

GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: Full-sized Child Project

PROGRAM: IP SFM Drylands

Child Project Title:	Promoting Dryland Sustainable Landscapes and Biodiversity Conservation in the Eastern Steppe of Mongolia
Country:	Mongolia
Lead Agency	FAO
GEF Agency(ies):	FAO WWF-US (select)

INDICATIVE FOCAL/NON-FOCAL AREA ELEMENTS AND FINANCING

Programming Directions	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
BD-1-1 Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GEFTF	1,784,862	14,000,000
LD-2-2 Maintain or improve flow of ecosystem services, including sustaining livelihoods of forest-dependent people through Sustainable Forest Management (SFM)	GEFTF	1,784,862	14,000,000
IP SFM Drylands Promoting effective coordination for Dryland Sustainable Landscapes	GEFTF	1,784,862	14,000,000
Total Project Cost		5,354,586	42,000,000

PROJECT COMPONENTS AND FINANCING

Project Objective: To reverse and prevent dryland ecosystem degradation and biodiversity loss through an inclusive, integrated landscape and value chain approach securing multiple environment benefits and sustainable, resilient livelihoods in the Eastern Steppe of Mongolia.						
Project Components	Comp Type	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. Strengthening the enabling environment for the sustainable management of drylands in Mongolia	TA	<p>Outcome 1.1: Strengthened enabling environment for the sustainable management of drylands at national, provincial and landscape levels.</p> <p>Outcome indicators:</p> <ul style="list-style-type: none"> • <i>Sector institutions in Mongolia coordinate and collaborate on sustainable dryland management actions.</i> • <i>Priorities and strategies for land use and management</i> 	<p>1.1.1 National policies/laws and regulations developed to support sustainable land use and biodiversity conservation.</p> <p>1.1.2 Cross-sectoral, multi-stakeholder platforms established at national and local levels to facilitate participatory landscape planning and management in the existing land-use planning process.</p> <p>1.1.3 Local stakeholders trained in science-based, integrated landscape level planning using LADA-WOCAT¹ or other relevant tools.</p>	GEFTF	1,000,000	5,000,000

¹ Land Degradation Assessment in Dryland Areas (LADA) – World Overview of Conservation Approaches and Technologies (WOCAT).

		<p><i>clearly defined and agreed in target area.</i></p> <ul style="list-style-type: none"> <i>Number of people in the target area having governance, tenure, access and participation conditions required for them to apply sustainable dryland management.</i> 	1.1.4 Ecologically sensitive, participatory landscape management (grazing, forest and other natural resources) incorporated into annual and mid-term land use plan of each soum, through local consultations and ensuring gender equality and inclusiveness.			
2. Scaling up sustainable dryland management in the Eastern Steppe of Mongolia	TA	<p><u>Outcome 2.1:</u> Crop and vegetable farmers in target areas reverse soil erosion and sustainably increase productivity on their farmland through the introduction of soil erosion prevention and other technologies.</p> <p>Outcome indicator:</p> <ul style="list-style-type: none"> <i>Area of degraded agricultural land restored.</i> <i>Number of people benefiting from enhanced value chains and access to finance in support of sustainable production.</i> 	<p>2.1.1 Farmers (women and men) and local government officers in target areas are trained in locally adapted soil erosion prevention technologies and sustainable soil and water management.</p> <p>2.1.2 Support provided to farmers (women and men) in target areas to introduce soil preventive, climate-resilient crop production techniques (minimal/no-tillage) combined with soil erosion prevention barriers from wind and water and other technologies for increased soil productivity/site stability (e.g. low input, perennial, organic agriculture technologies, crop rotation, irrigation systems).</p> <p>2.1.3 Partnerships established with private sector to develop value chains for sustainably produced agricultural products.</p> <p>2.1.4 Sustainability-centered financing mechanisms introduced by State and Banking sector that link support to farmers with soil erosion prevention and soil productivity restoration.</p>	GEFTF	1,000,000	10,000,000
	TA / INV	<p><u>Outcome 2.2:</u> Local communities and local decision makers are applying sustainable management and restoration of productive</p>	2.2.1 Guidelines for land users developed on sustainable land and water use and locally adapted land restoration techniques and good practices.	GEFTF	1,500,000	11,500,000

		<p>landscapes in the target area.</p> <p><u>Outcome indicator:</u></p> <ul style="list-style-type: none"> • <i>Area of pastureland and patch forest under restoration/ rehabilitation and sustainable management.</i> • <i>Carbon sequestered.</i> • <i>Number of people benefiting from enhanced value chains and access to finance in support of sustainable production.</i> 	<p>2.2.2 Training conducted for local decision makers and stakeholders (herders, private sector, CBOs²) on sustainable land and water use and the conservation of critical ecosystems (including on governance and management).</p> <p>2.2.3 Restoration/ rehabilitation interventions in key LD hotspots in the target area supported.</p> <p>2.2.4 Agrosilvopastoral systems implemented to support sustainable land management and diversification of local livelihoods.</p> <p>2.2.5 Extension services strengthened to support improved livestock management and reproduction/quality.</p> <p>2.2.6 Partnerships established between communities and private sector to develop value chains for sustainably produced livestock products (including capacity for processing, sustainability and traceability principles, access to affordable financing, sale).</p>			
	TA/ INV	<p><u>Outcome 2.3:</u> Management capacity of Nature Reserves (NRs)³ and Local Protected Areas (LPAs) in target area and landscape connectivity is increased to support survival of Mongolian gazelle and other iconic wildlife.</p>	<p>2.3.1 Priority interventions implemented in existing NRs in line with existing management plans, such as awareness on PA values and GEBs⁵, management and governance capacity development for local decision makers, PA managers, and local</p>	GEFTF	1,000,000	10,000,000

² Community-based organizations.

³ This includes 'Toson Khulstai', 'Khar Yamaat' and 'Bayatsagaany tal' Nature Reserves, as well as 'Ulziin ekh', 'Jaran togoony tal A&B' and 'Menengiin tsagaan khooloi' which are under Parliament consideration as a new Nature Reserves.

⁵ Global Environmental Benefits.

