**Mid-term review**

**Mongolia’s Network of Managed Resource Protected Areas**

PIMS 4393 GEF Project ID: 4562

# 1.0 EXECUTIVE SUMMARY

## 1.1 Project Information Table

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| --- | --- | --- | --- | --- |
| **Project Title:** Mongolia’s Network of Managed Resource Protected Areas | | | | |
| UNDP Project ID (PIMS #): | 4393 | PIF Approval Date: | | 8/05/2011 |
| GEF Project ID (PMIS #): | 4562 | CEO Endorsement Date: | | 6/06/2013 |
| ATLAS Business Unit, Award # Project ID: | 00086907 | Project Document Signature Date (date project began): | | 8/01/2013 |
| Country: | Mongolia | Date project manager hired: | |  |
| Region: | Asia and the Pacific | Inception Workshop date: | | 10/02/2014 |
| Focal Area: | Biodiversity | Mid-Term Review Completion: | | 9/01/16 |
| GEF Focal Area Strategic Objectives: | BD-1 | Planned Project Closing: | | 8/01/18 |
| Trust Fund [indicate GEF TF, LDCF, SCCF, NPIF]: | GEF TF | If revised, proposed op. closing date: | | n/a |
| Executing Agency/ Implementing partner: | Ministry of Environment, Green Development and Tourism (MEGDT) | | | |
| **Project Financing** | *At CEO endorsement (US$)* | | *At Midterm Review (US$)* | |
| [1] GEF financing: | 1,309,091 | | 777,745 | |
| [2] UNDP contribution: | 1,300,000 | | 1,049,914 | |
| [3] Government: | 500,000 | | 309,000 | |
| [4] Other partners: | KFW 2,000,000  WWF 884,000  GIZ 260,000 | | 911,001 | |
| [5] Total co-financing [2+3+4]: | 4,944,000 | | 2,269,915 | |
| PROJECT TOTAL COSTS [1+5]: | 6,253,091 | | 3,047,660 | |

## 1.2 Brief Project Description

The primary objective of this five year UNDP-supported GEF-financed full-size project is “to catalyze the strategic expansion of Mongolia’s protected area (PA) system through establishment of a network of community conservation areas covering under-represented terrestrial ecosystems”.

The biodiversity project aims to achieve this objective through:

* + - “establishing a new protected area category for strategic PA expansion”, and
    - “emplacing institutional capacity and resource base development to ensure sustainability of managed resource PAs”.

There are five outputs associated with the above two expected outcomes. These are:

1. Comprehensive legal framework for community conservation landscapes adopted and operational.
2. Implementation regulatory guidelines and formal management performance standards generated.
3. Existing community protected areas documented and designated as community conservation landscapes.
4. Three community conservation landscapes expanded and demonstrating best practices under improved legal framework.
5. Lessons learned captured and enhancing effectiveness of community conservation landscapes nationally.

This five year full-size project is executed under the National Implementation Modality (NIM), a new implementation modality for Mongolia when this project began. The Project Implementing Partner is the Protected Area Administration Department (PAAD) of the Ministry of Environment, Green Development and Tourism (MEGDT), the government entity responsible for developing policy and laws on biodiversity conservation, wildlife management and tourism. The PAAD manages Mongolia’s protected areas. Day-to-day management of the project is done by the Project Implementing Unit (PIU) led by the National Project Coordinator (NPC) under the leadership of the National Project Director (NPD) and the eleven members of the Project Board. The main funding for the project comes from the GEF (USD 1,309,091) and UNDP ($200,000 from TRAC funds), with in-kind co-financing from the MEGDT (USD 500,000) and co-financing contributions from KfW (USD 2,000,000), WWF (USD 884,000) and GIZ (USD 260,000) through parallel activities related to the project outputs.

## 1.3 Project Progress Summary

As per the signed project document, the project start date is August 1 2013 and the closing date is August 1, 2018. The first release of funds was made 29 March 2014. The project had a slow start due primarily to the less than smooth transition from NEX to NIM modality, and the heavy workload of the PIU due to serving as the PIU for two projects. The UNDP Country Office (CO) also struggled at the outset of the project with the new NIM modality and, according to the UNDP Programme Officer responsible for the project, given her hefty portfolio, this project suffered from less than ideal support from the UNDP CO. One year and 2 months passed between the signing of the project document and the inception workshop.

