

Terminal Evaluation Report

Land Degradation Offset and Mitigation in Western Mongolia

MON/16/301, UNDP PIMS: 5287

GEF project ID: 5700, GEF strategic programme: LD-3



Sabine Schmidt and Narangerel Yansanjav

May 2019



MINISTRY OF ENVIRONMENT
AND TOURISM



*Empowered live
Resilient nation.*

Project Identification

Title:	Land Degradation Offset and Mitigation in Western Mongolia
UNDP Project ID:	PIMS 5287
ATLAS Project ID:	00087440
GEF Project ID:	7500
TE Time Frame:	March – May 2019, Field Mission April 6 – 13
Date of TE Report:	May 2019
Country:	Mongolia
GEF Focal Area:	Land Degradation
GEF Focal Area Strategic Programme:	Reduce pressures on natural resources from competing land uses in the wider landscape (LD3)
Implementing Partner:	Ministry of Environment and Tourism (MET)
Other Main Partners:	Ministry of Mining, ALAMGAC, MRPAM, TNC, private sector mining companies, SDC/Green Gold Project, WWF, Line Agencies
Evaluation Team:	Sabine Schmidt, Narangerel Yansanjav

Acknowledgements

The Terminal Evaluation team would like to express their gratitude for the opportunity to undertake this assignment, and their thanks to the guidance and support by the UNDP CO, namely RR Ms Beate Trankmann and CO senior officer Ms Khishigjargal Kharkhuu. Our thanks to project management for all their time dedicated to our work, extensive discussions on project implementation, for providing reports, data and clarifications, and for arranging for us and accompanying us on the field trip.

Representatives of all stakeholders provided their insights and perspectives, information and data, and we would like to thank them for their willingness and diligence to enrich our understanding of implementation, results and outlook on sustainability. Special thanks to all those listed by name in Annex 1.

We were fortunate to visit the great landscapes of the Western Region to experience first-hand the values that are at stake to preserve, to understand the competing interests of land use, further our understanding of local livelihoods, and to appreciate the work that has been done by the PMU, implementing partners and local stakeholders under challenging conditions and in a short time frame.

We would like to mention with appreciation the cooperation extended by the mining companies whose mine sites and offset areas we visited, namely Khushuut Mine of MonEnCo LLC in Darvi Soum, and Bayan Airag Mine of Bayan Airag Exploration LLC in Durvuljin Soum where we received important logistics support for our work in the local area.

The International Consultant would like to thank Narangerel Yansanjav for her contributions to this assignment as an experienced evaluator in her own right.

Table of Contents	Page
Acronyms and Abbreviations	
EXECUTIVE SUMMARY	5
• Project Summary Table	5
• Project Description (brief)	5
• Evaluation Rating Table	8
• Summary of conclusions, recommendations and lessons	9
1. INTRODUCTION	13
1.1. Purpose of the evaluation	13
1.2. Scope & Methodology	14
1.3. Structure of the evaluation report	15
2. PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT	16
2.1. Project start and duration	16
2.2. Problems that the project sought to address	16
2.3. Immediate and development objectives of the project	19
2.4. Baseline Indicators established	20
2.5. Main stakeholders	22
2.6. Expected Results	22
3. FINDINGS	24
3.1. Project Design / Formulation	24
3.1.1. Analysis of LFA/Results Framework (Project logic /strategy; Indicators)	24
3.1.2. Assumptions and Risks	25
3.1.3. Lessons from other relevant projects	25
3.1.4. Planned stakeholder participation	26
3.1.5. Replication approach	26
3.1.6. UNDP comparative advantage	27
3.1.7. Linkages between project and other interventions within the sector	27
3.1.8. Management arrangements	28
3.2. Project Implementation	30
3.2.1. Adaptive management	30
3.2.2. Partnership arrangements	30
3.2.3. Feedback from M&E activities used for adaptive management	31
3.2.4. Project Finance	32
3.2.5. Monitoring and evaluation: design at entry and implementation	35
3.2.6. UNDP and Implementing Partner implementation / execution coordination, and operational issues	37
3.3. Project Results	38

3.3.1. Overall results	38
3.3.2. Relevance	46
3.3.3. Effectiveness & Efficiency	47
3.3.4. Country ownership	48
3.2.5. Mainstreaming	48
3.2.6. Sustainability	49
3.2.7. Impact	51
4. CONCLUSIONS, RECOMMENDATIONS & LESSONS	52
4.1. Conclusions	52
4.2. Recommendations	53
4.3. Lessons	55
5. ANNEXES	

Executive Summary

Project Summary Table

Project Title:	"Land degradation offset and Mitigation in Western Mongolia"			
GEF Project ID: UNDP GEF Project ID (PIMS):	#5287		at endorsement (Million US\$)	at completion (Million US\$)
Atlas award ID: Atlas project ID:	00087440	GEF financing:	1,289,863	1,289,863
Country:	Mongolia	IA/EA own:		
Region:	Zavkhan, Uvs and Khovd provinces	Government:	4,150.000	4,150.000
Focal Area:	Land Degradation	Other:	280.000	280.000
FA Objectives, (OP/SP):	LD3	Total co-financing:	4,430.000	4,430.000
Executing Agency:	UNDP	Total Project Cost:	6,569.863	6,569.863
Other Partners involved:	MoM, TNC, WWF, SDC/Green Gold Line agencies, Private sector/mining companies,	ProDoc Signature		12 June 2015 by Government of Mongolia and UNDP CO Mongolia
		Closing Date: (Operational)	Proposed: July 2019	Actual: July 2019

Project Description

Design

The goal of the project was the "Conservation of ecosystem integrity and resilience, biodiversity and livelihoods in Western Mongolia's productive landscapes". Its objective was "to reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management". Two components were designed to achieve the outcomes and outputs:

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

- Output 1.1: Land degradation mitigation and offset procedures and guidelines developed, integrated in the mining concession planning and licensing system and operationalized.
- Output 1.2: Participatory and science-based eco-regional assessment conducted in western Mongolia and applied to provincial (landscape-level) land use planning.
- Output 1.3: Capacity of key stakeholders developed to apply mitigation and offsetting at the national, aimag and soum levels, and public awareness raised.

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

- Output 2.1: Integrated land management plans operationalised in selected landscapes with full participation of key stakeholders.
- Output 2.2: Land degradation mitigation and offsets piloted in selected landscapes.
- Output 2.3: Capacity of local stakeholders developed through demonstration and application of innovative SLM approaches.

Component 1 introduced science-based mitigation hierarchy and offsets into provincial and local land use planning, and to mining concession planning to management competing land use types, and set aside ecologically sensitive areas.

Eco Regional Assessment was a key activity to enable this new planning approach countrywide. Related legislation, guidelines and procedures were developed to create an enabling legal environment to introduce and scale up mitigation hierarchy, offsets and integrated, landscape level planning. Knowledge and skills of government officers and in participating mining companies was developed to put into practice the new approaches, and public awareness was raised.

Component 2 piloted land degradation mitigation and offset mechanisms through integrated sustainable land management practices in three pilot landscapes in Mongolia's Western Region, working with three mining companies and in close cooperation with local governments, local communities and other implementing partners.

Integrated landscape management and offset mechanisms were demonstrated covering over 100,000 ha of land, including rangeland improvements, rehabilitation of croplands, agroforestry and water resources protection and management relevant to sustainable use of pastoral lands. Increased investments of the mining companies into environmental management and offsetting served as one indicator for project success.

Implementation and Oversight

While UNDP was the sole GEF Implementing Agency (IA) for the project, the Ministry for Environment and Tourism (MET) was the government institution responsible for execution and coordination of the project and acts as the government Implementing Partner (IP). MET had overall management responsibility and accountability for project implementation, following all policies and procedures established for its own operations, but remains accountable to

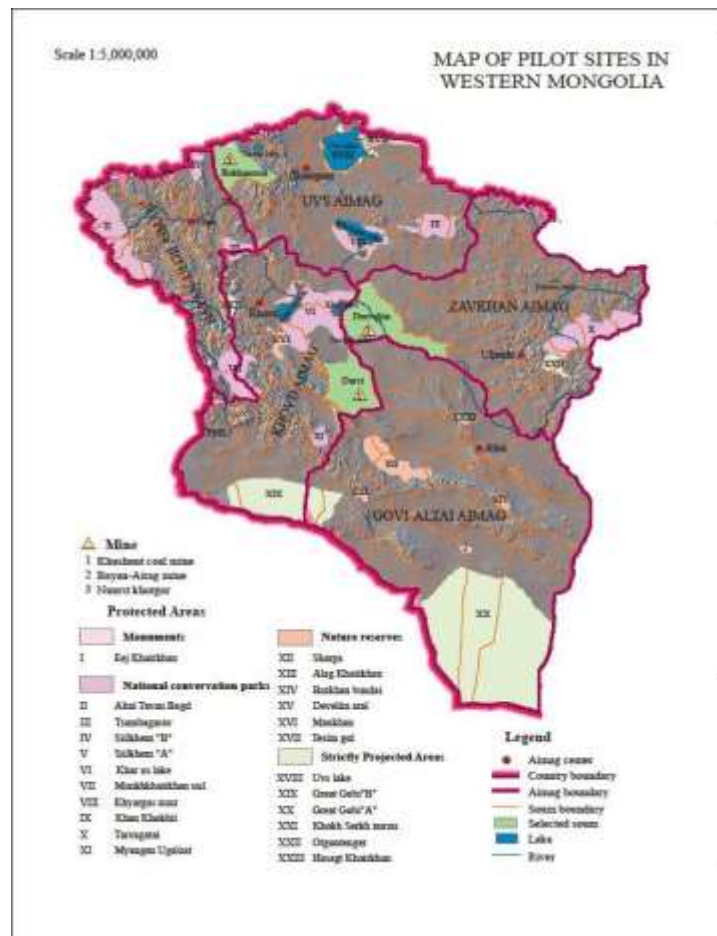
UNDP for production of the outputs, achievement of objectives, use of resources provided by UNDP, and financial reporting.

A key feature for implementation of activities in the pilot landscapes were agreements (MoUs) detailing specific responsibilities and commitments of the mining companies in each pilot landscape, signed between the companies and MET at project inception. Implementation planning and oversight was provided by Local Technical Committees for each pilot landscape, where project implementation was managed by Local Coordinators.

A Project Board was responsible for oversight of project activities, while day-to-day operational oversight was ensured by UNDP, through the UNDP Country Office in Ulaanbaatar. Strategic oversight was provided by the UNDP/GEF Regional Technical Advisor (RTA) responsible for the project. Soum offices and local coordinating committees were to advise MET on implementation of activities in the pilot areas.

Stakeholders

The key stakeholders include central government agencies concerned with the governance of the mitigation hierarchy and offsetting for addressing the impacts of mining (Ministry of Environment and Tourism, Ministry of Mining) , the aimag and soum administrations and elected bodies, private sector (including the mining companies themselves as well as EIA consulting firms), national level NGOs, community representatives and social and local environmental NGOs/ CSOs involved in community development and sustainable land management; research institutions involved in SLM and related research (e.g. universities), as well as the local communities in the areas targeted by the project as the primary stakeholders.



Project Area



Evaluation Rating Table

No	Performance Criteria	Rating
1	Monitoring and Evaluation	
	M&E Design at Entry	S
	M&E Plan Implementation	MS
	Overall Quality of M&E	S
2	IA&EA Execution	
	Quality of UNDP MET Implementation (UNDP as IA – Implementing Agency for GEF)	HS
	Quality of Execution – Executing Agency (MET as IP - Implementing Partner to execute the project under NIM)	HS
	Overall Quality of Implementation / Execution	HS
3	Assessment of Outcomes	HS
	Relevance	R
	Effectiveness	HS
	Efficiency	HS
	Overall Project Outcome Rating	HS
4	Sustainability	
	Financial Resources	ML
	Socio-political	L
	Institutional Framework and Governance	ML
	Environmental	ML
	Overall likelihood of Sustainability	ML

Summary of Conclusions, Recommendations and Lessons

In summary, the key findings are:

- Eco Regional Assessment was completed for all five Western provinces, and at time of evaluation, local development planning for 22.8 mio ha was considering preserving conservation values and ecosystem services.
- Areas added under formal protection in the Western Region amounted to 5.7 Mio ha, including 3.3 Mio ha as Local Protected Areas, and 2.4 Mio ha as State Protected Areas. Both state and local protected area status provides protection from development of extractive industries, and managing for conservation values.
- The capacity of local governments to apply mitigation hierarchy in planning and to work with mining companies in developing offset activities has been strengthened by 13 % against the baseline, according to score card results.
- Guidelines and regulations were drafted and approved on developing general land use plans on provincial and municipal level, on developing Soum level annual land management planning, on M&E for land use plans, and on use of land and natural resources and registration, validation and formulation of landscape development plan were drafted and approved.
- Environmental Impact Assessment Methodology including offsetting was drafted
- Amendments drafted to the laws on protected areas, land law, and law on EIA, and handed to MET.
- Draft for new law on rehabilitation of degraded land after mining activities prepared and handed to MET.
- Offset areas cover 12,000 ha (Bayan Airag), 12,200 ha (Khotgor) and 4219 ha (Khushuut), and SLM practices were applied, namely rangeland improvements (through rotational grazing (78600 ha), and including water source protection, cropland rehabilitation and agroforestry.
- All 3 participating mining companies signed MoUs on developing offset plans, and all 3 have developed offset/EMP. The 2019 budgets for Environmental Management including offsets increased by 700 % for Khotgor mine, 49 % for Bayan Airag mine, and 10 % for Khushuut mine.

Conclusions

The project design addressed the solution and key barriers to managing competing land uses avoiding extreme degradation of land and ecosystem services and functions in Mongolia.

The identified long term solution was “to ensure cross sectoral and landscape-level planning and management that incorporates full application of the mitigation hierarchy including offsetting damages caused to land resources and ecosystems, backed by adequate regulatory framework and capacities.”

The barriers were “weak regulatory framework and institutional capacity for application of mitigation hierarchy”, and “lack of capacity and experience in applying mitigation hierarchy and offset mechanisms on the ground”.

The design was well aligned with national policies as well as with mid and long term development plans in the pilot landscapes.

Applicable best practices based on previous UNDP supported projects and other recent and ongoing projects in sustainable land management were built into design and implemented as key measures to address land degradation, namely improved rangeland management through rangeland use agreements with herders' organizations, rotational grazing, and economic incentives to reduce grazing pressure.

Partnership arrangements and stakeholder cooperation was put into practice as planned in the project document, and expanded according to MTR recommendation by including a representative of NDA. Collaboration with partners that look back on a successful track record in their area of expertise was managed to optimize benefits for SLM and livelihoods, for applying mitigation hierarchy and for biodiversity conservation.

As the project was executed in accordance with the National Implementation Modality, with MET as the institution with overall project management responsibility, an appropriate mechanism for planning and implementing activities in the pilot landscapes was introduced with the establishment of three Local Technical Committees, one in each pilot landscapes. The Local Technical Committees ensured local government ownership and involvement and capacity building for government officers.