		<p>Outcome indicator:</p> <ul style="list-style-type: none"> • <i>Area of terrestrial PAs⁴ under improved management;</i> • <i>Area of landscapes are under local protection to benefit biodiversity.</i> 	<p>stakeholders, and infrastructure investments.</p> <p>2.3.2 Management plans for newly established NRs⁶ developed in a participatory process involving local governments and stakeholders.</p> <p>2.3.3 Community-centered conservation interventions implemented in existing LPAs and other critical patch ecosystems in the target landscape to secure connectivity of ecosystems and migratory species, such as establishing volunteer ranger networks and their monitoring.</p> <p>2.3.4 Sustainable financing mechanisms for the implementation of the management plans developed, such as sinking fund or biodiversity offset fund through Public Private Partnerships (PPP) or other mechanisms.</p>			
3. Project coordination, knowledge management and monitoring	TA	<p><u>Outcome 3.1:</u> Project coordination, knowledge management and monitoring for the sustainable management of drylands in Mongolia.</p>	<p>3.1.1 Effective project coordination and monitoring and evaluation.</p> <p>3.1.2 Systematic creation and sharing of knowledge on sustainable production systems and landscape restoration through national and global IP platforms.</p> <p>3.1.3 LDN target monitoring and reporting mechanism strengthened and relevant information shared through national and global IP platforms.</p>	GEFTF	599,607	4,000,000
Subtotal				GEFTF	5,099,607	40,500,000
Project Management Cost (PMC)				GEFTF	254,979	1,500,000

⁴ Protected Areas.

⁶ The due process for establishing the three new NRs (see footnote 3) has been conducted in accordance with the Law on Protected Areas and has been submitted to Parliament for gazetting.

Total Project Cost	5,354,586	42,000,000
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For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount (\$)
Recipient Country Government	Ministry of Environment and Tourism (MOET)	In-kind	Recurrent expenditures	4,000,000
Recipient Country Government	Ministry of Food, Agriculture and Light Industry (MOFALI)	In-kind	Recurrent expenditures	5,000,000
Recipient Country Government	Ministry of Construction and Urban Planning (MoCUP)	In-kind	Recurrent expenditures	1,000,000
Recipient Country Government	Three Provincial Governments (nine target counties)	In-kind	Recurrent expenditures	9,000,000
CSO	WWF Mongolia	Grant	Recurrent expenditures	1,250,000
Other	Toson Khulstai and Khar Yamaat Nature Reserve Management Boards	Grant	Investment mobilized	770,000
GEF Agency	UNDP (GCF)	Grant	Investment mobilized	10,000,000
GEF Agency	World Bank / ADB / IFAD	Grant	Investment mobilized	6,000,000
GEF Agency	Food and Agriculture Organization (FAO)	In-kind	Recurrent expenditures	1,635,000
GEF Agency	World Wildlife Fund, Inc (WWF)	In-kind	Recurrent expenditures	345,000
Private Sector	XacBank / WBCSD members / local private sector ⁷	Grant	Investment mobilized	3,000,000
Total Co-financing				42,000,000

Describe how any "Investment Mobilized" was identified.

TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/Regional/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b)	Total (c)=a+b
FAO	GEFTF	Mongolia	Land Degradation	IP SFM Drylands	1,784,862	160,638	1,945,500
WWF-US	GEFTF	Mongolia	Biodiversity	IP SFM Drylands	1,784,862	160,638	1,945,500
FAO	GEFTF	Mongolia	Multifocal Area	IP SFM Drylands	892,431	80,319	972,750
WWF-US	GEFTF	Mongolia	Multifocal Area	IP SFM Drylands	892,431	80,319	972,750
Total GEF Resources					5,354,586	481,914	5,836,500

PROJECT PREPARATION GRANT (PPG)

Is Project Preparation Grant requested?

- Yes If yes, PPG funds **have to be requested via the Portal** once the PFD is approved
 No If no, skip this item.

⁷ Such as cashmere industry, flour mills, meat processing plants.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee (b)	Total c = a + b
FAO	GEF TF	Mongolia	Land Degradation	IP SFM Drylands	50,000	4,500	54,500
WWF-US	GEF TF	Mongolia	Biodiversity	IP SFM Drylands	50,000	4,500	54,500
FAO	GEF TF	Mongolia	Multifocal Area	IP SFM Drylands	25,000	2,250	27,250
WWF-US	GEF TF	Mongolia	Multifocal Area	IP SFM Drylands	25,000	2,250	27,250
Total PPG Amount					150,000	13,500	163,500

PROJECT'S TARGET CONTRIBUTIONS TO GEF 7 CORE INDICATORS

Provide the relevant sub-indicator values for this project using the methodologies indicated in the Core Indicator Worksheet provided in Annex B and aggregating them in the table below. Progress in programming against these targets is updated at the time of CEO endorsement, at midterm evaluation, and at terminal evaluation. Achieved targets will be aggregated and reported at anytime during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

Project Core Indicators		Expected at PIF
1	Terrestrial protected areas created or under improved management for conservation and sustainable use (Hectares)	1,176,862
2	Marine protected areas created or under improved management for conservation and sustainable use (Hectares)	
3	Area of land restored (Hectares)	575,538 ⁸
4	Area of landscapes under improved practices (excluding protected areas) (Hectares)	5,105,348
5	Area of marine habitat under improved practices (excluding protected areas) (Hectares)	
	Total area under improved management (Hectares)	6,857,748
6	Greenhouse Gas Emissions Mitigated (metric tons of CO ₂ e)	10,296,322 (to be confirmed during PPG)
7	Number of shared water ecosystems (fresh or marine) under new or improved cooperative management	—
8	Globally over-exploited marine fisheries moved to more sustainable levels (metric tons)	—
9	Reduction , disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)	
10	Reduction, avoidance of emissions of POPs to air from point and non-point sources (grams of toxic equivalent gTEQ)	
11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	30,000 (of which 50% women)

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicators targets are not provided.

⁸ Estimate based on areas severely and strongly affected by land degradation based on State of Environment Report 2016.

PROJECT DESCRIPTION

1. Country Context (*maximum 500 words*) [385 words]

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

Approximately 90% of Mongolia is highly prone to desertification⁹. 57% of Mongolia's grasslands are degraded to some degree¹⁰, and the annual cost of land degradation is estimated at \$2.1billion.¹¹ The Mongolian Eastern Steppe, covering 27.3 million hectares, is one of the world's largest remaining grassland ecosystems and hosts critical ecosystem of global environment importance. Land degradation severely influences livelihoods in the steppes, limiting availability of vital functioning ecosystem services and driving local poverty, migration and user conflict. A biodiversity gap analysis¹² of the area identified five major threats, with human and livestock footprints as the most pressing drivers. Livestock overstocking, increasing impacts from mining operations, and climate change pose pronounced threats to Eastern Steppe.

