective</b>	<b>To catalyse the management effectiveness and financial sustainability of Mongolia's protected areas system</b>
<b>Outcome 1</b>	<b>Strengthened national policy, legal and institutional frameworks for sustainable management and</b>

	<b>financing of the national PA system</b>
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
<b>Outcome 2</b>	<b>Institutional and staff capacities are in place to effectively manage and govern the national PA system</b>
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
<b>Outcome 3</b>	<b>Demonstration of sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites lead to better conservation outcomes</b>
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

## 2.4 Baseline Indicators established

32. Impact and results indicators were included in the project logical framework matrix at the levels of the Objective, Outcomes and Outputs (see **Annex 9**). The Objective and Outcome indicators were almost entirely derived from the scores from the Financial Sustainability, METT, and Capacity Development scorecards (see **Annexes 10 & 11**, showing baseline, target and accomplished scores), whilst Output level indicators provide targets with more tangible project deliverables. 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 were included in the logframe matrix 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 in May 2011. Therefore a full set of indicators and baselines was completed at the start of project implementation.

## 2.5 Main stakeholders

33. The main stakeholders of the project include the target beneficiaries, the implementing partners and the donor agencies. **The target beneficiaries:** consist mainly of the herder communities living inside the protected areas and their buffer zones, as well as local people in the Soum and Bagh centers that make use of the lands for grazing livestock and tourism activities, as well as use of natural resources for mining, hunting, forestry and agriculture. Park staff such as rangers can

also be considered as beneficiaries, in that the project should enhance their capacity and career prospects.

34. **The implementation partners:** the Protected Areas Administration Department (PAAD) of the Ministry of Environment, Green Development and Tourism<sup>7</sup> (MEGDT) has primary responsibility for the management of the protected areas system in Mongolia, including some 32 Protected Area Administrations around the country. Accordingly, MEGDT chairs the Project Board, the Director General of PAAD is the National Project Director, and project implementation by the PIU is closely aligned with national policies and strategies for PA system development. The PAAs for the two demonstration sites are also key implementation partners – the PAA for Orkhon Valley National Park (OVNP) coming directly under PAAD, while administration of Ikh Nart Nature Reserve (INNR) was contracted to the Argali Research Centre (ARC) through a tri-partite agreement between MEGDT, Dornogovi Aimag and ARC. Other Ministries also have significant roles, such as the Ministry of Finance in the allocation of governmental budgets for PA management, the Ministry of Construction and Urban Development (land administration, including land fees law, and land tenure issues related to PAs), and other sectoral ministries whose activities either benefit from or impact upon protected areas.
35. The Aimag and Soum administrations for the two demonstration sites have also played key roles in implementation, through their mandates for local planning and administration and representing and supporting local communities, through the joint management committees for the sites, the Project Board, and in supporting and co-financing project activities. The increasing de-centralization and delegation of responsibility for protected areas management from central government continues to emphasize their role.
36. The national programmes of well-established NGOs WWF and TNC have also been key implementation partners, contributing significant in-kind cofinancing through their related programmes, support to project working groups, and technical assistance and advice for the implementation of key aspects of the project such as management planning, business planning and monitoring.
37. **The donor agencies:** 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. Denver Zoological Foundation has supported the project through both cofinancing and technical assistance at INNR. Finally, UNDP as the GEF Implementing Agency provided oversight for project implementation and also contributed cash cofinancing.

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<sup>7</sup>This Ministry has been repeatedly re-organized, established as the Ministry of Nature and Environment (MNE) in 1989, re-structured as the Ministry of Nature, Environment and Tourism (MNET) in September 2008 (as in the Project Document), becoming the Ministry of Environment and Green Development (MEGD) from August 2012, and most recently, Ministry of Environment, Green Development and Tourism (MEDGT) from December 2014.

## 2.6 Expected Results

38. The key results expected from the project can be summarized as follows:

**Objective: The management effectiveness and financial sustainability of Mongolia's protected areas system are strengthened;** specifically:

- MEGDT capacity for managing the PA system is strengthened (measured by UNDP CD Scorecard)
- Financing gap for the PA system is closed (measured by GEF Sustainable Financing Scorecard)
- Total PA system level financing increases by at least \$3 million/year (>100% increase).
- System finance mechanism (e.g. arrival fee, natural resource use fee, mining mitigation) combined with new revenues at PAs.

**Outcome 1: Strengthened policy, legal and institutional frameworks for sustainable financing and management of the national PA system;** specifically:

- Revised SPA and Buffer Zone laws incorporating best practice and innovative approaches to PA management, sustainable financing and governance
- Total PA revenues from entrance fees increase by \$150,000 (>100% over baseline) by 2015
- Park entrance fee collection system/method improved and standardized across PA network
- Analysis of legal framework on PA financing conducted by year 2
- Accounting systems in place track revenues, expenditures and performance by year 3
- Annual PA Forum facilitated by SPAN and MNET by year 2

**Outcome 2: Institutional and staff capacities are installed to effectively manage and govern the national PA system;** specifically:

- Staff at 50% of PAs being trained in key PA Management skills by year 3; by end of the project this is 70%
- Capacity building and training program implemented through Regional training centers in cooperation with other donor projects
- New positions for PA management and finance experts established within PAAD in year 3 of SPAN project
- PA system budgets based on need outlined in approved management plans
- Effective M&E system and information management systems in place for PA system
- Operational and cost comparisons between sites allow for continued improvement of resource allocations
- Annual performance evaluations for MNET staff provide incentives and increases staff retention
- Product based employee agreements considered in staff performance reviews

**Outcome 3: Demonstrated sustainable financing and innovative collaboration approaches at two PA demonstration sites that result in improved conservation outcomes;** specifically:

- Argali population stable at Ikh Nart
- By end of project Ibex number increased by 30% in Orkhon
- Management Effectiveness of INNRR and OVNP strengthened (indicated by target METT scores of INNRR: 75% and OVNP: 55%)
- Approved PA budgets based on management plans and common criteria
- Management plan for Orkhon Valley NP revised and improved by year 3
- Management plan for Ikh Nart NR updated and developed by year 1

- Business plans for both demonstration PAs by year 2
- The two demonstration PAs identify financing mechanisms by end of year 1; design and implement best option(s) by year 2 (with positive net returns)
- Grant facility for finance mechanism proposals from non-demonstration PAs in place by end of year 1; award 1-3 grants per year by end of year 2
- PA valuation studies guide new financing mechanisms (i.e. mining royalties, departure taxes, etc).
- 2 demonstration PAs actively collaborating with communities and institutions for relevant conservation activities
- PA Management Boards in place at both demonstration sites improve coordination with stakeholders
- Lessons, methods and approaches are shared across the PA system by year 3

## 3. Findings

*In addition to a descriptive assessment, all criteria marked with (\*) must be rated*

### 3.1 Project Design / Formulation

#### 3.1.1 Analysis of LFA/Results Framework (Project logic /strategy; Indicators)

39. The overall logic and strategy of the project is considered sound and appropriate, and is strongly aligned with national policy on biodiversity conservation as well as CBD and GEF objectives. The project answers a direct and significant need identified in the project document, and which was subsequently elaborated in the WWF-led Gap Assessment<sup>8</sup>.
40. As indicated by the MTE, the relatively simple project structure of one Objective, three Outcomes and nine Outputs (three 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 MTE stage, reflects upon the quality of the simple original project design.
41. The logframe lacks an overarching Development Goal expressing the project's contribution towards global biodiversity conservation, although this is not a significant issue in the TE's view as the Project Objective is clear and well aligned with both CBD PoWPA and GEF IV Biodiversity Focal Area objectives. While the MTE noted that the overwhelming focus on sustainable financing and institutional strengthening apparent in the logframe, with little direct attention to biodiversity objectives, was unusual for a GEF biodiversity project, in reality the project has contributed towards such objectives, both directly at the demonstration sites through the site management plans, and overall at PA system level.
42. The TE concurs with the MTE observation that there was weak attention to the issue of community engagement in the original project design (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. During implementation, the project team and key stakeholders successfully addressed this shortcoming through adaptive management at the project sites.
43. Communications is weakly addressed in the project document, with no dedicated PIU staff resources or consultancy inputs focusing on this issue, although an integrated communications strategy is mentioned and the inception workshop and national PA forums provided valuable opportunities for engagement with stakeholders. The low attention to communications was identified as a concern by the MTE.

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<sup>8</sup>Chimed-Ochir B, Hertzman T, Batsaikan N, Batbold D, Sanjmyatav D, Onon Yo, Munkchuluun B. 2010. Filling the gaps to protect the biodiversity of Mongolia. WWF Mongolia Programme, Ulaanbaatur. 134pp.

44. The MTE noted 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. The MTE noted that this support allowed the SPAN project to make a rapid start and that the project clearly worked effectively to capitalize on these foundations, but that 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. Discussions with a wide range of stakeholders during the TE on this subject confirmed this opinion, but more significantly noted that the design was deliberate in choosing such demonstration sites where a platform of existing work allowed the project to focus on higher level activities that would provide a model for other PAs to aim for, beyond the basic level of conservation management and government financing. It should be noted that the two demonstration sites illustrate different management strategies, with OVNP representing a state-managed PA, while INNR represents a more innovative alternative where an NGO has been contracted to manage the site through a tri-partite agreement with MEGDT and the relevant Aimag government. The experiences for each of these sites are evaluated below. Overall, the TE concludes that the design strategy in selecting the demonstration sites was sound and appropriate, providing valuable lessons for the wider PA network.

### 3.1.2 Assumptions and Risks

45. The majority of the assumptions in the logframe matrix held, consistent with the strong ownership and support for the project from MEGDT. The most significant exceptions relate to the assumptions for Output 1.1, where key revisions to the SPA Law are still pending; for Outcome 3, where new national policies / legislation have not yet facilitated increased revenue and retention at PA level; and for Output 3.2, where system level funding mechanisms have yet to be realized to support site level budget increases and revenue retention.
46. In reality, the two major unforeseen issues for the project were first, the frequent changes in government during the implementation period (one general election in 2012, and another pending in 2016; and repeated restructuring of the Ministry of Environment<sup>9</sup>); and secondly, the difficult passage of revisions to the SPA Law, which involves other key Ministries (especially Ministry of Finance, and Ministry of Construction and Urban Development – in relation to the Land Law and land administration and financing issues) as well as Parliament – so being well beyond the direct influence of MEGDT. The changes in government and related changes in

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<sup>9</sup>This Ministry has been repeatedly re-organized, established as the Ministry of Nature and Environment (MNE) in 1989, re-structured as the Ministry of Nature, Environment and Tourism (MNET) in September 2008 (as in the Project Document), becoming the Ministry of Environment and Green Development (MEGD) from August 2012, and most recently, Ministry of Environment, Green Development and Tourism (MEDGT) from December 2014. A further change in government occurred in July 2015.

ministerial structure and staffing were difficult for any project to deal with, and it is hard to know what else the project could have done to mitigate this. The engagement of representatives of other ministries in the project-supported working groups on policy development and sustainable financing was a sound strategy for developing their support, as were the study visits to the project sites to inform their workings. The economic valuation study of ecosystem services in Pas has provided a strong foundation for an advocacy campaign targeting parliamentarians and senior staff of other ministries to facilitate passage of the revisions to the SPA Law, as well as related fiscal reforms to assist the sustainable financing of Pas.

47. The table of risks in the project document was reviewed and updated at MTE, with all risks remaining stable or being reduced. The MTE recommended the addition of a further risk, on dissipation of MEGDT's attention and resources to PAs and development of mitigation actions including building on the results of the valuation of PA ecosystem services study. At TE stage, this additional risk was an issue, as MEGDT had requested the PIU conduct preparatory work for the introduction of a video-conferencing system linking all PAA units throughout the country. After significant initial work by the PIU, this idea was subsequently dropped when it became clear that the high cost of installing such a system (USD 267,000) was beyond project and MEGDT budget resources.