The project achieved its planned outcomes in applying land degradation mitigation and offsets in the selected landscapes and in further strengthening the relevant legal and regulatory framework. It thereby made important contributions to the UNDP country programme objectives in support of a holistic approach to natural resource management and to global benefits in reducing land degradation.

The project contributed on all levels to introduce integrated land-use planning, from national to local community level, providing herders as the primary resource users, and local authorities with a mechanism to reduce negative impacts of mining on rangelands.

With the completion of the Eco Regional Assessment in the Western Region, countrywide ERA coverage was achieved; combined with the up-dates of Aimag Land Use plans in the project landscapes, the condition was created to develop and adopt the National Land Management Master Plan in late 2018.

As key biodiversity areas have been gazetted as local and state protected areas, the legal framework for mitigation and offsetting has been strengthened, and successful pilots are ongoing as demonstration practices, the enabling conditions for landscape and biodiversity conservation are enhanced, and a foundation for reducing land degradation through mining has been built.

However, capacity building remains a high priority to sustainably strengthen environmental governance of mining and stakeholder commitments on follow-up need to be secured and formalized.

The results were achieved in a project implementation period cut short by one year, a fact that speaks to the high degree of efficiency of activity implementation.

Recommendations for immediate Follow-up		
#	Activity	Responsible Party
1	Conduct workshops on “Sustaining and Scaling up Land Degradation Mitigation and Offsets” in each of the project Aimags to jointly review the findings of the TE, to assess needs for capacity building and to plan forward. Project management to organize meetings, or request Aimag governments to organize participatory meetings, and share the findings with UNDP to inform programming in case of following up activities being undertaken as a stand alone project, or if ENSURE project can support follow-up.	PIU
2	Confirm that all LPAs identified by the ERA, and registered by ALAMGAC are also registered with MRPAM, and show up in the online database (https://cmcs.mrpam.gov.mn/). Project management to request both agencies to compare notes and make updates as needed in case of inconsistencies.	PIU
3	Address the issue of exploration license in Durvuljin Soum ¹ which overlaps with the selected offsetting area of Bayan Airag Exploration LLC and the pasture contracted by the Soum Governor for management by Janchiv Cooperative. Project management to bring the issue to the attention of Bayan Airag LLC and Durvuljin Soum Governor and Khural Chair, for these stakeholders to follow up	PIU
4	Share the final project report, or a summary, with the Altai Sayan Ecoregion Project of WWF in Khovd, and discuss the follow-up of activities by WWF in the overlapping project areas. Project management to share document.	PIU

¹ See Annex 10 for detailed license information.

5	Suggest to mining companies to include spring protection as successfully practiced by WWF in the pilot landscapes. Project management bring to the attention to the participating mining companies to consider including spring protection as practiced by WWF (and TNC) in the pilot areas in future offset planning. Details available at WWF Altai Sayan Region office in Khovd.	PIU
---	---	-----

The TE team was specifically asked by UNDP Mongolia CO to provide recommendations for follow-up activities, so that UNDP could use them to inform programming on the governance of mining should the opportunity arise. The following recommendations are targeted to this purpose:

- Provide training for Soum government officers on the complete and correct process of approving Local Protected Areas and submitting all required information to MRPAM, and ensuring the process is completed.
- Conduct training and awareness raising with staff of MRPAM in charge of registering Local Protected Areas about the significance and legitimacy of local protected areas in Mongolia's development planning, about the issue of competing land use
- Bring together ALAMGAC and MRPAM to develop an effective mechanisms that ensures data base and information on mining licenses and LPAs is identical
- Up-date required competency standards in relevant organizations to include knowledge and skills on mitigation hierarchy and offsets.
- Explore options to include mitigation hierarchy and offsetting into curricula on land and environmental management and policy at tertiary education institutions.
- Organize experience sharing on the mechanism of the Tripartite Council (Local Government, Local Communities, Mining Company) that has been established in Khanbogd Soum for dispute resolution, joint fact finding and joint planning.
- Support the development of a manual for local communities on mitigation hierarchy and offsetting, and on the principle and process of joint fact finding

Lessons

The Local Technical Committees were identified as a key success factors by all stakeholders. Similar arrangements should be adopted for implementation of UNDP projects to enhance ownership, cost effectiveness, sustainability and targeting of activities.

For project oversight and guidance, the project adopted the practice that project board members and Project National Director be appointed by position, not by name. This is a good practice to ensure continuity in project leadership in case of structural changes.

Project management maintained close working relationships with MET officers that would be instrumental to take forward the process to approve drafted amendments and legislation, another good practice to be build into project implementation.

Close cooperation with and support to mining companies with little experience and awareness of offsetting, facilitating stakeholder cooperation, assistance to develop EMP and offset plans, shows the way how land degradation offsetting can be put into practice with all mining companies, both private and government owned.

Project design, and interpretation thereof, that uses GEF language which has to be globally applicable, should be careful in translating terms such as SLM into the country context –that is mobile pastoralism and rangeland management in Mongolia.

Opportunities to provide follow-up support for project sustainability, and to strengthen environmental governance of mining in Mongolia are evident from the lessons and recommendations. The design of a possible follow-up project, should the opportunity arise, should include as key elements the following:

- Further capacity building and public awareness on mitigation hierarchy and offsetting
- Coordination and collaboration among ALAMGAC and MRPAM
- Training of local governments on approving and submitting LPAs with MRPAM
- Developing competency standards in all relevant organizations
- Introducing mitigation hierarchy and offsetting into tertiary education curricula
- Identifying and scaling up best practices for stakeholder consensus and cooperation including Tripartite Councils and Joint Fact Finding

Acronyms and Abbreviations

AFA	Administrative and Financial Assistant
ALAMGAC	Agency for Land Affairs and Management, Geodesy and Cartography
APR	Annual Project Report
AWP	Annual Work Plan
CBO	Community-based Organization
CBNRM	Community-Based Natural Resources Management
CP	Country Programme
CPAP	Country Programme Action Plan
CSO	Civil Society Organization
EMP	Environmental Management Plan
EOP	End Of Project
ERA	Eco-Regional Assessment
FAO	United Nations Food and Agriculture Organization
GASI	General Agency for Specialized Inspections
GEF	Global Environment Facility
GIS	Geographic Information System
GIZ	German International Cooperation Agency
IFAD	International Fund for Agricultural Development
LD	Land Degradation
LPA	Local Protected Area
M&E	Monitoring and Evaluation
MCUD	Ministry of Construction and Urban Development
MECC	Mongolian Environmental Civil Council (NGO)
MET	Ministry of Environment and Tourism
MoFALI	Ministry of Food and Agriculture
MNMA	Mongolian National Mining Association
MNT	Mongolian Tugrik
MOM	Ministry of Mining
MOU	Memorandum of Understanding
MRPAM	Mineral Resources and Petroleum Authority of Mongolia
MTR	Mid Term Review
NAPCC	National Action Programme for Climate Change
NAPCD	National Action Plan for Combating Desertification
NCCD	National Commission for Soil Protection and Combating Desertification
NEAP	National Environmental Action Programme
NGO	Non-Governmental Organisation
NIM	National Implementation Modality
PIR	Project Implementation Report
PIW	Project Inception Workshop
PMU	Project Management Unit
PUG	Pasture User Group
RBA	River Basin Authority
RTA	Regional Technical Advisor
SDC	Swiss Development Cooperation Agency
SLM	Sustainable Land Management
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SPA	Special Protected Area
SRF	Strategic Results Framework
TE	Terminal Evaluation
TOR	Terms of Reference
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFCCC	UN Framework Convention on Climate Change

1. Introduction

1.1. Purpose of the Evaluation

The project “Land Degradation Offset and Mitigation in Western Mongolia” is nearing closure and according to GEF regulations, a terminal evaluation is required. The objectives of the evaluation are to assess the design, implementation and results of the project, to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming.

An explicit purpose of this terminal evaluation, elaborated in meetings with leadership at the UNDP CO Mongolia at commencement of the TE mission was to pay particular attention to lessons from project implementation relevant to the environmental governance of mining in Mongolia, to the needs to enhance sustainability, to opportunities for scaling up best practices and identifying remaining needs for capacity development and to safeguard achievements, namely the long term protection of landscape values and regulation of competing land uses in the project area as key innovative feature of the project.

Other aspects the TE team was asked to include in the assessment included learnings regarding CBNRM practice and sustainability, best practices in implementation arrangements, success factors in implementation and disbursement as planned.

The purposes of evaluations of UNDP supported, GEF financed projects also include the following:

- To promote accountability and transparency, and to assess and disclose the extent of project accomplishments;
- To synthesize lessons that can help to improve the selection, design and implementation of future GEF financed UNDP activities;
- To provide feedback on issues that are recurrent across the UNDP portfolio and needed attention, and on improvements regarding previously identified issues;
- To contribute to the overall assessment of results in achieving GEF strategic objectives aimed at global environmental benefit; and
- To gauge the extent of project convergence with other UN and UNDP priorities, including harmonization with other UN Development Assistance Framework (UNDAF) and UNDP Country Programme Action Plan (CPAP).

1.2. Scope & Methodology

The Terminal Evaluation was conducted according to the guidance, rules and procedures established by UNDP and GEF as in the UNDP Terminal Evaluation Guidance for GEF Financed Projects.² It addressed the achievement of project goal, objective, outcomes and outputs. According to guidelines, the evaluation was framed using the criteria *of relevance, effectiveness, efficiency, sustainability and impact*.

Project performance was assessed against expectations set out in the results framework (log frame) thereby evaluating both performance and impact. Ratings are applied for M&E, project execution by the implementing and executing agency, for the relevance, effectiveness, efficiency, sustainability of outcomes, and socio-political, institutional, environmental and financial sustainability.

The evaluation followed the methodology set out in the Inception Report submitted before the field mission, consisting of a) document review, b) consultations, c) site visits to pilot landscapes including to mining sites, offset areas and areas of CBNRM implementation.

For site visits, two of the three pilot landscapes were chosen both to cover the two pilot landscapes with the largest number and diversity of offset activities, including activities in rangeland and cropland management, livestock husbandry and alternative income generation, and for practical reasons considering the long distances in rural Mongolia, and limited timeframe of the TE team.

Participatory consultations included meetings with representatives of all implementing partners and stakeholders in central and local government, national and international NGOs, local communities and their CSOs, and private sector. A list of individual met during the TE consultations for semi-structured interviews and group meetings is provided in Annex 1.

Key informants were selected based on their positions in relevant government agencies involved in project activities, namely experts in land management, environmental inspection, and agriculture in Aimag and Soum governments, officers of environmental departments of the participating mining companies, experts at MET responsible for offsetting, officers at ALAMGAC and MRPAM responsible for cadastre registration of mining licenses and protected areas, community leaders involved in implementation of offset activities, technical experts of project partners and contractors implementing eco-regional assessment, and rangeland management activities under offset plans.

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

Triangulation of findings was based on review of project documents, findings in key informant interviews and group discussions, and documents on local development planning (Soum Landscape Development Plans and the mining companies' Offset Plans).

Semi-structured interviews and group meetings were guided by the Evaluation Criteria Matrix and a list of guiding questions/issues, attached as Annexes 2 and 3, respectively.

The list of documents reviewed and consulted to understand project background and design local context in the pilot landscapes, UNDP CO objectives, and to evaluate project implementation progress and end of project achievements is included in Annex 4.

While it is understood that terminal evaluations are to apply a gender responsive methodology, this was not specified in the ToR of the TE team, and the SESP of the project design document identified no risk of negative impacts on gender equality and women's empowerment. During the TE field visits, women were encouraged to participate, and indeed took part as a majority in local group meetings. In key informant interviews, women's representation was 43 % for mining company representatives, 40 % for Aimag government officers, 46 % for Soum government officers, 65 % for community members, and 66 % for representatives of project partners and contractors.

The TE work commenced on March 13 with document reviews and stakeholder meetings at central level. A field trip was undertaken from April 6 – 13 to two of the three pilot landscapes, Khovd Aimag/Darvi Soum and Zavkhan Aimag/Durvuljin Soum. Upon return, meetings and desk reviews continued with stakeholders and project team, and preliminary findings of the TE were presented in the final Board Meeting and Closing Workshop on April 19, 2019. A summary of field visits is provided in Annex 5, and the TE mission itinerary is attached as Annex 6.

1.3. Structure of the Evaluation Report

The report follows the structure prescribed in the ToR and the UNDG/GEF guidance on terminal evaluations, which includes project overview and five sections:

Section 1 - Introduction – on the purpose, scope and methodology of the evaluation.

Section 2 - Project description and development context – on the project start and duration, problems that the project sought to address, the immediate and development objectives of the project, baseline indicators established, main stakeholders, and expected results

Section 3 – Findings – on 1) project design including results framework, assumptions and risks, lessons from other relevant projects, stakeholder participation, replication approach, UNDP comparative advantage, linkages between project and other interventions within the sector, and management arrangements, 2) project implementation including adaptive management, partnership

arrangements, feedback from M&E activities used for adaptive management, project finance, monitoring and evaluation: design at entry and implementation, UNDP and Implementing Partner implementation / execution coordination, and operational issues, 3) project results including overall results (attainment of objectives), relevance, effectiveness and efficiency, country ownership, mainstreaming, sustainability and impact.

Section 4 - Conclusions, Recommendations & Lessons including corrective actions for the design, implementation, monitoring and evaluation of the project, actions to follow up or reinforce initial benefits from the project, proposals for future directions underlining main objectives, and best practices in addressing issues relating to relevance, performance and success

Section 5 Annexes.

2. Project description and development context

2.1. Project start and duration

Preparation Grant Approved	March 2014
Project approved for implementation by GEF Secretariat	April 2015
Project document signed by Government of Mongolia ³	June 2015
Actual Project Launch	June 2016
Project Inception Workshop	December 2016
Mid Term Evaluation	Nov 2017 – Feb 2018
Project Completion	July 2019
Terminal Evaluation	March – June 2019

2.2. Problems that the Project Sought to Address

Land degradation is one of the most serious environmental problem in Mongolia, accelerating desertification and affecting the country's remarkable ecosystem integrity and biodiversity.

Western Mongolia, the focus of this project, covers the five provinces of Bayan-

Ulgii, Hovd, Uvs, Govi-Altai and Zavkhan with a total area of 41.5 million hectares. It is the most remote, ethnically diverse, and mountainous region of Mongolia, with thousands of years of history of human occupation. The region's rangelands supports almost 38,000 nomadic and semi-nomadic herding families who rely directly upon the ecosystem services provided by the region's sparsely inhabited grasslands.

Western Mongolia's relatively intact and ecologically diverse landscapes provide habitat for seasonal migrations, predator-prey interactions, and natural river flow to occur that are all but lost in many regions of the world.

The basins of several great lakes are also situated in the region, including Uvs Lake, Khar Us Lake, Khyargas Lake and numerous smaller lakes. Several priority species such as the globally endangered snow leopard (*Unica unica*) and its main prey species the Siberian ibex (*Capra sibirica*), and the argali inhabit the Western provinces. Twenty four (24) nationally protected areas covering 11.35 million ha have been designated in Western Mongolia as well as a further 196 locally protected areas covering a further 2.08 million ha.