After sorting out these issues during the first year and a half or so, the Project is now progressing in a satisfactory way but there are concerns that several targets will not be met by project end as shown in the summary tables of Progress towards Results and Progress towards Objectives below. The reasons for this and the recommendations related to problem areas are explained later in this report. It should be noted that, according to the minutes of the last two PB meetings, the PB has discussed closing the project early as, according the proposal made by PIU, the project will have achieved its targets before the scheduled project end. The MTR does not agree with this assessment.

At the time of the MTR (almost 3 years after project document signature), approximately $983,317 or 65% of the total (in cash) project funds have been allocated. Thus, at the time of this MTR, with two years remaining in the project, approximately 35% of the funds remain to be allocated. Of the total amount allocated for Activity 1 (new PA category), 87% ($222,834) has actually been spent as of end of June, 2016. $540,369 of the monies for Activity 2 (Institutional Capacity) have been spent, and 75% of the monies for Project Management have been spent.

Several of the targets related to indicators at the project outcome level cannot realistically be achieved by project end. The second indicator related to the project objective has caused confusion due to its ambiguity. More detail on this is provided later in this report.

**Table 1: *Progress toward Achieving Project Objectives Summary Table***

| **Objective** | **Indicator** | **Target end of project** | **Achievement rating** |
| --- | --- | --- | --- |
| To catalyse the strategic expansion of Mongolia’s PA system through establishment of a network of community conservation areas covering under-represented terrestrial ecosystems | Hectares within the total PA system, including community conservation areas | 19.2 million ha | On Target |
|  | Hectares of seven under-represented ecosystems within total PA system including community conservation areas | 80 million ha | On Target |

Green shading = Achieved; Yellow = On target; Red = Not on target; Grey = Cannot be assessed

**Table 2. Progress towards Project Outcomes Summary Table**

| **Outcome** | **Indicator** | **Target end of project** | **Achievement rating** |
| --- | --- | --- | --- |
| Outcome 1: Establishment of new PA category for strategic PA expansion | Specific NPA legislation amended and/or new regulation adopted to establish and guide effective management of CCAs | 1 national law and/or regulation adopted as described | On Target |
| Number of CCAs legally recognized as part of the NPA system according to the amended national legislation and/or regulation | 50 CCAs legally recognizes as part of the NPA system | On Target |
| Outcome 2: Emplacement of institutional capacity and resource base development to ensure sustainability of managed resource PAs | METT scores for at least three LPAs converted and/or established as CCAs | Each baseline METT score increased to:  Gulzat LPA 50  Khavtgar 40  Toson Khulstai 26 | Achieved |
|  | PAAD has a fully functional, staffed and government-funded CCA resource centre providing ongoing monitoring, support and extension training for local conservation decision makers | 1 functional institutional centre within PAAD to support effective CCA | Not on Target |
|  | Decentralized regional PA governance framework involving community and local government established at 3 demonstration sites | 3 project sites applying enforceable management plan to improve conservation of wide-ranging species and mitigate conservation threats  **Khavtgar LPA:**  An effective conservation model is developed and strengthened  Sustainable financial sources are identified  **Gulzat LPA:**  An effective conservation management model is developed and strengthened  At least 50% of income from hunting is spent on conservation  **Toson Khulstain NR Buffer Zone:**  LPA conservation management model and management plan is developed  Sustainable financial sources are identified | Not on Target |
|  | Policing and enforcement of laws and regulations for biodiversity conservation results in reduction of threats and no net loss of key indicators at three pilot sites | **Gulzat LPA:**  Population of Argali sheep (1,400)  Total # of households involved in community groups (50% of remaining non-involved households would be involved in community groups)  **Khavtgar LPA:**  Population of red deer (*Cervus elephus*) increased by 10-30% and its habitat conserved  Population of roe deer (*Capreolus pygargus*) increased by 10%  Marmot (*Marmota sibirica*) habitat is conserved  Grouse habitat is conserved  **Toson Khulstai NR Buffer Zone:**  Size of area taken under LPA  Approved regulation and decrees to coordinate conservation management  # of protected wetlands/lakes as habitat for key migratory bird species (4) | On Target |

## 1.4 MTR Ratings

Based on the above results and other information presented in the main text of this report, the following ratings have been given to the project.

