

United Nations Development Programme

Country: Mongolia

PROJECT DOCUMENT¹



Project Title: Strengthening of the Protected Area Network in Mongolia (SPAN)

UNDAF Outcome(s): Outcome 3.1 'Improved Environmental Governance is practised'; Outcome 3.5 'Forest depletion and land degradation is reduced';

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Mobilizing environmental financing

UNDP Strategic Plan Secondary Outcome: Mainstreaming environment and energy

Expected CP Outcome(s): 5. Environmental Governance improved for effective management of natural resources, and, better access to priority environmental services

Expected CPAP Output (s)

5.1 National capacity to coordinate, implement and monitor policies and legislation towards achieving the country's Commitment to United Nations Conventions, such as CBD, FCCC, and CCD strengthened

Executing Entity/Implementing Partner: Ministry of Nature, Environment and Tourism

Implementing Entity/Responsible Partners: Argali Research Centre

Brief Description

Located at the crossroads of the Central Asian Steppes, the Siberian Tundra and the Gobi Desert, Mongolia hosts a range of globally important biodiversity. This includes some species on the brink of extinction: such as the Wild Bactrian Camels that inhabit its deserts, and a significant population of snow leopards living in its high mountains. Unfortunately, the country's biodiversity is also under significant pressure- especially from the region's economic growth, hunting, logging, land degradation, and increasingly mining and climate change.

From the 1990s, the area of Mongolia designated as protected area (PA) has been expanded significantly, with the numbers increasing from less than 10 to the current total of 61 protected areas. These total 21,749,509 ha, or 14% of the country's surface. However, capacities and resources for PA management have not kept pace with the PA expansion, resulting in a situation where most protected areas in Mongolia suffer from inadequate resources to conserve important species and habitats they are supposed to protect.

This project will enhance effective management and sustainable financing of the protected area system in Mongolia as a whole. The **objective** of the project is to catalyze the management effectiveness and financial sustainability of Mongolia's protected areas system. Three outcomes will contribute to this objective: (1) Strengthened National policy, legal and institutional frameworks for sustainable management and financing of the national PA system; (2) Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system; and (3) Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 3 PA demonstration sites, increasing funds and effective strategies for PA management. It is expected that the demonstration of sustainable financing at site levels will be replicated throughout the PA system and the project will have a long lasting impacts on sustainable conservation outcomes. Additionally, the project will also contribute to better local livelihoods through increased resilience of ecosystems in PAs that underpin the livelihoods of several households living inside and around protected areas.

¹ For UNDP supported GEF funded projects as this includes GEF-specific requirements

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End Date	June 2015
Management Arrangements:	NEX
PAC Meeting Date:	24 November 2009

Total resources required	4,286,488
Total allocated resources:	4,286,488
o GEF	1,363,630
o UNDP Mongolia	700,000
o Government of Mongolia	500,000
o GTZ	1,000,000
o Denver Zoological Society	500,000
o WWF Mongolia	222,858
In-kind contributions	_____

Agreed by (Government):  06.09.2010
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Acronyms, Abbreviations, and Terms

<i>Aimag</i>	First-level administrative divisions (provinces) of Mongolia
APR	Annual Project Report
ARC	Argali Research Centre
ARR	Annual Review Report
AWP	Annual Work Plan
BAD	Biodiversity Action Plan
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species
CO	Country Office
CPAP	Country Programme Action Plan (UNDP)
DZF	Denver Zoological Foundation
GASI	General Agency for Specialized Inspection
GDP	Gross Domestic Product
GEF	Global Environment Facility
GoM	Government of Mongolia
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (<i>German Agency for Technical Cooperation</i>)
ha	Hectares
<i>Ikh Khural</i>	Great (National) Parliament
IBA	Important Bird Areas
IUCN	International Union for Conservation of Nature
IW	Inception Workshop
<i>Khural</i>	Local Parliament
M&E	Monitoring and Evaluation
MAP-21	Mongolian Action Programme for the 21 st Century
MCC	Mongolian Conservation Coalition
METF	Mongolian Environmental Trust Fund
METT	Management Effectiveness Tracking Tool
MNET	Ministry of Nature, Environment and Tourism
NEAP	National Environmental Action Plan
NEMO	Netherlands-Mongolia Trust Fund for Environmental Reform
NGO	Non Government Organization
PA	Protected area
PAA	Protected Area Administration
PES	Payment for environmental (or ecosystem) services
PIF	Project Identification Form
PMU	Project Management Unit
PIR	Project Inception Report
PoWPA	Programme of Work on Protected Areas

PPG	Project Preparation Grant
PPR	Project Progress Report
<i>Soum (or Sum)</i>	Second level administrative subdivisions (districts) of Mongolia
SPA	Special Protected Areas (same as “protected area”)
PAN	Strengthening of the Protected Area Network in Mongolia
UNDP	United Nations Development Program
USD	United States Dollars
WWF	World Wildlife Fund

ANNEXES

- A. A list of Mongolia's Special Protected Areas
- B. Map – Mongolia's Protected Area System
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- D. Mongolia Protected Area Financial Analysis
- E. Mongolia UNDP Financial Scorecard results (2009)
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1. SITUATION ANALYSIS

1.1 Context and global significance

Environmental Context

1. Mongolia is situated in almost at the centre of Asia, and is bordered by Russia to the North and China to the South, with an approximate geographic center at coordinates 46 00 N, 105 00 E. Mongolia's vast geographical area of 1,564,100 km² includes semi-desert and desert plains, grassy steppe, mountains in the west and southwest; coniferous boreal and steppe forests in the north and saxaul scrub forests in the south, and the Gobi Desert across the south-central region. The Mongolian Biodiversity Conservation Action Plan (1993) identifies six specific ecological zones: Desert (20% of the country); Desert-steppe (19%); Steppe (21%); Forest steppe (26%); Taiga (8%); and Alpine (4%). The total surface area of all water bodies is estimated at more than 10,000km², including freshwater and saline lakes, marshes, and peat lands, as well as 50,000 km of rivers. Forests and scrubland cover fifteen million hectares (about 10%) of the country. The Altai-Sayan montane forests and the Daurian steppe are two WWF Global 200 Ecoregions that are at least partially located within Mongolia. The global importance of many of these ecosystems is well recognized and 2 UNESCO World heritage sites and 11 RAMSAR sites have been designated within the country. Additionally, 70 Important Bird Areas (IBA) and 5 sites under the East Asian Australasian Flyway Partnership for Migratory birds have been recognized in Mongolia.

Map 1: Mongolia



2. Mongolia's recorded faunal diversity includes 136 species of mammals, 436 bird species, 8 amphibian species and 22 reptile species. At least 76 fish species have been recorded and it is expected many additional species exist, some yet unknown to science. More than 3,000 species of vascular plants, 927 lichens, 437 mosses, 875 fungi, and numerous algae species have been recorded, including 150 endemic and nearly 100 relict species. Mongolia hosts significant global populations of some critically endangered species such as the Mongolian Saiga antelope (*Saiga tatarica mongolica*) (100% of global population), the Gobi bear (*Ursus arctos gobiensis*) (100%), Siberian crane (*Grus leucogeranus Pallas*), the Bactrian camel (*Camelus bactrianus*) (approximately 37%), and the re-introduced Przewalski's horse (*Equus ferus przewalskii*) (95%); as well as some globally endangered species like the snow leopard ([Uncia uncia](#)) (approximately 12%), the long-eared jerboa (*Euchoreutes naso*), the Mongolian three-toed

jerboa (*Stylodipus sungorus*) and the Saiga (*Saiga tatarica mongolica*).² In all, Mongolia's known globally threatened species include 3 critically endangered species, 9 endangered species and 27 vulnerable species. Importantly, parts of Mongolia are some of the last refuges of the largest sheep on earth, the argali sheep (*Ovis ammon ammon*).³

Socioeconomic and national development context

3. Mongolia is sparsely populated with approximately 2.7 million people.⁴ An interesting feature of Mongolia's population distribution is that the capital city Ulaanbaatar hosts almost 40% of the nation's population. Until the 1990s, Mongolia followed the Soviet Model of a single political party and centralized economic planning for development. Soviet government assistance, which consisted up to a one-third of Mongolia's GDP at one point, stopped in 1990/1991 with the dismantlement of the USSR. As a result, Mongolia endured deep economic recession in the following decades, which was compounded by natural disasters and global commodity price changes. Severe droughts between 2000 and 2002 resulted in massive livestock die-off and zero or negative GDP growth. There was a decline in prices for Mongolia's primary exports (mainly cashmere and copper). However, GDP growth rates averaged nearly 9% per year between 2004 and 2008, largely because of higher commodity and mineral prices and investment in production. Unfortunately, this was matched by a soaring inflation rate, with year-to-year inflation reaching nearly 40%, the highest inflation rate in over a decade. While falling commodity prices in late 2008 helped to lower inflation, the country had also begun to feel the effects of the global financial crisis. Falling prices for copper and other mineral exports have reduced government revenues and is forcing cuts in spending across all sectors, including in health, education and environmental management.

4. Economic activity in Mongolia has traditionally been based on agriculture (mostly livestock husbandry). Mongolia has extensive mineral deposits including copper, coal, gold, molybdenum, fluor spar, uranium, tin, and tungsten. The mining sector has recently emerged as the engine of the country's economic growth. In 2007 around 23% of Mongolia's GDP was derived from agriculture, hunting, forestry and fishing and 20% from mining and mining related activities. Approximately 42% of the population make their living from these two sectors.⁵ Mining currently accounts for a large part of industrial production and foreign direct investment in Mongolia. Mongolia's GDP in 2008 was estimated to be 9.6 billion USD. Per capita GDP in 2008 was 3,200 USD. Mongolia's economy also continues to be heavily influenced by its neighbors. Mongolia purchases 95% of its petroleum products and a substantial amount of electricity from Russia. About 70% of Mongolia's exports are to China. Remittances from Mongolians working abroad are sizable, but have fallen due to the current global economic crisis. Pressures from this have led to increased emphasis on mining and manufacturing, which create additional threats to natural resources and protected areas. The financial crisis is also increasing demand for new economic activities and development in areas adjacent to protected areas.

5. Even with a boom in the mining sector, job growth was minimal and the poverty rate did not reduce significantly in the past two decades, decreasing only slightly between 1990 and 2006 from 36.4 to 32.2. Mongolia's 2007 Human Development Report concludes that more and better jobs should be the main government priority. The Human Development Indicators show an upward pattern between 1990

² IUCN Red List.

³ Argali sheep are also found in China and Nepal, amongst other regions.

⁴ Current Government of Mongolia census data.

⁵ World Bank. Financing Public Environmental Expenditures in Mongolia (2009 draft).

and 2006, as the life expectancy index rose from 0.65 to 0.68, the education index from 0.85 to 0.92 and the GDP index from 0.45 to 0.56, all increasing after initial decreases in the early 1990s.