In other parts of the country, extractive industry operations have led to degradation of land and water resources, and to conflicts over resource uses and impacts on pastoral resources, namely water and pasture. In the absence of comprehensive data bases on ecologically sensitive areas, mining development in other regions proceeded without landscape level planning of development and conservation of biodiversity and landscape values.

Rangeland degradation due to unsustainable grazing practices is affecting most of Mongolia's rangelands. With markets, infrastructure and services almost entirely lost after the end of socialism, livestock numbers increased significantly as large herds were a survival strategy for herders. The lack of an incentive to manage pasture land sustainably through livestock management, and herd size increases have over time increasingly reduced seasonal moves and rotational grazing moves, putting ever more pressure on rangelands.

At the same time, breed quality and thereby productivity of livestock declined. Only in recent times have successful financial models (savings and credit cooperatives), and improvements in animal health, traceability, and marketing created real incentives for pastoralists to reduce livestock numbers and thereby grazing pressure on rangelands.

In 2014, Mongolia introduced biodiversity offsetting as a concept into environmental legislation, however there was no legal and regulatory framework to address land degradation through mining by offsetting activities, and to apply mitigation hierarchy in the planning of mining development. While other parts of the country in the meantime, had been covered by Eco Regional Assessments to enable integrated landscape level planning, this important planning framework was still missing in the Western Region, while mining development was underway.

In this context, the project addressed several key problems, including the lack of a comprehensive data base on ecological values in the landscape, the lack of a legal and regulatory framework to apply mitigation hierarchy and land degradation offsets, the low capacity for integrated, landscape level planning approaches by local governments, and the low capacity and opportunity for rural communities to apply sustainable land management practices.

For the next decades, the mining sector will continue to significantly contribute to the national economy, with particular expansion expected in the Western region. In addition, the other types of land use, including nomadic livestock husbandry, urban and infrastructure development, protected areas, crop farming and tourism, will continue to remain essential elements of the country's sustainable and inclusive economic development.

Therefore, the proposed long-term solution for managing competing land uses avoiding extreme degradation of land and ecosystem services and functions in the future, is to ensure cross sectoral and landscape-level planning and management that incorporates full application of the mitigation hierarchy including offsetting damages caused to land resources and ecosystems, backed by adequate regulatory framework and capacities.

The mitigation hierarchy approach, including offset, provides an opportunity to avoid negative impacts and to mitigate or compensate for land degradation caused by prospecting and mining operations including associated infrastructure installation. Such an approach will enable the people and government of Mongolia to accrue tangible national and local economic benefits from utilization of their mineral resources, at the same time as securing net environmental and social gain.

The project was designed to contribute both through avoidance measures, such as assisting to establish new protected areas, as well as through putting into practice offsetting. The principle of mitigation hierarchy is described in more detail in Annex 10.

The two key barriers that stand in the way of advancing the preferred long-term solution, namely a weak regulatory framework and institutional capacity for application of mitigation hierarchy, and lack of capacity and experience in applying the mitigation hierarchy and offset mechanisms on the ground, have been addressed by the project components.

2.3. Immediate and development objectives of the project

The project objective is “To reduce negative impacts of mining on rangelands in the Western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management.” The project goal is “Conservation of ecosystem integrity and resilience, biodiversity and livelihoods in Western Mongolia’s productive landscapes”.

The project directly addresses the GEF 5 Land Degradation Focal Area Objective 3 – Reduce pressures on natural resources from competing land uses in the wider landscape. The project will support this by increasing national and local capacity for integrated landscape level planning and management, application of mitigation hierarchy and offset for land degradation to effectively manage the direct and indirect impacts of mining.

It will contribute to LD3 Outcome 1 (Enhanced enabling environments toward harmonization and coordination between sectors in support of SLM) by supporting an enhanced enabling environment for mitigating and offsetting the impacts of mining, and coordinating policy, legal and regulatory frameworks for SLM between sectors competing for land area and natural resources; it will also build the capacity of national and local institutions through knowledge transfer for better decision-making on actions related to land use and mining to avoid negative trade-offs.

For LD 3 Outcome 2 (Good SLM practices in the wider landscape demonstrated and adopted by relevant economic sectors), the project will demonstrate mitigation and offsetting to address the impacts of the mining sector, including the provision of financial resources to rural land users to sustain and upscale good practices. The project furthermore fulfils the anticipated private sector engagement outcome of LD3 through engaging extractive industries in SLM, by effective application of the full mitigation hierarchy including offsetting, for the benefit of local herding communities.

The project contributes to the UNDAF outcome 7 “Increased sector capacity for sustainable resources management, with the participation of primary resource users”. Expected Outputs: 7.1 “Capacities improved for effective formulation, implementation and enforcement of sector policies and legislations” and 7.2 “A holistic (landscape-based) principle applied for planning, management and conservation of pasture/land, water and forest resources and biodiversity”

In the UNDP development framework, the project is relevant to the Primary Outcome of the Strategic Plan Environment and Sustainable Development “Growth and development are inclusive and sustainable incorporating productive capacities that create employment and livelihoods for the poor and excluded”.

For UNDP in Mongolia, the project contributes to the CP outcome “Introduction of a holistic approach to the planning, management and conservation of land, water and forest resources and biodiversity”, namely the outputs: “Capacities of Government officers strengthened for sustainable management of natural resources, particularly at the soum level”; and “Landscape-level land use planning demonstrated”.

Results Framework

Project indicators include impact (or ‘objective’) indicators and outcome (or ‘performance’) indicators, all of which were designed as ‘SMART’. Three indicators were defined for the project objective, three for outputs under outcome 1, and 4 for outputs under outcome 2. Baseline status was described as narrative, and when applicable, in numeric values of land areas obtaining formal protection, or land areas where SLM practices are applied, of investments for SLM and offsetting, or in numbers of households engaged in SLM practices. Ten end-of-project targets were defined.

Table 1 provides an overview of the indicators at different levels.

Table 1 Overview of Indicators	
Project Objective: To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management	
Indicator 1	Area of pastoral production system and natural habitats in western Mongolia under integrated planning and management will have incorporated eco-regional assessment into integrated land use plans.
Indicator 2	Area set aside from mining related development, for ecological sensitivity including pasture values (through local and national PA designations) derived from Eco-regional assessment)
Indicator 3	Level of institutional capacity for implementation of mitigation and offsetting framework as indicated by Capacity scorecard

Outcome 1: Land degradation mitigation and offset framework operationalized, through eco- regional land use planning and capacity development	
Output 1.1. Land degradation mitigation and offset procedures and guidelines developed, integrated in the mining concession planning and licensing system and operationalized.	
Indicator 1.1.	Resolution of legal contradictions and adoption of new guidelines / regulations / mechanisms to strengthen the mitigation /offsetting framework
Output 1.2. : Participatory and science-based eco-regional assessment conducted in western Mongolia and applied to provincial (landscape-level) land use planning	
Indicator 1.2.	Area of priority conservation (potential offset) areas identified for protection and integrated in mining concession planning process. 30% of 41.5 mio ha area in Western Region will be under protection based on eco-regional assessment
Output 1.3. : Capacity of key stakeholders developed to apply mitigation and offsetting at the national, aimag and soum levels, and public awareness raised	
Indicator 1.3.	Public awareness of the role of mitigation and offsetting in addressing impacts of mining

Outcome 2: Land degradation mitigation and offsets applied through SLM within selected Landscapes	
Output 2.1. : Integrated land management plans operationalised in selected landscapes with full participation of key stakeholders.	
Indicator 2.1.	Integrated landscape management and offset mechanisms demonstrated with prominent mining concessions and other competing land uses
Output 2.2. : Land degradation mitigation and offsets piloted in selected landscapes.	
Indicator 2.2.	Increased investments in SLM actions in the landscape
Output 2.3.: Capacity of local stakeholders developed through demonstration and application of innovative SLM approaches.	
Indicator 2.3a	pilot site herder families applying innovative SLM technologies
Indicator 2.3b	Area of grazing/forested land (ha) and # springs/wells in pilot landscapes subject to innovative SLM interventions

2.4. Main stakeholders

The main stakeholders on central level are the Ministry of Environment and Tourism (MET), the Ministry of Mining (MoM), the Agency for Land Affairs and Management, Geodesy and Cartography (ALAMGAC) of the Ministry for Urban Development and Construction, the Mineral Resources and Petroleum Authority of Mongolia (MRPAM).

In the pilot landscapes, Aimag and Soum governments, elected representative bodies, the pastoral communities and their community based organizations for natural resource management and conservation, and the participating mining companies are the main stakeholders.

Important implementation and cooperation partners also include international NGOs including TNC (The Nature Conservancy), WWF (World Wildlife Fund), as well as relevant donor-supported projects, namely the SDC supported “Green Gold, Animal Health” Project.

2.5. Expected Results

The following ten end-of-project targets were defined:

- The area of pastoral production system and natural habitats in western Mongolia under integrated planning and management that will have incorporated eco-regional assessment into integrated land use plans will be 41.5 million ha, equaling the total area of the five Western Aimags.
- The total area of 13.43 Mio ha under formal protection in the Western Region including at project start National Protected Areas covering 11.35 Mio ha. and Local Protected Areas covering 2.08 Mio ha, will be increased by 10 %.
- Institutional capacity for implementation of mitigation and offsetting framework increased of at least 25% over baseline
- Amended laws to incorporate mitigation and offsetting in land use plans at national, aimag and soum levels, and a guideline for the implementation of offsetting and mitigation hierarchy through SLM.
- 30% of 41.5 mio ha area in Western Region will be under protection based on eco-regional assessment.

- Public awareness of the role of mitigation and offsetting in addressing impacts of mining increased by 10% in Aimag centres and by 30% in pastoral communities at pilot landscapes
- Integrated landscape management and offset mechanisms demonstrated with prominent mining concessions and other competing land uses in least 100,000 ha, with at least one offset agreement signed per pilot landscape
- Increased investments in SLM actions in the landscape by 50 %.
- 50 % of Pilot site herder families applying innovative SLM technologies.
- 30 % of area of grazing land (ha) and # springs/wells in pilot landscapes subject to innovative SLM interventions

3. Findings

3.1. Project Design / Formulation

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

The project was designed based on the barrier and root cause analysis, and through a series of stakeholder consultations in 2014, and the overall logic and strategy of the project is considered sound and appropriate. It addresses the two key barriers to long-term solution for managing competing land uses avoiding extreme degradation of land and ecosystem services and functions. Most importantly, it is framed appropriately in the context of Mongolia's national policies and to assist in further developing the legal and regulatory framework, while supporting on-the-ground activities and capacity development for SLM.

Project design is aligned with the "Mongolian Green Development Policy" (2014), , and with national policy documents such as National Programme to Combat Desertification (1996), National Programme on Climate Change (2012), National Action Plan on Environmental Protection (1993), and National Programme on Areas under Special Protection (1998). It is therefore also appropriate to contribute to fulfilling the commitments of Mongolia under the international agreements and conventions Mongolia acceded to. Project formulation coincided with the drafting process of the Mongolian Sustainable Development Vision – 2030, and project objectives are aligned to those of the vision on environmental sustainability.

Due to the close cooperation of the project with local governments, the project objectives and activities were also well aligned with mid and long term local development planning as reflected in Khovd province development strategy for 2015-2025, Khovd province Green development programme for 2016-2026, Zavkhan province comprehensive development policy for 2009-2021, Zavkhan province's Dorvoljin soum sustainable development plan 2025, and Uvs province strategic development programme for 2008-2021.

The overall structure of hierarchy of objectives is sound, it includes a goal and clear project objective. The division into two project components for two outcomes is conducive for implementation, and outputs are defined to operationalize the framework.

All indicators were designed as "SMART", and the project document provided explanatory notes for each indicator. However the project inception workshop reviewed indicators especially with view of the short implementation period, and the Inception Report includes proposed changes and recommendations. The inception workshop recommended, among other points, that an indicator to measure improvements of local livelihoods of beneficiaries be introduced. These seem to have not been formally adopted, however, the inception workshop discussion created a common understanding among PIU and stakeholders on the project-end-targets and a problem awareness as to the interpretation of the indicators, baselines and targets.

There were some errors in defining baselines and targets, such as (for indicator 1.2) setting the end-of-project target for areas under local and state protection as 30 % of the total Western region, while the baseline measurements already was close (or at this value for Gobi Altai Aimag). A correction to capacity development baseline was made after MTR and adopted by PSC and RTA. The MTR report and 2018 PIR detail these issues.

The MTR comments on the indicators to measure achievements towards the increase of areas under SLM practices and numbers of households involved in SLM being too ambitious as “innovative” technologies for SLM would be high cost. The TE comments here that SLM in the Mongolian context is primarily measures in rangeland management, not other agricultural technologies. The GEF terminology⁴ has to fit a broad range of SLM activities globally, but should be interpreted and used in the country context.

3.1.2. Assumptions and Risks

The project document identified six risks, and was realistic in its assumptions on impacts and likelihood, and defined mitigation measures. The identified risks were:

1. lack of coordination among stakeholders
2. poor understanding of offsetting among the public and low capacity at local government level to realize offset benefits
3. unwillingness of the mining companies to commit to additional mitigation and offset measures
4. mismatch of identified priority areas for offsetting among local communities and government
5. restructuring of government following 2016 elections
6. very short implementation period.

All risks were managed well by PIU through establishing an implementation mechanism that was highly effective on Aimag level, through close cooperation with implementing partners, and rigorous management of activity implementation. In particular the assumptions of the effects of the 2016 elections held, and as MTR report pointed out, at the project launch phase, the 2016 election proceedings significantly delayed the project start date. The response and preventative measures by the PIU to the risks are covered under 3.2. Adaptive Management.

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

Applicable best practices from other initiatives pertain mostly to rangeland management activities introduced by the UNDP “Sustainable Land Management for Combating Desertification”)and on the successful models introduced by the long term “Green Gold - Mongolian Pasture Ecosystem Management Programme” and “Coping with Desertification” projects supported by SDC. The practices include social organization of herders for collective action in pastureland management.

⁴ innovative SLM technologies for land, water and forest resources management,

In recent years, the concept of pasture user groups (PUGs) and rangeland use agreements (RUA) of these groups with local governments have become a widespread and successful practice, facilitating pastoral mobility as a key tool for sustainable use of rangelands.

Other lessons the project design is drawing are in integrated land use planning as applied by WWF in integrated river basin planning and by UNDP/EBA project piloted for landscape wide ecosystem based adaption. Project design also includes experience sharing with the only ongoing offset effort in Mongolia, the biodiversity offset programme (Oyu Tolgoi) in the southern region of the country

The innovative nature of this project in piloting land degradation offsetting does set a limitation to integrating best practices from other projects into all planned approaches.

3.1.4. Planned stakeholder participation

Stakeholder involvement was high during project formulation in 2014 (detailed in Annex 5 of the Project Document), ensuring a participatory process for design and setting the stage for ownership in implementation and oversight. The project document provides a comprehensive stakeholder analysis (page 22, table3) describing the roles of all central and local government bodies, academic institutions, national and international NGOs, and international /donor organizations associated with establishing and implementing the mitigation hierarchy and offsetting framework in Mongolia.