### 3.1.3 Lessons from other relevant projects (e.g., same focal area) incorporated into project design

48. The Project Document (para 125) notes that the project responds to key needs identified during the Assessment of Capacity Building Needs and Country Specific Priorities in Biological Diversity in Mongolia (WB/GEF Project 866) in 2003, that were yet to be addressed. It also notes (para 127) that a GEF Early Action Grant to WWF in 2007-9 provided much of the baseline information for the proposal, leading to the detailed gap analysis published in 2010<sup>10</sup>, and it takes account of ongoing initiatives including the WCS led Eastern Steppe Living Landscape, UNDP/GEF and WWF Altai-Sayan projects, and the GTZ project on Biodiversity and Climate Change *inter alia*. Experience at Khustai National Park (para 122) also informed project design, as it is operated by the Khustai National Park Trust (2003) financed by a trust fund supported by the Netherlands government, EU and other donors, as well as significant tourism income. The demonstration intervention at INNOR was based on a long history of international support from Denver Zoo Foundation (since 1998), Anzo Borrego Desert Park (California, USA, since 2006) and local partners the Mongolian Conservation Coalition (1998) and Argali Research Center (since 2000). OVNP has been supported by a GTZ conservation programme since 2006, with local support from the Aimag on tourism and monitoring, as well as the Soum governors, police and local communities.

### 3.1.4 Planned stakeholder participation

49. Stakeholder roles and responsibilities are laid out in the Stakeholder Involvement Plan in the Project Document (pp75-79). This clearly indicates that the MEGDT, through the PAAD, is the

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<sup>10</sup>Chimed-Ochir B, Hertzman T, Batsaikan N, Batbold D, Sanjmyatav D, Onon Yo, Munkchuluun B. 2010. Filling the gaps to protect the biodiversity of Mongolia. WWF Mongolia Programme, Ulaanbaatur. 134pp.

primary authority which will execute the project, thereby enabling it to realize its policy and operational objectives. The MEGDT will work in close cooperation with other key government agencies, local governments (Aimags and Soums), local communities, universities, institutions, NGOs and other key stakeholders. Broad-based stakeholder involvement was planned through the Inception Workshop, Project Board and an Advisory/Policy Group, with opportunities for long term participation of all stakeholders through capacity building and communications strategy. Specific roles for key stakeholders/stakeholder groups are identified. In general, these arrangements were adequate for most purposes, but were insufficiently detailed for the engagement of local government, communities and other stakeholders at the local level. These shortcomings were, however, compensated for during implementation, as TE discussions clearly indicated very strong and positive involvement of local stakeholders at both demonstration sites.

50. The MTE noted 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 contributed in parallel to the work of the SPAN project team and they were active partners in some SPAN activities, the MTE considered that they could have been more strategically engaged within the project implementation. Furthermore, the failure before the MTE to establish the proposed Policy Advisory Group further limited their engagement. This was largely rectified post-MTE, and discussions during the TE indicated that the NGOs concerned were overall rather positive about the project's impacts towards biodiversity conservation in Mongolia.

### 3.1.5 Replication approach

51. The planned replication approach is based on demonstrating specific approaches at the demonstration sites, for learning and dissemination throughout the PA system, through training, workshops and seminars; scaling up revenue generation through a grant facility for innovative financing options; the establishment of a Mongolia PA Forum as the primary means to communicate SPAN outputs to relevant stakeholders; and an overall approach of "fixing the basics" (improving management effectiveness and sustainability of PA financing) as a cost effective strategy. Information has also been made available through relevant local websites.
52. The suitability of the demonstration site selection is discussed earlier (see section 3.1.1), and the means of sharing lessons learned is appropriate (study tours being a valuable addition). In particular, the three annual Mongolia PA Forums held so far have been a resounding success with strong participation including PA staff from all around Mongolia, community representatives as well as other stakeholders.

### 3.1.6 UNDP comparative advantage

53. The project built on UNDP's successful record of partnership in Mongolia, in line with the UN Partnership Framework with Mongolia (UNDAF 2007-2011, and 2012-2016), contributing towards MDG #7 – to ensure environmental sustainability. The project outcomes also contribute to the Country Programme Action Plans for 2001-2011, and 2012-2016 between the Government of Mongolia and UNDP. It builds on previous UNDP initiatives to biodiversity conservation in the

Eastern Steppes, the Altai Sayan and the Gobi, and is in line with global UNDP/GEF contributions to biodiversity. Therefore the TE sees no issues regarding UNDP's comparative advantage regarding the SPAN project.

### 3.1.7 Linkages between project and other interventions within the sector

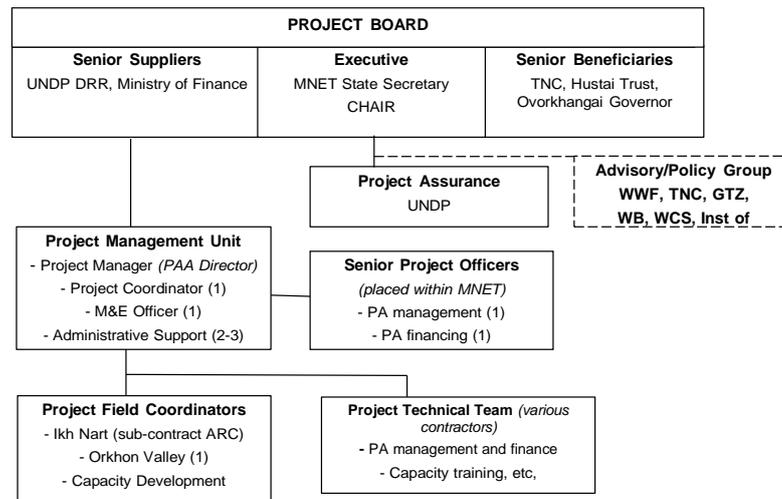
54. The project document (para 127) lists a number of projects considered complementary to SPAN, including WWF and WCS led initiatives, and GEF projects on the Altai-Sayan (#1100), and bilateral projects supported by GTZ, SIDA, Netherlands government, etc. While formal coordination between the various ongoing biodiversity-related initiatives appears to have been weak – the MTE recommended the formation of a “PA Partners Board” to bring together key donors and delivery partners (UNDP/GEF, bilaterals, NGOs) to support strategic partnerships and integrated delivery of the National Programme for PAs – informal collaboration does occur (e.g. the MEGDT hosts brown bag lunches). The planned Policy / Advisory Group in the Project Document intended to facilitate coordination with similar initiatives, but this was not established until after the MTE and then it worked on specific issues in an ad hoc manner (see section 3.1.4 above).
55. During implementation, the MTE noted that the project planned to draw on previous successful models from the Altai Sayan project and UNDP Pasture Management project to balance herder livelihoods and conservation in addressing over-grazing, and that it replicated the UNDP/GEF Altai Sayan project best practice in establishing Environmental Units in 3 Soums at OVNP and INNR, drawing together the Environmental Inspectors, PA staff and community groups. A GTZ Climate Adaptation project and new German Government / KfW financed Biodiversity and Adaptation to Climate Change Project offered opportunities for synergy on what is a key subject for Mongolia, and while project activities contributed towards adaptation at the sites (eg protection of water sources, improved pastureland management) these did not seem to be overtly linked to climate change.
56. Also during implementation, the UNDP/GEF project “Mongolia Network of Managed Resource Protected Areas” (MRPA) #4562, started up in September 2013. This project addresses the Local Protected Area network, which is complementary to the Specially Protected Area network addressed by SPAN, and deals with some overlapping issues (regarding management effectiveness, financing, legal basis, etc). This new project offers major opportunities for synergies and strengthening the sustainability of SPAN outcomes, which have been recognized by UNDP and MEGDT in that the two projects share the same PIU and Project Board.

### 3.1.8 Management arrangements

57. The project management structure as planned in the Project Document is shown in **Figure 2** below. This has broadly been adhered to during implementation. The following paragraphs describe any changes and assess the functioning of the project management system.
58. Before the MTE, the Project Board (which absorbed the role of the Tri-Partite Review mentioned in the project document) comprised 11 members representing (then) MEGD (State Secretary, NPD, Adviser to the Minister), UNDP (Deputy Regional Representative), Ministry of Finance, 3

local government representatives and 3 NGO representatives, and was chaired by the State Secretary of (then) MEGD, Mr J. Batbold. The Board met once in 2011 and once in 2012, and full minutes were produced. Although the Project Document only proposed one meeting of the Board annually, the MTE expressed concern that this was 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 indicated strong support of the Board for the project but that they required more regular communications. During the Board meetings, the Project Coordinator had to address requests for the use the project funds to support additional activities outside the project plan, which the MTE identified as a risk to project focus and resources.

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



59. Following MTE recommendations, while meeting more frequently (twice per year) the composition of the PB was expanded in 2013 to include the Directors of the PA Administrations for the two demonstration sites. In fact, repeated changes in PB membership related to government changes hindered its efficiency – more consistent representation would have been strongly desirable. The PB membership increased to 24 members in 2014 and then down to 15 Members in 2015. Changes in the PB chair took place with government restructuring. It was clear that there were difficulties in managing discussions with the enlarged membership in 2014. As of September 2013, with the start-up of the MRPA project, the SPAN PB was expanded to become a joint PB for both SPAN and MRPA projects, in order to ensure strong synergy between the two related projects. This was reportedly effective, with the Board discussing each project separately according to the agreed agenda, with break outs as necessary on specific issues.

60. 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. The MTE noted that the working arrangements and communications between the NPD and Project Coordinator needed strengthening at this stage. There was 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. In December 2014, with a further

change in government, Mr Batsansar took over as Director of PAAD and NPD. Overall, the linkage of the project to PAAD has been highly effective, supporting PAAD strategic priorities and helping to advance Mongolia's PA programme in line with national policy goals.

61. The Project Implementation Unit was established in Ulaanbaatar at the start of the project, originally comprising 6 staff: 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 was not filled. The project 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, Local Coordinators for each of the two demonstration sites - again, succeeding in recruiting experienced individuals with good communication skills (one was formerly the Director of the OVNP Administration), which has greatly assisted implementation progress.
62. The staff at the demonstration sites consisted of: OVNP PAA staff – Director and 4 Specialists, 13 rangers, service staff, project LC, PA Mgt Council, 4 active community groups; INNR PAA subcontracted to ARC (7 Staff, 4 Rangers), project LC, PA mgt Council, 4 active community groups.
63. With the start-up of the MRPA project in September 2013, the PIU took on the coordination of this new project in addition to their existing SPAN workload. This coincided with the shift of all UNDP GEF projects to National Implementation Modality (NIM). See **Section 3.2.6** for a detailed discussion of the combined effects of these changes on project management, which heavily impacted key PIU staff and resulted in great challenges and delays in implementation at a key stage of the project.
64. The PIU was initially located in the MEGDT offices, but following re-structuring, the lack of office space forced the Ministry to find alternative accommodation for all project units. As a result, the PIU has been located independently in a small office in UB, which is adequately equipped but lacks space and a meeting room. The project has its own 4WD vehicle and driver. The Local Coordinators have offices in the local Soum Administration (INNR) 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 INNR has a motorbike, and the one in OVNP uses rented cars as necessary.
65. The UNDP CO played an active role in the Project Board and in guiding project strategy / implementation, and provided ready support to the PIU throughout implementation. It played a particularly important role during project start-up. Latterly there were some significant delays in responding to PIU requests and limited contact, largely due to the high very workloads on CO Environment Programme staff.
66. Although a Policy Advisory Group to draw on the advice of the key NGOs was envisaged in the project document, this was not established until after the MTE (upon MTE recommendation) in order to harness the collective experience and expertise of these NGOs in support of the project.
67. Although the project planned for 10 international consultancies (with a total budget of \$579,000 (28% of the total cash budget)), only 4 (Legal and Policy Assessment expert, PA Sustainable Financing expert, Economic valuation of PAs, and) PA concessions) were hired, plus MTE and TE consultants.