Table 3. MTR Ratings & Achievement Summary Table

|  |  |  |
| --- | --- | --- |
| **Measure** | **MTR Rating** | **Achievement Description** |
| **Project Strategy** | **N/A** | The design of the project was overly ambitious given the budget and time frame. The strategy to support strengthening of the legal framework for LPAs while also strengthening CBOs who would manage LPAs was solid. The strategy to develop an LPA which could serve as a model for others was good but attempting to do this within the project time frame and in three locales was overly ambitious. The strategy may have been more successful if it included closer partnering with other projects focused on pasture/livestock management and/or hunting management. |
| **Progress Towards Results** | Project Objective:  **Achievement Rating: S** | The achievement rating is based on the achievement of project objective level indicators as presented in the PROJECT DOCUMENT. According to the Summary Table of Progress towards Objectives, the project has already achieved both of the targets related to the 2 indicators. Normally an “S” achievement rating for the objective would mean at least as satisfactory rating for the various project outcomes since the objective is reached through the achievement of the outcomes. In this case, however, due to lack of consistency between the outcomes and the objective, a lower rating has been assigned to some of the outcomes. Further information is provided in the text of this report. |
| Outcome 1  **Achievement Rating: S** | Of the targets associated with the 2 indicators for this Outcome, neither have yet been achieved but both are on-target to be achieved by project end. |
| Outcome 2  **Achievement Rating: MU** | Of the targets associated with the 4 indicators for this Outcome, 1 has already been achieved, one is technically on target (but see text), and two are not on target to be achieved by project end. |
| **Project Implementation**  **& Adaptive Management** | **Achievement Rating: MS** | According to results described in Section 4.3, management arrangements are satisfactory but certain changes could be made at the mid-term to improve performance henceforth (i.e., changes to the PB and the TC, a streamlined and more field-oriented PIU). The project sites were well chosen but there are too many of them to allow for the necessary project support for each. The finance and co-finance situations are mostly what was anticipated in the project document although less than what is truly required to achieve LPA “models” or “centres of excellence” as suggested in the project document. Communications and knowledge management are satisfactory. Strengths are seen in the project’s efforts regarding CBO communications and knowledge management, whereas weaknesses are seen in some areas in terms of learning from the experiences of others. Stakeholder engagement is good. More realistic self-assessment and adaptive management measures can be strengthened. |
| **Sustainability** | **Rating: MU** | Support provided by the project regarding legislative framework strengthening is sustainable and has served as a good foundation which is likely to be even further built upon. The management effectiveness of the 3 LPAs is still weak. Although the METT figures suggest improvements, there is still much improvement required before these 3 areas can successfully conserve the biodiversity found within. The management capacity of these areas is still too weak to ensure sustainable management. The efforts of the project to enhance awareness regarding regulations pertaining to re-investment of revenues into conservation have contributed to the financial sustainability of these areas but not sufficiently so as to ensure their financial viability. The financial sustainability of the 3 target LPAs is in question and, in the opinion of the MTR, is unlikely to be achieved by project end. The sustainability of the project paying (either partially or fully) for seven staff who are critical to the sustainability of the 3 target LPAs has not been adequately planned for and is in serious doubt. |

Ratings for Project Implementation and Adaptive Management (6 point scale): HS= Highly Satisfactory, S= Satisfactory, MS=Moderately Satisfactory, MU= Moderately Unsatisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory

Sustainability Ratings (4 point scale):

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

## 1.5 Conclusions

The project has been successful with strengthening the legislative framework regarding protected areas. It appears likely that the new government (which was elected during the MTR) will approve the proposed amended legislation this year. This will significantly help Mongolia to achieve its objective of designating 30% of its land as “protected area”. At present, 17.4% of Mongolia is classified as SPA. Once the new law is approved, another 10% (16.2 million ha by June 2016) of the country which is designated as Local Protected Area (LPA) and Community Managed Area will be included in the SPA, amounting to 27.4% of the country. Many of the 1,197 LPAs[[1]](#footnote-1) are in steppe ecosystems (High Mountain Steppe, Meadow Steppe, Moderate Dry Steppe, Dry Steppe, and Desert Steppe). Thus, inclusion of these LPAs into the SPA network will dramatically increase the representation of these currently under-represented ecosystems within the PA system.