Mongolia's Protected Area System

6. In 1994, a modern protected area system was consolidated and formalised with the passage of the Law on Special Protected Areas. Today Mongolia has a national system of protected areas – which are called Special Protected Areas - that covers 22 million hectares, equivalent to almost 14% of the country's territory. The Law on Special Protected Areas provides for four categories of protected areas: Strictly Protected Areas; National Parks; Nature Reserves; and National Monuments (see Table 1 below). Nature Reserves are further classified into four sub-categories: Ecological Reserves; Biological Reserves; Paleontological Reserves; and Geological Reserves. In addition, the Law on Buffer Zones requires the establishment of Buffer Zones outside Strictly Protected Areas and also allows for their establishment either outside or overlapping with the Limited Use Zone of National Parks. In addition, local soum authorities may establish Buffer Zones around Nature Reserves and Natural Monuments. These Buffer Zones are established to minimize, eliminate and prevent actual and potential adverse impacts to the PA and to increase public participation, to secure their livelihoods and to establish requirements for the proper use of natural resources around the PA. The Law on Special Protected Areas and the Law on Buffer Zones incorporate, to a greater or lesser degree, most of the principal elements that are generally acknowledged as requirements for contemporary protected area management.

Table 1: Mongolia's National System of Special Protected Areas⁶

Type of PA	2008		Main Management Objectives
	Number	Hectares	
Strictly Protected Area <i>IUCN categories Ia and Ib</i>	12	10,494,283	Applied to ecologically important pristine wilderness areas with 'particular importance for science and human civilization', these areas have the following 3 zones: 1) pristine (core) zones – research only; 2) protected (conservation) zones – research and conservation measures; 3) limited use zones – tourism, traditional religious activities, and some plant gathering are permitted / hunting, logging and construction are prohibited. Mining is explicitly prohibited in all zones. Buffer Zones are required.
National Parks <i>IUCN category II</i>	22	8,931,222	Applied to wilderness areas with historical, cultural, or environmental educational value. Parks also have three zones: 1) core zones – research and conservation activities; 2) ecotourism zone – tourism, fishing, and activities listed above are allowed; 3) limited use zone – above activities, plus grazing and construction are allowed with park permission. Mining is explicitly prohibited. Buffer Zones are allowed either outside or overlapping with the Limited Use Zones.
Nature Reserves <i>IUCN category III</i>	19	2,226,359	There are four types of Nature Reserves: 1) Ecosystem – protecting natural areas; 2) Biological – conserving rare species; 3) Paleontological – conserving fossil areas, and 4) Geological – area of geological importance. Some economic activities are allowed in each if it does

⁶ More recent GIS assessments suggest that these official figures may be underestimating the actual total areas

National Monuments <i>IUCN category III</i>	8	97,645	not harm values for which the Nature Reserve was established. Mining is explicitly prohibited in all zones. Applied to protect unique landscapes, historical and cultural sites for research, and for sightseeing purposes. Many uses if they do not adversely affect the monument. Mining is explicitly prohibited in all zones.
TOTAL	61	21,749,509	

7. In addition to the National Protected Area system, there is also a Local protected area system. Article 28 of the Law on Special Protected Areas empowers Citizens’ Representative (called *Khurals*) at *Aimag* and *Soum* levels to designate Local PAs and their management arrangements. To date, approximately 937 Local Pas have been established in Mongolia, covering over 16.5 million ha, equivalent to over 10 percent of the national territory. Local PAs range in size from less than 1 ha to nearly 1 million ha. Only 40 Local PAs are greater than 100,000 ha in area but these account for over half of the total area of the Local PA system. Such Local PAs may have been established for reasons other than their biological diversity. It is also clear that few (if any) receive financial or human resources necessary to achieve conservation objectives (stated or otherwise). These Local PAs are not officially considered as a part of the Mongolian National PA system and are not including under this project.

Policy and Legislative Context

8. Mongolia has one of the world’s oldest traditions of protected area legislation. In 1778, the introduction of a formal ban on logging and hunting at Bogd Khan Mountain, south of Ulaanbaatar, created one of the world’s oldest continuously protected areas. Similar bans were imposed for other important mountain areas in Mongolia. In 1911, the Mongolian government established Bogd Khan Protected Mountain Administration. During the Socialist Era, the national constitution stated that all land, forests, water, and wealth was the property of the state and people. This nationalisation of land helped continue the practice of land protection under state ownership. In 1972, The *Decree on the Rational Utilisation of Natural Resources and the Protection of the Natural Environment* was passed by the government. This law declared that every person is required to act for the good of nature and for the protection of natural resources.⁷ The first legislation specifically on protected areas was enacted in Mongolia when the *Procedure on Strictly Protected Areas* was approved in 1975.

9. As part of their commitment to the Convention on Biodiversity, the Government of Mongolia (GoM) made the legislative commitment to set aside 30% of its territory (46.9 million ha) as protected areas by 2030. The Biodiversity Action Plan (1996) and National Programme on Protected Areas (1998) provide the legal basis for this extension of Mongolia’s PA network. This commitment was made again under a Millennium Development Goal resolution in 2005 and remains a target for the GoM.

10. The current policy and legal framework relevant for protected area management in Mongolia are described below:

11. The Constitution of Mongolia (1992). The fundamental rights of Mongolian citizens are set out in the Constitution of Mongolia, adopted on January 13, 1992, including “the right to a healthy and safe environment, and to be protected against environmental pollution and ecological imbalance”. The constitution imposes on its citizens a sacred duty “to protect nature and environment”, and empowers the government “to undertake measures on the protection of the environment and on the rational use and restoration of natural resources”. More specifically, the constitution imbues the State with the right to

⁷ Mongolia Environment Monitor, 2001; World Bank

hold landowners responsible “in connection with the land, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection or national security”.

12. The Law on Special Protected Areas (1994) provides for the establishment of protected area systems at national and local levels, and establishes management regulations for national level protected areas. The purpose of law is “to regulate the use and procurement of land for special protection and the preservation and conservation of its original conditions in order to preserve the specific traits of natural zones, unique formations, rare and endangered plants and animals, and historic and cultural monuments and natural beauty, as well as research and investigate evolution”. Sources of financing for protected areas are specified in the law and include: (1) state and local budgets; (2) income from tourism and other activities and services; (3) donations and aid by citizens, economic entities and organizations, as well as; (4) income from compensation for damage caused by persons who violate the legislation on protected areas.

13. The Law on Environmental Protection (1995) regulates relations between the State, citizens, economic entities and organizations in order to guarantee the human right to live in a healthy and safe environment, as well as ecologically balanced social and economic development, the protection of the environment for present and future generations, the proper use of natural resources and the restoration of available resources. It also clarifies ownership of natural resources. According to the law, “the land, its underground resources, forests, water, animals, plants and other natural resources shall be protected by the State and... unless owned by citizens of Mongolia, shall be the property of the State”, and “unless otherwise provided by law, citizens, economic entities, organizations, foreign citizens and legal persons may use natural resources upon the payment and collection of relevant fees in accordance with any contract, special permit, or license”. Under this law, State environmental inspectors are conferred the authority “to require citizens, economic entities and organizations to eliminate adverse impacts or to suspend their activities for a certain period of time if they adversely affect the environment in breach of legislation on environmental protection, standards and permissible maximum levels” and “to impose administrative penalties on those in breach of legislation on environmental protection as provided by law”.

14. The Law on Buffer Zones (1997). The establishment of protected area buffer zones is provided for by Article 4 of the 1994 Law on Special Protected Areas. This provision was expanded by the Mongolian Law on Buffer Zones, promulgated on 23 October 1997. The purpose of this is to “regulate the determination of Special Protected Area Buffer Zones and the activities therein”. Article 3 provides for the establishment of buffer zones to “minimize, eliminate and prevent actual and potential adverse impacts” to protected areas. For Strictly Protection Areas, Nature Reserves and Monuments, buffer zones lie outside of the protected area; for National Parks, they may overlap with the limited use zone of the National Parks.

15. Article 6 of the Law on Buffer Zones provides for the establishment of voluntary “Buffer Zone Councils”, for the purpose of “advising on the development of buffer zones, the restoration, protection and proper use of natural resources, and the participation of local people” in protected area management . Buffer Zone Councils have a right to “develop proposals and recommendations regarding land and natural resource use in the Buffer Zone and to develop a Buffer Zone Management Plan”.

16. Article 7 permits Buffer Zone Councils to create “Buffer Zone Funds”, which can be used for various purposes, including restoring environmental damage and minimizing degradation”, to provide support for local people’s livelihood” and “to conduct training and public awareness activities regarding nature conservation. These funds can receive income from various sources, including “donations from

foreign and domestic organizations, economic entities and organizations” and “a certain amount of revenue from projects, activities and services conducted within the Buffer Zone”, with the precise amount in the latter case being determined by the Soum Citizens Representative *Khural*.⁸ Hence, this article provides for the capture of revenue streams from mining and tourism projects conducted within the buffer zones of protected areas.

17. The Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources (2000) defines the percentage and extent of fees paid for natural resources use to be applied for the protection of the environment and the restoration of natural resources. The table below gives an overview of the revenues minimum percentage share that the Law mandates to be spent on an annual basis for environmental protection and natural resources restoration measures. This law is in effect but with virtually no enforcement due to conflicts with other laws and policies.⁹ The use and collection of Land fees is an area of particular confusion lacking consistent application under this Law. The current practice is for 100% of land fees to accrue to the *Soum* level.

Table 2: Percent of Revenue to be spent (annually) for environmental and natural resources protection¹⁰

Natural Resources Use Fee Revenue	Minimum % Share
Natural Plants	30
Hunting	50
Land	30
Timber and Fuel wood	85
Water Resources	35

18. The Law also states that: “matching funds equivalent to at least: i) 70 percent of the timber and fuel wood revenues; ii) 20 percent of the land revenues; and iii) 35 percent of water resources revenues must be spent from the State budget for protection and conservation and/or sustainable management of land, water and forest resources”¹¹.

19. The Law on Land (2002) was promulgated on 7 July 2002, replacing an earlier law dating from 1995. The purpose of the law is to regulate the ownership and use of land by citizens, organisations and other entities. The definition of “Land” under Article 3 encompasses “the land surface, its soil, forests, water and plants”, it does not include subsoil, the ownership and use of which is regulated by the 1988 Law on Subsoil (updated in 1995). Of particular significance to environmental protection is the creation of a special category of land, called Special Needs Land, which is the property of the state and may not be given for private ownership. Special Needs Land includes Special Protected Areas at state and local levels. The prohibition on private ownership of Special Needs Land reinforces the prohibition of mining activities within protected areas under the Law on Special Protected Areas.

