MINISTRY OF ENVIRONMENT
AND TOURISM

REDD+
MONGOLIA

BACKGROUND REPORT: ASSESSMENT OF POTENTIAL BENEFITS AND RISKS OF REDD+ IMPLEMENTATION IN MONGOLIA

Safeguards and Safeguard Information System

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ACRONYMS

ADB	Asian Development Bank
CEDAW	The Convention on the Elimination of All forms of Discrimination against Women
FHH	Female Headed Household
FUG	Forest User Group
GDP	Gross Domestic Product
GDI	Gender Development Index
GII	Gender Inequality Index
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German International Development Agency)
GoM	Government of Mongolia
MoET	Ministry of Environment and Tourism
NGDP	National Green Development Policy
NSO	National Statistical Office
HDI	Human Development Index
LPGE	Law on Promoting Gender Equality
LGO	Local Government Office
NCGE	National Committee on Gender Equality
NRM	Natural Resource Management
PEF	Private Enterprises in Forestry
REDD	Reduction of Em
SME	Small and Meduim Enterprise

1.   INTRODUCTION

This report provides background information and an overview of the initial results of the assessment of potential benefits and risks related to REDD+ implementation in Mongolia. It has been produced to provide this information to stakeholders from government, civil society and academia who are engaged in the process of benefits and risks assessment, a process which is ongoing.

REDD+ is a mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) under which developing countries like Mongolia can obtain results-based payments from developed countries for reducing emissions of greenhouse gases from forests. Mongolia, a signatory to the UNFCCC, the Kyoto Protocol and the Paris Agreement, has committed to following a green development pathway. REDD+ has the potential to contribute to green development by protecting forest carbon stocks and biodiversity, helping to prevent and reverse land degradation, promoting the improvement of rural livelihoods and aiding adaptation to climate change. Mongolia became a partner country of the United Nations collaborative initiative on Reducing Emissions from Deforestation and forest Degradation in developing countries (UN-REDD Programme) in 2011, and is the first country with significant boreal forest cover to do so.

While the main purpose of REDD+ is to contribute to global climate change mitigation, it also has the potential to deliver additional social and environmental benefits. Social benefits from the implementation of REDD+ policies and measures (PaMs) may include improved livelihoods (e.g. by providing alternative sources of income or access to forest products), and improved governance of natural resources. Potential environmental benefits can be protecting or enhancing habitat for biodiversity, and other ecosystem services such as water regulation and soil erosion control. REDD+ PAMs could also pose certain risks depending on where and how they are implemented. Environmental risks may include the shift in pressures on natural ecosystems to areas not involved in REDD+ (also known as displacement or leakage), and the conversion of natural forest or other ecosystems to tree plantations. Social risks could include reduced access to forested areas or resources by forest-dependent communities and limited participation of appropriate stakeholders in the REDD+ process.

To address these concerns, Parties at the UNFCCC COP 16 in Cancun, Mexico, agreed on a set of seven safeguards, known as the Cancun safeguards (Box 1), which should be promoted and supported during implementation of REDD+ activities to minimize these risks and to enhance benefits. Safeguards can build confidence and provide assurance for stakeholders that mitigation actions in the forest and land-use sectors will not proceed at the expense of environmental

sustainability and social equity (UN-REDD Programme Safeguards Coordination Group 2016). In addition, Safeguard (e) states that REDD+ implementation should be used to enhance other social

and environmental benefits. According to the relevant decisions of the UNFCCC, countries implementing REDD+ should meet three main safeguards requirements:

I.   Promote and support the Cancun safeguards throughout the implementation of REDD+ actions, regardless of the source and type of funding;

II.   Develop a system for providing information on how the Cancun safeguards are being addressed and respected (i.e. a safeguards information system, SIS); and

III. Provide summaries of information on how all the Cancun safeguards are being addressed and respected throughout the implementation of REDD+ actions.

The UNFCCC ('Cancun') safeguards for REDD+

"*When undertaking* [REDD+] *activities, the following safeguards should be promoted and supported:*

(a) *That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;*

(b) *Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;*

(c) *Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;*

(d) *The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities;*

(e) *That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the [REDD+] actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits[1];*

(f) *Actions to address the risks of reversals;*

(g) *Actions to reduce displacement of emissions."*

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[1] *Taking into account the need for sustainable livelihoods of indigenous peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Indigenous Peoples, as well as the International Mother Earth Day*

Source: UNFCCC Decision 1/CP.16, appendix I, paragraph 2

The assessment of the possible social, environmental and other impacts of proposed REDD+ PAMs helps to inform the design of a national approach to safeguards that addresses the most relevant benefits and risks of REDD+ in the national context. It also provides valuable inputs to the process of selecting and designing the PAMs that are to be included in the National REDD+

Strategy, in order to increase their social and environmental sustainability and highlight areas where risks may need to be managed.