Although the newly added area will be protected against one of the main threats to biodiversity in Mongolia, i.e., mining[[2]](#footnote-2), the newly designated “State Protected Areas” may contribute little to conserving biodiversity of global significance unless certain issues at the core of the present project are sorted out. 40 % of Mongolia’s 100 SPAs are paper parks, i.e., unmanaged areas. Only 330 rangers currently work to patrol and protect this vast area of 27 million ha. This means on average one ranger is responsible for patrolling and monitoring 81,818 ha. Many have no transportation or other equipment. Because, unlike many of the other SPAs, the LPAs are inhabited by people who depend directly on the natural resources in these areas for their existence, the effectiveness of these areas in terms of conserving biodiversity will depend to a large extent on whether local people benefit from conservation and whether financial sustainability of these areas can be achieved – two of the issues this project focuses on. The project has a long way to go in this regard. Thus far, the project has not been successful in transforming the 3 target LPAs into “models” or “centres of excellence” as was anticipated in the project document. The project helped to set up new, or in some cases strengthen existing, LPA management structures in the 3 target LPAs. It helped develop long-term strategies, management plans, and business plans for these areas. It has helped to establish new CBOs within the LPAs. This will enhance the buy-in of local people into conserving these areas. More needs to be done, however, to ensure: a) effective management of the LPAs for biodiversity conservation, b) that local people will benefit enough to make it in their interest to conserve biodiversity, c) financial sustainability that allows for implementation of LPA management plans and the cost of administering them. Financial sustainability is a key concern which is still in question at the mid-term of the project. The project’s efforts in ensuring compliance with revenue re-investment into conservation has definitely contributed not only to the prospects for financial sustainability for the 3 target LPAs, but to all LPAs across the country. Since the project’s awareness raising effort began in 2014 jointly with the MEGDT to make local government entities aware of regulations and orders requiring re-investment of revenues earned from natural resource use back into the conservation of these resources, the rate of compliance has risen from rate of compliance has risen from 41% in 2014 to 48% in 2015.[[3]](#footnote-3) Notwithstanding this positive development, there are serious concerns regarding the financial sustainability of all LPAs. If the project is unable to demonstrate the financial viability of the 3 target LPAs, this does not bode well for the others, most of whom do not receive the amount of support which these three have received. No co-financing was sought from the private sector during project design although at the time of the project development, the private sector was thriving. Support from banks and other private companies should have been pursued during project design stage. It is not too late to secure co-funding and other types of support from the private sector. Even though at present the economy is not strong, with the new government, the economy is expected to begin growing again. Seeking co-funding and other forms of involvement and support from the private sector should be a major part of the exit strategy of this project. It is not advisable to wait until close to project end to begin to implement an exit strategy. This should begin immediately. Promising has been the project’s successful effort to develop tools that will facilitate enhanced oversight by State Government of LPAs and of the local communities who are involved in the management of LPAs through the establishment and vetting of databases on LPAs and CBOs. The next challenge will be for the government to sort out institutional arrangements related to the oversight of the new areas that will now be included in the SPA network. Inclusion of these areas will double the size of the area managed by the PAAD overnight once the new law is approved. The project design calls for the establishment of a resource centre for LPAs within PAAD. To date, the project is the sole financier of the one person in PAAD dedicated to LPAs. The project benefits from a capable PIU but the frequent changes in PIU staff (in particular the M&E and AF Officers) have not been helpful. The capacity of the PIU was over stressed during the first half of this project as a result of the PB’s decision to have one PIU manage two projects (i.e., this project and the ongoing State Protected Area Network or SPAN project). The PB has provided regular guidance to the project but the composition of the PB could be modified to be more in line with best practices demonstrated by GEF projects around the world. The MTR questions the wisdom of some decisions/recommendations of the PB, including the one to close the project early. According to the minutes of the last two PB meetings, the PB’s own assessment was that the project would have achieved all of its outcomes and objective before the normal project end. The conclusions arrived at by the MTR differ from that assessment. The UNDP CO has made two visits to project sites but has not provided as much support to the project as they might have if the Programme Officer’s workload had not been as heavy. The UNDP CO should have provided more guidance in terms of the need to sort out areas of confusion/ambiguity in the project Results Framework during the inception workshop. Greater familiarity on the part of the UNDP CO with the NIM modality at project outset would have saved the project time. Lack of sorting out the ambiguities in the Results Framework at an earlier stage has caused inefficiencies and continued confusion. As of the time of the MTR, the UNDP Programme Officer responsible for the oversight of the project and the PIU still do not have a common understanding regarding one of the project objective indicators related to the issue of connectivity. Together with the Mongolian Academy of Sciences and the MEGDT, the project organized two workshops involving representatives from academia, professional organizations, local stakeholders from the target sites and the neighboring Aimag which includes two SPAs with important Argali sheep populations. The purpose of the workshops was to support improvement of the legal framework in regard to connectivity at the landscape level and to develop some practical ways of pursuing connectivity. Following the second workshop, participants were tasked with identifying gaps in connectivity, boundaries of connectivity areas, and proposing local structures to manage the connectivity areas. Ensuring the three target LPAs contribute effectively to biodiversity conservation requires that a landscape approach be adopted in these three areas especially because connectivity and collaboration between these areas and nearby (sometimes contiguous) SPAs is critical to successful biodiversity conservation efforts in these areas. The initiative to connect these areas and to include key landscape features within the PA is indeed already underway in Gulzat LPA. As long as connectivity issues pursued by the project are limited specifically to the three LPAs and the landscapes of which they form a part, the MTR is fully supportive of this effort.