20. The Law on Government Special Funds (2006) attempts to rationalize the government’s special funds and strengthen the monitoring and reporting performance of many of the existing special funds,

⁸ In most cases the Chairman of the Khural is the Chairman of the BZC.

⁹ Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)

¹⁰ Source: Adapted from the Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources.

¹¹ Government of Mongolia. 2000. *Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources*; Article 4.2.

including the Nature Protection Fund (NPF). The NPF is the latest incarnation of the Natural Resources Rehabilitation Fund, which existed throughout the 1990s and beginning of 2000s.

21. The Law on Forests (2007) was promulgated on 17 May 2007, replacing an earlier law dating from 1995. The purpose of the law is to “regulate relations from protection, possession, sustainable use and reproduction of the forest in Mongolia”. The management regulations for forests within protected areas are provided by the Law on Special Protected Areas. For certain other protected forests, all activities are prohibited “except for the construction of roads, bridges, water, power and telecommunications lines, fire lines, as well as forest regeneration, cleaning activities and use of non-timber resources”.

22. The Law on Land Fees (2007). The purpose of this law is to charge citizens, business entities, and organizations using state-owned land, and to regulate fees paid to the state budget. Mongolian citizens, business entities, or organizations possessing or using land based on contracts made according to the terms and conditions of the Land law, and foreign diplomatic missions and consular offices, representative agencies of international organizations, foreign legal bodies and citizens and can all enter agreements for the use of state land by paying land fees. This law is used extensively at local level by *Aimags* and *Soums* to assess and collect land fees from tour operators operating *ger* camps (traditional tents) and other resort facilities. Four PAAs have made agreements with the *Aimags* to share land fee revenues to cover some costs of the PA.

23. The National Programme on Protected Areas was developed and approved by the Parliament (*Ikh Khural*) in 1998 with the main objectives of achieving the establishment of more protected areas in Mongolia, targeting 30% of its total territory. The National Programme on Protected Areas recognized this goal and aims to establish and maintain comprehensive, effectively managed, and ecologically representative networks of protected areas covering 30% of Mongolia by 2015.¹² The Programme provides 10 key elements for its implementation, such as the establishment of a national program, the necessary legal framework, as well as needs targets related to governance, human capacity, management, research, public awareness and education, public participation, funding and infrastructure, and international cooperation. These elements align with the goals of the CBD Programme of Work on Protected Areas. The Government of Mongolia has elaborated and adopted also “The Action Plan for the Implementation of the National Programme on Protected Areas” in 1999.

24. A number of other important policies are also important for protected areas management and conservation of biodiversity in Mongolia. They include the following:

25. Mongolian Action Programme for the 21st Century (MAP-21): MAP-21 is the country’s national agenda on sustainable development for the 21st century. It covers activities at the national and provincial levels. It provides an overall framework for sustainable development activities based on the country’s natural resources and ecosystems. The MAP-21 document was approved by the Government in November 1995, and formulated with assistance from UNDP. MAP 21 is structured into four main subjects, including sustainable social development, sustainable economic development, proper use of natural resources and protection of nature and the environment, and means for implementing Mongolia’s System of sustainable development. Other Action Plans such as the National Environmental Action Plan (NEAP), Biodiversity Action Plan (BAP), and the National Plan of Action to Combat Desertification (NPACD) are complementary to and contain integral parts of MAP-21.

¹² If Local Special protected Areas are included along with the national SPA coverage, then Mongolia is well on its way to achieving this target. As of May 2008 there were 937 Local SPAs in Mongolia covering over 16.5 million ha, equivalent to over 10% of the national territory. (World Bank 2009).

26. National Environmental Action Plan (NEAP): Mongolia initiated a National Environmental Action Plan (NEAP) in 1993. The NEAP covers actions to the year 2010. The Plan focuses on the following three major parts:

- Principal Environmental Issues, which has four sub-parts: environmental protection, management of natural resources, conservation, and natural disaster mitigation;
- Social and Economic Dimensions; and
- Other Mechanisms and Responses.

27. NEAP raised issues that include: land degradation, the wildlife population decline, eco-tourism promotion, and institutional capacity, including regulations, co-ordination, and human resources. The National Environmental Action Plan (NEAP) calls for the integrated development of natural resource law to support Mongolia's efforts in sustainable development.

28. Biodiversity Conservation Action Plan (BAP) Biodiversity conservation is one of the priority issues in Mongolia. The BAP exercise was initiated in 1993. The detailed planning exercise, including the preparation of the action plan, was undertaken in August 1995. The objectives of the BAP are to protect biodiversity and to restore damaged areas. BAP covers:

- Establish a complete PA system representing all ecosystems and to protect endangered species. This may require joint actions with the Russian Federation and the People's Republic of China.
- Implement an effective environmental impact assessment program
- Establish a research program to improve knowledge of biodiversity and other issues.

29. Action Plan for the Development of Tourism in Protected Areas. In July 2009 the MNET approved this action plan to elaborate basic policy principles to develop sustainable tourism in Mongolian Special Protected Areas and to determine ecologically sensitive implementation approaches without reducing the natural, historical, cultural and scientific values of the areas. The implementation of the program starts in 2009/2010 and will be implemented during two phases:

- *First phase (2010)*. Establish National and Local Tourism Regulation Committees next to the Protected Area Division of the Ministry of Nature, Environment and Tourism, the Tourism Agency of the Ministry of Road and Tourism and the Protected Area Administrations; and enhance their capacities on natural resources and tourism management; and, Elaborate a Tourism Management Plan with involvement of stakeholders and start the implementation;
- *Second phase (2010-2015)*. Assess implementation of the management plan according to the criteria and make necessary changes; and Organize activities to award tourism organizations with "Green Certificate" and make it regular.

30. Millennium Development Goals. When setting its national level Millennium Development Goals, Mongolia gave high priority to improving its protected area system. In 2005 it issued a parliament resolution that included the commitment to the country-specific Millennium Development Goal to have 30% of its land covered by the protected area system. In 2008 it issued another resolution committing the country to expand the network of specially protected natural areas, create sound structures for its administration, and introduce a modern-day security management system.

31. Mongolia also is a signatory to several International Conventions relevant to PA management:

- The Convention on Biological Diversity (CBD - 1992)
- The Ramsar Convention on Wetland Conservation (1998)
- The World Heritage Convention on Nature and Culture Sites under UNESCO (1990)
- The Convention on International Trade in Endangered Species (CITES - 1996)
- Framework Convention on Climate Change (UNFCCC - 1992)
- Convention to Combat Desertification (UNCCD – 1994)

Article 10.3 of the constitution states that international treaties to which Mongolia has signed up will become effective as national legislation upon signature, but in practise this is not applied. Many national laws include a similar reference.

Institutional Context

32. The highest legislative body in Mongolia is the State Great Khural, or *Ikh Khural* (Parliament) which is elected for a term of four years and consists of 76 members. They have oversight for designating or changing PA boundaries and zones. The *Ikh Khural* has a standing committee on Rural Policy and Environment which is deliberates and advises on matters relating to environment and conservation, among other things.

33. The highest executive body in Mongolia is the Government of Mongolian (GoM). The Ministry of Nature, Environment and Tourism (MNET) is the GoM's central administrative body responsible for the environment, conservation and tourism in Mongolia. The MNET was established in 1989 as the Ministry of Nature and Environment (MNE). In September 2008, MNE was restructured as MNET, with the inclusion of the Tourism Department of the former Ministry of Road Transportation and Tourism. There are several departments and 3 implementing agencies directly under the MNET (the Institute of Hydrology and Meteorology; the Water Agency; and the Forest Agency). Key staff of the Ministry include:

- Minister of Nature, Environment and Tourism
- Vice-Minister of Nature, Environment and Tourism
- Advisor of Minister of Nature, Environment and Tourism
- State Secretary of MNET
- Director of Sustainable Development and Strategic Planning Department
- Director of State Administration and Coordination Department
- Director of Protected Area Administration Department
- Director of Environment and Natural Resources Department
- Director and Tourism Department
- Director of Department on Information, Monitoring and Evaluation
- Director of International Cooperation Division
- Director of Finance and Investment Division
- Director of Ecological Pure Technology and Scientific Division

34. The Protected Area Administration Department is based within the MNET and is responsible for direct management of the system of PAs in Mongolia. The current department consists of a Director, a Deputy Director, three officers and 4 support staff (7 staff). There are 24 Protected Area Administrations (PAA)¹³ under the direct supervision of the department, with offices throughout the country. Each PAA has a common organizational structure, consisting of a director, an administration section, specialists and rangers and a number of staff for each administration, which varies depending on the size of the territory.

¹³ There are 23 designated PAA offices and one special Takhi Reintroduction Research Center which acts as a PAA.

Each PAA is responsible for at least 1 and sometimes more PAs. The 24 PAAs are ultimately responsible for overseeing the management of 48 of 61 official PAs; the remaining 13 are administered directly by Aimag governments (see section on Local Government below).

35. In the above mentioned PAA structure there are over 400 staff, including: 24 PAA Directors, 2 Deputy Directors, 6 Directors of Information and Public Awareness, 220 Rangers (93 out of 220 have the state inspector rights), 67 Officers, and a number of accountants, drivers, guards and service personnel etc.

36. Local Government PA Administration. According to the Law on Protected Areas other institutions are responsible for certain local PAs. These authorities and institutions include the *Ikh Khural*, local Aimag¹⁴ and Soum Governors, local citizen representative *Khural*, park directors and rangers. However, the MNET is primarily responsible for (1) Establishing policy, programmes, projects and plans and provide policy guidelines for NPAs, (2) Implementing NPA related laws and regulations, (3) Promoting tourism development and conducting training and implement other legally required activities in NPAs.

37. In addition, many national Nature Reserves and National Monuments are being managed by local soum and aimag governments. This is true for 13¹⁵ Nature Reserves and Monuments. These PAs within the national system that are managed at the local level do not receive budget allocations from the State Budget nor any meaningful input from MNET or through the PAA system and are therefore essentially paper parks, unless they have arrangements and support with outside institutions or partners.

38. The General Agency for Specialized Inspection (GASI)¹⁶ is responsible for implementing some 200 laws and other regulations, over 400 legal instruments in all. It's Department of Environment, Geology, Mining and Radiation Inspection is responsible for the implementation of around 30 environmental laws. However, it also enforces some 330 regulations, guidance, and other standards. Law enforcement power of the MNET was transferred to the GASI (then called SSIA) in 2005 when that organization was created, and as such, MNET rangers are generally unable to fully enforce the PA laws in their respective areas and are only able to report illegal actions to the GASI, however select and qualified rangers within the protected area system retain some legal authority to enforce laws, although specific duties are always not clear. However, the issue is still without clear legal and financial coordination between the MNET and this agency, leaving gaps in enforcement capacity.