Pilot site selection was undertaken with effective stakeholder involvement, a preliminary list of sites was prepared with relevant ministries, mining companies, Aimag governors, NGOs and other projects and the sites were evaluated against multiple criteria. Final site selection involved local stakeholders, including local herder households who participated in a survey on mining impacts. The completion of the full Stakeholder Involvement Plan upon project inception was planned as an activity in the project document

Involvement of stakeholders in project implementation is detailed by project design, broken down by Outcome and Output, in Table 10 (page 97) of the project document. The key stakeholders include central government agencies concerned with the governance of the mitigation hierarchy and offsetting for addressing the impacts of mining (MEGDT, MoM, MoIA); the aimag and soum administrations and elected bodies, private sector (including the mining companies themselves as well as EIA consulting firms), national level NGOs, community representatives and social and local environmental NGOs/ CSOs involved in community development and sustainable land management; research institutions involved in SLM and related research (e.g. universities), as well as the primary stakeholders – the local communities in the areas targeted by the project.

3.1.5 Replication approach

Project design proposes that the outcomes of the project will be made available nationally and internationally for replication through the dissemination of project results, lessons learned and experiences including demonstration of best practices. More specifically, it refers to the website of MET as key platform for information sharing, as well as Government participation in international events.

Project design anticipates that SLM benefits realized by local communities through effective application of the mitigation hierarchy including offset agreements are likely trigger efforts in upscaling and replication by other communities, and enhance the development of community-level conservation projects in Mongolia. In order to maximize the sustainability of the project, the development of an exit plan by the end of year 2 is envisaged, for implementation and tracking during each of the two remaining years. This would identify a key owner and sustainability mechanism for each of the project's results

Most importantly, the replicability of practices piloted by the project lies in the fact that the project introduced mitigation hierarchy and land degradation offsetting into legislation, and amended relevant regulations and guidelines that embed the principle in land use planning. "Replication" of the key results of the project is therefore a legal requirement, not a choice for which incentives are to be developed. Rather, for sustainability, capacity building for implementation, for enforcement and monitoring, awareness and empowerment of civil society need to be developed.

3.1.6. UNDP comparative advantage

UNDP in recent years has supported the Government of Mongolia in initiatives on protected areas, sustainable land management, ecosystem-based adaptation and formulation of the national policy on green development. Through implementation of several land management projects starting from 2002, UNDP Mongolia has gained a significant experience and expertise in the area. It has also supported the environmental governance programme, strengthening the country's systemic capacity for environmental management.

3.1.7. Linkages between project and other interventions within the sector

Project design identified linkages to the following initiatives:

- UNDP's "Ecosystem-based adaptation approaches to maintaining water security in critical water catchments of Mongolia" project through its work at aimag and soum levels to implement landscape-scale strategies for land and water management to increase resilience and reduce the vulnerability of the local communities and their livelihoods.
- UNDP/GEF "Sustainable Land Management for Combating Desertification" project
- UNDP/GEF "Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia's Altai Sayan Eco-region" project

- SDC's "Green Gold - Mongolian Pasture Ecosystem Management Programme" and "Coping with Desertification" projects - which are developing interventions at a community level to address overgrazing of rangelands
- World Bank's "Sustainable Livelihood Programme" which aims to improve governance and community participation for the planning and delivery of priority investments in rural areas of Mongolia.
- Bundesanstalt für Geowissenschaften und Rohstoffe (BGR) – German Federal Institute for Geosciences and Natural Resources "Environmental Protection in Mining" project (ended 2014)
- two UNDP/GEF projects on protected areas (SPAN and MRPA (see below)), to explore how offsetting can provide innovative financing for special protected areas and locally protected areas.
- a USD \$5M project funded by KOICA signed in 2014 to establish a mine rehabilitation center and develop capacity of all relevant stakeholders (mining companies, civil society) in this field.
- The project will also cooperate closely with international NGOs such as WWF and TNC through their work on eco-regional assessments, biodiversity conservation and the first biodiversity offset programme (Oyu Tolgoi) in the southern region of the country

3.1.8. Management arrangements

The project management structure was designed to provide appropriate implementation capacity and oversight at the different implementation levels. The project was agreed to be as executed under the National Implementation Modality (NIM) whereby MET acts as the "Implementing Partner" with management responsibility and accountability for project implementation, following all policies and procedures established for its own operations, while accountable to UNDP for production of the outputs, achievement of objectives, use of resources provided by UNDP, and financial reporting.

While Day-to-day operational oversight was ensured through the UNDP Country Office, with strategic oversight by the UNDP/GEF Regional Technical Advisor (RTA), oversight of project activities was the responsibility of the Project Board. The Board was responsible for high-level management decisions and guidance required for implementation of the project, including recommendations and approval of annual work plans and revisions. It is chaired by the Vice Minister of the MET, and co-chaired by UNDP-CO.

Members include senior representatives from the Ministry of Mining, Ministry of Food and Agriculture, ALAMGaC (MCUD), Ministry of Finance, representatives of the 5 western aimag governors offices, Mongolian Environmental Civil Council and Mongolian National Mining Association. MET will serve as the secretary to the Board. The project document describes the responsibilities of the board in detail during inception, implementation and closing of the project (page 59)

At the operational and programmatic level, the project was supported by a Project Technical Committee (PTC), chaired by the Project National Director. The PTC will primarily consist of the technical specialists in issues relating to eco-regional land use planning, mitigation, offsets and sustainable land management. They include experts from the MEGDT, MoM, MoIA, GASI, ALAGAC, TNC, WWF, relevant research institutes, National University of Mongolia, University of Agriculture and UNDP-CO.

The Project Management Unit was hosted by MET and comprised of:

- Project National Director responsible for operational direction, supervision and management of the project. This position is held by the Director, Environment and Natural Resources of the MET
- Project National Coordinator responsible for coordination, monitoring and reporting of project activities.
- Technical Advisor responsible for day-to-day technical support to the PMU as well as for the coordination of training and awareness-raising activities planned under the project.
- Administration/Finance Officer responsible for management of project funds and expenditures, M&E and maintaining project records. This post is 100% funded from the GEF project management budget line.

MET was directly responsible for all implementation activities in the pilot landscapes under project Outcome 2, and receives advice both from the relevant soum offices and from the local coordination committee. Specific responsibilities and commitments of the mining companies in each pilot landscape were agreed in an MOU signed with MEGDT during the inception phase.

Under the MoU, the key responsibilities of the participating mining companies included a commitment to the project objectives and to mitigation and offset for the land areas that will remain as residual impact after mine completion, active participation in the Local Coordination Committee for the project through as named focal point, integration of the fundamental concept of the mitigation hierarchy throughout the life of mine, including in baseline assessments, mine planning, mine operation and expansion projects, mine closure and rehabilitation and in all environmental and social management programs, financial allocation for mitigation and offsetting as specified in our Environment Management Plan (EMP, sharing of environmental information and reports gathered by the company and ensuring involvement of communities in monitoring and implementation of Environmental Management Plan, contribution of staff resources, within the company capacity, to implementation of the project objectives and with the related communities, and publicizing the aims and results of the project internally within the company, and externally.

The full MoU between Zavkhan Aimag, Bayn Airag Exploration LLC, and Durvuljin Soum government is attached as Annex 10.4. All MoUs were drafted with the same responsibilities for the respective partners in Uvs and Khovd Aimags.

Work in the pilot landscapes is facilitated through a Local Technical Adviser for each pilot

landscape. Local management arrangements for each pilot landscape were described in the related agreements between the partners, and included representation of principal stakeholders such as relevant government authorities, local communities and other partners in their implementation, with equitable participation of women on local level committees and groups related to agreement negotiations, community implementation of SLM, and training and awareness activities.

3.2. Project Implementation

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

There was no change to project objectives and outputs, only changes to indicators were discussed (recommended by PIW, but not formally approved), and all planned activities were implemented in less than 3 years as opposed to the planned 4 years.

Ahead of the 2017 PIR, the Project National Coordinator advised the RTA that the Project Board decided not to make any changes to the results framework instead deciding to reinterpret indicators. No changes were adopted to the results framework as none were presented to the RTA for approval.

The MTR considered the performance by 2017 satisfactory, which illustrates that adaptive management in a broader sense was applied by pursuing results-oriented planning of activities and implementation of measures under time pressure.

Annual plans were prepared and implemented covering all activities that were originally designed for a 4 year implementation period.. The MTR report, dated only 2018 (one year before TE) has commented in detail on how the PMU streamlined implementation to make up for time lost. Responding to the demands of time limitations, the project instituted Local Technical Committees (at times also referred to as Local Coordinating Committees) to facilitate planning and the implementation processes adapted to each pilot landscapes institutional, socio-political and environmental setting, and greatly enhance local ownership of the project.

The PMU addressed the potential risk of key individuals for project oversight being replaced following changes in the political environment. The risk was mitigated by the Project National Director being appointed by position, not a certain individual. At project start, only the Project National Coordinator was under contract with UNDP, while other PIU members were under contract with MET. During a restructuring of MET, staff changes occurred and the AFA was to be replaced too. However, an agreement was reached between UNDP and MET that the AFA would be contracted by UNDP, and thus remained in her role within the PIU.

Thus, continued support to the project by the Project National Director's authority as Director of Environment and Natural Resource Management Department of MET was secured. The PMU, throughout project implementation, maintained close working relationships with leadership and officers at MET to promote project ownership and support for its implementation at high level, particularly for its outputs in amending legislation and regulations. The PIU invited comments and guidance in the implementation of all key activities from MET representatives. All draft amendments prepared by the project were reviewed by MET legal and subject matter experts before submission of drafts for approval. All project reports were submitted to the MET Monitoring and Evaluation Department. MET representatives took part in all trainings, events and workshops organized by the project. These included two study tours to South Gobi province to learn about the offsetting activities of Oyut Tolgoi LLC and Energy Resources LLC, and a training on restoration and rehabilitation at the site of Monplymet LLC. The Project National Director, the Head of the Department of Environment and Natural Resource Management at MET, signed off on all project reports, and the MET state secretary, chair of the Project Board, signed on all financial documents. The PIU provided progress reports to the MET vice minister every six months, and send copies of reports also to the secretariat of the cabinet and to the Ministry of Finance

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

The partnerships for the implementation of key activities under both outcomes were a prominent feature and success factor in achieving project targets, as the partner organizations had long term experience in-country, and a track record of successful activity implementation and innovation in their specific fields. This applies to the completion of the Eco Regional Assessment through TNC, and to implementation of (SLM) rangeland management activities through the "Green Gold" Project under formal agreements. Also the collaboration with the selected mining companies, formalized by MoUs⁵, as well as the more informal arrangements with local community organizations as partners, with the local WWF office of the Western region, and collaboration with the Khomyn Talin Takhi (KTT) NGO for shared objectives in the pilot landscapes added value to effective implementation and local ownership of project activities. The project has played an important facilitating role in bringing local stakeholders together, and in building trust and capacity for collaboration among stakeholders.

On central level, the project worked closely with ALAMGAC as a key partner in guiding and furthering landscape level planning in the pilot areas, as well as in mainstreaming mitigation hierarchy and offsetting into the Soum level planning procedures.. ALAMGAC's new approach to preparing Soum Landscape Development plans marks a change to greater participation of local resource users, namely herders, in the planning process. An important step of the process is the initial resource assessment and the recording of customary use patterns of natural resources, namely pasture, and the allocation of customary rights to herders. With that, a mechanism has been introduced to enhance tenure security and access for local communities to resources that they customarily used to sustain their livelihood.

⁵ Sample MoU provided in Annex 10.4

The most notable partnership arrangement was the above mentioned Local Technical Committee on Aimag level in the three pilot landscapes, one in each project Aimag. These committees were comprised of Aimag government department heads and officers, and played a crucial role in aligning project activities with Aimag priorities under the project framework. The MTR report refers to them likewise as key mechanism to that “ensures stakeholder engagement, but also results in multiple advantages such as eliminating duplication of responsibilities, enabling co-financing of activities, and improving cross sectoral coordination and quality of work.”

In the consultations during the TE mission, the Local Coordinating Committees were frequently mentioned, by different stakeholders, as a best practice introduced by the project, and an effective mechanism to ensure ownership and sustainability.

The Local Technical Committees were comprised of stakeholder representatives including officers of the Aimag environmental department and inspection agency, as well as private sector (mining companies). Details on the members of the Local Technical Committees in the three project Aimags are provided in Annex 10.

Meetings of the committees took place regularly twice a year; moreover, ad hoc meetings could be called as needed. This added to cost effectiveness as committee members were local and no travel costs occurred. Committee meetings discussed project activity planning, coordination with the private sector partners and their planned offset activities, as well as monitoring of project and offset activities. Minutes of meetings of the Local Technical Committee meetings were sent to the PIU to be presented and discussed during the Project Technical Committee meetings.

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

The MTR had recommended the development of an exit strategy, in particular in the face of short implementation period and the expected results of approved legislation, which the MTR considered at risk not be accomplished in the remaining time. The MTR therefore also recommended to improve consultation of the legal amendments with relevant stakeholders and public.

An exit strategy was drafted, and introduced to the PB meeting in June 2018. The law amendments are on track for approval at time of TE, with no reason to believe that they will not be approved. Four out of five regulations and guidelines on applying mitigation and offsetting and integrating into landscape planning have been approved at time of TE. On May 2nd, 2019 the National Parliament (Ikh Khural) approved 22 new State Protected Areas, including those in the Western Region proposed based on the Eco Regional Assessment completed with project support. These included i) extension of Great Gobi B PA (1,835,724 ha), ii) Extension of Otgontenger PA (192,747 ha), iii) newly established PA Bulgan upstream area, and Ikh Ongog PA (246,081ha) and iv) Sutai Khairkahn mountain (172,713 ha)

The LD tracking tool was completed prior to CEO Endorsement and submitted to GEF on 10 Jun 2015 at time of CEO endorsement. However, there was a lack of communication, and the Project National Coordinator advised at MTR that the TT baseline had not been received. It was then provided by RTA.

The baseline therefore was not validated during the inception phase, and there was also no mid-term update of the LD TT.

Also, the baseline values provided were not reliable, because most of the parameters to be measured according to the TT format, are not measured in Mongolia, or they don't apply to the Mongolian context. For example, the TT baseline provided a value for rangeland, and one for pastoral lands – it is not clear why and how these would be distinguished.

The TE team discussed the TT with PIU and recommended to complete it with data that are meaningful and available in Mongolia, such as total area of rangelands (pasture land), reserve pasture, pasture land under rotational use. At the time of finalizing the TE report, PIU was working with ALAMGAC and Green Gold project to compile such data that are reliable and show changes generated by the project regarding land degradation.

The MTR recommended more public awareness and education on mitigation hierarchy and offsetting through print and broadcast media. The project developed and disseminated a brochure with project information, which was distributed and made available in all local areas of the pilot landscapes, to all project stakeholders and MET, and it was distributed, along with other publications by the project to government agencies in all 21 Aimags through MET. It was also distributed in all trainings and other meetings organized by the project. Other publications by the project included handouts on Khovd aimag Green Development Policy, on offset measurement, translation of Guidelines on land degradation mitigation, mining rehabilitation methods, Sustainable land management, Land degradation Offset, ALAMGAC Guideline on Soum Landscape Development Planning, and an environmental law compendium.