## 3.2 Project Implementation

### 3.2.1 Adaptive management (changes to the project design and project outputs during implementation)

68. There were no substantive changes to the project design (i.e. the logframe outputs and indicator targets) during project implementation. Only minor changes to the logframe occurred at project inception (one assumption and an additional indicator). While there was a formal management response to the MTE, this was not pursued with vigour and certain recommendations made by the MTE appear not to have been taken up, such as to add a new indicator and target on community engagement and livelihoods development at the project sites to maintain focus and recognize its importance (see also **paragraph 78** below).
69. Overall, the project work planning process was solid, 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, who are subject to annual performance reviews are used to assess delivery of results against project plan. 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 years workplan and incorporate adaptive management measures.
70. A major shift in management arrangements occurred after the MTE in September 2013, when the SPAN PIU became a joint PIU for SPAN and the new UNDP/GEF MRPA project, with a similar joint Project Board. There was a simultaneous shift from NEX to NIM implementation modality at the same time. The joint PIU and PB were innovative and adaptive measures that made cost-effective use of available resources. These changes are discussed further in **section 3.2.6**. PB meetings covered both projects at the same time and followed an agreed agenda for discussion – splitting out for some specific issues if needed. This has worked well – it is efficient, and both projects strengthen the PA system contributing PAAD main goals. It has reportedly been easier to get PB members to attend for both projects.
71. Some positive examples of adaptive management include:
- The increased emphasis the project has given in its work planning to community engagement and livelihoods development at the two demonstration sites, given its low profile in the project document
  - The reduction in the number of planned international consultancies was considered to be good practice in adaptive management to have made the consequent budget savings for other aspects of the project.
  - The advanced disbursement of UNDP cash contributions in the initial years, because of likely funding restrictions in the second half of the project.
  - Adaptive management was demonstrated in presenting findings of the ecosystem services valuation study to different audiences before all reports were finalized, an important move in supporting the passage of the revised SPA Law at its next submission, as well as in strengthening understanding of the overall value of the PA system versus other land use options.

### 3.2.2 Partnership arrangements (with relevant stakeholders involved in the country/region)

72. The main avenues for stakeholder engagement envisaged in the project document were the Project Board, the Policy Advisory Group, and site level engagement of local stakeholders including communities in project activities. In addition, the working groups on policy development and sustainable financing have brought together government and other experts to discuss legal, policy and regulatory revisions, reaching out to other ministries. Also the very extensive capacity development programme has engaged a wide variety of national experts and trainees at all levels, being well appreciated.
73. At the demonstration site level, the joint management councils that have been established are outstanding examples of collaborative management, engaging Aimag and Soum leaders, environmental officers, citizens Khural representatives, local business interests and community leaders as well as PAA staff. Partnerships with private sector included representatives of two mining companies in the Co-Management Council at Ikh Nart. They have actively participated in discussion and resolving issues raised and agreed to provide co-financing of activities. Nomadic Journeys, the only tour company at Ikh Nart, also expressed willingness to contribute to Ikh Nart through the Trust fund.
74. SPAN has continued collaboration with local and international NGOs, like TNC, WWF, Argali Research Center and COCONET. Key experts of those NGOs largely involved in the law revision process, providing their valuable comments to clearly formulate new and more challenging targets of protected areas based on their long-time experience, draw international experience, improve provisions on the quality of management, governance and sustainable financing. Strategic engagement with NGO partners has been a strength in delivering on high quality PA management planning and co-management.
75. Substantial experience has been achieved in engaging local communities at both OVNP and INNR. Orkhon Valley park administration is now cooperating with a total of 4 communities and Ikh Nart with another 4 communities to ensure their engagement in the park management. The herders' households live and graze their livestock within the park territory. Each group may involve 10-30 neighbouring families of up to 75 adults, each governed by an Agreement and with an elected Chairman (mainly women) and Board, and an agreed work plan. These groups, supported by SPAN, have 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. 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 helped one group with a 70% grant to purchase a felt-making machine. At least one community (OVNP) has establish 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.

76. While the project does not overtly address gender needs (no gender assessment or strategy), it has engaged women in capacity building activities, especially at site level where women's role is crucial. More than 40% of participants of training and discussions conducted by the project are women. There are many women-leaders in communities that reside in the two target PAs. To enable the women to develop the knowledge, skills and experience that they require to take on greater decision making and leadership roles in community-based organizations, NGOs and PA network organizations, the project has planned to develop training curriculum for women in this field and start training sessions in 2015.
77. While there has been little evidence of regional collaborations to date, the planned fourth national PA Forum in October 2015 will expand its scope to international level – involving Russia, China, and Asian PA Network members (Mongolia just joined - the 6<sup>th</sup> country to have ratified this network). The purpose of inviting neighbours is to discuss transboundary PAs, solving problems together – such as fires coming from Russia, and sharing experiences and solutions facing Asian PAs.

### 3.2.3 Feedback from M&E activities used for adaptive management

78. The project M&E system is described below in 3.2.5, and adaptive management system and examples in 3.2.1 above. The main opportunities for feedback have been through the annual PIR reviews and the Mid Term Evaluation. It is not clear to the TE to what extent the Project Board discussed the recommendations arising from these reviews without access to the PB meeting minutes<sup>11</sup>. The project's management response to the MTE recommendations was prepared and submitted to the UNDP CO and NPD in Dec 2013 to be introduced to the PB, but due to time limitation it was not presented at the PB. The management response was made available to the TE on 5 August 2015 (updated to current status), indicating that out of the twenty MTE recommendations listed, thirteen had been addressed, five remained in progress and two were not addressed. While the PIU have clearly paid attention towards addressing these recommendations, it appears that the PB did not in fact systematically track such progress against the MTE Management Response.

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<sup>11</sup> UNDP CO Comment (7 Sept 2015): There are at least 5 meeting minutes until 2014 + 1 (or two?) in 2015. MTE results and recommendations are discussed at the PBs and documented (refer to: PB #4 reference to the discussion on MTE; PB#3 – PAAD director presentation of the MTE findings and recommendations; PB #5, NPC also referred to MTE. TE Response >> We received the minutes of five PB meetings on 10 Sept 2015 (#3 in Mongolian only). Minutes of PB meetings 4 (Dec 2013) and 5 (June 2014) did not reveal any systematic attention to MTE follow up.

### 3.2.4 Project Finance

79. Financial management procedures followed standard UNDP guidelines/manual for NEX projects, with the NPD having authority to approve and disburse payments. The project received one independent Audit in May 2012 (clear), otherwise being subject to annual internal monitoring/spot-check visits by UNDP of the projects<sup>12</sup>. With the shift to NIM in September 2013, more of the financial management was taken on by the PIU and MEGDT, with UNDP continuing its oversight. Discussions indicated tight and efficient financial management, with good communications between the PIU, NPD and UNDP CO and no significant delays in cash advances.
80. The cash funds available to the project were 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 (see **Annex 12**). The Evaluation was provided with a summary of the financial expenditure reports up to December 2014. At MTE, the expenditure of GEF funds (\$439,634) was 41.7% behind plan (\$753,850) and expenditure of UNDP Funds (\$431,565) 24.5% ahead of plan (\$346,515). When the two sources were combined, the overall cash budget expenditure (\$ 871,179) was 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, as well as delays that occurred in 2012 as a result of the elections and change of government. The MTE was informed by the UNDP DRR that the UNDP contributions so far had been higher than budgeted, because of likely funding restrictions in the second half of the project. At December 2014, \$470,613 (\$457,517 GEF; \$13,096 UNDP TRAC) remained available to implement the 2015 workplan, likely to be sufficient to complete the scheduled project activities.
81. The MTE noted 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 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. The TE notes that several requests for SPAN project to finance additional activities outside the project plan have been discussed at PB meetings, and significant effort was devoted to unscheduled preparatory work for the installation of a video conferencing system in early 2014, before this initiative was cancelled due to its high cost (\$267,000).
82. The Evaluation concludes that financial management of the project has been satisfactory, and the available cash financing for the remainder of the project is adequate to complete the main

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<sup>12</sup> UNDP CO commented (7 Sept 2015): Frequency of the external audit to the project is determined by the UNDP HQ Audit and Investigation Office in accordance to the risk level of the CO. The SPAN project did not qualify for the threshold established for 2013 and 2014. Also: the financial oversight and checks are done by Programme Associates on the monthly ledgers and quarterly advance reports & requests. The rule is: If any misconduct/discrepancy occurs, the quarterly advance is suspended until the issue gets solved.

activities remaining until 31 December 2015. There is unlikely to be any budget availability for consideration of a project extension.

### **Co-financing available to the project**

83. 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. **Annex 13** summarizes the actual contributions of each co-financing partner against targets following the required format specified in the TOR. .
84. The Government contribution (see **Annex 13** for details) included the costs of provision of office space and utilities for the PIU, time inputs from the NPD, PAAD staff and other MEGDT staff, contributions to running workshops and training courses etc.. It also included cash contributions such as the \$93,000 contributed by the Dornogobi Aimag in support of the INNR, \$15,000 contribution from Uvurkhangai Aimag to OVNP in 2014, and almost \$70,000 allocated by MEGD for preparing management plans at non-pilot sites. Including these contributions, the government contribution is only \$20,975 short of the \$500,000 target, with several months left to run.
85. The contributions from GIZ, WWF-Mongolia and Denver Zoo reflect their parallel activities at the two project demonstration sites and elsewhere. The SPAN Project is closely aligned with WWF Mongolia's Strategic Plan 2012-2016, addressing key issues identified in the WWF-led gap analysis (2010) and especially contributing towards Strategy 2 (safeguarding landscape integrity through a functional network of protected areas). WWF is investing US\$1 million per year towards implementation of the Strategic Plan, of which \$200,000 per year is allocated to this strategy, therefore contributing towards SPAN's objective (e.g. through revising the legal framework and enhancing management effectiveness). Consequently, WWF Mongolia's contribution has exceeded the targeted total of 222,858 by a factor of 2.6. Denver Zoo's contribution has also exceeded its target by more than \$100,000. GIZ cofinancing supported the establishment of 57 pasture user groups and pasture management arrangements, development of management and business plans for 7 PAs and 12 buffer zones in Khangai region and elsewhere, and support to revision of legislation on pasture management. The total contribution from GIZ of \$688,500 fell short of the \$1 million target as in February 2012 GIZ changed their project activities to exclude protected areas, consequently there were no further contributions from GIZ after this date with the exception of 120,000 Euros for sustainable livestock management in PA in Khangai region in 2012.
86. No UNDP CO guidance has been provided or clear mechanism established for agreeing jointly the expenditure of these funds on project priorities, nor has there been effective monitoring or reporting. In terms of activity coordination, the NPC has held informal meetings and discussions with WWF and Denver Zoo through ARC on integration of activities, with updates on co-financing contributions at MTE and TE. An informal mechanism has been established by PAAD to provide liaison among donor projects (UNDP, GIZ, WWF, WCS, TNC) and PAAD itself. The PAAD organizes

joint meetings with representatives of donor projects during planning periods and regular and ad-hoc meetings where joint working areas and co-funding, allocation of tasks, etc, are discussed.