39. The centralized system of law enforcement (including environment, land management, etc.) is seen by the SSIA as one of its strengths, and so is its vertical management system. Among its weaknesses, the SIGA lists the number of laws that it has to enforce (together with their gaps and inconsistencies) in view of its low technical capacity, facilities and equipment. The information network system is acknowledged as weak and there are difficulties retaining trained staff because of the poor working environment.¹⁷

¹⁴ Mongolia is administratively divided into 21 Aimag (provinces or districts) and one municipality (Ulaan Baatar). Sub district administrative units under each Aimag are known as Soums.

¹⁵ There are actually 14 PAs under Aimag administration, though the official number is 13 as the Sharga Nature Reserve, while managed by the Gobi-Altai Aimag, is legally part of the Mankhan-Sharga Kar Nature Reserve complex within the Us Lake PAA.

¹⁶ Previously it was known as State Specialized Inspection Agency (SSIA).

¹⁷ Tortell, Philip, et al. Institutional Structures for Environmental Management in Mongolia. August 2008.

40. The Local communities within and adjacent to the PAs are dependent on resource use inside the PAs. They are largely nomadic herding communities and have often been using the territories now covered by the PAs and prior to the gazettelement of the PAs. These communities can potentially play a significant role in effective PA management if given the opportunity. However, the current Protected Area Law lacks specific reference to the role, responsibilities and benefits of local communities in relation to protected area management. The Buffer Zone Law defines the role of local communities more clearly.

41. A variety of Non government organisations (NGOs) are active in relation to the PA sector. They are regarded as direct stakeholders in their function as supporters of communities as well as protected area management and range from local, provincial, national, and international NGO's and from conservation to development NGOs. One NGO, Hustai Trust, is formally co-managing the Hustai National Park protected area. Another, the Argali Research Centre (along with the Mongolian Conservation Coalition) is largely responsible for managing the Ikh Nart Nature Reserve.

1.2 Threats, causes and impacts

42. Despite its low population density, Mongolia's biodiversity is under considerable threat from various forms of 1) unsustainable use by local communities, from 2) unsustainable development practices, and 3) through climate change impacts. A recent report from WWF suggests that while 14% of Mongolia's territory is under protected area status, only approximately 2% of the total territory of the country is under effective protection against these and other threats.¹⁸

43. The threats of greatest concern are arguably livestock land use practices, mining development, hunting and climate change. A more complete list of the most important threats facing biodiversity and protected area integrity in Mongolia today is summarized in the following paragraphs.

44. Unsustainable use of natural resources communities. The following threat categories are related to unsustainable use by both local and transient communities:

45. High, and increasing, numbers of domestic livestock are resulting in impacts such as overgrazing, risks of disease transfer between domestic and wild animals, and human wildlife conflict. High populations of domestic animals have led to severe overgrazing of grasslands. During the socialist period there were strict quotas on the maximum numbers of livestock, but these were abandoned in the 1990s when livestock was privatised while land remained a public commodity. Today Mongolia's livestock population is very high, (estimates range from 33 million to 43 million depending on the source) placing enormous pressures on grassland steppes within and outside Protected Areas. Various reports estimate that a majority of the country's land, including protected areas, is degraded to some extent. With the exception of Strictly Protected Areas, livestock grazing is allowed within Protected Areas. A study by WWF in 2007 found that many national level PAs in the Altai Sayan region had twice the numbers of domestic animals than officially recommended.¹⁹ The overgrazing problem appears to be applicable to all of Mongolia's protected areas and may be attributed to the country's Constitutionalized "open range

¹⁸ Capacity and Financial Need Assessment of Protected Areas Located in the Altai Sayan Eco-Region of Mongolia. WWF. 2007.

¹⁹ Capacity and Financial Need Assessment of Protected Areas Located in the Altai Sayan Eco-Region of Mongolia. WWF. 2007.

access” policy.²⁰ Unless grazing can be better controlled the problem will worsen. PAs include land that has traditionally been used by herder families.

46. Hunting. Both legal and illegal hunting affect rare and once common species, especially mammals. During the socialist period (before the 1990’s) Mongolians exported the pelts of many different animals. Some people continue to hunt opportunistically for food and trade. While data are sparse, comparisons of survey reports since the 1980’s present evidence that some species may have declined by up to 90% in recent years.²¹ Populations of many species continue declining as a result of hunting. A recent nationwide study estimates that between 1992 and 2004 the populations of 8 species (including Saiga, marmots, red deer, Mongolian gazelle, Saker falcon, and wolves) have declined by 50-90%.²² Within PAs, populations of animals also appear to be in decline primarily due to poaching. In 2004, wildlife trade of several key species was estimated to have increased by 300% from early 1980s. Despite upward trends for some species, this trend continues today.

47. Deforestation: Illegal felling of trees is widespread and estimated to provide over 85% of the fuel wood used in the capital Ulaan Baatar that hosts a third of the country’s population. In Mongolia, 6.5% —or about 10,252,000 hectares—are forested. Of this, 46.2% —or roughly 4,733,000 hectares—are classified as primary forest, the most biodiverse form of forest. Between 1990 and 2000, Mongolia lost an average of 82,700 hectares of forest per year - an average annual deforestation rate of 0.72%. Between 2000 and 2005, the rate of forest change increased by 7.6% to 0.77% per annum. In total, between 1990 and 2005, Mongolia lost 10.8% of its forest cover, or around 1,240,000 hectares.²³

48. Unsustainable development practices. The following threat categories are related to unsustainable development practices:

49. Mineral Resource Exploration and Exploitation: Mongolia is emerging as a major player in mining with more than 8,000 deposits of oil, coal and minerals, particularly copper, fluorspar, gold and molybdenum. Half the economy is related to mining and this activity is predicted to double in the next decade. According to current government statistics around 40% of the country’s territory is covered by mining exploration leases issued to Mongolian, Russian, Chinese, Canadian and South African companies. In addition to that, there are independent artisanal miners, who pan for gold using dangerous and polluting extraction methods and whose activities are difficult to monitor. The PA network protects lands and waters from mining; however, mining affects water quality of rivers and lakes. A recent gap analysis carried out by WWF and TNC in early 2009 shows that important habitat areas of key species overlap to a great extent with planned mining exploration and other developments that have already been allocated, making it difficult to create the necessary expansion of the PA system. It is also clear that mining exploration opportunities are slowing and/or preventing the expansion of the PA system in Mongolia. In fact, there have been efforts in 2002 as well as 2004 to degazette PAs in order to open them

²⁰ Schuerholz, Goetz. 2006. Situation analysis and conceptualization of future support for the ranger issue of Khangai Nuruu Protected Areas. Final Report. GTZ archives.

²¹ Zahler, P., B. Lhagasuren, R. Reading, J. Wingard, S. Amgalanbaatar, S. Gombobaatar, N. W. H. Barton, and Y. Onon. 2004. Illegal and unsustainable wildlife hunting and trade in Mongolia. *Mongolian Journal of Biological Sciences* 2:23-32.

²² Wingard J.R. and P. Zahler. 2006. *Silent Steppe: The Illegal Wildlife Trade Crisis in Mongolia.*

Mongolia Discussion Papers, East Asia and Pacific Environment and Social Development Department. Washington D.C.: World Bank.

²³ FAO’s Global Forest Resources Assessment (2005) and the State of the World’s Forests (2005, 2003, 2001). (Source: <http://rainforests.mongabay.com/deforestation/2000/Mongolia.htm>).

up to mining exploration.²⁴ Also, there are a growing number of incursions by prospectors into the zones of official PAs.

50. Urbanization and Development: In the past 15 years a growing inflow of Mongolians from rural areas to soum centres and urban areas has been on the rise, putting pressures on the nearby PAs. Related to this, Mongolia's infrastructure is growing as it creates regional transport links with new roads, railroads, bridges, and pipelines being planned and built. Poorly located roads, bridges and railroads can lead to habitat fragmentation and degradation, thereby affecting PAs and their surrounding landscape. This is particularly a problem primarily limited to the Ulaan Baatar administrative centre which has almost 40% of the total Mongolian population and where infrastructure development is increasingly leading to fragmentation of the nearby PAs and natural biodiversity corridors between these PAs. The main protected area that is affected by urban development is Bogd Khan Strictly Protected Area as its northern edges have been absorbed by urban expansion (primarily high-end apartment buildings) of the capital Ulaanbaatar.

51. Tourism: In recent years, a proliferation of *Ger* (national housing) resorts and hotels has been constructed within PAs, including even within Strictly Protected Areas. This development is leading to the degradation of at least nine PAs. According to a 2006 survey, 484 tourist camps operate in NPAs with camps are mainly concentrated in nine NPAs (Bogd Khan PA-271, Gorkhi-Terelj NP-122, Khovsgol NP-20, Gobi Gurvsaikhan NP-16 and Khangai Range NP-20). Tourist camp numbers in PAs in 2008 have increased fivefold compared to 2002, putting more pressure on PA management. Sixteen PAs currently have 85 information and training centres at various levels of operation, and eight PAs have 80 eco-gers in use for public awareness activities. As an MNE report for 2007 estimates, 110 BZCs have been established nationwide with 70 of them has established fund with amount of 3-9 million MNT. In 2008 there were approximately 400,000 foreign arrivals at the Mongolia airport. Actual numbers of tourists visiting the PA system is not clearly tracked, however it is estimated that the total number of foreign visitors visiting PAs each year is less than 100,000. Local tourist numbers are significantly greater, but also not tracked.

52. Ger camps are part of the tourist attraction, and often fit well with a protected area's natural and cultural surroundings. Many are sensitively located, such that they do not undermine the aesthetics of a site. In this regard, Mongolia is more successful than many other countries in minimizing the impact of infrastructure development in protected areas. However, sites' aesthetics can often be undermined by concrete buildings (e.g. staff accommodation, reception and dining facilities), which are out of place, and the location of parking, service and waste disposal areas. In addition, some tourist camps are poorly situated; despoiling the landscape or facilitating disturbance and as a result random waste disposal is a growing problem in many PAs.

53. Tourist and protected area infrastructure does not generally have significant direct impacts on wildlife (although care is needed in the location of power and telecommunication lines, which can be a serious hazard for raptors, cranes and other large-bodied birds). Nevertheless, the aesthetic pollution it sometimes causes undermines the tourist attraction, and it is in the long term interests of the tourism industry to proceed with caution and tradition in the design and building of infrastructure. This requires guidelines, building regulations, inspection and enforcement.