Main Project Successes

* The policy of the GOM is to move away from central government to local level management decision making. This project has helped Mongolia with that effort as it relates to local level management of natural resources.
* The project has made important contributions to the strengthening of the legal framework for LPAs. Once approved, this will result in immediate protection of these areas against mining (one of the three biggest threats to biodiversity in Mongolia) and will, in the medium and longer-term, result in more effective conservation of biodiversity of these areas.
* The project has supported the GOM to achieve its target to include 30% of its area within its PA system as, once approved, the new law on PA will include LPAs and Community Managed Areas, thereby increasing the area of Mongolia within the State Protected Area system to 28.3%.
* The project’s efforts have resulted in significant enlargement (an increase of approximately70% for both Gulzat and Tumenkhaan-Shalz) of the area of two of the 3 target LPAs which the project has focused on establishing and strengthening as models for other LPAs. This enlargement contributes significantly to enhancing the conservation potential of these areas.
* Management structures have been developed and are functioning (to varying degrees) for each of the 3 LPAs.
* Management plans, business plans, and co-management agreements have been developed for each of the 3 LPAs.
* The project has helped to reinforce the importance of considering connectivity in conservation planning, bringing this concept to the attention of a broad audience in Mongolia.
* This project has helped to forge joint conservation efforts between SPAs and LPAs, something that had not previously been practiced in Mongolia. As many of both the LPAs and the SPAs are in and of themselves too small to secure biodiversity conservation over the long-term, this is a critically important contribution to the conservation of Mongolia’s biodiversity.
* Both local level (within the CBOs, communities, soums and aimags) and national level awareness has been raised about both the existence and importance of LPAs.
* Both local level (within the CBOs, communities, soums and aimags) and national level awareness has been raised about the existence and importance of CBOs.
* The project is responsible for the establishment of a nationwide database on CBOs which currently includes information on 1,629 CBOs.
* A nation-wide up-to-date online database of LPAs which is accessible to the public and to government entities has been established and is now operational. Although at first glance this may not appear to have direct conservation benefits, in fact it does. The database will result in reducing threats to LPAs because information from this database will be shared with the Mining Cadastral Authority to be input into their database. Once inputted into the Mining Cadastral Authority’s database, an LPA is safe from mining (i.e., no mining concessions can be granted).
* A number (15) of new CBOs have been formed in the 3 target LPAs thereby including more households into the management of the LPAs and ensuring they may also benefit from the new protected area status of the area.
* Community revolving funds have been established which are managed by the CBOs for purposes of community development. The Project has successfully mobilized both local herders (30%) and local government (10%[[4]](#footnote-4)) to contribute to the Livestock Risk Fund in one soum of Tumenkhaan-Shalz LPA. Enforced establishment of CBO Revolving Fund, enhancing the sustainability of this fund and thereby also enhancing the ability of the CBOs to participate in the SGP (since a co-financing contribution from the CBO is required to access the SGP). CBO members access small loans from this fund for purposes such as school fees, health or other needs. The formation of groups with funding sources managed by themselves is clearly appreciated by the groups. Loans are repaid with a low interest rate. These revolving funds are operating well (with excellent repayment rates) and are expected to achieve financial sustainability once the soum government begins to pay its co-funding contribution into the fund.
* The community revolving funds contribute at least 30% co-funding for approved small grants projects (described below) and thereby have the potential to contribute to biodiversity conservation especially once small grants projects are more directly linked to biodiversity conservation (one of the recommendations of this MTR). Once this linkage is strengthened, the community funds will be contributing to both community development as well as biodiversity conservation.
* A small grants programme established by the project is operating efficiently and has already provided small grants (of up to $5,000) to 27 CBOs in the 3 LPAs. Although a clear success of this project, the MTR recommends that more direct linkages between community development and biodiversity conservation should be built into the design of the popular SGP hereafter.
* The project worked effectively in Uvs aimag continuing WWF’s efforts to ensure herders benefit as much as possible from the revenue earned from argali hunting as it was noticed that the soum budget was going to salaries and infrastructure development in the soum centre and not benefitting herders as much as it might. 50% of the revenue earned from hunting which previously went to the Soum government now goes directly to the NGO managing the LPA (the Gulzat initiative), who decides on how the funds will be used.
* The project has contributed to enhanced awareness by local people in the three LPAs of the importance of conserving biodiversity and has helped promote a positive attitude towards nature conservation.
* The project has been successful in identifying some bottlenecks which may not have been identified in the project document and has been successful in addressing these (e.g., providing aimag financing units with correct information regarding what the soum environment funds can be used for, gathering data on compliance of Aimag governments with the Standing Committee’s regulation on disbursement of income from use of natural resources). Although this may appear to be a minor detail, in fact it has important implications for biodiversity conservation which are described later in this report.
* The project has resulted in increased transparency regarding revenues earned from natural resource use and how these revenues are being spent. Decision makers are now much more aware of requirements related to percentage of revenues that must be re-invested in conservation as a result of the project’s efforts and there has been a steady increase in compliance in this regard since the project began its awareness raising effort on this issue.