### 3.2.5 Monitoring and evaluation: design at entry and implementation (\*)

87. The monitoring systems used by the project follow established UNDP and GEF procedures as laid out in the Project Document, including an Inception workshop and report, and reports against the annual work plans which are then submitted to UNDP-CO as Quarterly Operational Reports and more detailed annual reports in the form of the Project Implementation reports (PIR). PIRs have been completed for 2011, 2012, 2013 and 2014, 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. The Mid Term Evaluation (MTE) was conducted in mid-2013, producing a detailed evaluation report and a series of 27 recommendations for the attention of the project. Regional UNDP staff make occasional visits for M&E and TA purposes<sup>13</sup>. UNDP CO staff generally maintain regular communication with the PIU and make occasional site visits (reports provided for spot checks on 4 Dec 2012 and 14 May 2014, and field visit to OVNP 13-15 Aug 2014). After the MTE (and not related to it), this oversight was reduced, coinciding with short staffing and high workloads of the two CO Environment Programme staff. The CO also has an M&E Officer who has an assurance role for CO programmes while Programme officers provide assurance for projects<sup>14</sup>.
88. The project log-frame (Strategic Results Framework) provides the main performance and impact indicators against which the project is measured. The log-frame is being effectively used for work planning (see adaptive management section), and provides an annual check on progress through the PIR reviews that involve the PC, NPD, UNDP CO and the UNDP RTA. The Project Coordinator has made detailed presentations 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 workplan and

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<sup>13</sup> UNDP CO comment (received 7 Sept 2015): These are not occasional visits. As per the POPP (Programme and Operations Policy and Procedures of the UNDP), an annual monitoring visit is required. In addition to this minimum requirement, Programme officer may decide to pay a visit if there is a need. Financial/admin (HACT compliant) spot-check is required twice a year for MEGDT projects due to the micro assessment findings and risk level. This is an unannounced visit to check the documents at the spot. TE Response >> indications from regional UNDP staff were that visits were less frequent than annual.

<sup>14</sup> UNDP CO comment (received 7 Sept 2015): Why since the MTE? If there is any observation as such, it might be related to the NIM transition or HACT micro-assessment findings (not MTE). Due to the transition to NIM modality (implementation is with the IP, which is MEGDT in this case), CO has assessed the capacity of the MEGDT with the HACT compliant micro-assessment done by an independent audit company in 2014. The assessment established a risk level of "low". As per the HACT guidance, the assurance activities are reduced for the low level risk IPs. We had a quarterly monitoring/spotcheck visits to the projects with MEGDT before, which is now shifted to 1-2 times. [We can provide] clarification on HACT and the related processes as well as the internal UNDP rules and regulations including M&E system (distinction between programme M&E and project M&E etc). TE Response >> It was not intended to imply that the MTE was substantively linked to the reported change in supervision activity, just to indicate the timing.

incorporate adaptive management measures. The project team also has a regular process of internally evaluating project activities, and compiling lessons learned that can be incorporated into future activities, summarised annually in the PIRs. **Rating –Satisfactory**

### 3.2.6 UNDP and Implementing Partner implementation / execution (\*) coordination, and operational issues

#### Quality of EA Execution

89. As recognized by the MTE, the MEGDT (particularly the PAAD) and UNDP deserve recognition for the strong performance and significant achievements of the SPAN project. With the change of government in 2012 and new Green Development Policy, the policy environment became more favourable to make a step-change in the management effectiveness of the PA network, and to put it on a more sustainable financial basis. Fortunately, the subsequent change in government in December 2014 sustained this emphasis, and with the return of tourism to MEGD (becoming MEGDT), greater opportunities for linking tourism revenue to PA management have arisen. The project has successfully addressed the great need to build capacity of the PAAD and the PA Administrations through training, and also to increase the number of staff in the PAAD to be able to strategically plan and manage the new approaches. The training was largely delivered (see **section 3.3.1**), including recruitment of two officers within PAAD by order of State Secretary as indicated in the prodoc. One more officer within PAAD in charge of LPAs and CCAs has been agreed and the recruitment process is ongoing. All three officers will be financed by SPAN and MRPA during the projects' lifetime according to an MOU established between MEGDT and UNDP on official integration of these officers into MEGDT's structure from January 2016 and agreeing on areas of cooperation relevant to recruitment of new officers. Some tendencies for dissipation of efforts from the planned core project activities were identified by the MTE and were also subsequently apparent, distracting staff time and resources away from the main priorities, but overall the project has remained firmly on track and provided strong support to PAAD and MEGDT PA system policy goals<sup>15</sup>.

90. The Project Implementation Unit (included here as part of the EA) was established in Ulaanbaatar at the start of the project, originally comprising 6 staff: National Project

<sup>15</sup> UNDP CO Comment (received 7 Sept 2015): It seems quite a strong statement as "tendency diverging from the core aim" implies a practice of such. Divergence from the core aim is not tolerated. In the MTE, I was only able to find a reference in the para 81 that there were some requests to financial additional activities. And from the TE, I also find that it is limited to some requests. During the implementation of any project, there will be such requests and ad-hoc demands to consider. If the project firmly remains on track as per the project document objectives, "tendency for divergence" seems not holding a valid justification. I would recommend to check if the request are discussed in the Project board and if approved in the AWP, what was the reason for approval. As I read the TE, some additional activities were to provide a supplementary role to support livelihoods which further reduces the grazing in the buffer/protected zones. TE response>> This sentence has been modified accordingly in the main text. However, note that the MTE recommended the addition of a risk, on dissipation of MEGDT's attention and resources to PAs and development of mitigation actions including building on the results of the valuation of PA ecosystem services study. At TE stage, this additional risk remained an issue, as for example, MEGDT requested the PIU to conduct preparatory work for the introduction of a video-conferencing system linking all PAA units throughout the country, beyond existing project plans, and with considerable demand on staff time and resources which could have been used for other activities (see paras 45 and 79).

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 was not filled. The project 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 staff based in the PIU, Local Coordinators for the two demonstration sites - again, succeeding in recruiting experienced individuals with good communication skills (one was formerly the Director of the OVNP Administration), which has greatly assisted implementation progress.

91. The PIU staff have demonstrated high levels of commitment, initiative, and strongly focused on their responsibilities as defined in their personal (weekly, quarterly and annual) work plans which provide the basis for their annual performance assessments. The Project Coordinator especially deserves recognition for her effective leadership of an ambitious project with limited resources. Through successful adaptive management and a high level of commitment, she and the PIU team saw the project through significant administrative changes and challenges, including the shift to a joint PIU for SPAN and MRPA, associated change from NEX to NIM modality, and several changes of government. *Note – see also Management arrangements section*

#### **Rating – Satisfactory to Highly Satisfactory**

##### **Quality of IA Implementation**

92. UNDP has a close partnership with MEGDT through its CPAP and strong support for environmental projects in Mongolia over more than a decade. 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, following the time of the MTE (unrelated to this event), more limited support was provided by the UNDP CO through its small environmental unit of 2 persons (one additional position still in process of hiring at TE)<sup>16</sup>. While the UNDP CO continued to provide committed administrative and project cycle management support to the project, the stress on CO Environment Programme staff was severe through 2014, which was also a critical year for the SPAN PIU, with the move to NIM adding to workloads and delays due to teething problems (lack of clarity on Mongolian Government requirements) and more bureaucratic procedures (especially for procurement processes, which could take up to 4 months). As a result, significant delays (up to one month) occurred in responding to PIU requests, affecting implementation. This situation had improved somewhat by mid-2015, while awaiting new programme staff to come on board.

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<sup>16</sup> UNDP CO Comment (received 7 Sept 2015): This statement implies a lot. Why from MTE onwards? The timing might have coincided with the reduction of the spotchecks due to the low risk findings as per the micro-assessment of the MEGDT in 2014 (please refer to my previous comment on HACT processes). Due to the NIM modality, implementation responsibility and oversight (including audit/monitoring) is with MEGDT (IP). Therefore, CO had to commission a capacity assessment of the MEGDT (HACT micro-assessment) to ensure how much assurance activity CO must do and to determine the payment modality (i.e: if the risk level is high, advance is not allowed – it is directed to shift into “direct payment” by the CO; and the frequency of the monitoring/spotcheck is increased). There is a certain guidance on this. TE response >> This sentence has been modified. NIM transition issues are mentioned later in the same paragraph. The clarification is relevant and useful, but the fact remains that staff shortage in the CO Environment Unit was an issue during this period.

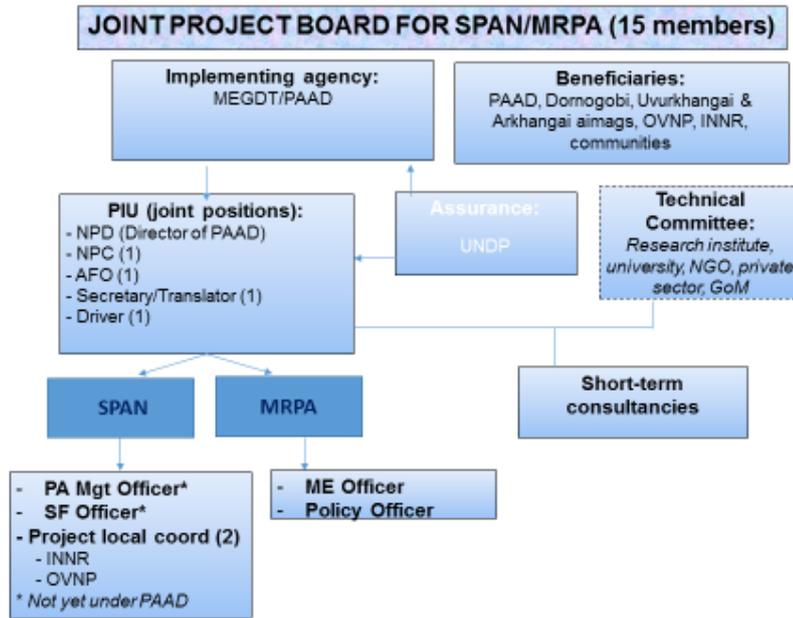
93. Neither the MTE nor the TE were informed that SPAN had had much or any engagement with similar GEF projects in other countries of the region. As commented in the MTE, there is the impression that efficiencies could be drawn from more cross-project learning and sharing of materials and experience with other projects (e.g. especially on approaches for facilitating financial sustainability through combined revenue streams at PAs, business planning for PAs, and the approaches taken to achieve revision of national laws and regulations). UNDP should encourage and facilitate Project coordinators to visit similar projects that are further advanced, at the start of their project, and facilitate visits and study tours to demonstration sites. **Rating – Moderately Satisfactory**

#### Joint PIU Issues

94. With the start-up of the MRPA project in September 2013, the PIU took on the coordination of this new project in addition to their existing SPAN workload (see the management diagram in **Figure 3** below). This coincided with the shift of all UNDP GEF projects to National Implementation Modality (NIM). The strategic benefits of combining the management of the two projects are clear, given their similar aims (SPAN focusing on the Special Protected Area Network, while MRPA focuses on the Local Protected Area Network), the favourable sequencing – with MRPA starting up once SPAN was well established, the experienced SPAN PIU staff and Board members to lead MRPA, and cost-efficiency savings through shared project management.
95. Unfortunately, there were also some costs associated with the establishment of the joint project PIU, largely due to the staff capacity required for MRPA management being seriously underestimated in the MRPA project document (see **Table 3** below). This placed a major additional burden on the existing SPAN PIU staff, impacting their ability to deliver the SPAN workplan in late 2013 through 2014. The hiring of the MRPA M&E Officer and Policy Officer after some delay eventually mitigated these impacts, but in general the MRPA start-up does not seem to have been well handled by the UNDP CO. While the TORs for two SPAN staff were adjusted to include MRPA inputs, their salaries were not upgraded in line with these increased responsibilities as should have occurred according to the MRPA project document, and the need to revise the TOR for the experienced and valuable M&E Officer, who is on a lower grade than Senior Officers due to the position title. The timing of the MRPA start-up immediately after SPAN MTE was unfortunate in that it weakened the project response to rapidly and energetically implement the MTE recommendations, but it is understood that further delay was not possible.
96. The simultaneous shift of SPAN/MRPA PIU from NEX to NIM modality (reflecting a UNDP global shift) in September 2013 added to the challenges faced by the PIU and significantly slowed implementation progress in 2014. While there is reportedly little difference between NEX and NIM modalities in many countries, in Mongolia the government administrative procedures were initially confusing, and then the lengthy procurement procedures (taking up to 4 months) under NIM caused delays and additional work for PIU staff, impacting timely delivery of planned activities in 2014. Possibly, the UNDP CO Environment Programme staff could have mitigated this

somewhat, but they were short-staffed and under extreme pressure themselves<sup>17</sup>. These bureaucratic delays continue at the present time, and it is suggested that the project should run its full course to 31 December 2015 in order to allow completion of the planned work programme.