54. Climate Change: The UNEP/IPCC climate change assessment (AIACC) has noted that over 80% of Mongolia is highly vulnerable to climate extremes. For example, over the last decades, the autumn and

²⁴ These are currently curtailed by the parliament

winter precipitation has increased by up to 9 per cent, while spring and summer precipitation has decreased by up to 10 per cent. The permafrost zone of Lake Khovsgol National Park in the north of the country is showing signs of rapid change. There, the annual air temperature has increased by 1.44C since 1963. Overgrazing and deforestation exacerbates the effects of climate change. Extended droughts that are likely to be related to climate change have caused the drying-up of an estimated 500 rivers and lakes, including those in PAs. These changes undermine ecosystem resilience and the highly vulnerable biodiversity in Mongolia. This is particularly critical for globally threatened species that live in the most marginal areas such as the Gobi Desert and the Altai Mountains.²⁵ A recent UNDP paper mentions that *'Ecological maps are redrawn and species either attempt to follow their adapted climate zones or adapt to new conditions. Therefore, biodiversity represents a moving target for conservation efforts and decision-making and implementation in practice cannot respond rapidly enough to these changes.'*

1.3 Long-term solution and barriers to achieving the solution

55. The proposed **long-term solution** for Mongolia's protected area system is strengthened and systematic protected area management planning, improved institutional and staff capacity, and effective use of models of collaboration, all supported by knowledge-based information management, improved budget allocation processes, and increased funding through increased use of traditional and innovative sustainable financing mechanisms. Implementation of the solution rests on three interlinked pillars: 1) a refined policy framework and institutional arrangements, 2) adequate capacity of MNET management and staff, and their partners, and 3) the design and implementation of sustainable financing mechanisms and collaborative approaches resulting in increased funding and management effectiveness of the protected system to ensure the long term sustainability of the PA system.

56. The key barriers to the long-term solutions act by preventing the emergence and operation of the above three pillars. They are described below.

57. Barrier # 1: Weak Policies, planning and information management:

58. The current legal framework and guidelines on PA management planning and decision making systems do not ensure optimal deployment of funds, staff and equipment at the system and site levels to address threats to biodiversity. Whilst a Law on Special Protected Areas (and other, related laws) exists at the national level, the national system lacks integrated management and financial planning processes and there is no single unifying national vision or management plan for the PA system.

59. While the current National Program on Protected Areas calls for management plans it does not address the need for functional management plans based on the objectives of each PA. In contrast, the Law on Special Protected Areas does not require management plans to be in place, and current policy does not require PA budget requests to be based on such management plans. Further, no effective policy guidance exists to guide MNET staff on effective management or financial planning.

60. The MNET does not have the power to designate or degazette protected areas or modify their boundaries. The designation of all national PAs and approval or changing of the boundaries of Strictly Protected Areas and National Parks requires approval by the Mongolian Parliament (*Ikh Khural*). The Cabinet Secretariat has the authority to establish boundaries for Nature Reserves and Monuments.

²⁵ Besides a fundamental lack of research, development of policies and laws on climate change are in its early stages in Mongolia.

61. The Mongolian PA system is administered through a fragmented system of PA Administrations (PAA) and local government administrations - managed at the central level by the MNET and at a regional level through the PAA offices and local government administrations, depending on the classification of the individual PAs. Each PAA office is responsible for management of between 1 to 5 PAs, using a common management plan and set of staff. An example of this is Uvs Nuur SPA, which is actually made up of 4 individual PAs, including: Uvs Nuur SPA, Altan Els SPA, Tsagan Shuvuut SPA, and Turgen Mountain SPA. This organization structure makes planning and implementing management activities (top-down) difficult.

62. While the PAA system has the advantage of leveraging costs and sharing resources among multiple PAs (assuming that these PAs are geographically and objectively similar), it is important that each PA still maintains its own PA management plan that is unique to its objectives while being integrated with those across the PA Administration. It will be important that each PA develops its management plan and that the PA Administration coordinate across each to ensure optimal implementation. The management plans should include functional and operational components and detail costs and revenues to ensure proper implementation. These functional management plans should include sections on land management issues (i.e. grazing, etc) and also sustainable tourism management plans.

63. Coordination between stakeholders, MNET and donors is lacking. No formal mechanisms or forums exist to coordinate policy revision efforts with the government and Parliament. Support from communities near PAs is still low. Understanding of the issues and needs facing the PA system, and therefore support for the PA system, from each level of government from the national Parliament to local governments is low – especially when compared with development and economic issues and challenges (i.e. mining) in Mongolia. In addition, poor data collection and information management and sharing means it is very hard to understand the state of PA set-up or management effectiveness in order to apply adaptive or corrective action measures.

64. Legal authority and responsibilities are not clearly understood or communicated between national agencies like MNET and the PAA administration and local government (aimags and soums). Disagreements over how land fees, entrance fees, and other use fees and taxes prevent clarity to facilitate use of these as revenue mechanisms for the PA system.

65. Hustai National Park, while not receiving budget allocation from the State Budget, maintains the most effective management program in the PA system. A co-management agreement exists between for Hustai National Park, however, there is no clear law addressing this approach making replication difficult.

66. Barrier #2: Operational Capacity Weaknesses:

67. Operational and capacity weaknesses prevent cost-effective protected area management. The capacity building needs of PA staff to perform PA functions are not systematically assessed and there are neither long term capacity building plans nor adequate allocation of resources for such activities. This leads to ineffective use of existing PA resources – both human and financial - to achieve any meaningful biodiversity conservation impacts. Additionally, such operational weaknesses are a contributor to the lack of design and implementation of financing mechanisms across the PA system.

68. The MNET PAA department is understaffed. Also, the skills required to effectively manage the PA system – including management planning, budgeting, financial planning, revenue generation planning, and collaborating with other stakeholders - are not fully developed. Staff performance evaluations are not systematically undertaken. A key barrier remains a lack of professional training and

development programs to encourage staff motivation for capacity development. This is despite several initiatives to establish ranger training curricula in the past. PAA/PA staff do not have access to tools, methods, or guidelines for developing management plans. There is no incentive to develop such plans, as budget allocation decisions are not dependent on their existence. Current PA management plan templates focus on broad conservation strategies but are not action-oriented. The management plan approach, where taken, currently does not require formal participation of other relevant stakeholders or an assessment of how such collaborations might help to offset costs and ultimately improve PA management effectiveness.

69. Actual budgets, revenues and expenditures at the PA Administration level (not PA) are available but clearly not being used or tracked neither to measure cost effectiveness, performance nor to inform future decision making. There is no standard for PAA Director or staff performance. Also, there is no shared information about operational and investment cost of PAAs.

70. In Mongolia there are approximately of 810 rangers which are paid from the government budget, of which 580²⁶ are Environmental and Tourism rangers. There are approximately 230 Rangers for Special Protected Areas placed within PAs under MNET management. This would appear well below the required manpower to effectively manage a PA system of the size and scale of that in Mongolia (almost 22 million hectares) although it appears to be in line with current GoM standards (see Table 3 below). On average, a ranger is responsible for approximately 96,700 ha, although since almost all rangers are focused on strictly protected areas and national parks (which constitute approximately 19,425,505 ha) the ration is closer to 1 ranger per 86,350 ha.

Table 3: Mongolia Standards for Rangers per Hectare of Protected Area

Status of area	Natural zone				
	High mountain	Forest steppe	steppe	Desert steppe	Desert
Strictly Protected Areas	50,000 ha	40,000 ha	90,000 ha	100,000 ha	200,000 ha
National Parks	70,000 ha	50,000 ha	100,000 ha	120,000 ha	300,000 ha
Outside SPAs and NPs (this includes Nature Reserves and National Monuments)	100,000 ha	120,000 ha	500,000 ha	600,000 ha	800,000 ha

Sources: Government act# 87 of 2006 (for PAs) and Article 26.7 of the Environmental Protection Law (outside PAs).

71. The salary of rangers is very low for the important job they do. The average salary level for the rangers fluctuates around \$220-\$280 USD per month. To maintain decent living standards, rangers also herd livestock to survive. Recently wages of government employees has been increased, however increasing prices of goods and services have undermined this positive effect on livelihoods of people, rangers included.

72. Very little information and knowledge on conservation priorities and socio-economic data is available for management decisions. With some exceptions, most PAA offices do not use or analyze data

²⁶ Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)

systematically for decision making. There is a need improved databases and information management both at the central and local level. Even basic profiles of existing PAs are not readily available.

73. Barrier # 3: Protected areas are under-resourced to protect biodiversity and are not equipped to develop new funding sources:

74. There is a knowledge gap on just what financial resources are actually required for the national system to make the PA system financially sustainable. Current legal, institutional and capacity gaps do not empower PA authorities at the national level and individual PA managers to identify and implement measures for more cost-effective PA management and sustainable financing.

75. In addition to a lack of management plans, there is a lack of comprehensive budget plans (based on the management plans) and no business plans exist (except at Hustai National park) for revenue generation. The MNET/GoM budgeting system does not demand budget justification related to conservation objectives, threats and other local conditions.

76. PAA Directors do not accurately project and propose (potential) revenue generation plans which more closely reflect the revenue being generated. According to representatives from the Ministry of Finance, the more a PA earns in revenue, the less State Budget allocation is approved²⁷. This logic deters PAs from seeking increased revenue and income.

77. Each PA Administration is required to develop a plan and budget proposal based on their own “needs” across the PAA. In this Budget Proposal they list expenses / costs and also a revenue projection / plan. They are not allowed to spend any revenue in excess of this plan. If they earn more revenue this is kept in the PAA account and the MoF determines how it is used. A recent resolution (MOF Resolution #11, 2007) decides that the amount or % to be retained is not fixed but decided on annual basis by the Ministry of Finance. MoF can determine that 0% is available to be retained (which it is doing in 2009 due to economic crisis – although the latest news from MoF is that the Government budgets/ revenues will be higher than originally planned it is still unlikely that the excess 2008 revenues from PAA system will be made available to the PAAs but will be used by MoF for other government costs (absorbed into State Budget).

78. The Law on SPA creates a provision for mining and tourism companies to contribute to protected area financing through voluntary contributions or in cases where they violate legislation. However, it does not go as far as providing for a general mechanism for channelling revenue from these industries to protected areas, in compensation for impacts they may cause.

79. No nation-wide tourist entrance fee collection system is in place. Each PAA is required to establish collection practices. There is likely extensive 'leakage' as a result of understaffing and lack of infrastructure to collect fees at PAAs. Collection systems and checkpoint infrastructure investments are required to ensure actual collection is possible and taking place. Fees are also only collected once per visitor regardless of duration of stay. The current entrance fee collection system needs to be reviewed and the fees adjusted (at \$2.50 per foreign visitor they are quite low) to raise the fees according to international standards and willingness-to-pay studies, and to establish types of fee payment based on duration of stay, types of activities, etc. PA specific visitor numbers were not available for planning purposes.

²⁷ Ministry of Finance, Finance Department representative interviews. July 2, 2009. Ulaan Baatar.