2.   METHODOLOGY TO ASSESS BENEFITS AND RISKS

Mongolia is currently undertaking a process to identify the potential benefits and risks of REDD+ implementation. This process will involve a number of steps:

- Step 1: A participatory process at the national level to first identify likely benefits and risks of REDD+, as well as measures to address these (Q2 2017)
- Step 2: A discussion of the potential benefits and risks at the subnational level, to add to and review the national level assessment (Q3 2017)
- Step 3: Inclusion of any additional benefits and risks from expert discussions related to some of the PAMs into the full analysis and recommendations (Q2-4 2017)
- Step 4: An assessment of the potential impacts of national-scale, policy-level PAMs, led by the Technical Working Group on Safeguards and SIS (TWG-S&SIS) (Q3 2017)

The results of this assessment process will be fed back to the Mongolia UN-REDD Programme and stakeholders throughout these steps, in order that they may inform the further design of the PAMs and the national safeguards approach.

3.   RESULTS OF THE PARTICIPATORY PROCESS AT NATIONAL LEVEL (STEP 1)

A Benefits and Risks Assessment Workshop was organized in Ulaanbaatar on 5 May 2017, as part of the country's development of a national safeguards approach. The workshop followed a meeting of the TWG-S&SIS, where a core group of facilitators were trained. A total of 48 people attended in the workshop, representing government agencies, civil society organizations, research institutes, universities, and local departments of environment and tourism (participants list at Annex 1). The participants were divided into 8 groups, each with a Mongolian facilitator, to assess benefits and risks for ten selected PAMs, each with 2-5 sub-activities (shown in Annex 2).

Each group discussed and identified the potential environmental, social and governance/other benefits and risks that could arise from the PAM, and then rated the probability and impact of the benefits and risks. For those that scored highly, the groups then discussed measures that could be used to enhance the benefits and reduce the risks. The workshop concluded with a 'carousel' exercise, so that the groups could visit the work of other groups and provide comments/questions for them. The participants provided feedback on the workshop via a questionnaire, with the results included at Annex 3.

Following the workshop, the core group of facilitators (with technical support from UN Environment World Conservation Monitoring Centre, UNEP-WCMC) reviewed the results and filled gaps where they could. The results were further reviewed by safeguards experts at UNEP-WCMC, and shared with TWG-S&SIS members and other stakeholders for comment.

The full, final draft tables of benefits, risks and measures to enhance benefits/reduce risks produced by the participatory assessment at national level will be made available on the UN-REDD Programme workspace safeguards hub (http://bit.ly/sgdshub). The initial results can be summarized as follows:

Prominent benefits that appeared throughout the assessment:

- Increased employment & income opportunities for local people, especially forest user group members and herders;
- Contributions to state revenues, particularly local budgets;
- The promotion of natural and other types of forest regeneration;
- Improved forest sector management, such as improved planning, regulatory framework and monitoring;
- Improved provision of ecosystem services from forests, especially related to soil and water conservation.

Prominent risks:

- Potential and new opportunities for corruption, favouritism and mismanagement;
- Lack of participation by local people, e.g. by marginalized groups;
- Displacement of pressures on forests to other forest areas and/or other ecosystems;
- Unsustainable and/or illegal harvesting of forest products, particularly for timber and fuelwood.
- Negative effects on biodiversity and ecosystem services from increased harvesting of forest products.

Several of the identified risks common to a number of the PAMs can be considered operational risks as well as risks of reversals. For example, stakeholders noted risks that the frequent changes in policies and in public officials, and disagreement or lack of consistency in the determination of budget priorities, which may affect the sustainability of PAMs.

Several gaps and areas for more work and research were also identified. These include:

- More consideration of benefits/risks related to social inclusion, especially gender and ethnic minority groups, specifying which groups may be most affected by particular benefits and risks;
- Given that numerous PAMs involve increased harvesting of forest products, more information is needed potential impacts on their core carbon objectives (e.g. potential trade-offs between increased harvesting and carbon storage/sequestration);
- Similarly, more information is needed on the potential effects of such PAMs on biodiversity and ecosystem services; in this regard, stakeholders noted the potential for both benefits sustainable harvesting (e.g. encouraging regeneration) and risks (e.g. removal of deadwood impacting on biodiversity);
- The final results of the assessment should also be reviewed against the GCF safeguards policy, pending finalisation of GCF requirements for REDD+ related proposals.