Publications prepared by TNC and published with project support included manuals on ArcGIS and QGIS and offset calculation program, and on planning mining with less environmental impact and participation of local people. A poster of protected area and mining licenses area in the five Aimags of the Western region, a handout on offset measurement. A total of 18,700 copies of the above publications were printed and distributed. Details on copies printed per title are provided in Annex 10.

Three videos were produced, one for each pilot landscape (Zavkhan, Uvs and Khovd) and these are available on the website of MET since March 2019 (<https://zasag.mn/en/m/megd>). TV programs/news items about mitigation hierarchy and the project activities and results were broadcast in 2017 through 3 main TV channels (UBS, Education, MNB, Eagle TV). All videos are available on YouTube as well. A FaceBook page titled “Zero Land Degradation” was established to share and disseminate information on land degradation and mitigation with the public.

The MTR recognized the high technical qualifications of PIU members but recommended to enhance skills and their knowledge of best international practices in mitigation hierarchy and offsetting. PIU participated on project management training in Bangkok, 26-28 of March, 2018.

The project risks were monitored through the UNDP's central Quality Assurance system, and the project underwent QA (Quality Assurance) annual review in 2017. Though risks were rated as low at the project development stage, the MTR 2018 recommended a heightened attention to risk management and that measures to reduce risk should be developed and reflected in the project exit plan strategy. In the 2018 PIR, overall risk was assessed as low.

Measures have been included in the exit strategy for the sustainability of the project; one important being the identification of positions instead of names of the individuals for key roles in project oversight to mitigate risks involved with government structural change.

The MTR recommended to enhance outreach of the project across several ministries and key government agencies, including the National Development Agency (NDA) in order to increase opportunities to introduce offsetting into national policy documents, and to include representatives of these institutions in the PB. This was followed up through an official letter by PMU to the NDA, and a senior officer of the Sector Development Policy Coordination Department of NDA became a board member. Apart from providing advice on how to implement the guideline on offset measures to reduce land degradation through mining, the NDA representative used assessments and reports produced by the project in the development of the "Regional Development Policy Document" for seventeen sectors.

3.2.4. Project Finance and Co-Financing

Discussions and documentation suggests that an efficient, transparent financial planning and monitoring in compliance with all requirements (national, UNDP, GEF) was established and followed. The PMU planned activities, budget and procurement for the next year, to be approved by PB upon review and comments. Project National Director and project finance officers had access to detailed financial information by component and activities.

The first independent audit in 2016 concluded that financing spent by the project was used in accordance with the approved budget and for the purposes of the project. As the project was implemented under NIM modality, with UNDP oversight, provision 7.3.2 of the procedure on —Receiving Foreign Assistance, Spending, Managing, Recording and Reporting approved by the Cabinet decree no.176 of 2016 that applies, which rules that project assets must not be used for financing expenses that do not fall in the activities to be implemented under the projects. The MTR noted however, that the PMU and officials of MET received funding requests for activities unrelated to the project, and awareness of the rules for project fund spending be raised at MET; MTR recommended that the issue be raised at the next PB meeting and to organize an audit from MET side, which was completed by July. These activities were to minimize potential risk. A second independent financial audit was completed in 2018, and no issues were noted.

No issues on financial management came to the attention of the TE. The project did not have a special account or sub-account, and payments for contractors were directly transferred by UNDP CO upon contract fulfillment. For local operations (fuel from local gas stations) an arrangement was made to re-imburse local government on behalf of whom fuel was received from gas station as loans.

The cash funds available to the project were those provided by GEF (USD 1,289,863) and UNDP (USD 850,000), totaling USD 2,139,863. The TE was provided with a summary of financial expenditure reports up to end of 2018. Due to the delayed project start, few project funds were used in 2015 (total of 14,500 USD for translation and project formulation), the remainder of the 2015 allocation was distributed to the annual allocations for the remaining years, following a PB decision of June 22, 2016)

The date of the most recent Combined Delivery Report (CDR) by Activity received by the TE is 25.02.2019. The CDR summary sheet provided to the TE, records the following disbursements (USD) for 2014 – 2018, and for 2019 a sum of 130,995.82 (remaining).

2014	2015	2016	2017	2018	2019
10,000	4,500.81	300,047.61	550,955.12	313,363.64	125,496.63
					5,499.19

The financial mechanisms and CDR reports indicate that financial management was sound, despite the delays in project start, disbursement according to updated (2016) plans was achieved.

A total of USD 4,430,000 was committed as partner managed resources for co-financing, including USD 4,150,000 by the Government of Mongolia (USD 3,900,000 by MET, USD 250,000 by MoM), USD 150,000 by The Nature Conservancy (TNC), USD 80,000 by World Wildlife Fund (WWF), and USD 50,000 by the Mongolian National Mining Association.

MET, in letter No. 031308 of January 16, 2018 signed by State Secretary Mr. Ts. Tsengel, referring to the project document signed by Minister D. Oyunkhorol in 2015, and the commitment of USD 3,900,000 by the government, informed that over 20 billion MNT (amounting to USD 8.1 Mio) had been spent on rehabilitation, conservation and on other related operational costs in the five project Aimags in the Western Region. A table attached to the letter provided a break-down of costs, which included MET budget for Protected Area Management 2016 and 2017 for the five Western Regions of 14.3 bio MNT, MET budget for Aimag Environment and Tourism Departments of 4 bio MNT, and the funds spent by Soums for nature conservation and rehabilitation of 1.71 bio MNT.

A letter from the MoM (2018) to the PMU stated that no in kind support was provided to the project activities' implementation from the Ministry of Mining side. (Letter number 09/1681, June 16, 2018) (the letter is attached). A contribution by the MoM was to make available one expert as member of Project Board with regularly guidance in planning and monitoring of the project interventions.

The TNC co-financing commitment was fully realized through ERA implementation and CBNRM activities in the project region, and the Mongolian National Mining Association in kind contribution was realized as planned. MNMA experts attended all meetings to develop offset planning with the mining companies and advised and reviewed the planning.

WWF committed to contribute 80.000USD, but the actual contribution amounted to 465.000USD for the following activities: a) WWF support to development of Khovd Aimag Green Development Plan, b) WWF socio-economic assessment and environmental feasibility study in Darvi and Durvuljin soum for the development of Soum Landscape Development Plans, c) WWF cooperation in developing documents and

materials to submit to MET to register and extend SPAs in the project piloted areas, d) previous WWF support in Bukhmurun soum in establishing local committee to monitor mining activities, e) WWF support to developing value chains.

The completed co-financing table is attached as Annex 7.

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

Implementation of M&E is rated as MS – Moderately Satisfactory

M&E Design at entry is rated as S – Satisfactory (details have been discussed in Section 3.1.1.)

Project design established the Strategic Results Framework with performance and impact indicators for project implementation with corresponding means of verification. The M&E plan laid out the key steps, and documents to be generated for M&E in accordance with established UNDP and GEF procedures, including Inception report, project implementation reviews (PIR), annual work plans (AWP) and annual project reports (APR), as well as mid-term (MTR) and terminal evaluation (TE) reports. The M&E plan assigned responsibilities and allocated a budget for all M&E activities (see Annex 8.1.). M&E activities as implemented are listed in Annex 8.2., however the format of the latter does not follow the format of the original M&E plan, and it is not clear from the table in Annex 8.2. whether budgets were allocated as planned per design.

According to the final project report, capacity assessment score cards were completed by an independent team and surveys were undertaken in 2017 and 2018; surveys were reportedly taken after trainings organized by the project on integrated land management and offsetting and mitigation.

The project inception workshop (PIW) was held in December 2016, the report of which documents that stakeholder engagement and participation of local representatives in this important project event was high and that in-depth reviews of project indicators were undertaken. The PIW recommended to adjust indicators, however the results framework was not changed.

Annual work plan preparation and approval has been undertaken according to guidelines, the most recent AWP was approved January 11, 2019. As the MTR report elaborated, the project, implemented under NIM, also has, in accordance with the “Procedure on receiving, spending, managing, accounting and reporting foreign aid” adopted by the Cabinet decree no.176 of 2016, prepared annual reports reflecting the implementation of the activities directed towards achieving the project indicators and detailed budget performance. These Mongolian language reports were reviewed by PB, and translated into English for presentation to UNDP.

Project Implementation Reviews (PIR) were undertaken in 2016, 2017 and 2018. As project start was delayed significantly, the 2016 PIR resulted in a moderately unsatisfactory rating, while 2017 implementation was assessed as moderately satisfactory.

The Mid Term Review (MTR) was conducted from late 2017 to early 2018, generating a detailed evaluation report and a twelve recommendations which were followed up with management responses documented in the relevant document. Social and Environmental Assessments were addressed at project formulation and at mid term (early 2018).

The log-frame was effectively used for planning operations and in the annual PIR reviews. Project Management made detailed presentations on implementation against the annual work plan to key stakeholders at Project Board meetings, and board members have advised regularly on the work plan of the upcoming year.

The Local Technical Committees played a key role in monitoring and evaluation at each step of implementation, meeting twice annually and ad hoc when required, and ensuring implementation is on track in their pilot landscape. The project team had an ongoing process of internally evaluating progress, incorporating information from the Local Technical Committees, and preparing summaries for the annual PIR.

Extra efforts were made by UNDP and the implementing partner to obtain first-hand impressions of project progress through site visits, and by events held in the project area.

Representatives of MET as the project implementing partner undertook a field visit to the pilot landscapes in 2017 to evaluate 2016 implementation. In 2018 a Board Meeting was held in Zavkhan Aimag and the UNDP CO RR visited the pilot landscape.

Regular annual quality control assessments were undertaken at the PMU under the management of the Project National Director and an M&E officer of UNDP CO. For financial reports, CDRs were prepared regularly.. Social and Environmental Risk Screening Report and Checklist were duly prepared at project start. In the 2018 PIR, the assessment of potential risks identified at project start arrives at the same assessment as “low” for all. Annex 8 provides the dates and status of M&E activities.

3.2.6. UNDP and Implementing Partner implementation / execution coordination, and operational issues

UNDP Implementation is rated as HS – Highly Satisfactory, Execution of the project by the Implementing Partner is rated as Highly Satisfactory - HS

The two project components by design are very different, the first with results on policy level and the second with results on the ground, in remote areas, piloting new concepts that required the cooperation and collaboration of stakeholders that at project start may have had no shared objectives or even adversarial attitudes, such as between mining companies on the one hand, and local government and local communities on the other hand reflecting a common situation in local areas with mining operations. This alone requires a broad skill set, flexibility, and tenacity to drive implementation forward and facilitate stakeholder cooperation. In addition, the project start was delayed as the implementation modality was agreed among partners, resulting in the project being implemented under the National Implementation Modality (NIM) which increases

workloads of a project team as it has to adhere to both UNDP/GEF and national government procedures in planning and reporting.

The TE team throughout the mission received very positive comments and evaluations from stakeholder representatives on all levels, reflecting a high degree of project ownership, and perceptions of tangible benefits in the local areas through activities under component two, and an understanding of the significance of policy and capacity building outcomes to address land degradation through mining activities in the landscapes of Mongolia. It was very apparent both from key informant interviews and group meetings that design and implementation was much appreciated by stakeholders, and that project management was very efficient while effectively engaging all stakeholders.

The appropriateness of NIM and quality of implementation through MET as IA found its clear expression in the appreciation of the Local Coordinating Committees by all stakeholders. The Local Technical Committees were the most frequently mentioned mechanism to enhance ownership and facilitate local implementation was. They reflected exactly the kind of implementation structure needed to embed the project in the local government agenda, and to delegate responsibility for planning, implementation and oversight to local governments, and was exactly in line with the intent of project formulation which gave local governments important role in putting into practice the innovations in SLM and offsetting, working with local communities in their local jurisdictions.

The project's initiative to operationalize small grants for SLM activities was a major advantage to leverage local community support and participation, and created a focus of partner cooperation. The project managed to bring together partner organizations in the local areas that were all at the forefront of innovation in their areas of expertise, with track records of successful pilots in addressing pivotal issues in rangeland management, ecological research, integrated land use planning, biodiversity conservation and public education. Cooperating with the "Green Gold" project and WWF, and with TNC contributions of ERA and in CBNRM, the project provided a constructive framework into which to integrated offset activities. It is within this framework that cooperation with the mining companies, and design and realization of the offset activities can be successful and lasting.

Aside from these very appropriate cooperation mechanisms being put into place, simply hard work and professional management skills in the leadership of the PMU, as well as the dedication and technical skills of the team members in Ulaanbaatar and in the pilot landscapes should be mentioned as important success factors in project implementation, and achievement of results in the limited time frame.

The UNDP CO provided continuous guidance, and placed high priority with the project outcomes in the context of the environmental governance of mining in Mongolia, and with regard to the relevance of the project for UNDP strategic and country programme outcomes. This was manifest in field visits by the CO RR which ensured and encouraged implementing partners and stakeholders.

3.3. Project Results

3.3.1. Overall results (attainment of objectives)

Achievement of overall results/attainment of objectives is rated as Highly Satisfactory - HS

With the achieved results, namely the increase in land area under integrated land use planning considering key biodiversity areas, the increase of areas under formal protection at local and state level, rehabilitation of degraded grazing lands, through improvements and protection of water resources, and agro-forestry activities, the project has made contributions towards global environmental benefits. The protection of the most valuable ecosystems has been furthered, ecosystem functioning and resilience improved, soil erosion reduced, thereby improving the conditions for carbon sequestration, and by applying the mitigation hierarchy and offsetting an international best practice has been implemented.

Key results for the project objective include:

- Eco Regional Assessment completed for all five Western Aimags, covering 41.5 mio ha. To date, ERA results incorporated in land use planning for 22.8 mio ha. . With ERA as a basis for planning, ecologically sensitive areas are set aside and spared from development, and local development can be planned while preserving conservation values and ecosystem services. Capacity developed and commitments secured to incorporate results in next planning cycle developed for 41.5 mio
- 3.3. Mio ha (LPAs) and 2.4 Mio ha (SPAs) added in Western Region, amounting to total of 5.7 Mio ha additional area under protection. This represents an increase of over 42 % of protected territory. With formal protection status, these territories are managed for their conservation values. Both state and local protected area status provides protection from development of extractive industries, and for state protected areas protection from most development activities according to the protected area legislation.
- Level of institutional capacity for implementation of mitigation and offsetting framework as indicated by capacity scorecard increased against baseline over 13 %. The capacity of local governments to apply mitigation hierarchy in planning and to work with mining companies in developing offset activities has been strengthened.