80. Limited traditional finance mechanisms exist beyond Tourism related income. Other system-level options need to be developed. There is currently a departure tax of assessed at the international airport equalling \$12 for each person, of which 8% goes to the Tourism Development Fund, however it is not clear how this is spent.

81. Past environmental trust initiatives in Mongolia have not shown promising results. This is a result of poorly understood or focused funds and lack of political support and administrative systems to manage these efforts. To establish such a fund, the appropriate legal and institutional framework should be in place, as well as adequate capacity to implement it.

82. Policy makers and the public have limited access to knowledge on PA values. This has meant that local “development” decisions are often made that are detrimental to PAs – such as mining concessions or over-stocking of domestic animals adjacent to PAs. There are great challenges in obtaining wider political and financial support for effective protection of biodiversity within PAs as well as for PA expansion. It is essential to address the need for increased local government and other stakeholder involvement and financial contributions for effective PA management.

1.4 Stakeholder analysis

83. As previously mentioned, the primary agency responsible for the management of the protected areas system in Mongolia is the Ministry of Nature, Environment and Tourism and the Protected Area Administration Department under the Ministry. While the Constitution of Mongolia and other legislation (see Section I, Policy and Legislative Context) generally call for a role for local governments, local communities and the private sector in resource management, a recent assessment on environmental governance in Mongolia by UNDP²⁸ revealed that current legislation does not sufficiently define the level of public involvement, or the roles obligations of different levels of authorities and government agencies towards protected area financing and management – even in those national level PAs currently managed at the local level there is a lack of clarity on the overall roles between the aimag, soum and MNET. Though development agencies have promoted community based natural resource management activities in and around PAs as a mean of improving resource management and community development, “parks and people” conflicts exist in several places, and conflict management increases “costs” for PA management.

84. Though many companies benefit from PAs – such as through tourism promotion- their direct contributions to effective PA management and financing are almost non-existent. Policy makers and the public have limited access to knowledge on PA values. This has meant that local “development” decisions are often made that are detrimental to PAs – such as mining concessions or over-stocking of domestic animals adjacent to PAs. There are great challenges in obtaining wider political and financial support for effective protection of biodiversity within PAs as well as for PA expansion.

85. The role and responsibilities of stakeholders in the project are addressed in the following table.

Table 4: Stakeholder Roles and Responsibilities

Stakeholder	Roles and Responsibilities
Government	

²⁸ Hannam, I.D, 2008, Preliminary Gap Analysis of Mongolian Environmental Laws and Policies, UNDP Project, Strengthening Environmental Governance in Mongolia

Stakeholder	Roles and Responsibilities
Ministry of Nature, Environment and Tourism (MNET)	MNET is mandated to conserve biodiversity resources and protect the environment, by setting standards, laws and providing annual budget support to line agencies and is the highest decision-making body for the environment within the Mongolian government.
Special Protected Areas Administration (PAA) Department of MNET	This department is the primary agency responsible for managing the PA system. The PAA Department is the principal proponent and implementer for this project, facilitating the successful execution of the project, providing necessary operational support and sustained improvements in PA management at the national level.
Protected Area Administrations (PAA) (Directors, specialists and rangers)	The designated authority responsible for management of the PA system in Mongolia. The PAAs will be the primary target group for aspects for the SPAN project.
Ministry of Finance (MoF)	The MoF will support the project to improve the budgeting capacity of MNET. Relevant staff of the Ministry will participate in working groups to elaborate on sustainable financing mechanisms for PAs and amendment related laws and regulations.
Local government (Aimag and Soum)	Aimag Governors have the highest authority at the Aimag, or provincial, level. The Aimag government has an important role in coordinating administrative support needed at the provincial level, and in ensuring policy and planning consistency at that level. They will be encouraged to provide additional co-funding for project initiatives that bring about local benefits. In addition Soum (district) officials will necessarily be involved in project PA site demonstrations.
Communities	
Protected Area's Buffer Zone Councils (BZC)	BZCs are mandated by the law on Buffer Zones to broaden participation of local stakeholders in conservation of a PA. BZC is potentially the most tangible form of local stakeholder participation in local activities, including conflict resolution and fund-raising. However, the councils are very weak or non – existent, with few exceptions.
Local communities	Local herder communities will benefit most from the conservation of natural resources in and around protected areas in terms of protection of grazing habitats and resources. Local communities normally also have their own “natural” leaders, who could speak, facilitate, cooperate and mediate conflicts on behalf of the larger members of the communities. These leaders could be appointed to be members of BZC.
Nongovernment Organizations (NGOs)	
NGOs (local and international)	National and international NGOs have played a strong role to strengthen Mongolia's protected area in the past, in partnership with the Mongolian Government. They are also active in supporting local communities in nature conservation and livelihood improvement. Implementation of activities will be closely coordinated with national and international NGOs and they will have to play an important role in replicating the lessons learned from the project.
Argali Research Centre	The Argali Research Centre, with the MCC, is responsible for the management of target site Ikh Nart Nature reserve.
Mongolian Conservation Coalition (MCC)	The Mongolian Conservation Coalition is involved in the management of Ikh Nart Nature Reserve.
WWF Mongolia	WWF Mongolia started its activities in 1992 and is currently implementing a Protected Area management project in Altai-Sayan Eco-region (western Mongolia) and in Onon Balj National Park. The WWF work under the GEF Early Action Grant provided much of the baseline data for this project document. WWF will be an important partner to exchange information and lessons learned on activities related to protected

Stakeholder	Roles and Responsibilities
	areas and to organise joint-activities on protected area management and financing.
Wildlife Conservation Society (WCS)	The Wildlife Conservation Society (WCS) is an international NGO active in protected area management and conservation capacity building efforts in the Eastern Steppe regions of Mongolia. They are an important partner in piloting revenue generating options in the East of Mongolia.
The Nature Conservancy (TNC)	The Nature Conservancy (TNC) is an international NGO active in protected area management and conservation capacity building efforts in the Eastern Steppe regions of Mongolia. They have strong experience in protected area financing in many parts of the world. They are a potential partner in piloting revenue generation activities in Eastern Mongolia, to cooperate on the new initiative to establish an ecological fund, and by giving technical support to protected area financing initiatives. Cooperation is also planned on integration of climate change adaptation into PA management. Due to their international technical experience, TNC is proposed as a board member.
Private Sector	
Tourism Sector (Tour-operators)	In principle, tour operations and association have to observe and be obliged by laws governing the PAs. A collaborative role is mainly expected for these associations, including in bringing additional resources to the parks, and ensuring that tourism activities that are promoted do not go against the objectives of conservation, but help enhancing it. Tour camps have to pay land fees to the local government which are sometimes shared with protected areas due to special agreements. The Sustainable Tourism Development Centre will be an important counterpart to involve in national consultations.
Mining Sector	The mining sector will be consulted in all activities related to mining in the vicinity of protected areas and efforts to establish offset mechanisms.
Other Agencies and Institutions	
UNDP	UNDP is the GEF implementing agency. The Strengthening Environmental Governance Project will be a key partner in the work on policy and legal reform. Close cooperation is foreseen with the Sustainable Land Management Project on pasture and land management issues. The project will link up with the Altai Sayan Ecoregion Project in order to replicate best practices in that region and work together on policy issues. Other projects focus on disaster management and energy efficient construction.
World Bank	The World Bank is the other main GEF implementing agency in Mongolia with long standing experience on conservation projects. The SPAN project will be closely coordinated with projects from World Bank funded through GEF. Activities on finance and budgeting will be linked to World Bank's programme to develop new budgeting systems.
GTZ	GTZ has been active in supporting protected areas in Mongolia for many years, mainly focusing on the Khangai Mountains and other areas in Central Mongolia. Their current programme involves 8 protected areas. The project will work closely with GTZ in target area Orkhon Valley, but also in other areas and in particular on management and capacity development activities.
Denver Zoo Foundation	Main donor and partner of Argali Research Centre. NGO, for study Argali sheep in Ikh Nart National Reserve and public environmental education campaign among Dalanjargalan soum and Dornogobi Aimag population. Activities in Ikh Nart will build on Denver Zoo's work.
UNEP	UNEP is a global specialist in supporting countries in the implementation

Stakeholder	Roles and Responsibilities
	of international conventions and will be actively involved in law reform activities through their advisor in the regional office.
Universities and Research Institutions	Contract relevant scientists for consultancy services through the participation of different working groups, use research results for analyses and assessment, invite to stakeholder workshops and meetings.
“Eco-Asia” Higher environmental education institute	This NGO has developed a curriculum for rangers and can be an important partner in the implementation of activities related to capacity building.
People Centred Conservation (PCC)	Has a lot of experience in carrying out training for community based conservation and is a potential partner in activities related to community development.
COCONET (Community Conservation and Consulting Network) NGO	This NGO is specialised in supporting community group development and is a potential partner in the implementation of activities related to community based conservation.

1.5 Baseline analysis

86. The following baseline analysis corresponds generally with the stated project outcomes.

87. Protected area policy and institutional arrangements

88. As noted earlier in this document, the national system of protected areas (or system of Special Protected Areas) in Mongolia covers 21.8 million hectares, equivalent to almost 14% of the total territory. There are a total of 61 PAs at the National Level managed by one of 24 Protected Area Administrations or one of 7 local governments (48 of the National PAs are under the PAA system, and 13 National PAs are under Aimag level). Of the 61 PAs, there are 12 Strictly Protected Areas, 22 National Parks, 19 Nature Reserves and 8 National Monuments.

89. The modern national Mongolia PA system was enacted in 1994 with the passage of the Law on Special Protected Areas. This and the other policies and laws on PA management referenced in this document have been implemented for less than 15 years. As the GoM has worked to implement the laws and develop capacity to do so effectively, it has taken few steps to adjust and adapt these through periodic and step-wise revisions. The Law on SPA has only been refined in minor ways three times over the last 15 years. The MNET and partners have recently conducted a number of studies looking at the status and necessary revisions to environmental policies and laws in Mongolia²⁹ and the MNET is currently proposing revisions to both the Law on SPA and the Law on Buffer Zones. Proposed revisions to the Law on SPA include: increasing latitude to delegate management of Pasto (or increase collaboration with) NGOs and other institutions; specific percentage of payments for natural resource use in or around PAs allocated to the PAs; classifying all National Monuments and Nature Reserves as part of the PAA system and opening access to State Budget funds for these; management plan requirements for all PAs, among others.

90. The existing Law on SPA currently does not include reference to, or requirements for, PA or PAA level management plans. According to MNET³⁰ only six of the 24 PAAs have approved management plans. Management planning is a clear weakness, with most PA managers unaware of their

²⁹ Including *Institutional Structures for Environmental Management in Mongolia* (Tortell, Philip, et al. 2008) and *Financing Public Environmental Expenditures in Mongolia* (World Bank. 2009 (Draft)).