Existing laws and policies (in particular, Mongolia's Law on Soil Conservation and Desertification Prevention, its Draft Pasture Law, Sustainable Livestock Action Plan, National Agriculture Development Policy) and international commitments (in particular, LDN targets, NDC, NBSAP, and Bonn Challenge) provide a strong enabling framework for this project targeting the Eastern region in SLM/SFM, productive sectors, biodiversity conservation, and reversal/avoidance of land degradation. Provinces and counties have immediate and growing roles in NRM, land-use, access/tenure, and finance following the decentralized governance practices. However, both government and stakeholders require improved institutional capacities and incentives to exercise their mandate in sustainable socio-economic development and NRM.

The project will support the transformation of Mongolia's Eastern Steppe ecosystems to a resilient landscape that enhances biodiversity conservation and sustainable utilization, restores soil fertility, and reduces GHG emissions. To achieve transformational change, the project will employ an integrated and inclusive approach to secure GEBs, build landscape and livelihood resilience, and restore land quality and living standards. This will require: i) effective governance and policy responses; ii) sustainable land use by productive sectors and communities; iii) PPP finance, market access, and incentive support; iv) knowledge sharing; and v) conservation and restoration of critical ecosystems. Existing Forest User Groups (FUGs) and Pasture User Groups (PUGs) lay the foundation for positive land-use changes contributing to GEBs. Four major impacts will be achieved in: dryland governance, reversing land degradation, conservation of biodiversity and resilience to climate change.

The project aims to generate best practices that will be scaled up. The project builds important national level impacts and implications, as well, will generate important lessons to be shared with other dryland communities.

⁹ National LDN Targets, Measures (Oct 2018); including Voluntary Target Setting to Achieve LDN (Sept 2018).

¹⁰ National Report on the Rangeland Health of Mongolia: Second Assessment. Green Gold-Animal health project, SDC; Mongolian National Federation of PUGs. Ulaanbaatar.

¹¹ UNCCD Global Mechanism. "Mongolia: Investing in LDN, Making the Case." 2018, p. 3. \$US 2.1 billion, equivalent to 43% of national GDP.

¹² 2010. WWF/TNC. 'Biodiversity Gap Analysis of the Grasslands and Forest Steppe of Central and Eastern Mongolia'.

2. Project Overview and Approach (*maximum 1250 words*) [1,533 words]

a) Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The three target provinces, Dornod, Khentii and Sukhbaatar, lie within the Mongolian Eastern Steppe consisting of 27.3 million hectares. Within the Eurasian Steppe¹³, the Eastern Steppe is exceptional for its intactness, diverse micro-ecosystems, and living human and environment heritage. This dynamic ecosystem incorporates adjacent Taiga Forest and the Gobi Desert flows, vast grasslands, three rivers forming headwaters of the Amur-Heilongjiang¹⁴, and natural reserves. Flora and fauna of Central Asia are found here, alongside those of Manchuria. The project area includes three RAMSAR sites, 15 Important Birds Areas, and critical breeding habitat for East Asian-Australasian and Central Asian Flyways.¹⁵ The Steppe, dominated by *stipa* grasses, was shaped over millennia by nomadic pastoralists and migrating wildlife.¹⁶ The target area provides critical habitat and ecosystem services supporting household well-being as well as regional and national economy.

The target area includes nine counties (*Soums*) covering a total **6.86 million ha dryland**, inclusive of:

- 5.96 million hectares Mongolia-Manchurian Grassland Ecoregion (Sukhbaatar, Dornod provinces), and;
- 897,748 hectares Daurian Forest Steppe Ecoregion (Khentii) supporting dryland biodiversity hotspots and LD priority areas.

The Steppe is under an increasing human footprint. A burgeoning mining industry¹⁷ and overgrazing by livestock diminish the integrity of this critical dryland biome. National rangeland can sustainably support 25 million head of livestock; in 2018, this was exceeded 2.7 times.¹⁸ As a result, Mongolia is experiencing severe soil and grassland degradation. Compounding and exacerbating this drying landscape are highly pronounced climatic trends.¹⁹ Mongolian LDN targets identified three areas “*needing long-term action to avoid the risk of land degradation.*” Two of these three areas are located within the Eastern Steppe.²⁰ The overconcentration of livestock around small rivers and lakes, especially during the summer time, further results in heavy organic loads that are causing eutrophication of these open water sources. The main threats to Protected Areas in Eastern Mongolia are associated with land use, illegal hunting and overuse of natural resources, along with livestock pressure.

Root causes and major drivers of the land degradation requiring focused interventions, reported with consistency²¹ include: i) weak governance, ad hoc development planning and capacity constraints; ii) absence of financial incentives for sustainable land management; iii) limited understanding of the complex dynamics of ecosystems, their

¹³ The Eurasian Steppe stretches from Bulgaria through Russia, Kazakhstan, and Mongolia to Manchuria, with one major exclave (the Pannonian steppe) located in Hungary, Serbia and Croatia.

¹⁴ The Amur-Heilongjiang river runs 4,444 km and is the tenth largest in the world.

¹⁵ E.g. including six globally endangered crane species. The Dauria alone supports more than 3 million migrating birds. Over 130 flora species, 25 species of mammal, 174 species of birds including the rare great bustard (*Otis tarda*) and white-naped crane (*Antigone vipio*), 2 species of amphibians, and 5 species of reptiles are recorded in the Steppe.

¹⁶ E.g. the Mongolian gazelle (*Procapra gutturosa*) and Brandt’s vole are inseparable elements of the ecosystem, have helped shape this landscape.

¹⁷ In Eastern Mongolia licenses for exploration and exploitation cover roughly 2% of the territory. However, the infrastructure required for mining in Eastern Mongolia poses a risk to the migratory ungulates. Railroads traditionally surrounded by fences cut off inherited migration routes between grazing areas while absence of paved roads in steppe and desert areas causes off-road “multi-tracking” causing soil erosion in most productive lands near the settlements.

¹⁸ 2018 Mongolian Livestock Census. A total of more than 66.5 m head of livestock.

¹⁹ Mongolia’s climate is increasingly characterized by high extremes in temperature and precipitation. The MARCC 2009, highlighted annual mean temperature increasing 2.14 degrees Celsius over the last 70 years; increased seasonal thawing and the reduction of permafrost (by 5%) and glacial areas (by 30%); marked changes in vegetative patterns, typography and water resources; a decrease in precipitation (except in the western part of the country) leading to increased frequency and duration of droughts; and a tripling in the intensity and frequency of other extreme weather events including harsh winters (Dzud), snow and dust storms.

²⁰ I.e. Eastern Mongolia Plain, and Onon River basin. (P. 27, National LDN Targets and Measures, Mongolia. Oct 2018).