4. NEXT STEPS

Following review of the final draft benefits and risks by the TWG-S&SIS and other stakeholders, the following steps will be undertaken to finalize the analysis:

- Additional and/or revised benefits and risks discussed through subnational consultations and other consultations (e.g. with experts on selected PAMs) being organised by the Mongolia UN-REDD Programme will be incorporated into the benefits and risks assessment.
- An assessment of the potential benefits and risks of national-scale, policy-level PAMs will also be carried out, potentially by a working group of the TWG-S&SIS.
- Recommendations, in the form of proposed modifications to the PAMs, will be prepared by the National Safeguards Consultant and UNEP-WCMC; the final draft analysis and draft recommendations will be shared with the TWG-S&SIS for their inputs and review.

ANNEX 1: BENEFITS & RISKS WORKSHOP PARTICIPANTS LIST

No.	Name	Position and Organization	Gender
Government			
1	D.Jagdag	Officer, Department of Forest Policy and Coordination, MET	M
Research institutions			
2	Tumenjargal	Expert, Forest Research and Development Centre (FRDC)	F
3	Batkhishig	Information and Research Institute of Meteorology, Hydrology and Environment	F
4	M.Undraa	Institution of General & Experimental Biology	F
5	Khaulenbek	The Institute of geography and Geo-ecology	M
International projects			
6	Hans Hoffman	Team leader, ADB project	M
7	Tsendsuren	National Consultant, ADB TA 8874 project	F
8	Davaakhuu	Expert of GIZ project	M
9	Tumenbayar	Expert of GIZ project	F
Consultants			
10	D.Enkhjargal	National Consultant, UN-REDD Mongolia	F
Non-government organization			
11	D.Munkhzorig	Sustainable development council NGO	M
12	L.Dorjtseden	Sustainable development council NGO	M
UN-REDD			
13	Kh.Khishigjargal	Programme Manager, UN-REDD Mongolia	M
14	Chris Dickinson	CTA, UN-REDD Mongolia	M
15	O.Bilguun	UN-REDD Mongolia Programme Coordinator	M
16	B.Batchuluun	Communications Officer, UN-REDD Mongolia	M
17	B.Narantsatsral	Finance officer, UN-REDD Mongolia	F
18	B.Nominchuluun	Translator/secretary, UN-REDD Mongolia	F
19	Charlotte Hicks	UNEP-WCMC	F
20	Khongor	National expert, UN-REDD Mongolia	M
21	Batulzii	GIS specialist, UN-REDD Mongolia	M
22	Yesul	International consultant, UN-REDD Mongolia	F
Forest-Sustainable Development Council			
23	D.Temuul	Khukh Us NGO, Khovsgol province	M
24	B.Ayush	State – Citizen Partnership NGO, Orkhon Province	F
25	L.Dugarmaa	Environment Health Center NGO	F
26	A.Ariunaa	Tuva Mother NGO	F
27	G.Luvsantseren	Head, Mongolian United Foresters' Association	M
28	N.Badamkhand	Mongolian Environmental Conservation Association NGO	F
Technical working group on SIS and Safeguard approach			
29	G.Uyangaa	Department of General Registration and Statistics	F
30	Z.Narangerel	Specialist, Information and Research Institute of Meteorology, Hydrology and Environment	F
31	B.Khosbayar	Officer, FRDC	M

32	J.Amarmaa	Forest researcher	F
33	A.Oyunchimeg	Member, Mongolian Environmental Civil Council	F
Local level			
34	Enkhbayar	Officer of environment and tourism department, Tov aimag	M
35	D.Munguntsetseg	Officer of environment and tourism department, Khentii aimag	F
36	M.Bolormaa	Officer of environment and tourism department, Huvsgul aimag	F
Universities/research institutes			
37	Bayartsesteg	Mongolian University of Science and Technology	F
38	Boldbaatar	Mongolian University of Science and Technology	M
39	Dul	ALAGAC	M
40	Khishigsuren	Forest-Sustainable Development Council	F
41	Enkhbayar	Forest-Sustainable Development Council	M
42	Chinzorig	Forest-Sustainable Development Council	M
43	Tumurmunh	Forest-Sustainable Development Council	M
44	Sarantyua	Forest-Sustainable Development Council	F
45	Aruintyua	Forest engineer	F

ANNEX 2: LIST OF TEN PAMS SELECTED FOR ANALYSIS (PAMS AS OF MAY 2017)