³⁰ MNET PAA Department comments at the National UNDP Financial Scorecard workshop, July 7, 2009. Ulaan Baatar.

operational needs and very few protected areas having clear and specific objectives (whether related to biodiversity, ecosystems, or community well being) which need to be determined in order to drive effective management planning and implementation. The few existing management plans are usually not based on reliable information, as information is lacking (with the exception of a few PAs that received intensive donor support). The MNET, with support from NGOs, recently developed draft guidelines for PA management planning guidelines based on IUCN guidelines and distributed this to the PAA offices; however, no formal PA-wide effort to use this exists yet.

91. While the National programme on Protected Areas attempts to provide a comprehensive management framework to guide short- and long-term sustainability and effectiveness at the national level (system level), it is not well developed, understood or adopted. There is a need for a comprehensive and refined administrative and legal framework for effective PA management in Mongolia to provide a coherent and long-term vision for National PA design, establishment and management. This needs to be strengthened along with the inclusion of a focus also on sustainable financing.

92. *Institutional and staff capacity of MNET and their partners*

93. A UNDP Capacity Scorecard (see Annex F) has been completed for the Mongolia PA system for 2009 and resulted in a total score of 49 out of a total possible score of 96 (or 51%).

94. The MNET PAA department is severely understaffed. The current department consists of 7 staff at the national level and less than 230 rangers are maintained across the full system. PA Staffing plans need to be more closely aligned with size and objectives of parks as they are currently not. Most PAA staff lack essential management skills across many functional areas, as well as management planning in general. There are no formal training or capacity building programs. The MNET relies heavily on outside contractors and consultants to support the PA system. Organizations such as GTZ, UNDP, WWF and WCS are focusing on developing and implementing a range of targeted training and capacity building in a few PAAs.

95. MNET Department of Strategic Planning and Sustainable Development has few financial and economic professionals. Those few on staff provide budgeting and financial management oversight for all other MNET departments. The PAA department has no dedicated financial and economic professionals. Also, there are no formal performance assessments within the PAA department. Annual government audits happen within MNET as a whole but PAA/PA audits do not happen.

96. No comprehensive training programs exist for PAA department staff at any level. In addition, no formal M&E program exists for PA management and cost effectiveness.

97. *Protected Area Budgets and Financial Requirements*

98. A UNDP PA System Financial Scorecard (see Annex E) has been completed for the Mongolia PA system for 2008 and resulted in a total score of 44 out of a total possible score of 227 (or 19.4%).

Table 5: Mongolia UNDP Financial Scorecard Results – FY 2008

	Legal, Regulatory & Institutional	Business Planning & Tools	Revenue & Generation Tools	Total Score
Total Score	20	13	11	44
Total Possible Score	95	61	71	227
Actual score (%)	21.1%	21.3%	15.5%	19.4%
Actual score (%) - previous year	NA	NA	NA	NA

99. Estimating financial needs of the PA system has not yet been conducted in a comprehensive, need-based fashion across the entire PA system in Mongolia.³¹ The current 2008 financing need estimate is based on approximate PAA budget submittals (Budget Proposals 2008). It is not basic or optimal as it does not take into account actual Basic financing needs for the system because a) PAA Directors do not submit actual needs / budgets based on completed or functioning Management Plans and b) 13 of the PAs under this system are outside of the PAA system and not addressed systematically.

100. Each year the MNET budget department receives proposals from the different departments (including PAA) as well as the Aimags³² and based on that it draws up a proposed request to the Ministry of Finance. The Ministry of Finance then audits for ‘cost effectiveness’ to ensure that itemized costs are not out of line with market conditions (but does not assess the requests against actual plans – in the case of the PAAs) and proposes an overall allocation to MNET. This is generally less than the proposed budget. MNET then makes decisions on cuts based on its own priorities. In general it has a tendency not to cut personnel and to keep most programs going, even if the allocations are small.³³ There is a difference between administrative budgets and program investment budgets (capital equipment, no staff expenditures, etc.). Both administrative and program budgets are seriously insufficient for the PA system to meet its objectives. In addition, to these allocations, Ministries can apply for “exceptional” needs funds from a special fund overseen by Parliament. In the case of MNET, it did so in 2008 to address the emergency created by releases of mine tailings.

101. Each PAA is required to develop a budget proposal to the MoF for allocation from the State Budget based on their “needs”. The budget proposals come from each PAA, usually covering more than one PA. The budget needs and request are meant to be justified against a management plan. Since most PAs or PAAs do not have clear and comprehensive management plans, budget requests are partial and generally do not reflect what is actually needed to functionally finance the PA for a given year. In addition, as noted above, the MOF does not generally determine the final allocation amount through assessing each request against specific existing management plans. The standard practice has become to simply look at historical allocations and re-allocate in-line with these amounts. Historical amounts tend to only cover staff salaries and basic overhead operating costs. Each PA/PAA is also required to submit a revenue projection / plan. This issue is discussed in detail in the Protected Area Financing section below.

³¹ WWF Mongolia conducted a financial needs analysis (2007-2008) covering approximately 60% of the PAs in the system estimated financing needs at a “basic” level to require approximately \$4.5 million.

³² There is no evidence that suggests, however, whether the Aimags ever receive State Budget funds for Aimag administered National PAs (Nature Reserves or National Monuments).

³³ Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)

102. Management costs are currently determined based on basic, annual assumptions which rarely change and are not based on actual costs from PA specific management plans. It is highly recommended that budget based on management plans/actual needs are developed and submitted across the PA system. WWF has estimated financing needs for basic level at approximately \$4.5 million for approximately 60% of the PAs in the system. We therefore make a rough guess at the total Basic need based on this as being \$7,500,000 USD. In the same report, WWF has estimated financing needs for a loosely-defined optimal level at approximately \$6 million for approximately 60% of the PAs in the system. We therefore make a rough guess at the total Optimal level is around \$10,000,000 USD.

103. *Protected area financing*

104. The total 2008 annual budget from the State Budget for the full MNET Ministry was approximately \$27.7 million USD. Of this, a total of \$1,439,370 (or around 5%) was spent on the National PA system (approximately \$1.38 million in PAA operations and staff costs, \$30,000 for PAA capital investments, and \$30,000 for MNET Department staff responsible for managing the PAA system). As the MNET currently does not fund those PAs administered outside of the central PAA system (in other words, those PAs managed by local Aimag and soum government) this amount is only for 48 of 61 PAs covering 21.2 million hectares. The other 13 PAs (covering almost 600,000 ha), while still a part of the National PA system, are managed and minimally funded by local government administrations, if at all.

105. In addition to these direct government allocations and earned revenues, the PA system receives approximately \$667,500 from various donors. This is quite low when compared to the total amount of donor funds flowing in Mongolia. The MNET budget does not include expenditures from donor-funded projects. From 2006-2007 the donors' contribution to the overall environment and NRM sectors in Mongolia was approximately US\$35 million (or between \$12 to \$15 million per year). In addition, existing anecdotal evidence for the period 2003 – 2005 also suggest that donors contributed around US\$25-30 million or US\$8-10 million a year. Although differences in categorization among donors and GoM renders it difficult to compare funding allocations, the main areas for donors' funding appears to be land reclamation/restoration and desertification prevention, protected areas network development and biodiversity conservation, and water resource management. Other sectors include environmental governance and pollution management.³⁴ Despite this relatively significant amount of donor funding, MNET claims that approximately \$300,000 USD was provided through donors for activities in support of the PA system in 2008.³⁵ This information is not properly tracked and anecdotal evidence suggests this is low.

106. The way in which donor funded programs are integrated into the national budget remains unclear. The Ministry of Finance is planning to integrate grant and loan programs into the central budget in a programmatic way from 2010 onwards. The Ministry of Finance is also moving towards programme-based budgeting, which should help rationalize expenditures at the Line Ministries. This would represent a shift away from input-based budgets and initially a few Ministries have been selected for this shift (Agriculture, Education and Social Welfare). MNET was not considered to have the capacity to prepare

³⁴ Starting in 2006, the GoM – Donors Working Group for Environment and Rural Development attempted a rapid assessment of the funding that the international donor community channels to Mongolia on an annual basis, whether or not such funding complements Government's current budget allocations, and priority areas as identifies by MNE. External partners that participated in this rapid assessment included: the EU, France, Germany, Japan, the Netherlands, Sweden, Switzerland, UNDP, UNFPA, UNESCO, the World Bank, the World Health Organization, and WWF. (Source: Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft))

³⁵ Conversations with MNET Finance Department, July 3, 2009.

such a budget. This suggests that if it is to move in this direction it will have to strengthen its budget department, which at present consists of only one person. The Ministry of Finance also asks each line Ministry to prepare a Medium Term Expenditure Framework (the current one covers the three years 2009-2011). The Ministry also notes that MNET needs to improve internal consistency in drawing up its budgets. Policy departments should get involved in the process to ensure that allocations are consistent with respect to policy goals and those activities with low priorities are really discontinued instead of being maintained just for personnel reasons.

107. According to the Law on SPA there are 4 categories of income: 1) State or Local government budgets, 2) tourism and income from other (this is open to wide interpretation) activities, 3) grants from individual organizations, 4) compensation payments (mitigation offsets, etc and fines. In 2008 the amount of revenues generated within the national PA system is estimated at \$713,000 USD, including \$112,225 from entrance fees and approximately \$600,775 from other revenue sources for the total national PA system in 2008.

108. Tourism and related entrance fees are an important source of revenue for the PA system, albeit one that is currently under-utilized. Tourism entrance fees are set at 300 Tugrik (approximately \$0.25 at 2008 exchange rate) for Mongolians and 3,000,000 Tugrik (or \$2.50 in 2008) for foreign visitors. PA specific visitor numbers were not available. Visitors to the full PAA system in aggregate were estimated at 30,000 in 2008, although these numbers are also not comprehensively tracked.

109. Looking beyond tourism and entrance fee-related revenues there are a number of other revenues currently realized. While there is no legal revenue generating "concessions" in a traditional sense, and no clear legal basis for PES payments or revenue in Mongolia, there is the potential to secure revenue from "Land Fees". Land fees assessed by some Aimags and Soum local government for tourism (ger camps) provided \$362,000USD in 2008 for PAAs. Local governments are supposed to provide 30% of these land fees assessed and collected within PAs to the actual PA administration to cover PA costs. This is only happening in a few PAs but can and should be increased across system. PAA Directors need to focus on negotiations with local authorities to secure percentages of land fees for PA management. This is a clear opportunity for increasing PA-level revenues.³⁶

110. In addition, the GoM states that income from trophy hunting (especially of argali) goes toward the PA system (in their reports to the U.S. government to justify continued import permits), but it is not clear that this actually happens and if so, how much money is allocated to the PAs.