Key results for outcome 1 include:

- Guidelines and regulations drafted, of these the following were approved:

- Methodological Guideline for development of general land use plan and provincial and municipal level
- Detailed Guideline for developing Soumlevel annual land management plan according to ALAMGAC Decree Nr. 479/2010/
- Guidelines and Regulations on evaluating and monitoring the implementation of land use plans
- Temporary Guidelines on proper and ethical use of land and natural resources and registration, validation and formulation of landscape development plan.
- Environmental Impact Assessment Methodology including offsetting
- Amendments drafted to the laws on protected areas, land law, and law on EIA, and handed to MET.
- Draft for new law on rehabilitation of degraded land after mining activities prepared and handed to MET.
- 42 areas covering about 3.3 Mio ha (3,290,758 ha) were identified by the ERA as key biodiversity areas, recognized by local governments as Local Protected Areas and submitted for cadaster registration. Another 2.4 Mio ha are approved by Ikh Khural as new state protected areas. The total area under protection in the Western Region will be 19.04 Mio ha, equaling about 46 % of 41.5 Mio ha.
- The level of understanding of offset and SLM of local communities increased by about 50%.

Key results for outcome 2 include:

- The area under approved integrated land management plans incorporating results of ERA far exceeds the target. 3 Aimags and 13 Soums prepared land use plans and landscape development plans incorporating ERA, thereby considering biodiversity and landscape conservation values in development planning and the total area covered is 22.8 mio ha.
- Offset areas cover 12,000 ha (Bayan Airag), 12,200 ha (Khotgor) and 4219 ha (Khushuut), and SLM practices were applied, namely rangeland improvements (through rotational grazing (78600 ha), and including water source protection, cropland rehabilitation and agroforestry.
- All 3 participating mining companies signed MoUs on developing offset plans, and all 3 have developed offset/EMP. The 2019 budgets for Environmental Management including offsets increased by 700 % for Khotgor mine, 49 % for Bayan Airag mine, and 10 % for Khushuut mine. Offset areas cover 12,000 ha (Bayan Airag), 12,200 ha (Khotgor) and 4219 ha (Khushuut).
- In 3 soums, 30% of degraded land, covering 452,272 ha is being rehabilitated using innovative approaches in rangeland (and livestock) management, water harvesting, crop field rehabilitation and agroforestry. As a result of improved SLM and livestock management in 3 target Soums, and through other innovations including water harvesting, cropland rehabilitation, and agroforestry, a total of approximately 550 rural households, amounting to 43 % of the population in the target area benefit from the project.

Details on achievements, measured against end-of-project targets in the results framework, comments, and rationale for the rating is provided in a tabular overview below. This includes also the key activities implemented, by project year.

Project Objective: To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management	
Indicator 1	Area of pastoral production system and natural habitats in western Mongolia under integrated planning and management will have incorporated eco-regional assessment into integrated land use plans.
Baseline	Uvs (2014), Khovd (2007), Bayan-Ulgii 2011, Gobi-Altai (2015) had land use plans, but without consideration of landscape level perspective, key biodiversity areas, mitigation hierarchy and offsetting. Zavkhan Aimag had no up-dated land use plan since early 20 th century. Three pilot soums (Bukhmurun, Darvi and Durvuljin) developed annual land management plans ("business as usual")
End of Project Target	The end of project target was 41.5 million ha, equaling the total area of the five Western Aimags. The eco- regional assessment should cover this entire area, and the target is that the results are incorporated into all aimag and soum management plans. As Aimag land use plans are only revised every 12-15 years, it may only be possible to obtain a commitment to "take into account the findings of the ERA, and incorporate at the next revision".
Key Activities	2016 Trainings and local stakeholder meetings with 800 participants from 90 soums of 5 provinces on significance of developing eco-regional assessment and mitigation hierarchy. Khovd aimag Green Development Policy (2.9, 3.4 and 5.3) integrated LD mitigation and offset principles Recommendations on developing land management plans, and monitoring its implementation drafted. 2017 The eco-regional assessment covered 17% of all Mongolian territory including 270,000 square km area in western part the country. 42 areas's (8449402 ha) identified for protection. Series of 4 consultation and training meetings on integrated land use planning using ERA with over 2000 participants from 40 soums. Drafts developed on amendment to protected area law; recommendation to integrate offset measurements in the guidelines on developing aimag level land management plan and guideline of monitoring this plan; amended offset measurements in the guideline to develop soum landscape development plan (approved by ALAMGAC). 2018 Support to development of landscape management plan of 9 soums. Drafting and submitting regulation on rehabilitation, guideline to identify land degradation level, amendments to the law on EIA and to the Land law
End of Project-Status	Ecoregional Assessment ERA completed for all five Western Aimags (41.5 mio ha). To date, ERA results incorporated in land use planning for 22.8 mio ha. Capacity to incorporate results in next planning cycle developed for 41.5 mio ha.

	<p>Land use plans of 2 Aimags of pilot landscapes (Khovd, Uvs were updated incorporating ERA findings. Zavkhan Aimag developed a new land use plan incorporating ERA findings. (Bayan Ulgii and Gobi Altai committed to incorporate ERA findings at next update of LUP)</p> <p>Landscape Development Plans completed according to latest ALAMGAC standard in 3 Soums of pilot landscapes (Dariv, Durvuljin, Bukhmurun), and 10 more Soums including Khovd Aimag/Must, Tsetseg, and Buyant Soums, Uvs Aimag/Sagil, Tugen, and Khovd Soum, Zavkhan Aimag/Otgon, Tsetsen-Uul, Bayan-Ulgii and Bulgan Soums.</p> <p>Land officers of all Soums (90) of five Western Aimags were trained on incorporating ERA into land use planning.</p> <p>54.9% of Western Region of Mongolia (22,8 mio ha) is now under long term, integrated land use planning supported by policy</p> <p>Enabling legal framework for mitigation hierarchy and offsetting improved through approved guidelines/regulations, and drafted law amendments submitted to MET.</p>
Indicator Rating	Completed
Indicator 2	Area set aside from mining related development, for ecological sensitivity including pasture values (through local and national PA designations) derived from Eco-regional assessment)
Baseline	<p>National Protected Areas cover 11.35 Mio ha.(in the Western Region)</p> <p>Local Protected Areas cover 2.08 Mio ha. (in the Western Region)</p> <p>Total = 13.43 Mio ha</p>
End of Project Target	<p>The end of project target was a 10% increase on the baseline.</p> <p>Progress against this target to be measured by the summed total area of SPAs and LPAs designated within the 5 Western Provinces compared to the baseline</p>
Key Activities	In the wake of the 2016 elections, structural and staff changes occurred in government. Therefore the project organized training for 3 aimags and 52 soums to ensure project ownership remained high. As a result aimag and soum level stakeholders actively engaged with the project to increase their area under protection (SPA and LPA).
End of Project Status	<p>3.3. Mio ha (LPAs) and 2.4 Mio ha (SPAs) (pending) added in Western Region, amounting to total of 5.7 Mio ha additional area under protection.</p> <p>This represents an increase of over 42 % (calculated against the baseline in the project document.</p> <p>Details:</p> <p>LPA area in Western Region increased by 3290758.06 ha.</p> <p>SPA area in Western Region to increase by 2,447,265 ha (national parliament approval pending/expected)</p>
Indicator Rating	Completed

Indicator 3	Level of institutional capacity for implementation of mitigation and offsetting framework as indicated by Capacity scorecard
Baseline	Corrected during inception workshop to 44 % (basing calculation correctly on score of 93 (100 %) from 31 indicators, rather than 32 indicators, and 96 score as 100 %)
End of Project Target	The end of project target is: Improved capacity indicated by an increase of at least 25% over baseline (ie. a score of 51.25 = 53.4%). With the corrected baseline (44%), the target of 25 % increase would be 69 %.
Key Activities	Capacity assessments by independent consultants using score card were undertaken at start followed by comparison monitoring surveys in 2017 and 2018. Trainings/meetings and experience sharing tours (TNC, ALAMGAC) on national, aimag and soum levels on significance and guidelines of protecting landscape based on ERA, guidance to develop land management plan and government institutions cooperation for SLM, conservation measures in mining operations, sustainable pastureland management, offset integration guidance.
End of Project Status	Capacity score card assessments resulted in score of 56.33%. Increase against baseline over 13 %.
Indicator Rating	Completed
Objective Rating	Highly Satisfactory - HS

Outcome 1: Land degradation mitigation and offset framework operationalized, through eco-regional land use planning and capacity development	
Output 1.1. Land degradation mitigation and offset procedures and guidelines developed, integrated in the mining concession planning and licensing system and operationalized.	
Indicator 1.1.	Resolution of legal contradictions and adoption of new guidelines / regulations / mechanisms to strengthen the mitigation /offsetting framework
Baseline	No legal and regulatory framework for <u>land degradation</u> offsetting, no guidelines for incorporating offsetting into landscape level planning.
End of Project Target	Two priority achievements will be 1) amended laws to incorporate mitigation and offsetting in land use plans at national, aimag and soum levels; 2) and a guideline for the implementation of offsetting and mitigation hierarchy through SLM.
Key Activities	Integrated the offset measurement and its objectives in the GDP of Khovd aimag and approved by the Citizens khural in 21 st of October, 2016 Drafting guidelines, regulations and laws, with TNC, and submitted to MET and ALAMGAC. Offset measurements and procedures are integrated in the guideline to develop soum level landscape management plan and approved by the ALAMGAC director in 24 Nov, 2017.

	<p>Zavkhan aimag land management plan was developed based on eco regional assessment and offset measurements and approved by the Citizen Representative khural in 4th of Dec, 2017</p> <p>Uvs aimag land management plan updated by integrating the issues related to ecoregional assessment, land degradation and offset measurements in Dec of 2017</p> <p>Zavkhan aimag Durvuljin soum, Khovd aimag Darvi soum and Uvs aimag Bukhmurun soum Landscape development plans were developed and approved by soum citizen khural</p> <p>Support to developing Landscape development plans for Hovd Aimag Must, Tsetseg, Buyant, Uvs aimag Sagil, Tugen, Khovd, Zavkhan Aimag Otgon, Tsetsen-Uul, Bayan-Ulgii Bulgan soums</p> <p>Trainings for 85 land officers, soum governors and Soum khural chairs from Western region.</p>
End of Project Status	<p>4 guidelines/regulations developed (approved)</p> <p>Methodological Guideline for development of general land use plan and provincial and municipal level</p> <p>Detailed Guideline for developing Soumlevel annual land management plan according to ALAMGAC Decree Nr. 479/2010/</p> <p>Guidelines and Regulations on evaluating and monitoring the implementation of land use plans</p> <p>Temporary Guidelines on proper and ethical use of land and natural resources and registration, validation and formulation of landscape development plan</p> <p>Drafted and handed to MET:</p> <p>Environmental Impact Assessment Methodology incorporating offsetting.</p> <p>Amendments to 3 laws (PA law, land law, drafted, and 1 new law law on rehabilitation of degraded land after mining activities drafted, and handed to MET.</p>
Indicator Rating	Completed
Output 1.2. : Participatory and science-based eco-regional assessment conducted in western Mongolia and applied to provincial (landscape-level) land use planning	
Indicator 1.2.	Area of priority conservation (potential offset) areas identified for protection and integrated in mining concession planning process. 30% of 41.5 mio ha area in Western Region will be under protection based on eco-regional assessment
Baseline	13.34 mio ha (= 32.15 % of 41.5 mio ha)
End of Project Target	The end of project target is: 30% of 41.5 million ha (= 12.45 million ha). The target is derived from the national 2015 target for PA designation (30%), and will be measured by the total area of the portfolio of priority conservation sites identified in the eco-regional assessment, as a percentage of the total area of the 5 Western aimags
Key Activities	<p>Eco Regional Assessment of Western Region completed</p> <p>ERA findings and information on 42 key biodiversity areas presented to Soum governments, registered in cadastre</p>

End of Project Status	42 areas covering about 3.3 mio ha (3,290,758 ha) were identified by the ERA as key biodiversity areas, and relevant information provided to Soum governments, so they are enlisted as LPAs in the cadaster . 2.4 Mio ha in the Western Region were approved by the National Parliament as SPAs, as part of 22 SPAs Total area under protection will be 19.04 mio ha, equaling about 46 % of 41.5 mio ha.
Indicator Rating	Completed
Output 1.3. : Capacity of key stakeholders developed to apply mitigation and offsetting at the national, aimag and soum levels, and public awareness raised	
Indicator 1.3.	Public awareness of the role of mitigation and offsetting in addressing impacts of mining
Baseline	Zavkhan aimag: Understanding on offsetting 55%; participation in the LM planning 45% Durvuljin soum: Offsetting: 55%, participation in LM planning 16% Khovd aimag: Offsetting 45%, participation 45% Darvi: Offsetting 32%, participation 18% Uvs: Offsetting 54%, participation 48% Bukhmurun: Offsetting 46%, participation 22%
End of Project Target	10% increase in Aimag centres and 30% increase in pastoral communities at pilot landscapes.
Key Activities	Assessments following trainings in 2015, 2017, 2018. Results attached as Annex 9 Trainings/meetings on national, aimag and soum levels on significance and guidelines of protecting landscape based on ERA, guidance to develop land management plan, and government institutions cooperation for SLM, conservation measures in mining operations, sustainable pastureland management, offset integration guidance.
End of Project Status	The level of understanding of offset and SLM of local communities increased by about 50%. In general, understanding on Aimag was higher than on Soum level. In Durvuljin the understanding was higher as Bayan Airag Exploration LLC has been implementing offsetting and public awareness activities. Despite the 50 % assessment as per score cards, PMU and TE assess there is continued need for capacity and awareness building.
Indicator Rating	Completed
Outcome Rating	Highly Satisfactory - HS

Outcome 2: Land degradation mitigation and offsets applied through SLM within selected Landscapes
Output 2.1. : Integrated land management plans operationalized in selected landscapes with

full participation of key stakeholders.	
Indicator 2.1.	Integrated landscape management and offset mechanisms demonstrated with prominent mining concessions and other competing land uses
Baseline	0 ha. No mitigation and offset mechanisms in practice
End of Project Target	At least 100,000 ha, with at least one offset agreement signed per pilot landscape The indicator will be measured by the area of land covered by approved integrated land management plans that incorporate the results of the eco-regional assessments, and include at least one signed offset agreement.
Key Activities	MoU were developed and signed between mining companies, Soum and MET to work on implementing offset during the inception workshop of the project. In 2016 Bayan-Airag company reviewed and started their activities In 2017 and 2018 Khushuut in Khovd and Khotgor in Uvs developed their 5 years plan on offsetting
End of Project Status	The area under approved integrated land management plans incorporating results of ERA far exceeds the target. 3 Aimags and 13 Soums prepared land use plans and landscape development plans incorporating ERA, and the total area covered is 22.8 mio ha. Offset areas cover 12,000 ha (Bayan Airag), 12,200 ha (Khotgor) and 4219 ha (Khushuut). Specific SLM practices were applied, namely rangeland improvements (through rotational grazing (78600 ha), and including water source protection, cropland rehabilitation and agroforestry. All 3 participating mining companies signed MoUs on developing offset plans, and all 3 have developed offset/EMP and allocated budgets to implement the plans
Indicator Rating	Completed
Output 2.2. : Land degradation mitigation and offsets piloted in selected landscapes.	
Indicator 2.2.	Increased investments in SLM actions in the landscape
Baseline	2015 budgets for Environmental Management Khotgor mines 7.4 Mio MNT Bayan Airag mine 135.9 Mio MNT Khushuut mine 349.7 Mio MNT
End of Project Target	The end of project target is: a 50% increase in expenditure. The indicator will be measured from the total budgets included from the mining companies in their annual Environmental Management Plans in each of the pilot landscapes
Key Activities	Close cooperation with all 3 mining companies, capacity building for Khotgor and Khushuut mining companies, who had no prior experience with offsetting
End of Project Status	2019 budgets for Environmental Management including offsets Khotgor 53.6 Mio MNT, over 700 % increase Bayan Airag 196.0 Mio MNT 49 % increase Khushuut 434.0 Mio MNT 10 % increase Detailed charts with annual budget increases attached in Annex 10
Indicator Rating	Completed