PAM 1:	Reduced Forest Degradation and Increased Resilience to Forest Fire	*Facilitator: O.Bilguun*
Aim:	To reduce emissions from forests fire; To foster improved resilience of forests and reduction in available fuels in vulnerable aimags/soums so as to reduce forest fire threat through fire belts, roads, thinning, forest cleaning and deadwood removal strategies	
Key activities:	Activity 1.1: Implement a nationwide program of deadwood cleaning and sustainable forest harvesting / thinning to remove dead wood to reduce forests fire risk, enhance ecosystem health, provide materials for industry and reduce vulnerability of the forests to fire risk	
	Activity 1.2: Develop and conduct behavior change and awareness raising for community groups, and other identified fire-causing parties, to reduce the incidence of anthropogenic caused forest fires	
	Activity 1.3: Increase forest fire protection and control patrols and monitoring in high risk / vulnerable areas	
	Activity 1.4: Pilot measures for reducing fire risk/impact, such as active burning to reduce fuel load, establishment of fire breaks, and firefighting access roads	
PAM 2:	Reduced forest degradation and increased resilience to insect pests and pathogens	*Facilitator: O.Bilguun*
Aim:	To reduce emissions from pest outbreaks; to increase pest-related research and forest management capacity: to increase resilience of forests to pest outbreak	
Key activities:	Activity 2.1: Improve the resilience of forests to forest pest insect outbreaks, through improving forest health by forest thinning, deadwood cleaning and silvicultural management practices	
	Activity 2.2: Conduct pest control activities using collection methods (traps, physical, pheromone and lights) and treatment (using biocontrol agents)	
PAM 3:	Climate change resilience & ecosystem health improved through sustainable forest management in enterprise and forest user group management	*Facilitator: Munkhzorig*
Aim:	To improve forest quality and health, promoting the resilience of forests to climate change and contributing to improved carbon sequestration; to improve forest management by enterprises and forest user groups	

Key activities:	Activity 3.1: Develop and implement a long-term sectoral plan for commercial thinning, sustainable harvesting and deadwood removal in production forests	
	Activity 3.2: Develop and implement a program of pre-commercial thinning and forest management under Forest User Groups	
	Activity 3.3: Strategically locate and construct new roads to facilitate sustainable forest harvesting, implement strategic thinning and deadwood cleaning, and improve the accessibility for forest protection and management activities	
	Activity 3.4: Develop and implement guidelines for sustainable forest management (e.g. certification), including reduced impact logging, road construction and sustainable harvesting	
PAM 4:	Increase effectiveness of tree planting and restoration regimes and build resilience to climate change	*Facilitator: D. Enkhjargal*
Aim:	To enhance forest carbon stocks; to improve the resilience of forest restoration initiatives to climate change; to contribute to climate change adaptation through forest restoration and agroforestry; to improve genetic diversity and quality of tree seedlings	
Key activities:	Activity 4.1: Establish a program of certified genetically diverse seed stands in various ecoregions/climatic zones to increase the resilience of seed stocks to climate change	
	Activity 4.2: Improve local planning and community-based agreements for tree planting regimes in areas of high anthropogenic disturbance	
	Activity 4.3: Establish increased planting cost-norms and performance-based incentives and penalties for tree planting by enterprises, forest user groups and management units	
	Activity 4.4: Carry out natural regeneration and/or planting of native tree species, in degraded forest or poorly stocked forest areas, especially in areas of high ecosystem service provision	
	Activity 4.5: Develop and implement agroforestry models for ecosystem protection and income generation	
PAM 5:	Maintain and enhance ecosystem services (for biodiversity, permafrost, water resources and soil) through enhanced forest protection & conservation strategies	*Facilitator: B.Khishigjargal*
Aim:	To reduce deforestation and conserve forest carbon stocks; to maintain the ecosystem services provided by forests	
Key activities:	Activity 5.1: Increase protected area network (national, aimag, soum) by identifying and establishing corridors, priority watershed conservation areas community conservation areas	
	Activity 5.2: Improve community user group management in protected area buffer zones and expand number of co-managed conservation areas	
	Activity 5.3: Develop and implement watershed protection plans in watersheds in Khangai and Khentii	