**Figure 3. Joint management arrangements for the UNDP/GEF SPAN / MRPA projects**



**Table 3. Planned and actual staffing for the joint SPAN/MRPA PIU**

<sup>17</sup> UNDP CO Comment (received 7 Sept 2015): Under NIM modality, we should follow the government rules and regulation in implementing projects. This rule (Finance Minister order #86) has certain procedures established how the procurement is to be done. CO programme staff is not allowed to intervene in this process. We can observe the process and provide advice/ render pressure for a system-wise improvement. National capacity building is the main principle behind the NIM modality. TE Response: reference to procurement assistance has been removed from this sentence.

## PIU Staffing – SPAN & MRPA Joint PIU

SPAN PIU			MRPA PIU		
Position*	Planned*	Actual (JPIU)	Position	Planned	Actual
Project coordinator	100% x 5 yrs	50% from 9/13	NPC	100% x c.5 years	50% from 9/13
Admin & Finance Officer	100% x 5 yrs	50% from 9/13	AF Officer	100% x c.5 years	50% from 9/13
Sr Officer PA Mgt**	100% x 5 yrs	90% + from 9/13	Additional AFA	100% x c.5 years	0?
PA Finance Officer**	100% x 5 yrs	90%+ from 9/13	Secretary/trans.	0	50% from 9/13
Secretary/translator	100% x 5 yrs	Vacant at MTE	Driver	0	50% from 9/13
Driver	2 x 100% x 5 yrs	One driver, 50%	2 LCs	100% x c.5 years	100%
Local Coordinators	2 x 100% x 5 yrs	As planned	M&E Officer	Consultant	Staff 100%
			Policy Officer	Consultant	Staff 100%

\*Source – Project inception report/prodoc

\*\*Planned to be placed within MNET/MEDGT

### 3.3 Project Results

#### 3.3.1 Overall results (attainment of objectives) (\*)

97. The results of the project have been evaluated against the logframe indicator targets, for details please see **Annex 9**. In this section, the progress achieved towards the project objective and three outcomes are summarized and evaluated.

#### Progress towards Objective indicators

98. **Objective indicator 1** – the GEF Financial Sustainability Scorecard total score of 40.5% had been achieved by June 2015 (with some activities still in progress), meeting the logframe target. See **Annex 11** for the updated scorecard. Significant contributions to this progress included:

A) Improved Government budgeting and increased funding for the PA system: The annual budget for the Protected Area Administration (PPA) increased 3.4 times from 2008 to 2014 of 1,939.5 million MNT (US\$ 1.44 million) to 6584.42 million MNT (US\$3.31 million)<sup>18</sup>. Additional funding has also been made available through the country's Environment Conservation Fund. This also means that there is an allocation from state budget and has enabled the recruitment of an additional 64 rangers at parks, increasing their management capacity.

B) Final revisions to the Law on SPAs: Revision process of the Law on SPA was been completed and the new law will be submitted to the Government for the third time in September 2015. Following key provisions are proposed in the revised Law on SPA: involvement of LPAs in the national PA

<sup>18</sup> Note that figures vary with source, perhaps associated with different exchange rates used. NPC indicates that the figures here are correct. Financial Scorecard line 32 gives higher US\$ values.

system, various revenue generation mechanisms and retention of >70% to PA system, obligation of management and business plans for all PAs, co-management and PPP, agreements with NGOs and local communities to reduce management and cost burden to the government. Revised the Regulation on PA Entry Fee which approved by the MEGDT and the further approval by MoF is under process.

C) A study on sustainable financing options for Mongolia's PAs, a study on the feasibility of concessions for tourism and ecosystem services in Mongolia's protected areas was completed in 2012 and 2013 accordingly. A policy study on the economic valuation of ecosystem services in PAs has also been largely completed (pending outstanding international consultant inputs), with its results being publicized since late 2014. This is a valuable contribution towards advocacy for the PA system.

D) Joint efforts of the MEGDT and MoF resulted in approval of the Government Decree on 14th February 2014, which includes the provision that 30% of land fee shall be disbursed for the management of protected areas and income from use of natural resources will be generated in local budget and allocated with full right of local authorities to conserve those resources (by US\$1.1 million annually) if MEGDT utilize resources to apply this regulation for the PA network.

99. **Objective indicator 2** - UNDP Capacity Development Scorecard - Total Score of 71.9% achieved by June 2015, meeting the logframe target. See **Annex 10** for the updated scorecard. Key contributions to progress included:

A) Adequate skills have been developed for protected area planning and management: A wide range of training has been provided, including training on MIRADI and CAP methods to develop effectively the Management Plan for PAs for 289 officers and rangers from 7 park administrations, and relevant district officials; training on updated accounting system for 37 participants including heads of 12 PAAs, accountants, officers and head from different departments of MEGDT, PAAD; training towards establishing and strengthening community groups conducted for 94 members from 24 families; training for the groups engaged in tourism activities, involving 60 individuals from 30 families.

B) All 99 protected areas have management plans newly developed and updated in accordance with the revised "Methodology to develop management planning for PAs" (2012). More than US\$70,000 disbursed from Nature Conservation Fund, MEGDT to develop management plans for 91 PAs, and PA managers trained in planning and management skills. SPAN provided technical and financial support to develop management plans of 8 additional PAs - Tujiinnars NP, Khugnutarna NP, Khan Khentii and Zed Khantai Buteelin mountains SPA, Dornod SPA, Orkhon Valley NP, Bogdkhan SPA. 289 officers and rangers from 8 park administrations, and relevant district officials were trained in management planning.

C) Appropriate systems of training, mentoring and learning installed: "Training program for capacity building of PA managers, officers and rangers" was developed and approved by the Minister's Board, MEGDT. The training curriculum will provide on-line training for PA specialists (130 hours) and Rangers (64 hours) to maintain a continuous flow of learning for new staff. The online system will be completed in September 2015, with support from the project needed to assist PAAD to start up the system. Training in selected topics was held at 5 regional Training Centers in October 2014.

100. **Objective indicator 3** - Level of financing for the PA system - State budget for PAs increased by more than \$3 million USD compared to baseline year 2008, meeting the logframe target. Increased budgeting in 2014 for monthly salary of 79 certified Rangers by US\$ 70, and additional employment for 64 volunteer Rangers during tourist peak season. PAAD, MEGDT got approval from the Conservation Fund to disburse US\$164.8 thousand for 2014.

#### Outcome 1

101. **Outcome 1 Indicator 1** - The score for the UNDP Financial Scorecard component 1: “Legal, regulatory and institutional frameworks” reached 50.0% by June 2015, exceeding the logframe target of 45%. Key contributions to this score included:

A) Revision of the Law on SPA – see Objective indicator 1B above. Impact of revised law on PAs was evaluated ensuring logical linkage with relevant laws, regulations and submitted to Parliament in 2014, subsequently further revised for re-submission in September 2015.

B) Defined options for sustainable financing of Mongolia’s PA network, Feasibility of concessions for tourism and ecosystem services in protected areas and evaluation of economic benefits for whole PA network and three pilot areas including Ikh Nart NR, OVNP and Gorkhi Terelj NP for each sector, including agriculture, animal husbandry, tourism, forest, drinking water, natural disaster and mining. Results available and publicised at third National PA Forum, although final report yet to be finalized by IC.

C) Action Plan to enforce National program on PAs was developed and submitted to relevant parties. A total of 43 activities are planned, out of which 23 activities are included in project AWP for 2014 and 2015, remaining activities are indicated in annual action planning for PAAD in 2014.

102. **Outcome 1 Indicator 2** - The score for UNDP Capacity Scorecard components related to: “Capacity to conceptualize and formulate policies, legislations, strategies and programmes” reached 89% by June 2015, exceeding the logframe target of 75%. Key contributions towards this achievement were:

A) Draft law proposal including indications on effective management and sustainable funding for PA network was discussed among 360 participants - representatives from PAAs and local authorities in 5 regions.

B) 289 officers and rangers from 7 park administrations, and relevant district officials have been qualified in techniques and skills of developing PA management plan according to new methodology guidelines.

C) All staff of PAAD, key stakeholders, including representatives from PAAs, research institutions and key specialists were involved in the discussion to review the National Programme on PAs and implementation status of the second phase of the Programme. Developed Action Plan to enforce the implementation until 2015. The plan reflects: revising type/form of payments and entrance fees for PAs; develop and implement updated management plans for PAs; sustain development of business plans to ensure implementation of management plans.

D) Project supported organization of three annual National Forums on Protected Areas on different themes, with participants including representatives from Standing committees of Parliament,

MEGDT and other relevant ministries, officers and rangers from all 32 PAAs, NGOs and international organizations. Role and participation of rangers was extremely significant for conservation activities and ensuring inspection/law enforcement in protected areas and the National Forum raised attention of and strengthen cooperation with policy and decision makers, public, social societies and media counterparts to promote an enabling environment for the improvement of Rangers' capacities, skills and social welfare and enhance the system for exercising their power and accountability. In 2014, MEGD was able to get allocation from state budget and hire an additional 64 Rangers.

### Observations on Outcome 1 Results

103. Significant achievements against project targets, but with final goals frustrated by changes in government and difficulties in achieving approval of Parliament and Ministry of Finance for legislative and regulatory revisions. Annual PA Forums have been outstandingly successful in achieving stakeholder buy-in and positive public relations for uplifting the PA system.
104. Project approach was well coordinated, Working Groups functioned effectively - strong inter-ministerial collaboration through WGs – was highly valued and increased effectiveness. Should build on this, especially within MoF for more sympathetic application of Budget Law to PA financing. Support continuation of WGs after project completion if necessary through MRPA in order to bring legal/financing framework proposals through to legal approval.
105. Study tours to project sites strongly appreciated and effective by partner agency staff. Build on this to ensure understanding and sensitivity to PA issues of key partner agency staff / law-makers (especially given staff changes with government changes).
106. TE recommends a project completion date of not before 31 December 2015 in order to ensure full support to submission of revised SPA Law to fall Parliamentary Session, including advocacy and Technical Assistance. This is a critical and outstanding project outcome and should be given full support to ensure a successful outcome.
107. The sustainability of PA financing has not yet been secured through legal reform. Sustainable financing for both state run PAAs and NGO run PAAs is highly dependent on the approval of the SPA Law provisions that will enable application of Conservation / Trust Funds to both PAA and community-led conservation activities.
108. Key project staff should participate in the design of the 3<sup>rd</sup> stage of the National PA Programme to help embed and sustain SPAN's key outcomes in the future development of the PA system.

### Outcome 2

109. **Outcome 2 Indicator 1** - Score for UNDP Capacity Scorecard components related to: "Capacity to implement policies, legislation, strategies and programmes" 65.6% achieved by June 2015, exceeding logframe target of 60%. Key contributions to this progress included:

A) PA accounting programme at the MNET and local PAA levels enhanced and submitted to MEGD in March 2014, and applied throughout the system. It allows adding new income categories, track

revenue types, expenses and performances against the planned management activities and individual coding of each expenditures/incomes. The program was piloted during a year and trainings were organized three times for accountants of 32 PAAs and improvement process continues during the piloting period. PAAD will carry the integration of the program further.