Output 2.3.: Capacity of local stakeholders developed through demonstration and application of innovative SLM approaches.	
Indicator 2.3a	pilot site herder families applying innovative SLM technologies
Baseline	0 . The indicator was not further defined during inception phase
End of Project Target	50% of the families in the pilot landscapes. 1,281 herder hhs total in the 3 pilot landscape soums. The indicator will be measured from the total number of families in all the pilot landscapes that are applying at least one innovative technology for SLM (as defined under Output 2.3), as a percentage of the total number of herder/farmer families in the pilot landscapes
Key Activities	Consultation meetings with local governments on small projects for SLM and land rehabilitation Seven small projects were supported in local areas, with co-financing by local governments, and ongoing capacity building activities to rehabilitate degraded land between 2017-2019 including: a) 2 ha rehabilitation through perennials seeding (beneficiaries: 5 households).2 wells rehabilitated (beneficiaries: 70 hhs), 200 ha cropland rehabilitation (beneficiaries: 50 households). and protection of one spring in Darvi Soum, b) water reservoir in Bunkhmurun soum (beneficiaries: 11 households) and 20 ha agroforestry in Khovd soum to reduce sand movement, c) wild Seabuckthorne area rehabilitation in Durvuljin Soum and water supply for Tsagaan Chuluut Soum. The total number of households beenfitting from small projects was 559. SLM practices with local herder communities and government in 78600 ha of degraded pastureland.
End of Project Target	As a result of improved SLM and livestock management in 3 target Soums, through cooperation with Green Gold, about 2100 herder livelihoods improved (about 400 hhs). Through other innovations including water harvesting, cropland rehabilitation, and agroforestry, about 150 participating hhs benefited. Total number of hhs appox. 550. (approx.. 43 %)
Indicator Rating	Completed
Indicator 2.3b	Area of grazing/forested land (ha) and # springs/wells in pilot landscapes subject to innovative SLM interventions
Baseline	0 ha.
End of Project Target	30% of the total grazing/forested area or degraded springs/wells in the pilot landscapes by end of project. The indicator will be measured from the areas of pasture and forests and number of springs/wells in the pilot landscapes that are under SLM interventions.
Key Activities	Pasture management (rotational grazing) and livestock health and breed improvement activities to reduce livestock numbers/grazing pressure, cropland rehabilitation, water resources protection, agroforestry.

End of Project Status	In 3 soums, 30% degraded land, covering 452,272 ra is rehabilitated using innovative approaches in rangeland (and livestock) management, water harvesting, crop field rehabilitation, in close collaboration with GG and Bayan-Airag companies
Indicator Rating	Completed
Outcome Rating	Highly Satisfactory -HS

3.3.2. Relevance

The project is rated as R (relevant)

Local communities were identified as the key users of natural resources and beneficiaries of the project. As mobile pastoralists, they directly depend on healthy rangelands and water resources. Competing land use, namely including mining operations and related infrastructure development have already impacted pasture and water resources, access to water and seasonal migrations that are a key strategy for sustainable land management in Mongolia. Through the project achievements, beneficiaries in the pilot landscapes were able to restore degraded land, improve water supplies, develop livelihood strategies that reduce pressure on grasslands, establish local financial mechanisms, and built their own capacity for CBNRM governance and in technical skills for livelihood strategies.

The achievements in amending guidelines, regulations and drafting legislation are crucial support to strengthen enabling conditions in Mongolia to benefit from extractive industry development whole safeguarding the resource base for livestock herding, and protecting unique landscape and biodiversity values. The gains in increasing territory under formal protection contribute to the conservation of globally significant biodiversity and supports the achievement of Mongolia's obligations under UNCCD, CBD and UNFCCC through cross-sectoral interventions and integrated management of land and water resources.

The proposed project is in line with the UN Development Assistance Framework (UNDAF), UNDP Country Programme Action Plan (CPAP) and the UNDP Country Programme Document (CPD) for the period of 2012-2016. The proposed project directly contributes to UNDAF Outcome 7 "Increased sector capacity for sustainable resources management, with the participation of primary resource users", as well as Output 7.2 "A holistic (landscape-based) principle applied for planning, management and conservation of pasture/land, water and forest resources and biodiversity".

Within the current programme cycle, UNDP Mongolia defines "introduction of a holistic approach to the planning, management and conservation of land, water and forest resources and biodiversity" as a key area of intervention to enhance resilience of ecosystems and

vulnerable populations to the changing climate.

The project interventions will contribute to achievement of Output targets: “Capacities of Government officers strengthened for sustainable management of natural resources, particularly at the soum level” and “Landscape-level land use planning demonstrated”.

The project addresses the GEF 5 Land Degradation Focal Area Objective 3 – Reduce pressures on natural resources from competing land uses in the wider landscape by increasing national and local capacity for integrated landscape level planning and management, application of mitigation hierarchy and offset for land degradation to effectively manage the direct and indirect impacts of mining.

The project is a contribution to LD3 Outcome 1 (Enhanced enabling environments toward harmonization and coordination between sectors in support of SLM) by supporting an enhanced enabling environment for mitigating and offsetting the impacts of mining, and coordinating policy, legal and regulatory frameworks for SLM between sectors competing for land area and natural resources.

For LD 3 Outcome 2 (Good SLM practices in the wider landscape demonstrated and adopted by relevant economic sectors), the project demonstrates mitigation and offsetting to address the impacts of the mining sector, including the provision of financial resources to rural land users to sustain and upscale good practices.

3.3.3. Effectiveness & Efficiency

Effectiveness and Efficiency are rated as Highly Satisfactory - HS

Effectiveness

The high degree of achievement of the project’s development intervention’s objectives has been documented and rated in section 3.3.1. above. The major relevant objectives in identifying ecologically sensitive areas, expanding land areas under formal protection, and placing degraded land under rehabilitation have not only been achieved in the pilot landscapes, but an institutional development impact has been achieved to sustain these attainments through capacity for integrated land use planning and the legal framework on mitigation hierarchy.

Efficiency

The project achieved its development objectives and end-of-project targets for all indicators despite the reduction of implementation period by a whole year. Disbursements were according to plan (at time of TE, see table in section 3.2.4., two financial audits carried out in 2017 and 2018 for FY 2017 and FY 2018, respectively confirmed compliance of financial management with requirements, the M&E plan was implemented as designed.

Implementation arrangements fully integrated and mobilized local stakeholders in local governments and among the pastoral communities, and ongoing facilitation by the PMU secured effective stakeholder collaboration and drove the process to take forward the drafts of regulations for approval. Co-financing mobilized from local governments for SLM activities, and active participation of beneficiaries added to the cost-effective achievement of objectives. Partner arrangements optimized the coordinated input of subject matter experts in mitigation hierarchy, SLM and pastoral livelihoods, biodiversity and landscape conservation.

3.3.4. Country ownership

The project achievements are important contributions to implement national policies and in line with priorities of the Government of Mongolia. The project contributes to the NAP under the UNCCD to which Mongolia has been a party since 1996, and to the NAP on Climate Change. It is consistent with Article 6.1 of the National Constitution of Mongolia (1992) which lays down the vision of effective management of the country's natural resources, the Mongolian Action Programme for the 21st century (MAP-21), the 2013 Green Development Policy, in particular its strategic objective to "Sustain ecosystem's carrying capacity by enhancing environmental protection and restoration activities, and reducing environmental pollution and degradation", the National Environmental Action Plan, and the Law on Environmental Impact Assessment amended in May 2012, in particular the clause on offset mechanism.

The project results are in line with the Government Action Plan 2012-2016, including commitments to: "Pursue the principle not to issue permits to mines which are identified economically non-viable by feasibility studies, and entail greater environmental damages"; and "Provide support to efforts to introduce environment friendly, and leading techniques and technology in mining operations, estimate degraded areas due to mining, involve the responsible subjects in rehabilitation processes, and allot the rehabilitation expenses in the state budget account".

The outcomes are consistent with Mongolia's MDG, Goal 7: "Ensure Environmental Sustainability" ensuring the proper use of land, mineral, and water resources, with the MDG-based National Development Strategy, 2005: Section 3.5 Priority area - "Create a sustainable environment for development by promoting capacities and measures on adaptation to climate change, halting imbalances in the country's ecosystems and protecting them".

3.3.5. Mainstreaming

The project positively impacts poverty reduction, income generation and natural resource management through the activities in pasture, water and livestock management and support to crop farming, and rehabilitation of both grazing and croplands.

Resource allocation to pastoral communities was promoted twofold – through strengthening pasture user group that conclude rangeland use agreements with local governments, and through supporting the

implementation and further regulatory strengthening of the Soum Landscape Development Planning process which includes offsetting and secures the allocation of customary tenure rights introduced in Mongolia and adapted by ALAMGAC based on the VGGT (Voluntary Guidelines for the Governance of Tenure), a framework developed by FAO and adopted in Mongolia with the Pastoral Guidelines.

The results in SLM, namely improved pastureland management, reduction of grazing pressure, non-livestock strategies in cropping and natural product development (seabuckthorn), and financial mechanisms such as savings and credit cooperatives associated with CBNRM initiatives are important contributions to enhance preparedness to cope with natural disasters.

The project throughout its implementation promoted public participation in planning and decision making in the pilot landscapes where herder communities took an active role. The project's close cooperation with and training of Aimag and Soum level officers in integrated land use planning, and the collaborative mechanisms practiced such as the Environmental Units comprised of Soum environmental, agriculture and land officer, constitute successes in promoting good governance successes.

Outcomes and outputs of UNDP CPD, namely outcome "Ecosystem services to support livelihoods of vulnerable groups", and its outputs 1.3, 1.4, 1.5, found contributions through the project. Indicators for these outputs are "Level of institutional capacity to implement mitigation and offsetting framework", "Number of community managed local protected areas through formal agreements", and "Pastureland area sustainably managed and rehabilitated (hectares)", respectively.

The CPD commits to gender mainstreaming as a means of promoting gender equality at all levels – in research, legislation, and policy development. The Gender Action Plan developed by the project in 2017 provided special focus to involve more women in capacity building interventions in both local and central level. The project invited and encouraged participation of female government officers and rural women in planning workshops and meetings throughout its implementation period. Community-led activities of the project such as providing safe drinking water and building reservoir all supported women headed households.

There is also a current trend that rural women have high representation in local meetings, as many women are staying in the Soum centers with young children since the age of school entry has been lowered. (This is leading to separation of herder families, whereby men are herding livestock alone in the pasturelands, and women are in the rural centers, a growing social problem).

All identified potential social and environmental risks of the project were categorized as "Low". These included with regard to human rights: grievance mechanisms for local communities, capacity of duty bearers to meet their obligations under the project, and capacity of rights holders to claim their rights. With regard to environmental sustainability, the low potential risks included: negative environmental impacts on critical habitats and/or environmentally sensitive areas, including legally protected areas, and effects on land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources.

To address the low potential social risks, project design promoted the role of existing mechanisms to deal with community grievances through Aimag, Soum, and Bag Citizen Representatives Khurals, and added the Local Coordinating Committees as another mechanism. In project implementation, namely through the introduction and scaling up of integrated land use planning with the adopted approach by ALAMGAC

for preparing Soum Landscape Development plans, the participation of local communities in development planning, and allocation of customary rights to land and natural resources has been strengthened.

To address the low environmental risks, project design built on existing obligations of the extractive industry to prepare EIA, SEA and Environmental Audits. Furthermore, it supported SLM activities to offset mining impacts, and identified ecologically sensitive areas in the Western region and expanded the area under formal protection as local and state protected area.

3.3.6. Sustainability

Financial Risks – Evaluated as Moderate

Given the general economic situation in Mongolia, despite the recent beginning of economic recovery, there is a certain financial risk that budget allocations for environmental management and the environmental governance of mining are relatively low for local governments. On the other hand, land use plans for the pilot Aimags and Soum Landscape Development Plans have been developed and approved, and therefore will receive budget allocations. SLM activities in pastureland management can be supported from Soum Development plans.

For specific project initiated activities, such as the annual meetings of all environmental organizations, the heads of Aimag Investments departments met during the TE mission, committed or reported commitment to allocating funds to continue this stakeholder mechanism. Ongoing presence of other donor-supported projects in the pilot landscapes are a buffer for a transition period to support activities in rangeland and livestock management.

Project activities with beneficiaries in developing CBNRM with other donors have supported or initiated mechanisms towards self-finance, these include savings and credit cooperatives, and the Trust Fund that is being discussed by stakeholders in Durvuljin Soum to support the seabuckthorn product development project; stakeholders include the Soum government, Bayan-Airag Exploration LLC, WWF, Green Gold Project, KTT NGO, LD Mitigation and Offsetting in Western Mongolia (MON 16301), and local citizens and their CSOs and/or small enterprises.

Allocating funding for offsetting activities under their EMP plans will be mandatory for the involved mining companies under the new legislation. Financing for these activities therefore is sustainable, depending on effective monitoring and enforcement by the relevant agencies, as well as on public awareness and the capacity of CSOs and NGOs to monitor EMP implementation.

Socio-Economic Risks – Evaluated as Negligible

Stakeholder cooperation for implementation has been built throughout project implementation and with the capacities developed within local government, namely on Aimag level, with mining companies' environmental departments, and with community organizations and their leaders, it is likely that project outcomes will be sustained in the pilot landscapes.

Competing land use between nomadic livestock herding and extractive industry is a very prominent issue in media and public awareness and discourse in Mongolia, further enhancing the likelihood of sustainability, and the project has contributed to public awareness and education through publications in print and broadcast media and online. A strong in-country presence, professional capacity and outreach of TNC within government and with ongoing projects in the pilot landscapes is another strong supporting factor for sustainability.

There are also national NGOs, such as OT Watch, and the Mongolian Environmental Civil Council (MECC) playing a watchdog role in monitoring extractive industry and holding mining companies accountable.

At MET, the capacity for mitigation hierarchy and offsetting has been built through executing this project and the political will and high priority to implement these principles was expressed by all representatives met during TE mission. The important role played by ALAMGAC in capacity development, planning support, developing and approving guidelines and in registering new LPAs in their cadaster was another cornerstone for sustainability.

Institutional and Governance Risks – Evaluated as moderate

The successes of the project to have most regulations and guidelines approved within the implementation time, to have advanced draft laws to MET for further approval process and the approval of new SPAs by the national parliament is a key factor for sustainability.