²¹ E.g. As recently recorded in 16 January 2019 stakeholder consultation with representatives of the National Development Agency, MET, MoFALI, UNDP, ADB, SDC, IFAD, GIZ, TNC, WCS and local NGOs.

values and the multiple demands placed upon them; (iv) unsustainable production practices due to reduced mobility and increased livestock; and (v) a ‘free for all’²² attitude resulting in a vicious cycle of environmental degradation and increased poverty.

In Eastern Mongolia, the number of herder households has increased in recent years. There are ca. 20,500 herder households in the Steppe (or 100,000 people), of which 44% are poor on average (Sukhbaatar has 47%).²³ The monthly average income per household here is the lowest of Mongolia’s five regions.²⁴

Transboundary sand and dust storms fuelled by the Eastern Steppe desertification have intensified.²⁵ This represents loss of soil organic matter/resources from Mongolia’s dryland ecosystems, and a cost to neighbouring countries (Japan, Korea and China).

b) Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

In the baseline, several agencies and stakeholders support efforts for sustainable development and land use at the national level and in Eastern Mongolia. The National Development Authority (NDA) establishes multi-sector land use policy, strategy, and financial incentives. MOET and MoFALI inform local-national policy and planning with regard to environment, livestock and agriculture, and implement national and sub-national development budgets. MOET supports four Eastern Steppe Protected Area and River Basin Administrations²⁶. MoCUP is the line ministry responsible for national and local land-use planning. Land use plans are developed annually at the *soum* level.

The Swiss-funded Green Gold Project (2004-2020, US\$ 27m) has promoted the sustainable use of rangeland resources and improved economic opportunities through the establishment of PUGs and rangeland use agreements with local government. A national rangeland health monitoring system has been developed involving the Administration of Land Affairs, Geodesy and Cartography (ALAGAC) and the National Agency for Meteorology and Environmental Monitoring (NAMEM). A National Federation of Pasture User Groups has been set up.

The project will also build on WWF’s ongoing program in the Amur-Heilong Ecoregion Complex to conserve biodiversity and enhance sustainable NRM in Eastern Mongolia (EUR 200k/year). It will build on the FAO/EU project on “Employment Creation in Agriculture Value Chains”, supporting the development of value chains in meat, milk, vegetable, cashmere/wool and hides/skin, as well as FAO’s “Piloting the Climate-Smart approach in livestock production systems” project (2018-2020), which supports national food security and development goals through adopting climate-smart approaches to increase the productivity of dual-purpose cattle, sheep and goats.

The private bank XacBank, a GCF Accredited Entity, is a pioneer in green finance such as renewable energy projects. In collaboration with Mercy Corps, XacBank is implementing a pilot project on pasture restoration and herder livelihoods in Bayan-Ovoo *soum*, Khentii Province, deploying a new eco-loan product that provides lower rates for herders who meet “pasture friendly” criteria. Options for upscaling of this mechanism in the target area will be explored. In addition, World Business Council for Sustainable Development (WBCSD) members are supporting work

²² Shift to the market economy, urban-rural migration, ad hoc development planning underpinned by weak regulatory frameworks have caused significant disruption of traditional knowledge and customary user rights, truly, a “tragedy of the commons.”

²³ National Statistical Office. <https://www.1212.mn/> 44% of E Mongolia’s population (90,541 persons) live in poverty

²⁴ Ca. USD 300 per month in E Steppes, compared with USD 450 in Ulaanbaatar.

²⁵ Feasibility study of Joint Demonstration Project for the Prevention and Control of Dust and Sandstorms Source Areas, 2013.

²⁶ In accordance with Mongolian Law on Protected Areas, only Strictly Protected Area and National Parks receive state financing, while management responsibility of Nature Reserve and Local Protected Area are delegated to the Provincial and county government which have neither capacity nor funding dedicated to these areas.

on ‘Sustainable Protein’. TNC and WCS are in discussions with herder cooperatives and the Sustainable Fibre Alliance²⁷ on SLM. Collaboration will be sought with these initiatives.

The following projects are currently being developed and synergies will be explored further during the detailed project preparation phase:

- A UNDP/GCF project on “Improving Adaptive Capacity and Risk Management of Rural Communities in Mongolia”, aiming to enhance livelihood, water and land resilience²⁸.
- World Bank pipeline project on policy, animal health, commercialization of the livestock sector.
- ADB pipeline project on “Vegetable Production/Irrigated Agriculture/Sustainable Tourism”.

While not part of the project baseline, the project will also be coordinated with ongoing GEF projects, in particular FAO’s Mainstreaming Biodiversity Conservation, SFM and Carbon Sink Enhancement Into Mongolia’s Productive Forest Landscapes (2014-2020) and UNDP’s Ensuring Sustainability and Resilience (ENSURE) of Green Landscapes in Mongolia (2019-2026)²⁹. It will incorporate lessons learned of the following projects:

- IFAD’s “Project for Market and Pasture Management Development” (2011-2021) aims to improve livelihoods of poor herder households.
- KfW’s project “Biodiversity and Adaptation to Climate Change” (2015-2020) supports four Eastern Mongolia Protected Area administrations. Under this project, some equipment was provided to Toson Khulstai and Khar Yamaat Nature Reserves.
- UNCCD project on ‘Prevention/Mitigation of Dryland Dust Storms’ in Southern Gobi (2018-2021).
- UN-REDD Programme in Mongolia.

Consultations with national and provincial stakeholders were held during the project concept development. Further consultations will be held with local and national stakeholders, in particular local communities, during the project preparation phase. In addition to the stakeholders mentioned above, the following stakeholders will be engaged in the project preparation and implementation:

- Ministry of Construction and Urban Planning (MoCUP)
- National Statistics Office of Mongolia
- Center for Policy Research, a non-governmental policy research institution
- Onon River’s Association of CBOs
- Eastern Mongolian Local Community Association for Conservation
- Institute for Social-Ecological Research
- Mongolian University of Life Science
- Primary and secondary cooperatives and SMEs
- National mobile phone service carriers³⁰

The project proposes to develop a comprehensive stakeholder engagement plan that would be a road map for engagement with the above stated stakeholders during preparation, which would include Free Prior Informed Consent (FPIC) for those activities to be executed with indigenous or ethnic communities.

The project emphasizes gender inclusive engagement in all aspects of project development and implementation. The National Policy on Gender in Agriculture and Light Industry Sector (2018-2025) and Gender Strategy for

²⁷ The Sustainable Fibre Alliance is a non-profit international organisation working with the extended cashmere supply chain, from herders to retailers. It promotes a global sustainability standard for cashmere production in order to preserve and restore grasslands, ensure animal welfare and secure livelihoods.