Areas that Could Benefit from Greater Attention

Greater focus on learning lessons from other relevant projects/experiences and incorporating these into project activities. For example, the World Bank livestock project supported establishment of Livestock Risk Revolving Funds in several Aimags. The project’s Technical Committee (TC) might have usefully been tasked to find out the results of these initiatives related to both livestock and biodiversity, i.e., were livestock numbers actually reduced as a result of the existence of these funds, if so by how much (enough to make a difference for wildlife, for water sources, etc.). What environment benefits were accrued if any? Did they monitor the impact of the funds on biodiversity? The MTR asked some of these questions and as a result we do have some recommendations but the point is that *the project* should routinely do this kind of investigation and outreach. The National Consultant on Financial Sustainability is looking into the Livestock Risk Revolving Fund as part of her TOR but this is a bit late as the decision was already taken to go forward with the establishment of the fund and, indeed, the fund was just recently established. The inputs of the National Consultant on the fund will of course still be relevant but the timing is not the best.

Ensure the project is fully aware of, and utilizing, experiences and products produced by other relevant initiatives. For example, the GIZ project in Khavtgar produced an ecotourism plan. Ecotourism is one of the activities in the Khavtgar management plan which was developed with the support of this project. It is also one of the potential sources contributing to the financial sustainability of the LPA that has been identified by this project. It would be helpful to reach out to GIZ, get a copy of that plan and see if this project could support its implementation.

Ensure the project is fully aware of, and understands, the application of all relevant policies/laws/regulations. Although the PIU has a policy officer, the MTR believes that somewhat of a tunnel vision approach focused almost exclusively on the laws which the project is directly working on has been adopted. It is important for the PIU to be fully informed of not just the laws it is working on directly, but all relevant laws, policies and programmes including the Law on Fauna and all of its provisions related to hunting of wildlife species. As hunting is a strong incentive for communities, this law (not just the Law on Hunting) is very relevant. It is important also to be fully familiar with the Law on Pasture. Likewise, familiarity with the recent revisions to the Mining law related to biodiversity offsets is important as this may represent a source of financing for LPAs. The point is the project cannot just focus on the laws it is directly working on, it needs to be fully informed of all relevant laws and their provisions in order to best help communities in the development and implementation of their LPA management plans.

Ensure the project is familiar with initiatives which could have great relevance to this project including, for example, wildlife conservation contracts, and community managed Hunting Management Areas. It would be useful for the project to become much more familiar with these initiatives. Consideration should be given to conducting study tours to areas where these initiatives are underway.

Overall, a more dynamic outreach to learn from other relevant initiatives and to keep abreast of all relevant legislation and policies would be helpful.

## 1.6 Recommendations

Recommendations presented here are meant to be helpful and practical in what is a forward-looking review at the mid-term of this project, i.e., at a juncture where there is still opportunity for adaptive management. The ultimate decision regarding which recommendations to take up, and how to implement them, lies with the PB.

Further detail regarding some of these recommendations can be found in the last section of this report along with some minor (but still important) recommendations.