B) Updated and approved “Methodology and guideline to develop PA Management Plan”, newly developed and approved “Guideline to develop PA Business Plan” in 2013. In 2013 MEGD received a budget allocation from the Environmental Fund to develop management plans for 24 PAAs in accordance with the revised methodology guidelines. All 99 PAs now have updated management plans using this methodology. The project provided technical and financial support to develop management plans for 10 PAs, of which 8 were not project demonstration sites; developed Business Plans for 2 target PAs and 3 LPAs of MRPA project. Around 289 PA managers and relevant staff from local government were trained in the newly approved methodology.

C) Evaluation of management effectiveness for PA system level and particular PA level is becoming a more immediate challenge to Mongolia’s PA network. Based on recommendations of feasibility study conducted in 2013, the methodology to assess the management effectiveness for Mongolia’s PA network (“Mong METT”) has been developed and will be made available online through approval by MEGDT before project end

D) Appropriate systems of training, mentoring and learning installed: “Training program for capacity building of PA managers, officers and rangers” was developed and approved by the Minister’s Board, MEGDT. The training curriculum provides on-line training for PA specialists (130 hours) and Rangers (64 hours) to maintain a continuous flow of learning for new staff. Training in selected topics was held at 5 regional Training Centers in October 2014. Significant training has also been provided to follow-up the development of the management and business planning guidelines with training delivered to 75.5% of PA staff by mid-2015. A big achievement of the project is that the PA Administrations are now thinking in a much more business-minded fashion.

E) GIS-based national database on PAs, which is one of 20 sub-datasets of the National Environmental Database ([www.eic.mn](http://www.eic.mn)) maintained by an Agency for National Geo-information Centre, MEGD, is now maintained by PAAD. The task is incorporated into the job description of the Research Officer at PAAD and the data and information are being continuously updated.

F) Spatial suitability analysis conducted for State PAs and PAAs, in order to rationalize the allocation of management resources across the PA system (32 PAAs service 99 PAs).

### **Observations on Outcome 2 Results**

110. Substantial overall accomplishments, reflecting a marked increase in national capacity to manage the PA system effectively.
111. Sustained efforts to introduce and retain diverse revenue sources for PA management impacted by the challenges in passing revisions to the SPA Law (see Outcome 1), as well as administrative / regulatory challenges related to application of the Budget Law by Ministry of Finance. Continued dialogue and closer collaboration with Ministry of Finance is critical to progress these issues.

112. GIS / GPS training for PAAs has been effective and progressive. System for continuing professional development of PAA staff needs to be emplaced to maintain this capacity across the system.
113. Systematic M&E for the PA network (“Mong METT”) is being transferred to an online system – this needs to be completed by end of project. UNDP and GEF should document and make available the tailored Mong METT system to inform other countries with similar ambitions (for example, Indonesia).

### Outcome 3

114. **Outcome 3 Indicator 1** - Protection of the core zones at both demonstration sites remain sustainable, affording protection from overgrazing to core zones of 283.4 thousand hectare of pastureland (251.9 at INNRR, 31.5 in OVNP) through effective agreements with herder communities. Zonation of INNRR was completed, which also regulates the livestock herding in each zone. E.g. in the Restricted use zone remain only the existing 2 herder camps and no dogs are allowed; whereas in the other 2 zones livestock is allowed within the pasture carrying capacity and following seasonal movements. In the Orkhon Valley, the core zone is free from the herder camps. Pasture along the Orkhon river in the Restricted zone has improved and there is no overgrazing since 2013 mainly due to good rainfall and herders following the seasonal scheme. While in the Buffer zone of Kharkhorin, Khotont and Khashaat soums there is still remains overgrazing due to shift of herders to a semi-nomadic lifestyle. Therefore, the project ensures that those communities receive support first towards improving their livelihood through small project proposals, especially in creating hayfield areas, alternative livelihood development, decreasing degradation caused through tourism activities and waste management.
115. **Outcome 2 Indicator 2–Ikh Nart:** An inventory of Argali has been conducted by researchers of Denver Zoo with involvement of herders with the result that the head of population remained the same as baseline (800-100 animals) in 2014, consistent with the logframe target.
116. **OVNP:** The inventory made in 2013 shows that the habitat of Ibex population in OVNP changes depending on season. According to observations by community members, the population of Ibex remained the same in 2014 as for baseline (110 animals), against a targeted 30% increase. However, expansion in the population has been observed in some areas.
117. “Shovkh Khaikhan” herder community is engaged in vegetable planting where as “Khurmenchuluu” and other 2 communities are engaged in eco-tourism for which the project provides technical and financial support To ensure sustainable research and monitoring of key biodiversity, including Ibex, Orkhon Valley park administration and Mongolian National University agreed to establish a research camp based in Kharkhorin soum. Recent 2 years students and researchers have arrived in Orkhon Valley to conduct jointly priority studies and the project has facilitated some initiatives. First students and researchers have arrived in Orkhon Valley and the project has facilitated some initiatives.
118. **Outcome 3 Indicator 3** - the score for the GEF Financial Sustainability Scorecard component 3: “Tools for revenue generation” was 29.6% by June 2015, short of the 35%

logframe target – although it is conceivable that this could be accomplished by December 2015. At the national level, an updated analysis of PA revenue options is complete and available, including feasibility studies. Also a diverse set of sources and mechanisms has been piloted at the two demonstration sites:

119. **Ikh Nart NR:** In 2014, the fund allocated from local budget amounted USD 18,000 to cover running costs of park administration. It requires significant time to streamline functions of newly established park and its performance is influenced by factors operating at many scales. Piloting of a concession agreement on eco-tourism with Nomadic Journeys and Khalzan resort is under discussion. Collection of entrance fees is taking place via voucher system, special tours for international and local tourists within the park have been and approved by the Co- management Council.
120. **OVNP:** Continuous efforts of the project have resulted in efficient collaboration between the park administration and Aimag Government office. As a result, the Aimag allocated US15,000 for delineating/building conservation zone at Khurkthree waterfall site, the main destination of local tourists in the region and payment for an additional 2 Rangers at the waterfall during the peak period. Piloting of PPP and concession agreements are under discussion with the tourism company at Naimannuur and two points with high visitation of local tourists in Kharkhorin along Orkhon river. Entrance fee and other fee collections are foreseen to be increased in Orkhon Valley. Communities have been organized and are cooperating with the park administration at waterfall, Tuvkhun Monastery and Naimannuur in providing services to tourists, while in turn, the park is responsible to build adequate facilities for tourists. Relevant agreements were established with relevant communities, park administration and local authorities.
121. **Outcome 3 Indicator 4 – Ikh Nart NR:** achieved an METT score of 79.8% by June 2015, exceeding the logframe target score of 75%. Recent developments contributing to this score included: functioning joint management council, with approval of the regulations for the management council, for the Trust fund and action plan for the council in 2014. Delineated internal zones for the park and developed regimes for each zone. See **Annex 11** for the full METT scorecard updated to June 2015.
122. **OVNP:** achieved an METT score of 76.8% by June 2015, substantially exceeding the logframe target score of 55%. Recent developments contributing to this score included: meetings of the management council for OVNP resulting in improved exchange of information, intensive cooperation for implementation of management and tourism plans, negotiation and co-funding. Members of Soum environment units in the buffer zone were trained on co- management of natural resources that led to improved cooperation of relevant areas/units at soum governor's office and reduced economic burden in the area of Kharkhorin soum. See **Annex 11** for the full METT scorecard updated to June 2015, including TE comments.
123. **Other achievements at OVNP** include: Business Plan for Orkhon Valley NP approved by OVNP's Management Council in March 2013. Tourism Plan for Orkhon Valley NP approved by OVNP's Management Council in March 2013. Joint Resolution issued in 4 soums on piloting new financing options, fee collection from 4 types of activities (car parking, camping, haymaking and gathering medicinal herbs) in the park. As a result, USD4800 been generated mainly from first two options, in addition to entry fee, and generated at separate fund named "Eco-fund".Set up

Environmental Units in 4 soums : Kharkhorin, Khujirt, Bat-Ulzii and Uyanga soums. Established 4 communities and agreement established with PAA on protection of biodiversity and proper management of surrounding area to reduce adverse impacts of tourism.

124. **Other achievements at INNRR** include: Management Plan for INNRR jointly approved by Dornogobi Aimag Resident Representative Khural and MEGD/PAAD in August 2012. Tri-partite agreement set up between the MEGD, Dornogobi Aimag Governor and “Argali” NGO (2013-2018) to allow partner management of INNRR by NGO. Park administration established in Dalanjargalan soum and US\$ 18,000 allocated from local budget in recent 3 years which is the best experience in Mongolia, almost enough to cover basic management. Established 4 community groups and actively participating in the park management activities, such as protection of water sources, demarcation and installment of border marks, assisting Rangers in monitoring and patrolling mining tracks.

### Observations on Outcome 3 Results

125. Significant progress in strengthening management effectiveness, financial sustainability and collaborative management has been achieved at both sites, and they serve as useful models for other PAs in Mongolia. Strong support is evident from Aimags and Soum governments in both cases, with effective site management reducing the workload of the Soums. Community engagement has been effective, and demand is increasing as a result, so MEGDT and UNDP should give serious attention as to how further resources can be made available to maintain community engagement and motivation. Ultimately, this may be most sustainable through making Soum conservation funds available through applying appropriate criteria. The MRPA project should consider this issue.
126. Financial sustainability of both sites remains dependent on approval of revised SPA Law and removal of barriers to use of local conservation funds for PA management associated with the Budget Law (see also Outcomes 1 and 2).
127. MEGDT attention to more focused and directed application of user rights regulation to apply funds to SPA management is also important to ensure sustainable financing for PAAs.
128. Orkhon Valley is a feasible model for other government financed PAAs. Ikh Nart is challenged with the financing issue, characterized by with ARC-led efforts to secure funds from various sources including international donors. This is not a replicable model for all sites, as it places a major burden on the PA manager. The Soum governments around Ikh Nart are relatively affluent due to mining revenues, but this is not the case for all soums across Mongolia. So systemic financing solutions are needed (i.e. national legal reforms). Therefore, use of the INNRR intervention as a model needs care and qualification – it will work for certain types of PAs based on criteria, and with national legislative and regulatory barriers removed.
129. Training needs mentioned by local stakeholders to support sustainability of project outcomes included English language, proposal writing and mining offsets for biodiversity. These should be considered for follow up activities by MEGDT and UNDP.

### Overview

130. The status of project progress against the logframe indicators (see **Annex 9** for details) is summarized in the following table. Overall, this shows that some 80.6% of targets have been achieved as of June 2015, with a further 11.1% likely to be completed by the time of project closure in December 2015. Three targets are at high risk of not being achieved, with one objective and Outcome 1 indicator relating to the continuing need for national legislative and regulatory measures to enable sustainable financing of the PA system to occur. It should be noted that the factors involved lie to a fair extent outside the influence of the project proponents, and that the project processes have not been at fault in the opinion of this evaluation. One target at risk in Outcome 3 relates to the financial sustainability of the demonstration sites, and this refers to the same national issue.