²⁸ Target area includes Dornod and Sukhbaatar provinces.

²⁹ The ENSURE project aims to enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods.

³⁰ Access to communication technologies (e.g. solar powered mobile phones) and relevant applications will be promoted by the project. Examples of using innovative technologies include financial technology solutions through mobile phone-based transactions and reporting on environmental data (livestock and wild animal/bird count, status of grassland).

Environmental Sector (2014-2030) provide guidance ensuring gender sensitive consultation, planning and implementation of project interventions at all levels.

FAO has supported Mongolia as the first country in Asia to implement the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), which promote responsible governance with respect to all forms of tenure: public, private, communal, indigenous, customary, and informal.

c) Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits;

The project's Theory of Change provides an integrated approach to tackle the complex drivers of land degradation and address the key barriers in the target landscape. It is directly aligned with the Program's Theory of Change. Interventions targeted at all levels of the system (policy, governance, stakeholders, capacities, value chains, and PPP) and across all actors and stakeholders in the landscape will support the required systems transformation. The biome/ecosystem/landscape focus of the Program and its cross-sectoral approach will be well suited to tackle the drivers of degradation in Mongolia, with impacts across multiple focal areas. Furthermore, co-benefits will be realized in the area of International Waters through improved management of the headwaters of the Amur-Heilongjiang ecosystem.

d) Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The GEF financing will build on the baseline described above, and will specifically support incremental costs of:

- Required policy, planning and governance changes supporting a systems transformation.
- Ensuring a cross-sectoral, multi-stakeholder approach.
- Ensuring planning at the biome/ecosystem/landscape level and a science-based approach to conservation and sustainable use.
- Technologies and innovations for scaling up sustainable dryland management, including the development of value chains and PPPs.
- Generation and sharing of knowledge at the project and program level, including improved monitoring and access to land-use data.

In line with the Program objective, the project aims to reverse and prevent dryland ecosystem degradation and biodiversity loss through an inclusive and integrated landscape and value chain approach for sustainable, resilient livelihoods in the Eastern Steppe of Mongolia. The project will be divided into three components:

- 1) Strengthening the enabling environment for the sustainable management of drylands in Mongolia;
- 2) Scaling up sustainable dryland management in the Eastern Steppe of Mongolia; and
- 3) Project coordination, knowledge management and monitoring.

Total project area is 6.86 million hectares; total avoided GHG emissions 10.3 million tCO₂e; target beneficiaries 20,500 households (or 100,000 people).

3. Engagement with the Global / Regional Framework (maximum 500 words) [278 words]

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

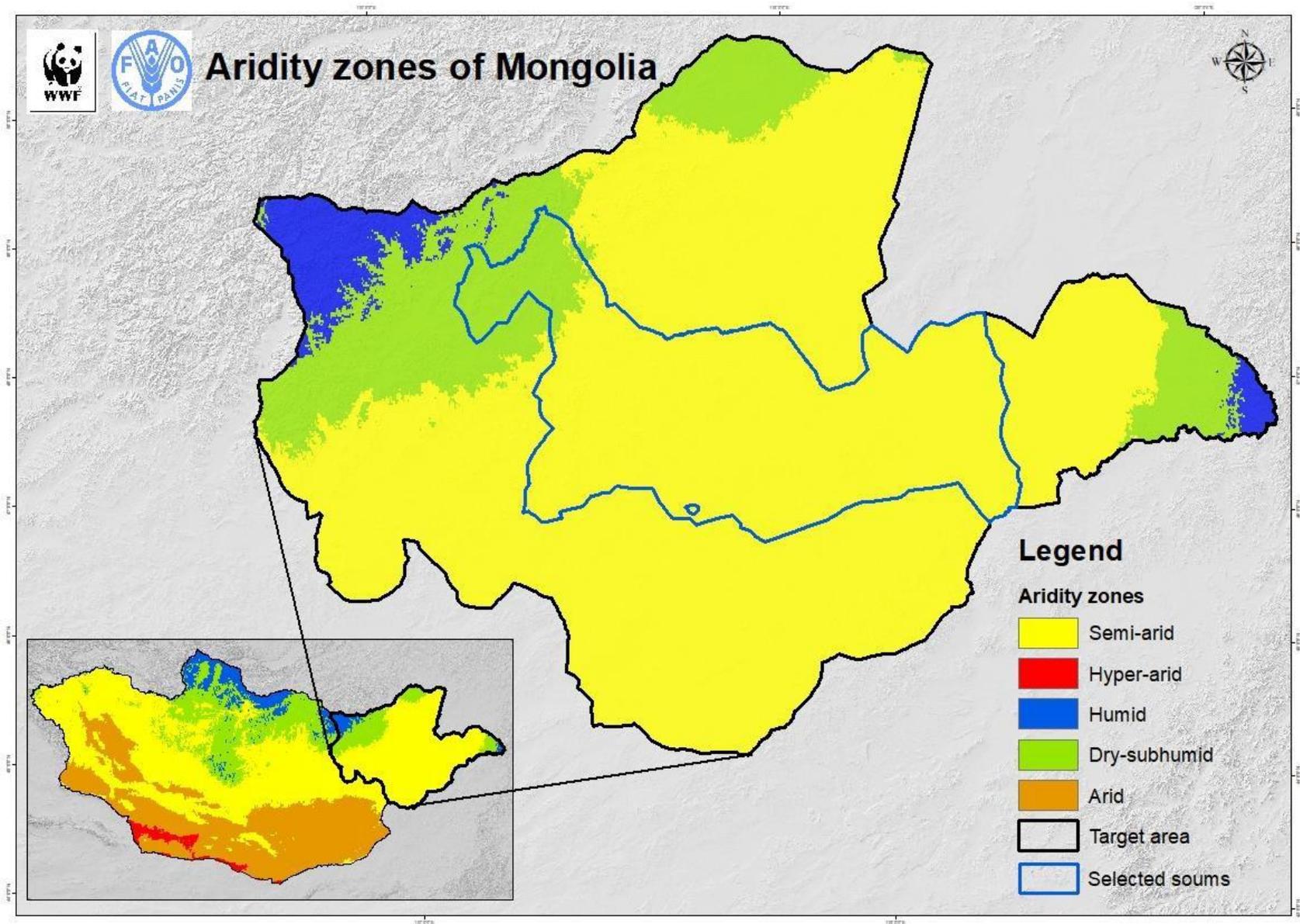
The project will provide key policy and decision makers in Mongolia with tools and capacity and linkage to other dryland countries with best environment/biodiversity legal framework/practice.