	Activity 5.4: Support protected areas and co-managed protected areas through building capacity and improved monitoring, and adaptation, water resources management and livelihood opportunities for surrounding communities	
PAM 6:	Enhanced legal framework and capacities for dealing with illegal logging	*Facilitator: J.Amarmaa*
Aim:	To reduce deforestation and forest degradation caused by illegal logging	
Key activities:	Activity 6.1: Improved financial incentives for local community groups to participate in forest patrols and illegal activity monitoring and reporting	
	Activity 6.2: Change to policy framework and implementation of management strategies and systems allowing sustainable fuelwood harvesting for non-commercial use by households	
	Activity 6.3: Increase the supply of legally harvested wood from sustainable forest management areas and increase amount of standing deadwood harvesting to meet demand in Mongolia	
	Activity 6.4: Develop cooperation mechanisms with border army, justice department and police and in neighbouring countries to reduce illegal logging and/or imports	
PAM 7:	Initiate sustainable financing mechanisms and mobilise funding for environment sector	*Facilitator: B.Khishigjargal*
Aim:	To ensure increased funding to environmental sector; To reduce ineffective allocation of funds for environmental sector through increased fiscal transparency and enhanced following of Mongolian law on Natural Resource Tax	
Key activities:	Activity 7.1: Establish and implement 'payment for ecosystem services' (PES) mechanisms for water services/usage by downstream users	
	Activity 7.2: Develop mechanisms for reporting, monitoring and enforcing the required proportion of natural resource taxes, which are allocated to aimags and inter soums, are spent on environmental activities (as required under Mongolian law)	
PAM 8:	Incentives for forest protection and management enhanced through development of economic incentives and livelihood opportunities	*Facilitator: A.Oyunchimeg*
Aim:	To reduce forest degradation and promote conservation of forests through economic incentives and alternatives to unsustainable forest utilisation	
Key activities:	Activity 8.1: Provide technical assistance to public - private sector enterprises for wood biomass energy, charcoal, wood pellets and other energy solutions	

	Activity 8.2: Develop and implement community based livelihood interventions and support community microfinance system for local communities and entrepreneur groups (e.g. forest user groups)	
	Activity 8.3: Support the establishment of a strategic plan and interventions for development of public-private sector, community-based, sustainable ecotourism projects in forest areas	
	Activity 8.4: Develop value chains and interventions for processing of non-timber forest products, fuel options, small scale furniture and crafts for local communities	
	Activity 8.5: Development and implementation of improved pastureland management and livestock value chains in hotspot areas where forests are affected by grazing	
PAM 9:	Reduced desertification and increased environmental protection in dryland forest ecosystem areas	*Facilitator: Z.Narangerel*
Aim:	To reduce degradation of dryland forests (e.g. saxaul forests); to enhance dryland forest restoration; to reduce desertification in dryland forest areas.	
Key activities:	Activity 9.1: Improved management and enhancement of natural regeneration in existing, degraded dryland forest areas	
	Activity 9.2: Protection of oasis and water sources through improved saxaul forest management	
	Activity 9.3: Promotion of sustainable firewood harvesting techniques in sensitive areas	
	Activity 9.4: Development of agroforestry and/or non-timber forest products value chains in dryland/saxaul areas	
	Activity 9.5: Reforestation/afforestation scheme in priority desertification areas	
PAM 10:	Support private sector & wood-based industry solutions	*Facilitator: B.Khosbayar*
Aim:	To support the sustainable management of forests through improved wood industry	
Key activities:	Activity 10.1: Support wood processing sector through linkage to sustainable supply of wood materials from sustainable harvesting	
	Activity 10.2: Promote technical skills for wood processing sector through training in specialist skills, including furniture and wood product design	
	Activity 10.3: Establish industrial centres of wood production for reduced costs and increased collaboration	
	Activity 10.4: Support the introduction of improved timber processing technologies for development of materials for the development of value-added timber products	

ANNEX 3. SUMMARY OF PARTICIPANT FEEDBACK ON WORKSHOP

A total 27 participants filled in the questionnaire after the workshop. These included:

- 3 from forestry sector of government,
- 2 from non-forestry sector of government,
- 15 from civil society organizations
- 1 local citizen
- 1 from private sector,
- 1 from academia
- 3 from the media
- 2 from international institutions

Of these, 21 people participate occasionally in REDD+ activities, 2 people are involved in REDD+ decision-making processes, 2 people are regularly engaged with REDD+ and 1 is not actively engaged in REDD+. On the effectiveness of the event in increasing their REDD+ knowledge, 26 people rated it as 'very effective' and 1 as 'moderately effective'. The respondents provided the following information on their participation in the event:

TOPIC	DISAGREE	NEUTRAL	AGREE
My knowledge on REDD+ benefits, risks and safeguards has increased		2	25
The knowledge I gained will be useful to share with colleagues in my organization		2	22
The event provided an opportunity to share my inputs / perspectives		1	23

Overall, most (26) participants rated this meeting as very satisfactory and 1 participant as moderately satisfactory. In terms of suggestions for future events, these included:

- Provide training for members of forest user groups.
- Increase awareness and community engagement, promote cooperation.
- Increase participation of experts/technical people
- Improve translation (e.g. terminology)
- Include more participation of people from forest sector