The integration of offsetting into the planning process for Soum Landscape Development, and the Western region provincial land use plans that are now based on ERA, are further strong sustainability factors.

Despite these supporting factors, and while institutional capacity has been built on all levels, from MET to their line officers on Soum level, however there remains a need for comprehensive and continued training with local governments, developing competency standards, requirements for qualified EIA contractors, public and tertiary education. There are also shortcomings in coordination among ALAMGAC and MRPAM, to align the registration of Local Protected Areas and of mining licenses. This suggests that a review of the procedure for granting licenses is needed, and a procedure be developed whereby ERA findings are in fact considered for development planning, and the granting of exploration licenses undergoes a rigorous review process even in areas that are not formally gazetted as local or state protected areas, but where conservation values and ecosystem services are at risk. Soum government officers need to have better knowledge and be able to effectively register LPAs.

Environmental Risks – Evaluated as Moderate

Land use plans and ERA in the Western region, the Green Development Policy of Khovd Aimag, and a strong presence and ongoing program of WWF, and TNC, in the pilot landscapes, reduce the potential impacts of environmental risks, such as extreme weather events, namely drought and dzud. The same goes for increasing awareness and willingness, and with successful models now, the ability of herders to reduce livestock while increasing incomes and improve their livelihood.

In Durvuljin Soum, one issue came to the attention of the TE that may pose a risk to the local offsetting activities and the sustainability of the livelihoods of the local community, namely Janchiv pasture user group. An exploration license is currently held within the pasture of the PUG which is actively involved in the offset program of Bayan Airag Exploration LLC⁶.

3.3.7. Progress towards Impacts

Verifiable Improvements in Ecological Status, and Reductions in Stress on Ecological Systems

Improvements in ecological status in the rangelands of Mongolia are hardly achievable in a timeframe as short as the project, though preliminary results of photo monitoring in the Green Gold project report indicated improvements in the pasture land in the offsetting area in Durvuljin Soum. Furthermore, in the arid conditions dominant in much of the pilot landscapes, the non-equilibrium *rangeland* systems are likely to be primarily driven by the variable rainfalls, resulting in highly variable primary production.

Demonstrated Progress towards Impact Achievements

The underlying theory of change of the project was that an improved knowledge base on ecological systems, an up-dated legal and regulatory framework, and the introduction of a holistic planning approaches in the landscapes will enable reduction and mitigation of land degradation.

It is however possible to define the project activities that create or support the mechanisms driving change towards improvements in ecological status and reduction in stress on ecological systems. The setting aside of more than 30 % of the Western region landscapes as local and state protected areas is a milestone in enabling large scale recovery, conservation of key biodiversity areas and supporting the protection of iconic wildlife species.

The introduction of “resilience based rangeland management” as promoted by the collaborating partner, and by applying SLM in combination with measures in livestock health and breed improvement are key mechanisms for reducing stress on rangelands, and thereby on the entire ecological system in the project area. Likewise, activities in developing and protecting water resources are in the local context in Mongolia a mechanism to reduce pressure on rangelands as it promotes sustainable practices such as rotational grazing, seasonal moves and the establishment of grazing reserves as emergency grazing areas.

Legislation and regulations amended or developed with the project are another mechanism to support progress towards impacts as they prescribe land use planning procedures that take into consideration broader conservation goals. As part of “resilience based rangeland management” the conditions to measure progress towards impact achievements have been created, as the number of monitoring points has been increased and capacity for rangeland monitoring and evaluation has been built.

⁶ Information on the licence is in the Annex xx.

The final entries (for 2018) in the GEF Land Degradation Tracking Tool (pending data to be provided by NSO) may provide further information demonstrating progress towards impact achievements.

4. Conclusions, Recommendations and Lessons

4.1. Conclusions

The project achieved its planned outcomes in applying land degradation mitigation and offsets in the selected landscapes and in further strengthening the relevant legal and regulatory framework. It thereby made important contributions to the UNDP country programme objectives in support of a holistic approach to natural resource management, in particular to capacity development for sustainable natural resource management and for landscape level land use planning. The results were achieved in a project implementation period cut short by one year, a fact that speaks to the high degree of efficiency of activity implementation.

The project contributed on all levels to introduce integrated land-use planning, from national to local community level, providing herders as the primary resource users, and local authorities with a mechanism to reduce negative impacts of mining on rangelands. With the completion of the Eco Regional Assessment in the Western Region, countrywide ERA coverage was achieved; combined with the up-dates of Aimag Land Use plans in the project landscapes, the condition was created to develop and adopt the National Land Management Master Plan in late 2018.

A particular strength of the project was its ability to broadly address the identified barriers, by simultaneously working on all levels. Guidelines were drafted and introduced into planning processes through close cooperation with government agencies while piloting project activities. This approach successfully combined on-the-job training, while achieving outputs in drafting legal amendments, in assisting in innovative landscape development planning, and in undertaking SLM practices. Putting the new principle of offsetting into practice and translating it into direct local benefits, raising awareness and capacity, was highly valued by stakeholders.

The project was very well aligned with existing structures and processes, a key factor for the successful implementation in the reduced time frame. This in turn was much dependent on the arrangements for activity planning and oversight, and on the collaboration with partner organizations. The Local Technical Committees provided the appropriate mechanism for ownership and efficiency, and to guide implementation so that local needs are addressed. The collaboration with partners that look back on a successful track record in their area of expertise was managed to optimize benefits, for SLM and livelihoods with “Green Gold” project, for

introducing and applying mitigation hierarchy with TNC and for biodiversity conservation goals with WWF.

The project had remarkable success in having key biodiversity areas as identified by the ERA placed under local or state protection, and in introducing drafts into the legal framework. New state protected areas recommended by the ERA and four out of five regulatory drafts were already approved by lawmakers before project closing. Approved drafts included those on developing general land use plans on provincial and municipal level, on developing Soum level annual land management planning, on M&E for land use plans, and on use of land and natural resources and registration, validation and formulation of landscape development plan.

The project had some weaknesses, related to its innovative character and therefore very comprehensive capacity building needs, and related to the way SLM under the GEF framework was applied in the project design, or the interpretation thereof, for activities in Mongolia. Introducing mitigation hierarchy and offsetting in Mongolia as a sustainable practice will require very broad capacity and awareness building, for implementation and monitoring in government, private and non-government entities, and these were not all captured in the design. While the project reached all end-of-project targets, sustainability through comprehensive capacity development and empowerment of beneficiaries and local stakeholders has not been secured.

The project design document refers to GEF LD 3 and its outcome on good SLM practices, and it includes in the description of output 2.3 “environmentally friendly and innovative technologies to reduce soil erosion and improve soil fertility” such as “no tillage organic farming, soil conditioning, water saving irrigation techniques, application of cover crops, crop rotation, buffer strips etc.”. The project has supported agroforestry activities in the Uvs Aimag pilot landscape, and cropland rehabilitation in Khovd Aimag. But it should be considered in project design whether to include the above activities into an already complex and innovative project in Mongolia, where rangeland management is the primary activity to address land degradation and local livelihoods. Climate and soils in the project landscapes are not conducive to crop farming for which high inputs, such as irrigation, and specialized skills are required under these conditions. Livelihoods are based on extensive livestock husbandry. To rehabilitate land and prevent land degradation, improved pastureland management (and livestock) management have a much greater potential at scale.

Results for SLM in Mongolia should be through improved pasture land management, and activities in livestock quality and breed improvement are very relevant in this context and should explicitly be stated in the design rather than farming activities that are very limited in Mongolia, especially in the pilot landscapes. Of course the intended activities are useful, in the crop farming areas of Mongolia, but as they require very specialized expert input and attention, it is better, in the framework of a challenging project introducing innovative approaches like mitigation hierarchy to focus on rangelands for SLM.

With key biodiversity areas gazetted as local and state protected areas, with the strengthening of the legal framework and successful pilots ongoing as demonstration practices, the enabling

conditions for landscape and biodiversity conservation are enhanced, and a foundation for reducing land degradation through mining has been built , but capacity building remains a high priority to sustainably strengthen environmental governance of mining and stakeholder commitments on follow-up need to be secured and formalized.

4.2. Recommendations

Immediate Follow-up

Several actions for immediate follow-up are recommended. Implementation of these will provide further detail for future activities to strengthen environmental governance of mining.

1. Local stakeholders have expressed confidence that project results will be sustained, as there was a good degree of ownership, capacity has improved and funding for activities like the annual meeting of environmental organizations (Zavkhan Aimag) had been allocated. However there is a need to bring stakeholders together at project closing to plan more concretely for follow-up activities, roles and responsibilities, budget allocations and capacity building needs.

It is recommended that a workshop on “Sustaining and Scaling up Land Degradation Mitigation and Offsets” be held in each of the project Aimags. The objectives of a stakeholder workshop would be to jointly review the findings of the TE, to assess needs for capacity building and to plan forward. The outputs of the workshops should provide a clear action plan for each pilot landscape. Project management to organize meetings, or request Aimag governments to organize participatory meetings, and share the findings with UNDP to inform programming in case of following up activities being undertaken as a stand alone project, or if ENSURE project can support follow-up.

2. The second immediate follow up should be a confirmation that all LPAs identified by the ERA, and registered by ALAMGAC are also registered with MRPAM, and show up in the online database (<https://cmcs.mrpam.gov.mn/>). Project management to request both agencies to compare notes and make updates as needed in case of inconsistencies
3. A third immediate follow-up activity is to address the issue of the exploration license⁷) in Durvuljin Soum which overlaps with the selected offsetting area of Bayan Airag Exploration LLC and the pasture contracted by the Soum Governor for management by Janchiv Cooperative. Project management to bring the issue to the attention of Bayan Airag LLC and Durvuljin Soum Governor and Khural Chair, for these stakeholders to follow up.

⁷ See Annex 10 for license information

4. A fourth immediate follow-up activity is to share the final project report, or a summary, with the Altai Sayan Ecoregion Project of WWF in Khovd, and discuss the follow-up of activities by WWF in the overlapping project areas. This was proposed by the local WWF Coordinator, who expressed the intend to follow-up on project activities with local governments and communities. Project management to share document.
5. Suggest to mining companies to include spring protection as successfully practiced by WWF in the pilot landscapes. Project management bring to the attention to the participating mining companies to consider including spring protection as practiced by WWF (and TNC) in the pilot areas in future offset planning. Details available at WWF Altai Sayan Region office in Khovd.

TE team was specifically asked by UNDP Mongolia CO to provide recommendations for follow-up activities, so that UNDP could use them to inform programming on the governance of mining should the opportunity arise. The following recommendations are targeted to this purpose:

Further Recommendations

- Develop training/guidance material, and organize trainings, for Soum government officers on the complete and correct process of approving Local Protected Areas and submitting all required information to MRPAM, and ensuring the process is completed.
- Organize training and awareness raising with staff of MRPAM in charge of registering Local Protected Areas about the significance and legitimacy of local protected areas in Mongolia's development planning, about the issue of competing land use and the severity of the problem if mining licenses overlap with Local Protected Areas or areas under CSO management, and of the significance of land as a basis for local livelihoods. The TE found that awareness of the value of land for livelihoods and problem awareness of shortcomings, or contradictions in the cadastre was not developed appropriately with responsible staff of MRPAM.
- Bring together ALAMGAC and MRPAM to discuss status of coordination of cadastre and databases, and to develop an effective mechanisms that ensures data and information on land use is compatible, and the public has access to the correct and up-dated information on exploration and exploitation licenses, and on protected lands.
- Determine where knowledge and skills on new legislation, procedures and methodologies on land degradation mitigation and offsetting has to be included in required competency standards, and assist relevant organizations to adjust standards accordingly. This applies to staff responsible for land management on Soum and Aimag level, ALAMGAC, MET, mining companies' environmental departments, state inspectors monitoring mining

companies' EMP and offsetting planning and implementation, and for private contractors (consulting companies and individuals) undertaking EIAs.

- Explore need and options to include mitigation hierarchy and offsetting into curricula on land and environmental management and policy at tertiary education institutions. As mitigation hierarchy and offsetting are newly introduced concepts, they are not likely part of current curricula at colleges and universities.
- Organize experience sharing on the mechanism of the Tripartite Council (Local Government, Local Communities, Mining Company) that has been established in Khanbogd Soum for dispute resolution, joint fact finding and joint planning.
- Support the development of a manual for local communities on mitigation hierarchy and offsetting, and on the principle and process of joint fact finding
- Suggest to mining companies to include spring protection as practiced by WWF in the pilot landscapes, in future offset planning and in existing activities on spring protection to follow the methodology applied by WWF, and TNC, which involves a two step process of fencing a large catchment area and effective recovery of water resource and downstream rangelands. Organize training/experience sharing on successful spring protection with WWF Western region office. In Dariv Soum, the participating mining company was undertaking spring protection activities; the successfully applied method by WWF could be used as a best practice.

4.3. Lessons

The achievement of end-of-project targets within the limited implementation period speaks to the efficient implementation arrangements, namely the Local Technical Committees that have been identified as a key success factors by all stakeholders. Similar arrangements should be adopted for implementation of UNDP projects to enhance ownership, cost effectiveness, sustainability and targeting of activities.

For project oversight and guidance, the project adopted the practice that advisory board members and project national director be appointed by way of their position, such as the director of the relevant department, not as individuals. This ensures continue in project leadership in case of structural changes associated with elections or other political situation changes.

Project management maintained close working relationships with individuals that would be instrumental to take forward the process to approve drafted amendments and legislation. This has proven successful; though it was assumed in the project design document that results would

be considered achieved if drafts were completed and submitted to the relevant bodies, however the project even achieved the approval of several amendments during project implementation.

The participating mining companies were in very different stages of capacity, awareness and acceptance of proper procedures to instigate mitigation hierarchy and offsetting in their operations. While the emerging legal framework will leave no choice but to comply to all mining companies, the project's close cooperation with the mining companies and local authorities in capacity building, monitoring, assistance to develop EMP and offset plans and in facilitating collaboration with local communities, shows the way how these innovations can be put into practice with all mining companies, both private and government owned.

The project has supported activities in rehabilitating cropland, however the impacts in supporting activities in pasture, and directly related livestock, management are more far reaching and relevant to large scale reduction of land degradation and to livelihood benefits for rural communities in Mongolia, and in the project context and pilot landscapes more appropriate. Design and interpretation of activity design that uses GEF language which has to be globally applicable, should be careful in translating terms such as SLM into the country context –that is mobile pastoralism and rangeland management in Mongolia.

5.4. Strengthening Environmental Governance of Mining in Mongolia

Opportunities to provide follow-up support for project sustainability, and to strengthen environmental governance of mining in Mongolia are evident from the lessons and recommendations.

The design of a possible follow-up project, should the opportunity arise, should include as key elements

- Further capacity building and public awareness on mitigation hierarchy and offsetting
- Coordination and collaboration among ALAMGAC and MRPAM
- Training of local governments on approving and submitting LPAs with MRPAM
- Developing competency standards in all relevant organizations
- Introducing mitigation hierarchy and offsetting into tertiary education curricula
- Identifying and scaling up best practices for stakeholder consensus and cooperation including Tripartite Councils and Joint Fact Finding