The project will establish systems for M&E, knowledge management and knowledge sharing contributing to national, regional and global IP implementation. Special consideration will be given to experience sharing with other Central Asian countries practicing pastoral husbandry, best dryland practice. The project will build on relevant international platforms in which Mongolia already plays an active role, such as the UNCCD, WOCAT, the Central Asia Countries Integrated Land Management Initiative (CACILM), the Bonn Challenge, the Northeast Asia Desertification, Land Degradation and Drought Network³¹, and the United Nations Environment Assembly, under which Mongolia is leading efforts to designate an International Year of Rangelands and Pastoralists, among others. The project will also coordinate closely with FAO's Committee on Forestry (COFO) Working Group on Dryland Forests and Agrosilvopastoral Systems.

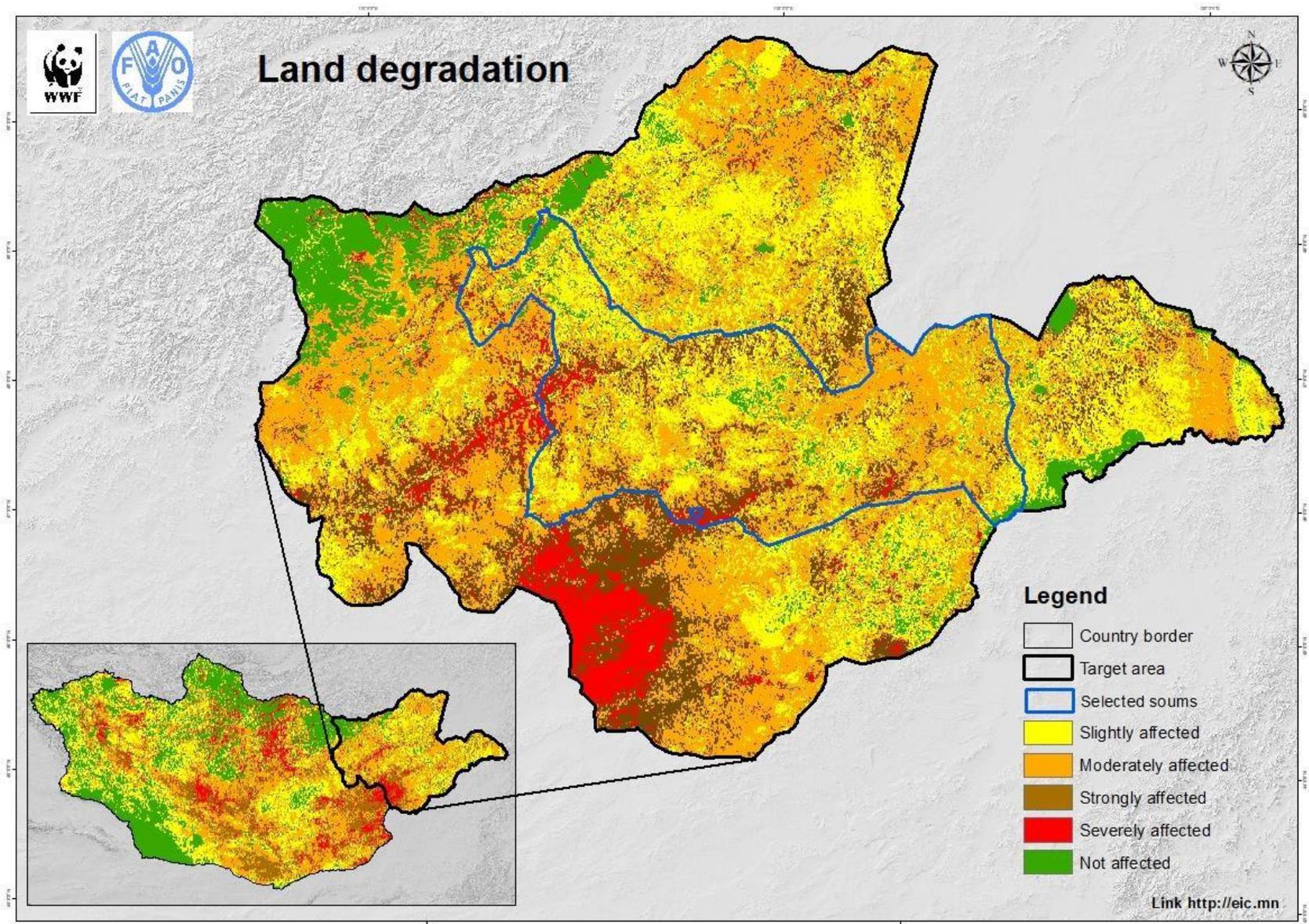
Furthermore, the project will support regional and cross-border coordination relevant to maintaining the ecological integrity of the Central Asian Steppe, in particular in relation to the Mongolia-Manchurian Grassland and the Daurian Forest Steppe Ecoregions. It will generate lessons learned that will contribute to the understanding of the complex dynamics of ecosystems, their values and the multiple demands placed upon them. The project will also provide important lessons with regard to land tenure and access, resilience, and the role of women in the sustainable management of drylands. Through the involvement of the private sector, the project will catalyse innovations that can be scaled up in other countries in the region and globally under the IP. These innovations may include, among others, financial and market-based instruments such as certifications.

³¹ The DLDD NEAN demonstration program aims for regional SLM/CC/BD cooperation among Mongolia, FAO, Korea Forest Service, and State Forest Administration of China to identify, disseminate and adapt best practices combating desertification.