1. The PB has proposed that the project be closed early as in their opinion all targets will be achieved before the planned project closure date. The MTR believes there is still plenty of work to be done in relation to building capacity of LPA management entities, supporting the implementation of management/business plans of the three LPAs, figuring out and putting into place sustainable financing mechanisms for the three LPAs, pursuing collaboration with the private sector, and supporting the identification, production and marketing of products by CBOs. The MTR recommends that the project continue on to its original closing date and not be closed early.
2. Reduce the size of the PIU soon after the MTR. Consider eliminating the policy advisor and secretary positions. The new M&E and Community Development Officer should spend a good proportion of his time in the 3 LPAs.
3. Modify the composition of the PB to be more in line with best practices related to UNDP-supported, GEF-financed projects which suggest that a wider range of stakeholders represented on Project Boards including NGOs and technical experts in relevant fields who may not be working with government, is helpful to project success. A more detailed recommendation regarding the proposed modification of the PB is included in the last section of this report.
4. Greater inclusion of scientific conservation-focused NGOs in project activities and oversight to ensure scientifically sound conservation measures and scientifically rigorous monitoring methods are adopted by the project.
5. Modify the composition of the Technical Committee to include more people with on-the-ground practical experience with relevant initiatives in Mongolia such as, for example, those with experience with species reintroduction efforts, community managed hunting areas, ecotourism, wildlife and habitat monitoring, wildlife conservation contracts, livestock risk revolving funds, pasture offset initiatives.
6. Actively pursue collaboration with the private sector as part of a project exit strategy immediately following the MTR. There are companies, banks and others that should be approached even now as the economy is expected to begin growing again. There is a “window of opportunity” that is open as long as the project is operating. It is important to take advantage of this “window”. Once the project ends, getting private companies involved will be much more difficult. It is clear that the project will not be able to accomplish all it set out regarding the 3 target LPAs. It can help to ensure success by bringing on new partners that can continue to support the work in the 3 LPAs after the project ends.
7. Greater emphasis should be placed on implementing the parts of the management/business plans of the target LPAs that result in community benefit, and this community benefit must be more strongly linked with biodiversity conservation. There has been disproportionate emphasis to date on wildlife monitoring. Although this is essential (and must be done in a way which returns scientifically valid results), it is essential that communities realize benefits from conservation immediately or they will lose interest. Communities need incentives related to use of natural resources if they are to conserve them. Some more detailed recommendations on this are presented in the last section of this report.
8. The MTR concurs with the recommendation of the Department of Monitoring and Internal Audit of the GOM in the need to strengthen monitoring of implementation of the management plans for the three LPAs.
9. Several MTR recommendations relate to monitoring of natural resources: (a) Monitor habitat not just species, (b) Be clear about why you are monitoring and what you are monitoring (e.g., Are you doing a species survey to determine what species exist in an area or are you doing an index of population trend in a given species, or are you doing an actual population census of a given species? Are you monitoring the health of a habitat of a certain species or of the ecosystem? Are you monitoring the impact of a re-introduction effort? Are you monitoring the impact of a pasture or livestock management activity?) (c) Ensure monitoring techniques are scientifically valid and that a standard methodology is being used by all, (d) Monitor populations in the entire area they use (not just part of the area). For example, don’t just monitor wildlife in Havtgar but rather in both Havtgar and the contiguous Khan Khentii SPA, and also in the buffer zone of Havtgar where the communities live[[5]](#footnote-5), (e) Ensure all necessary inputs are provided to rangers to enable them to conduct regular wildlife and habitat monitoring (at present there is no budget for petrol so monitoring is not done on a regular basis).
10. Although production and marketing of berry preserves, honey and other such traditional income generating activities can certainly be pursued by this project, the project should not restrict itself to these traditional products but should also focus on supporting CBOs to identify, design and produce innovative, eco-friendly products with even greater value-added (e.g., sea buckthorn-based cosmetics, educational toy sets for children which could be sold in stores in UB and also marketed to donors supporting programs in Mongolia related to pasture management and community development, etc.). The project should help make connections between private companies producing similar products and CBOs. Private companies may wish to have direct connections with CBOs to enhance marketing of their products (they can say they are helping local communities and also helping the environment), while CBOs will benefit from a much bigger market for the products they produce and a higher and more standard quality of product. Link CBOs with companies for development and marketing of products. Sometimes links with small companies can make a big difference.