**Table 4. Summary of Logframe target status at terminal evaluation**

Target status	Objective		Outcome 1		Outcome 2		Outcome 3		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Target Achieved	3	75%	7		7	100	12	85.8	29	80.6
On Track to achieve Target	0		3		0		1	7.1	4	11.1
Target at high risk of not being achieved	1	25%	1				1	7.1	3	8.3
<b>TOTAL</b>	<b>4</b>		<b>11</b>		<b>7</b>		<b>14</b>		<b>36</b>	

131. Based on the assessment of achievement of results against logframe indicators in **Annex 9**, the ratings can be summarized as follows:

**Table 5. Outcome and Output Summary Rating Table**

Outcome / Output	Rating
<b>Objective – management effectiveness and financial sustainability for PA system</b>	<b>MS-S</b>
<b>Outcome 1 – National Policy, Legal &amp; Institutional Frameworks for PA mgt</b>	<b>S</b>
Output 1.1 – Mgt Plans, financing & budget requirements applied across the PA System	<b>MS</b>
Output 1.2 – Mgt & budget plans incl. innovative financing & applied across PA System	<b>MS</b>
Output 1.3 – Institutional arrangements enable MEGDT to support national SF for PAS	<b>HS</b>
<b>Outcome 2 – Institutional &amp; Staff Capacities for PA management</b>	<b>S-HS</b>
Output 2.1 – PA staff access to training facilities for mgt & business planning	<b>HS</b>

Output 2.2 – Financial specialists and data mgt systems in place for PA resource use	S
Output 2.3 – Mgt, incentive and reporting systems in place	S
<b>Outcome 3 – Sustainable Financing &amp; Collaborative Mgt at Demo Sites</b>	<b>S</b>
Output 3.1 – Mgt Plans, Budget Plans, Business Plans for 2 sites	HS
Output 3.2 – New financing mechanisms resulting in increased revenue	MS
Output 3.3 – Collaborative approach between Pas and partners for improved PA mgt	HS

### 3.3.2 Relevance(\*)

**132.** The project objective and its overall design as expressed by the logical framework were highly relevant to the immediate needs for biodiversity conservation and the development of Mongolia's protected area system. The project was directly in line with the GEF IV Biodiversity Focal Area's Strategic Objective 1, CBD's PoWPA, UNDAF Outcomes 3.1 and 3.5<sup>19</sup>, UNDP's Strategic Plan on Environment and Sustainable Development, UNDP Country Programme Outcome 5<sup>20</sup>, UNDP CPAP Output 5.1<sup>21</sup>, the National Biodiversity Action Plan, National Programme on Protected Areas, and addressed needs identified during the Assessment of Capacity Building Needs and Country Specific Priorities in Biological Diversity in Mongolia (WB/GEF Project 866) in 2003, and the WWF-led gap analysis for biodiversity conservation in Mongolia published in 2010<sup>22</sup>. The restructuring of the MEGDT to incorporate a new policy focus on green development in 2012 strengthened its relevance and strong alignment with MEGDT / PAAD policy priorities. The project contributed towards Green Development Policy strategic objectives #2 – sustain ecosystems carrying capacity by enhancing environmental protection and restoration activities, and reducing environmental pollution and degradation; and #3 – increase investment in natural capital, human development and clean technology by introducing financing, tax, lending and other incentives for supporting a green economy. **Rating – Relevant**

### 3.3.3 Effectiveness (\*)

**133.** The above **Table 4**, which shows that almost 80% of targets have been achieved as of June 2015, with a further 11.1% likely to be completed by the time of project closure in December 2015, suggests that at least 90% of the project's targets will have been delivered. This is a quite remarkable achievement for a project as ambitious as SPAN, given its limited budget (it is a GEF Medium-sized Project, stretched over five years), and the challenges it faced through repeated changes in government and Project Board membership, not to mention the administrative challenges of taking on another GEF project under shared management. The

<sup>19</sup>3.1 – improved environmental governance is practised; 3.5 – forest depletion and land degradation is reduced

<sup>20</sup>Environmental governance improved for effective management of natural resources, and better access to priority environmental services

<sup>21</sup>National capacity to coordinate, implement and monitor policies and legislation towards achieving the country's commitment to UN conventions, such as CBD, FCCC and CCD strengthened

<sup>22</sup>Chimed-Ochir B, Hertzman T, Batsaikan N, Batbold D, Sanjmyatav D, Onon Yo, Munkchuluun B. 2010. Filling the gaps to protect the biodiversity of Mongolia. WWF Mongolia Programme, Ulaanbaatur. 134pp.

targets that have not been accomplished were due to factors largely outside project control, and the processes involved for the legal revisions were generally sound and participatory. Therefore the project can be considered highly effective. **Rating - Highly Satisfactory**

#### 3.3.4 Efficiency (\*)

**134.** The extent to which results have been delivered with the least costly resources possible. SPAN is an ambitious project, which had very limited GEF resources (as a Medium-sized Project) totaling US\$1.36 million and an additional \$700,000 from UNDP plus in-kind cofinancing support. These funds have sustained project operations over a five year implementation period, and discussions with stakeholders revealed tight financial management to seek cost-effectiveness in the use of the project's resources, such as the replacement of certain international with national consultancy inputs. The combined SPAN/MRPA PIU and Project Board is an innovative example of cost-efficiency, reducing overall staffing and operational costs, and taking advantage of experienced management staff, equipment and office facilities, although human resources were stretched to the limit in both the PIU office and UNDP Environment Programme during this period. **Rating - Satisfactory**

#### 3.3.5 Country ownership

**135.** The SPAN Project has benefited from very strong country ownership since its inception. The formulation of the project involved extensive consultation with key stakeholders in government and other sectors, which provided the basis for national ownership. It is also due in large part to its close alignment with national policy priorities for the protected area system and biodiversity conservation (e.g. National Biodiversity Action Plan, National Programme on Protected Areas), and its direct capacity building benefits to PAAD and the national system of PAAs. The project has been closely linked with PAAD throughout, especially through the NPD as Director of PAAD.

#### 3.3.6 Mainstreaming

**136.** The scope of the SPAN project was strongly aligned with the biodiversity conservation sector (GEF IV Biodiversity Focal Area's Strategic Objective 1 (to catalyze sustainability of PA Systems at the national level). The interventions at the two demonstration sites in Component 3 did offer opportunities for direct contributions towards community involvement and sustainable livelihoods, gender-related and climate change adaptation activities, while the legal revision and capacity development activities in the other components aimed to strengthen PA management effectiveness and sustainable financing at national level, arguably contributing towards improved governance of a large part of Mongolia's territory.

**137.** In fact, the interventions at both demonstration sites were highly successful in engaging local communities, Soum and Aimag governments through the effective and participatory joint management committees for the respective PAs, which surely represent excellent examples of good governance at the local level, bringing a wide variety of local stakeholders together to guide management and resolve land use conflicts. The project also succeeded in disbursing small grants to local communities for conservation related activities, which were much appreciated.

But more than that, they opened the eyes of local and national government to the potential of engaging communities for such activities. Similarly, Soum officials interviewed during the TE welcomed the outsourcing of PA management to ARC at Ikh Nart, as it reduced their workloads and they were impressed by the effectiveness of ARC's management. At both demonstration sites, it was notable that women were involved in leadership roles in the community groups, and that the majority of active members were women.

138. As commented earlier, it seems that the integration of SPAN with other UNDP initiatives could have been more overtly and systematically coordinated, in particular the potential links with climate change adaptation did not appear to have been capitalized upon. The UNDP/GEF Small Grants Programme has the potential to offer additional support for activities led by communities and local NGOs, but this was not possible due to its geographical limitations. This seems like a missed opportunity, and perhaps greater flexibility to contribute towards the sustainability of other UNDP initiatives (eg the ongoing MRPA project) should be considered.

### 3.3.7 Sustainability (\*)

139. The risks that are likely to affect the persistence of project outcomes, affecting the continuation of benefits after the project ends have been analyzed as follows. The rating system is explained in the footnote<sup>23</sup>.

140. **Financial risks:** The financial sustainability scorecard results at June 2015 indicate that the project has made a substantial contribution towards the overall financial sustainability of the national PA network, raising the total from the 2008 baseline of 19.4% to the target level of 41.9%. This is a significant outcome, also reflected in the 3.4 times overall increase in state financing for the PA system from 2008 to 2014 of 1,939.5 million MNT (US\$ 1.44 million) to 6584.42 million MNT (US\$3.31 million)<sup>24</sup>. However, for the project's outcomes to be fully financially sustainable, the proposed revisions to the SPA Law need to be submitted to Parliament again by the end of 2015 and approved. The Regulation on Entry Fee has been approved by MEGDT and now awaits approval by MoF. It was clear from discussions at both demonstration sites, that such national level legal and regulatory reforms are required to enable individual PAs to become financially sustainable through the use and adequate retention of funds from sources such as entry fees, tourism revenue, land use fees and so on. A key remaining barrier to the retention of site-based revenues is the application of the Budget Law to local government use of conservation funds. The strict application of MoF criteria currently prevents the use of such funds for community-led conservation activities within PAs and in their Buffer Zones. It is possible that these barriers may be removed before the project ends, but most likely that follow up action will be needed. The UNDP/GEF MRPA project offers the potential for post-completion support to address this issue, being jointly managed by the SPAN PIU. **Rating: Moderately Likely.**

<sup>23</sup>Likely (L) - There are no or negligible risks that affect this dimension of sustainability; Moderately likely (ML) - There are moderate risks; Moderately unlikely (MU) - There are significant risks; Unlikely (U) - There are severe risks.

<sup>24</sup> Note that figures vary with source, perhaps associated with different exchange rates used. NPC indicates that the figures here are correct. Financial Scorecard line 32 gives higher US\$ values (\$4.2 million in 2014).

141. **Sociopolitical risks:** The SPAN project has been strongly supported by MEGDT through several changes of government, and remains firmly in line with the Ministry's policy priorities. Further changes of government are imminent (perhaps in 2015, and with a general election scheduled for mid-2016), therefore it is hard to predict what changes may occur. However, the consistency with national policy, strong stakeholder buy-in through the extensive capacity development and especially the series of National PA Forums are likely to sustain this direction. **Rating: Moderately Likely.**
142. **Institutional framework and governance risks:** There remains a risk that the proposed revisions to the SPA Law may not be passed by Parliament before the coming general election. A complexity of issues have a bearing on this, including the long series of deliberations on the revisions to the Land Law, which is of strong relevance. The influential lobby in support of mineral exploitation may also affect its passage, as there is substantial overlap between mineral resources and biodiversity conservation priority areas. The results of the project-supported economic valuation study of ecosystem services in PAs have been used in awareness raising, which should be continued in support of the next submission of the SPA Law revisions.
143. As nature reserves, natural monuments and local protected areas (LPAs) are under local government management, the support of the respective Aimag and Soum governments is essential for their financing and management effectiveness. While this support was overwhelmingly positive for the two SPAN demonstration sites, this cannot be assumed to be the case across the country, and considerable awareness raising and capacity development will be needed to secure this. To a large extent, this will be addressed by the MRPA project, with SPAN experience in mind, therefore it can be assumed that this matter is in hand. **Rating: Moderately Likely.**
144. **Environmental risks:** The principal environmental risks that may influence project outcomes are climatic in nature, such as prolonged drought or severe winter storms, or a combination of the two. Such events can have significant local impacts on biodiversity, and if they become more frequent and/or severe with climate change, then such impacts can become cumulative or progressive. Such risks will impact the biodiversity that the PA system seeks to conserve, rather than the effective management and financial sustainability of the PA system itself (the main project outcomes), and the improved management capacity should be in a better position to respond to such risks as a result of the project. Stronger attention to climate change adaptation by the project could have helped to mitigate this risk further, and the MRPA project should take this consideration on board. **Rating: Likely.**

#### **Overall Sustainability Rating: Moderately Likely**

#### 3.3.8 Impact

145. Overall, there is little doubt that the SPAN project has had a major impact on the development of the Mongolian PA system. While scorecard numbers may seem abstract, the results (see Results section above, and **Annex 9**) demonstrate that the human capacity for management of the PA system has been radically uplifted to a new level through the development of state of the art methodologies in management planning, business planning, GIS mapping, monitoring, co-management, and other subjects, training large numbers of PA system

staff and stakeholders, and applying these approaches across the PA system. The major impacts of three successive national PA forums have reinforced and accelerated this process, with a fourth to come before project closure, and hopefully continued annual events thereafter.