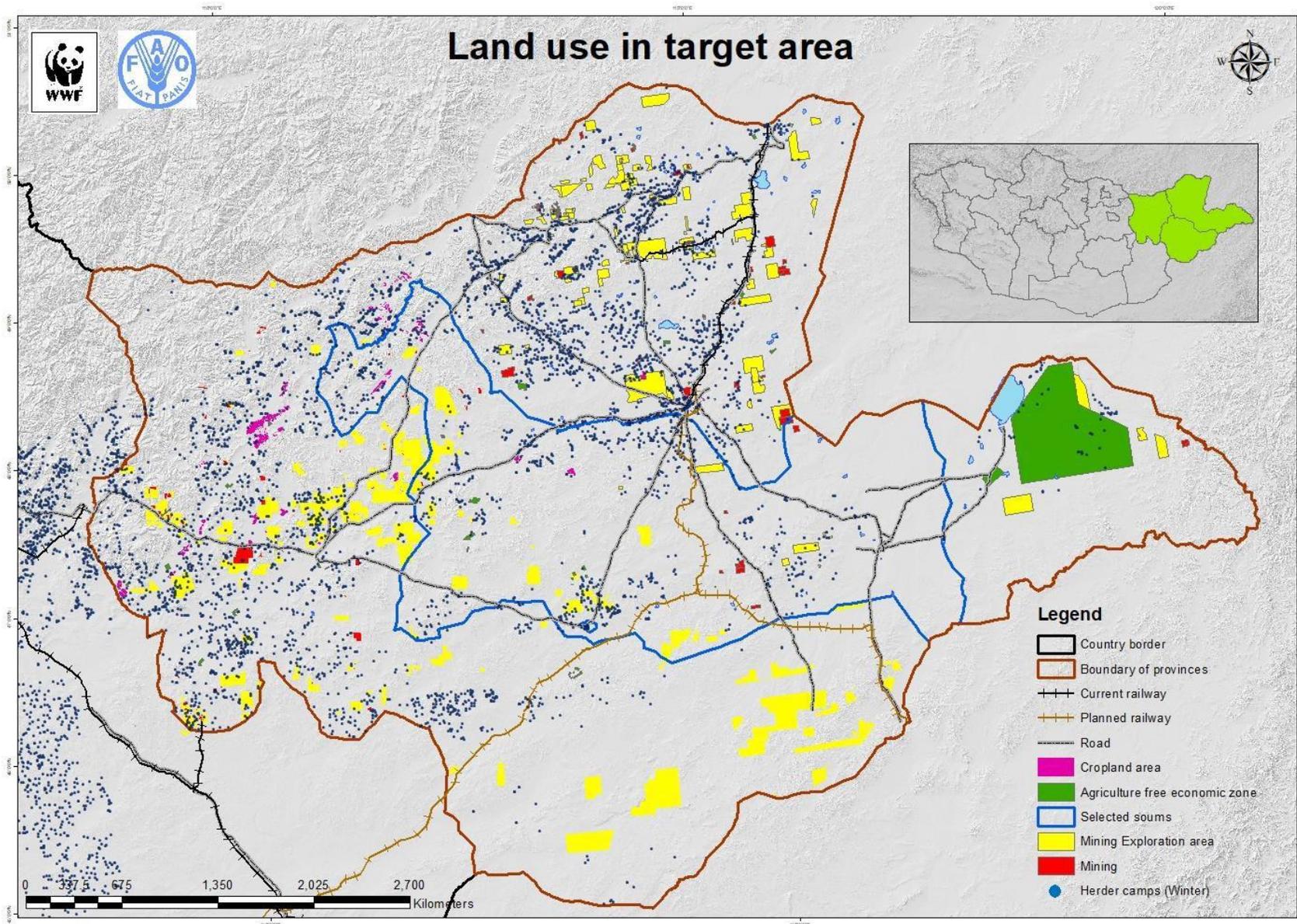
Annex A1 Project area map: Drylands of Mongolia



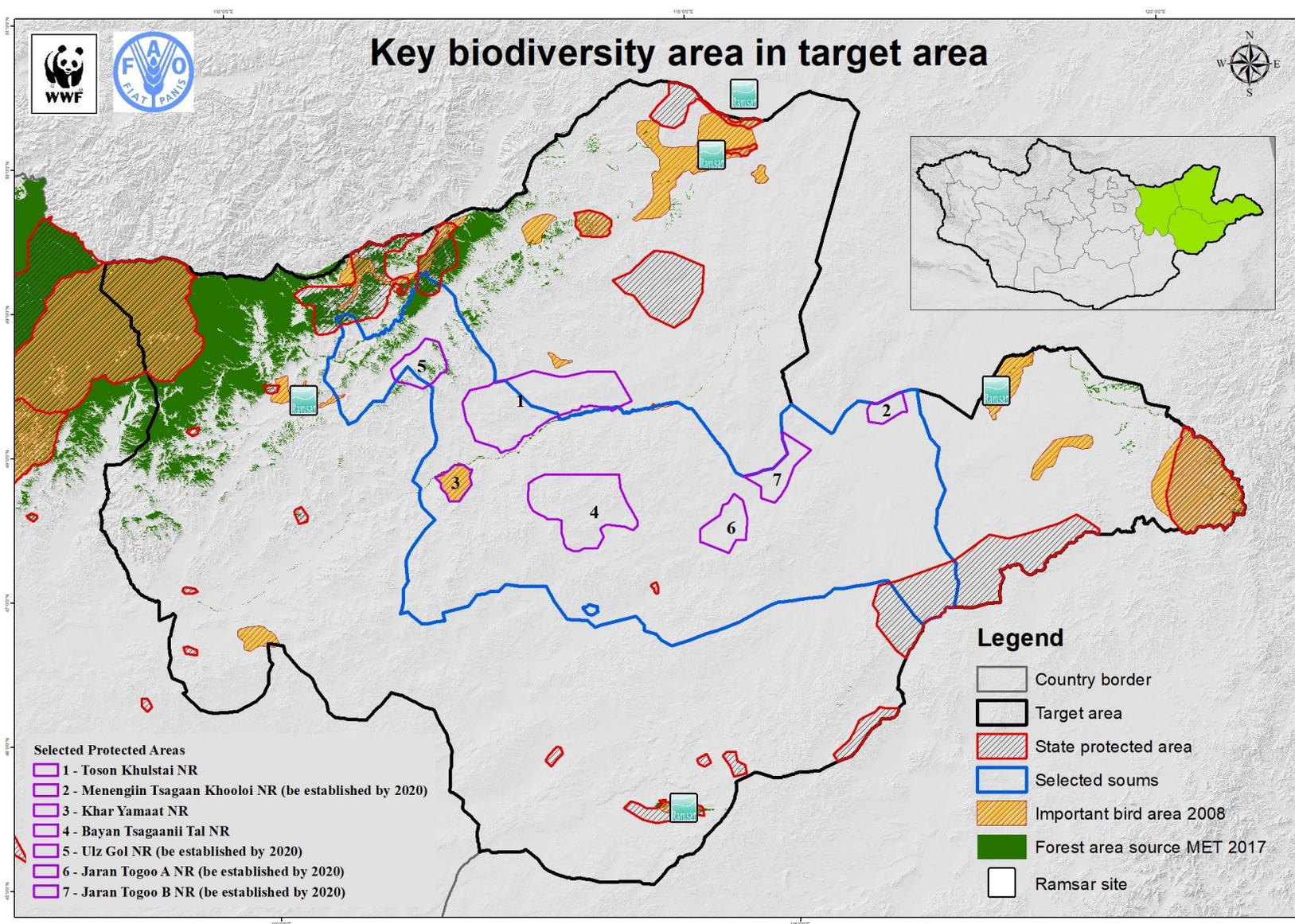
Annex A2 Project area map: Land degradation in Eastern Mongolia