11. Several MTR recommendations relate to financial sustainability: (a) Financial sustainability is key to successful management of LPAs. The two identified sources of sustainable financing for Gulzat, i.e., Argali trophy hunting and ecotourism, are promising, but ecotourism at least requires investment beyond the possibility of this project (both in terms of funds and time) to achieve sustainability. For Gulzat, our recommendations are that: the project sort out the issue of the basis on which the number of hunting permits is issued as this is key to financial sustainability and to providing the necessary incentives for local communities to want to protect Argali and its habitat. To ensure that the financial sustainable mechanism is directly linked to biodiversity conservation, the project may wish to recommend that the number of argali permits be linked not only to what the census shows is a sustainable harvest level of argali but also to habitat health and wildlife species diversity in the range of the argali. In the case of Khavtgar, hunting would seem to be a potential future source of sustainable income but given the low populations of some of the key huntable species, this is not realistic during this project. Our recommendation is to review the existing ecotourism plan prepared by the GTZ project and assess the possibility of implementing aspects of that plan and also to pursue the development of high value added products together with the private sector. Regarding, T-K, the MTR recommends the project carefully study past and ongoing examples of where the Livestock Risk Revolving Fund has existed/exists to determine both its likelihood of generating enough income to pay for the costs of the LPA management and its impact (positive/negative/neutral) on biodiversity conservation. (b) Adopt an incremental buy-in approach related to seven positions currently paid for (either partially or fully) by the project. Discuss with both Aimag and Soum governments the possibility that they pay an incrementally increasing percent of the salaries of staff whose salaries are currently paid for by the project from now until project end. A differential incremental increase may be applied for these various positions depending on the capacity of the governments to pay.
12. Several MTR recommendations relate to study tours. Study tours can be very helpful, or, they can be a waste of precious resources. To ensure these are helpful, we recommend: (a) be clear on the objective of a study tour and whether a study tour is the best and most cost/effective way to achieve your objective, (b) be clear on who is the best target audience to undertake the study tour, (c) before undertaking study tours participants should provide a detailed description of what they intend to study during the tour and how they intend to apply this learning, (d) study tour participants should provide a written report and make a presentation (to an audience that both they and the project should agree on in advance) describing what they actually learned and how they plan to apply the learning (this is not a general idea but a detailed plan).
13. Establish connectivity between the 3 LPA areas and the nearby (in some cases, contiguous) SPAs and ensure that key landscape features are included within the protected landscape. Although the project should certainly share information and lessons learned regarding the adoption of this greater landscape approach with other LPAs, it is not the business of this project to ensure connectivity across the country. The project may wish to consider bringing stakeholders together in landscape level for (3 of them) to discuss practical ways to enhance collaboration and sharing of information important for conservation. Consider establishing a mechanism to facilitate information sharing between all landscape level stakeholders (if this is to be pursued it should be a very simple practical mechanism).
14. Ensure greater and more direct linkages between the Small Grants programme and the conservation of biodiversity of global significance.
15. A huge area will be included in the SPA system as a result of new legislation classifying LPAs and CMAs as part of the SPA, and in part as a result of the GOMs efforts to add more area to the SPA to achieve its goal to include 30% of its land area within its SPA system. Last year alone 1 million ha were brought under State Protection. The Cabinet has discussed the issue of how to finance the enlarged and continually growing PA network. The institutional capacity related to overseeing matters pertaining to these newly added SPAs is important to their sustainability. The project has supported the establishment of a new resource center for LPAs within the PAAD. According to the NPD, the GOM does not intend to establish a new agency for LPAs. There are already 33 Protected Area Administrations around the country (part of the PAAD), 24 River Basin Authorities, 1 Cultural Heritage Site Administration, with a total of over 900 people working in these three agencies. According to the NPD, there are overlapping functions and mandates within the three agencies. In the opinion of the MTR, instead of strictly adhering to the indicator which stipulates that “PAAD has a fully functional, staffed and government-funded CCA resource centre providing ongoing monitoring, support and extension training for local conservation decision makers”, the project should now work closely with Government to decide how best to proceed to achieve the objective of providing ongoing monitoring, support and extension training for those involved with LPAs whether that be a resource centre in PAAD or a different institutional mechanism.

1. The number of legally recognized LPAs has decreased since the project began. According to 2014 data, there were 2,187 LPAs covering a total of 64.6 million ha or almost 30% of Mongolia. This number decreased due to errors in borders of these LPAs and expired decrees declaring them as LPAs and other inconsistencies found during the project-supported activity to establish an LPA database. [↑](#footnote-ref-1)
2. Indeed these areas are already protected against mining as designation as an LPA has this effect. Designation as an SPA is not necessary to protect an area against mining. [↑](#footnote-ref-2)
3. According to data collected by the project. [↑](#footnote-ref-3)
4. The project currently contributes the 10% of the fund which the soum government is supposed to contribute but at least according to the agreement, the soum government will assume this co-funding at project end. [↑](#footnote-ref-4)
5. The last monitoring that was conducted was done only in Havtgar but the managing entity of the Havtgar LPA and the SPA have decided to include both areas in their next monitoring activity. They jointly conducted the last monitoring. This is a good approach which should be continued in all future monitoring activities. [↑](#footnote-ref-5)