146. Secondly, although the project has struggled with pushing much needed and highly important revisions through to final parliamentary approval (through several changes in government), the analysis, the sustained inter-sectoral working group process, and supporting technical and awareness programmes have created a momentum that is likely to bear fruit with patience and continued support. Its passage will undoubtedly have a major impact on the whole PA system and its financial basis.
147. Thirdly, the work programmes at the demonstration sites have both shown solid results, in the form of two different models of effective management regimes based on advanced management and business plans, governed by joint management committees that have brought PAA staff, Aimag and Soum government and citizens' representatives, and local communities together around the same table. The trust and collaboration that have developed indicate mutual respect, and positive contributions have arisen as the project advanced, with increasing engagement on all sides including willingness to finance activities within PAs, and communities shifting attitudes towards pro-conservation where they have become involved, with consequent reductions in poaching, deforestation and overgrazing.
148. The scope for replication throughout the Mongolian PA system is high (indeed MEGDT has supported development of management plans for all remaining 89 PAs with state budget after the 10 supported by SPAN), and the MRPA project offers an opportunity to help achieve that upscaling of SPAN outcomes. During the TE, examples of spontaneous replication came to light: As a result of effective advocacy (PA Forum III) enabled recruitment of additional 64 Rangers at parks. WWF developed a Business Plan for one SPA and one LPA in western region, applied similar to INNR management approach at Khar Yamaat LPA. In Dornogobi aimag: a management plan and business plan were developed for one LPA in from local budget, applied similar to INNR management at Khamriin Khiid LPA; Aimag policy to expand assigned area of INNR park administration. Overall, the project is resulting in scaled-up co-management approaches, partnership among park administration and local stakeholders, including local government, communities, private sector, in PA management and financing, and a shift towards a more business-like attitude amongst PA managers.

## 4 Conclusions, Recommendations & Lessons

### 4.1 Corrective actions for the design, implementation, monitoring and evaluation of the project

#### **Priority recommendations for project exit (i.e. priority actions during the remaining implementation period):**

149. The TE recommends that the **project completion date** should not be before 31 December 2015 in order to ensure full support to submission of revised SPA Law to fall Parliamentary Session, including advocacy and Technical Assistance. This is a critical and outstanding project outcome.
150. The **Project Board** should finalize, approve and operationalize a suitable Exit Strategy for the project ASAP. The Exit Strategy should include defined actions to be taken to ensure the

sustainability of each output and outcome, the responsible party for each action and related M&E framework. The Project Board should meet urgently to discuss proposals prepared by the project proponents.

151. The **Project Board** should expedite completion of unfinished outputs as far as possible. The key priorities are the outstanding revisions to national legislation (SPA Law) and budgetary procedures impacting the use of multiple revenue sources by the PA system.
152. **MEGDT** should facilitate the participation of key project staff in the design of the 3<sup>rd</sup> stage of the National PA Programme to help embed and sustain SPAN's key outcomes in the future development of the PA system.
153. **MEGDT** should give more attention to focused and directed application of user rights regulation to apply funds to SPA management to ensure sustainable financing for PAAs.
154. **MEGDT** should intensify efforts to document and publicize the demonstration site experiences through various means – the national PA Forum, publications, and more importantly through study tours and exchange visits. This should include government officials from other Ministries (especially Ministry of Finance) and MPs in order to strengthen their understanding of the vision for a sustainable, well managed and collaborative PA system.
155. **MEGDT and UNDP** should consider follow up activities addressing training needs mentioned by local stakeholders to support the sustainability of project outcomes, including English language, proposal writing and mining offsets for biodiversity.
156. **UNDP and MEGDT** should carefully review the management resources allocated to the joint PIU for SPAN / MRPA and provide additional temporary support where necessary. This includes upgrading the Project Coordinator and M&E Officer pay scales in line with their experience and demanding roles.

#### 4.2 Recommended actions to follow up or reinforce initial benefits from the project

157. The MRPA project provides an excellent avenue to reinforce SPAN outcomes for the PA system and additional support for key SPAN outcomes with relevance to MRPA should be considered by **the joint Project Board** and planned for after the close of SPAN accordingly. In particular, it is likely that sustained support to the policy working group, as well as for continued targeted advocacy efforts will be important to support the final approval of the revisions to the SPA Law, as well as related laws and regulations pertaining to sustainable financing of the PA system. Continued dialogue and closer collaboration with Ministry of Finance is critical to progress these issues.
158. GIS / GPS training for PAAs has been effective and progressive. A system for continuing professional development of PAA staff needs to be emplaced **by MEGDT** to maintain this capacity across the system.
159. Systematic M&E for the PA network ("Mong METT") is being transferred to an online system – this needs to be completed by end of project. **UNDP/GEF** should document and make

available the tailored Mong METT system to inform other countries with similar ambitions (for example, Indonesia).

160. Community engagement at the demonstration sites has been effective, and demand is increasing as a result, so **MEGDT and UNDP** should give serious attention as to how to further resources can be made available to maintain community engagement and motivation. Ultimately, this may be most sustainable through making Soum conservation funds available through applying appropriate criteria. The **MRPA project** should consider this issue. **UNDP GEF SGP** may also be an appropriate vehicle to consider, as well as linkage with other relevant projects, eg the KfW climate change adaptation project.

#### 4.3 Suggestions for future directions underlining main objectives

161. A key awareness raising and capacity development need, which fits the scope of the MRPA project is continued awareness raising through national PA forums and other measures, and reaching out to Aimag and Soum governments to increase understanding of the values of PAs, the successful joint management councils and community co-management at the demonstration sites, and the financing needs and options for PAs. Full use should be made of SPAN experience through study tours to the demonstration sites for lawmakers on PA management and sustainable financing issues.
162. While discussed during SPAN, little progress was made in engaging the mining industry in supporting PA management through options such as CSR scheme contributions and biodiversity offsets in compensation for the impacts of mining operations. These issues deserve focused attention through a separate project through **MEGDT/UNDP** as they have potential to release significant financial resources in support of conservation goals. A word of caution is required, however, as offset negotiations should not allow major impacts to occur on priority areas for biodiversity conservation (or species), and trade-offs should be equitable and appropriate. The experience and expertise of **NGOs such as TNC** should be considered (see for example, Heiner et al. 2013<sup>25</sup>).
163. One important proposal made by the MTE and endorsed here, is to establish a mechanism to coordinate inputs from the 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 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 **MEGDT**, with the support of UNDP as a close partner. 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 annual PA Forum, the establishment of a small PA Partners Board **led by MEGDT** could play a very useful role in driving the process forward.

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<sup>25</sup>Heiner, M et al. 2013. Identifying conservation priorities in the face of future development: applying development by design in the Mongolian Gobi. TNC

#### 4.4 Best and worst practices in addressing issues relating to relevance, performance and success

*All interviewees were given the chance to comment during the TE, and their comments are taken into account here. The more significant lessons were as follows:*

164. Capacity building training for communities and local government at demonstration sites was highly effective. It was notable that these stakeholders immediately identified their enhanced ability to collaborate as a major benefit of the project, rather than any material gains. This approach should be upscaled through relevant MRPA activities and other initiatives to support the national PA system.
165. The training provided overall was wide-ranging and strong, but a need remains for further training on fund-raising / income generation / management of trust funds. This would strengthen financial sustainability at the site level and facilitate reaching out to new opportunities (eg mining company CSR and biodiversity offsets, etc)
166. The legal review process may have benefited from stronger consideration of international experience from countries facing similar conservation / sustainable land management practices in order to inform the proposals. The national legal/policy consultancy team could have strengthened the process through more capacity building for the working groups, and facilitated round table discussions on key issues to help inform policy development.
167. The close alignment and timeliness of the project with respect to national PA system development policy was a major success factor, linked to mainstreamed support to PAAD. This may seem obvious, but it is a point worth emphasising for future project development.
168. Engagement of state-of-the-art expertise from NGO partners such as WWF and TNC in leading management planning guidelines was highly effective, taking advantage of their great experience and international resources. Such project-led initiatives facilitating government – CSO partnerships can have lasting impacts.
169. Engagement of top level national experts for legal and financial sustainability working groups and related consultancy inputs was also highly effective. The inter-agency WGs played an important role in raising awareness and supporting a common vision of the legal and policy revisions needed to support an expanded, more participatory and effectively managed PA system.
170. The ecosystem services valuation study was an important contribution towards underpinning political support for development of the PA system, which should have continued impact if the results are well used. Adaptive management was demonstrated in presenting findings to different audiences before all reports were finalized – this effort should be intensified in order to support the passage of the revised SPA Law at its next submission, as well as in strengthening appreciation of the overall value of the PA system versus other land use options.
171. Frequent changes and lack of continuity in the Project Board impacted guidance for the project. While this was largely related to changes in government, it was a problem for project

implementation. The large size of the PB (up to 24 members) was also unsuitable for a steering / decision-making body. At times, the high seniority of PB members was also an issue, impacting participation and at times a lack of focus on practical implementation issues. While politically sensitive, careful selection of PB members requires due attention in project design and by the GEF IA.

172. The innovative establishment of a joint PIU and Project Board for the SPAN and MRPA projects was intended to maximize synergies between these two well-sequenced projects on Mongolia's PA system, as well as to achieve cost efficiencies and to take advantage of the experienced PIU staff and achieve continuity. With better planning, especially regarding the human resource requirements to run two significant GEF projects concurrently, adjustments in workplans, and greater IA support to the PIU and EA in managing unclear and bureaucratic government procurement procedures, this remains a useful model.

173. Some key factors enabling successful outcomes for the SPAN project that should be considered in the design and implementation of other PA system projects include:

- Strong project design during PPG stage benefiting from detailed PA system gap analysis led by NGO and government experts, enabling a clear role for the project in addressing national priorities and strong support from partners;
- Strong support from UNDP CO at project start up through a dedicated officer, and a highly committed and united PIU led by an experienced manager, communicating closely with PA administration authorities and the UNDP CO;
- Innovative and highly effective outreach through the National PA Forums, serving to enable large-scale participation throughout the PA system, promoting a clear vision of a more effective PA system, and generating momentum for change;
- Engagement of national experts from different government agencies, parliamentary committees and NGOs in legal / policy working groups to enable an integrated and informed approach to legislative advancement;
- Combined approach of demonstrating alternative modes for PA management at site level coupled with national policy / fiscal development, and exposing national policy-makers to real changes on the ground through site visits to enhance their understanding and motivation;
- Substantial large scale effort in capacity building for the PA system based on state of the art techniques for management planning, business planning, co-management, digital mapping, etc, led by leading experts; and
- Collaborative engagement of local government, communities and other key stakeholders through site management committees, enabling increased access to sustainable financing through local government and business sources and more participatory site management approaches supported by small grants for community-led activities.

#### **Lessons Learned from PIR 2013:**

174. Firstly, the project has recognised the importance of maintaining appropriate communications with Project Board members and key stakeholders for effective project management. It is crucial to provide them with reports and information on key outcomes and ongoing activities. 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.

175. 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.

**From PIR 2014:**

176. Regarding the law revision, the categories have significant potential to influence protected areas policy and legislation at all levels. Including the local protected areas and/or areas managed by local communities as part of the national PA network is highly important at that stage of law revision.

177. Ikh Nart NR is the second case after Khustai NP where management of the park is undertaken by an NGO. Despite financial availability, success has largely depended on many external and internal factors, but the right selection of the management body with adequate role of the supervisor who is able to fully devote himself to the assigned job.

## 5 List of Annexes

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Annex 10: Capacity Development Scorecard Results

Annex 11: METT results for the demonstration sites and financial sustainability scorecard

Annex 12: SPAN Financial Reports Summary

Annex 13: Cofinancing table

Annex 14: Evaluation Report Clearance Form