Annex A3 Project area map: Land use in Eastern Mongolia



Annex A4 Project area map: Key biodiversity areas in Eastern Mongolia



Annex B

GEF 7 Core Indicator Worksheet

Core Indicator 1		Terrestrial protected areas created or under improved management for conservation and sustainable use						
		Hectares (1.1+1.2)						
		Expected		Achieved				
		PIF stage	Endorsement	MTR	TE			
		1,176,862						
Indicator 1.1		Terrestrial protected areas newly created						
Name of Protected Area	WDPA ID	IUCN category	Hectares					
			Expected		Achieved			
			PIF stage	Endorsement	MTR	TE		
<i>Toson Khulstai', 'Khar Yamaat' and 'Bayatsagaany tal' Nature Reserves</i>	166794, 166795, 555576555	IV Habitat/Species Manag	839,978					
<i>'Ulziin ekh', 'Jaran togoony tal A&B' and 'Menengiin tsagaan khooloi' Nature Reserves (submitted to Parliament for gazetting)</i>		IV Habitat/Species Manag	336,884					
		Sum	1,176,862					
Indicator 1.2		Terrestrial protected areas under improved management effectiveness						
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score				
				Baseline		Achieved		
					Endorsement	MTR	TE	
		(select)						
		(select)						
		Sum						
Core Indicator 2		Marine protected areas created or under improved management for conservation and sustainable use				(Hectares)		
		Hectares (2.1+2.2)						
		Expected		Achieved				
		PIF stage	Endorsement	MTR	TE			
Indicator 2.1		Marine protected areas newly created						
Name of Protected Area	WDPA ID	IUCN category	Hectares					
			Expected		Achieved			
			PIF stage	Endorsement	MTR	TE		
		(select)						
		(select)						
		Sum						
Indicator 2.2		Marine protected areas under improved management effectiveness						
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score (Scale 1-3)				
				Baseline		Achieved		
				PIF stage	Endorsement	MTR	TE	
		(select)						
		(select)						
		Sum						

Core Indicator 3	Area of land restored				(Hectares)
	Hectares (3.1+3.2+3.3+3.4)				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
	575,538				
Indicator 3.1	Area of degraded agricultural land restored				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
Indicator 3.2	Area of forest and forest land restored				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
Indicator 3.3	Area of natural grass and shrublands restored				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
	575,538				
Indicator 3.4	Area of wetlands (including estuaries, mangroves) restored				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
Core Indicator 4	Area of landscapes under improved practices (hectares; excluding protected areas)				(Hectares)
	Hectares (4.1+4.2+4.3+4.4)				
	Expected		Expected		
	PIF stage	Endorsement	MTR	TE	
	5,105,348				
Indicator 4.1	Area of landscapes under improved management to benefit biodiversity				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
Indicator 4.2	Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations				
Third party certification(s):		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE
Indicator 4.3	Area of landscapes under sustainable land management in production systems				
	Hectares				
	Expected		Achieved		
	PIF stage	Endorsement	MTR	TE	
	5,105,348				
Indicator 4.4	Area of High Conservation Value Forest (HCVF) loss avoided				
	Hectares				

		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
Core Indicator 5	Area of marine habitat under improved practices to benefit biodiversity				(Hectares)	
Indicator 5.1	Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):		Number				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
Indicator 5.2	Number of large marine ecosystems (LMEs) with reduced pollution and hypoxial					
		Number				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
Core Indicator 6	Greenhouse gas emission mitigated				(Tons)	
		Tons (6.1+6.2)				
		Entered		Entered		
		PIF stage	Endorsement	MTR	TE	
Expected CO2e (direct)		10,296,322 (TBC)				
Expected CO2e (indirect)						
Indicator 6.1	Carbon sequestered or emissions avoided in the AFOLU sector					
		Tons				
		Entered		Entered		
		PIF stage	Endorsement	MTR	TE	
Expected CO2e (direct)		10,296,322 (TBC)				
Expected CO2e (indirect)						
Anticipated Year						
Indicator 6.2	Emissions avoided					
		Hectares				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
Expected CO2e (direct)						
Expected CO2e (indirect)						
Anticipated Year						
Indicator 6.3	Energy saved					
		MJ				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
Indicator 6.4	Increase in installed renewable energy capacity per technology					
		Capacity (MW)				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
(select)						
(select)						
Core Indicator 7	Number of shared water ecosystems (fresh or marine) under new or improved cooperative management				(Number)	
Indicator 7.1	Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation					

		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.2	Level of Regional Legal Agreements and Regional Management Institutions to support its implementation					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.3	Level of National/Local reforms and active participation of Inter-Ministerial Committees					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.4	Level of engagement in IWLEARN through participation and delivery of key products					
		Shared water ecosystem	Rating (scale 1-4)			
			Rating		Rating	
			PIF stage	Endorsement	MTR	TE
Core Indicator 8	Globally over-exploited fisheries Moved to more sustainable levels					(Tons)
			Metric Tons			
			PIF stage	Endorsement	MTR	TE
Core Indicator 9	Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products					(Tons)
			Metric Tons (9.1+9.2+9.3)			
			Expected		Achieved	
			PIF stage	PIF stage	MTR	TE
Indicator 9.1	Solid and liquid Persistent Organic Pollutants (POPs) and POPs containing materials and products removed or disposed					
	POPs type		Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
	(select)	(select)	(select)			
	(select)	(select)	(select)			
	(select)	(select)	(select)			
Indicator 9.2	Quantity of mercury reduced					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.3	Number of countries with legislation and policy implemented to control chemicals and waste					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.4	Number of low-chemical/non-chemical systems implemented particularly in food production, manufacturing and cities					
		Technology	Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE

Core Indicator 10	Reduction, avoidance of emissions of POPs to air from point and non-point sources					(Grams)
Indicator 10.1	Number of countries with legislation and policy implemented to control emissions of POPs to air					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 10.2	Number of emission control technologies/practices implemented					
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 10.3	Number of countries with legislation and policy implemented to control chemicals and waste					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment					(Number)
						Number Achieved
					MTR	TE
				Female		
				Male		
				<i>Total</i>		