111. Fines assessed by State Inspectors office at aimag level and collected into MNET State Budget system also contribute a small portion. Other income opportunities successfully implemented by some PAs have included car parking fees, merchandise food, and accommodation sales, and income from tree nursery enterprises within PAs. Other income includes fees from graduate students who pay to conduct research (e.g. Hustai National Park) and other collaborative institutional arrangements whereby international institutions contribute to the costs and inputs of managing specific PAs.

³⁶ There are important references to this opportunity in both the Law on Land Fees as well as the the Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources.

112. Table 6. Fiscal Year 2008 Income: Mongolia National PA system

Finance Source	Total Available (2008) ³⁷	Total \$ (%) Retained in PA system ³⁸
GoM State Budget	1,439,370	1,439,370 (100%)
Donor Funds ³⁹	667,500	667,500 (100%)
Entrance Fees	112,255	60,902 (40%)
Fines and Penalties	47,060	18,824 (40%)
Land Use Fees ⁴⁰	361,886	144,755 (40%)
Other (merchandise, other fees)	191,829	100,732 (40%)
Totals	2,819,900	2,432,083

113. The total amount of revenue generated in 2008 for the national PA system was therefore approximately \$2,759,901, however, for reasons noted above, not all of the revenues are made available, or retained, within the PA system. In 2008 it is estimated that \$2,432,083 was ultimately made available and retained within the PA system. A full breakdown of available finances for the Mongolia PA system in 2008 is provided in the table below. The actual planned and approved revenue plan called for earned revenues of \$153,000. The revenue in excess of this plan was approximately \$462,000 USD. While the MNET can request amendments to the revenue plan to increase their allocations to cover PA costs they rarely effectively make such a case and when they do the requests ultimately have to be approved by Parliament first – against competing interests and decisions for those funds. In recent years the MoF actually received up to 60% of the PA revenues which exceed plan⁴¹. In 2008, as a result of the financial crisis, the MoF is expected to retain all of the excess revenues.

114. According to Director of MNET Finance, it will be important to prioritize the revision of the Law on Budgets and SPA Law. Also, the Law on Government Special Funds needs to be understood in terms of potential benefit flows for the PA system. In June 2006, GoM passed the *Law on Government Special Funds*; the main purpose of this new law was to rationalize the government's special funds and strengthen the monitoring and reporting performance of many of the existing special funds, including the Nature Protection Fund (NPF). The NPF is the latest incarnation of the Natural Resources Rehabilitation Fund, which existed throughout the 1990s and beginning of 2000s – and whose performance both GoM and MNET never considered particularly strong. In 2006 the allocation from the Fund was 234 million tugrik

³⁷ This analysis does not account for either financing or costs associated with the 13 national PAs under Aimag level administration. This also does not take into account the available Buffer Zone Funds, of which there are a few established. These are gaps in available data which needs to be documented.

³⁸ In the past an average of 30-40% of 'excess' revenues has been returned to, or retained by PAAs. In 2008 as the approved revenue "plan" was approx. \$153,000 USD in revenue across all PAAs. The actual total revenue was \$715,000 USD – so approximately 21% of total revenue was retained. This, combined with the 30% of that balance held by the MoF that might be returned (from the 79% of revenue sent to the State Budget) it is estimated that a PAA might retain a total of 40% of the total revenue generated at the site. Unfortunately, it is assumed that in 2009 very little if any revenue will actually be returned given the economic crises.

³⁹ More than 50% of these funds went to one PA – Hustai National Park.

⁴⁰ Land Fee income/revenue is calculated for only 4 PAs which received this type of income.

⁴¹ A recent resolution on this matter (MOF Resolution #11, 2007) does not actually specify a target amount to be returned to the PA system.

(US\$203,000), but in 2007 it increased significantly to 661 million (US\$585,000). In 2008 it declined by about 20 percent and in 2009 the figure is close to the 2008 level. At an aggregate level, the expenditure patterns across the various fund categories suggest that the available resources are used mostly to supplement formal budget allocations for routine expenditures. This is due to the broad range of allowable categories, a relatively flexible decision-making system to allocate the (NPF) funds, and recurrent shortfalls, both for development and routine expenditures, in the Ministry's formal budget. Overall, the laws and regulations defining the tasks of the fund seem to be very generic but this does allow NPF resources to be used to complement MNET overall budget allocation.

115. In Mongolia there have been a few recent efforts to establish Trust Funds for environmental purposes. The first, the Mongolian Environment Trust Fund (METF), was established in 1999 by the then Ministry of Nature and Environment with the objective of providing long-term financial support for projects that “further the aims of biodiversity conservation in Mongolia and the sustainable management of the land and its resources, ecosystems, and wildlife”. At the time of its launch, The Global Environment Facility (GEF) and UNDP pledged US\$2 million and US\$500,000 respectively to the METF. In May 1999 the Mongolian Government made the decision to contribute 1.6 billion Tugrik (about US\$1.6 million) to the METF from the 1999 budget. Political support was strong at the start of the fund, but weakened later due to political changes. Despite the sound design and importance of the focus, the METF was only partially successful and eventually was closed by the principal funders in 2008. Future funds should be established on the basis of a more extensive review of the legal context for such funds, as the METF faced several shortcomings in its obligations to operate as a legal entity in Mongolia.

116. A second effort is the Netherlands-Mongolia Trust Fund for Environmental Reform (NEMO). NEMO was established in April 2005 with the objective of strengthening and advancing the environment and natural resources agenda in Mongolia. The initial grant of US\$6 million from the Netherlands Government was allocated among three categories: (i) World Bank-executed technical assistance; (ii) Government of Mongolia-executed support for ongoing World Bank projects; and (iii) Government-executed preparation of new World Bank-financed projects. Building on the successful results and lessons learned during the implementation of NEMO, a second phase (NEMO II) was initiated in 2007 with a total endowment of €3.9 million (approximately \$5 million USD). The GoM, the Netherlands (Royal Netherlands Embassy in Beijing and Ministry of Development Cooperation), and the World Bank agreed that activities under NEMO II (2007-2010) would focus on: (i) Natural Resources Management; (ii) Pollution Management; and (iii) Environmental Governance. While NEMO has appeared to be a well managed grant mechanism, its broad focus will likely prevent it from having significant impact on the strengthening of the PA system in Mongolia.

117. Not tracked in aggregate, but also a part of the equation are specific funds available from local government (noted above) and donors for Buffer Zones as they relate to the PA system. Buffer Zone funds can be established for various purposes and can receive income from various sources, including (like PAs) donations from foreign and domestic organizations, economic entities and organizations and a certain amount of revenue from projects, activities and services conducted within the Buffer Zone.

118. No valuation studies of PAs yet exist. Government decision makers are beginning to request valuation studies in development decisions (i.e. for upper Tuul river watershed development projects), but it has not yet been done for protected areas.

119. An airport landing fee for international visitors/arrivals should be considered. Currently, there is a GoM airport tax of \$12USD. The MNET is supposed to receive a percentage of these taxes for tourism development and management within PAs; however, it does not appear that this supports the PA system. There are approximately 400,000 (unofficial number) international visitors per year. There are no

statistics to show how many of these visitors actually visit the PA system, but an unofficial guess by the ministry puts the number of visitors to protected areas at 30,000 only.

120. The mining industry is an important threat to the PA system as well as a key target for future financing. The *Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources*, which Parliament approved in 2000 defines the percentage and extent of fees paid for natural resources use to be applied for the protection of the environment and the restoration of natural resources. However, the GoM recently determined that this law was being improperly implemented and is being reviewed. A recent report⁴² indicates that the GoM collects considerable revenues from the taxation of activities related to the environment (including logging/firewood use, water use and mineral extraction). The amounts of total tax income from natural resource use have increased significantly year-over-year for the past 4 years. In 2006 total income was approximately \$35 million – in 2007 the amount was around \$118 million. These Revenues amount to around 3 percent of GDP and 7 percent of all taxes. Of the total, royalties on minerals make the largest share (more than 75% of the total). It is important to recognize the role and responsibility of the mining industry as a leading source of funds to protect and offset threats to the PA system. Supported by TNC, the government has recently started developing a new ecological fund to channel payments for natural resources.

121. Models of collaboration

122. Meaningful collaborative management between MNET, soum governments, and institutions, NGOs and communities is rare. One exception is in Hustai National Park where the GoM has entered into an innovative collaborative management arrangement with an international NGO, the Hustai National Park Trust (HNPT). Established in 2003, the HNPT is responsible for the full management and financing of the Hustai National Park. HNPT has secured significant funding from overseas donors and partners and maintains a full PA management plan as well as Buffer Zone plan. The Netherlands government, the European Union, and other donors provide significant funding to the HNP (estimated at \$367,500 in 2008 and approximately \$70,000/year from 2009-2012). HNP also receives up to \$100,000 per year between entrance fees (\$40,000 in 2008) and from accommodation, training, horse viewing, and researcher fees etc. (approximately \$60,000 in 2008). As a result the HNP is the most effectively managed PA in the national PA system.

123. Another example of innovative collaboration is the agreement between local governments in Dalanjargal and Airag Soums that have entered into an informal agreement (the MNET has not formally endorsed the agreement or approach) to jointly manage the Ikh Nart Nature Reserve along with partners at the Argali Research Centre (ARC) and the Mongolia Conservation Coalition (MCC)⁴³. While Hustai and Ikh Nart provide examples for other PAs and the MNET and soums in terms of how collaboration is possible at a central and local government level the approach is underutilized and not well supported by policy and regulations overseeing PA management.

⁴² Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)

⁴³ Both MCC and ARC are supported through financial and technical assistance by the Denver Zoological Foundation (DZF).

2. STRATEGY

2.1 Project Rationale and Policy Conformity

124. The project is in conformity with national, UNDP and GEF policies. The proposed project is fully in line with the GEF IV's biodiversity focal area's Strategic Objective 1 "To catalyze sustainability of protected area (PA) systems"- specifically on GEF Strategic Program 1: Sustainable Financing of Protected Area Systems at the National. The project will support national policy and institutional strengthening activities and demonstrations to ensure that the national PA system has plans and actions for long term financial sustainability. In line with SP1, the project will ensure development of plans that will include diversified funding sources and cost effective management and use of resources. The project will also develop the management and financial capacity of MNET and strengthen the partnerships between PA authorities and local communities, local government, NGOs and the private sector to achieve the long-term sustainability of PA financing to allow Mongolia to cover the financing gap (estimated at between US\$5 million - \$7.5 million per year).

125. This project is consistent with Mongolia priorities for conservation, as noted in its Fourth National Report Conservation of Biodiversity to the CBD (2009)⁴⁴. The project will seek to increase the budget and investment via the advancement of the financing system and an accurate estimation of economical benefits of SPAs, and to increase SPA income through strengthened existing and new approaches. In 2003 the then Ministry for Nature and Environment completed an "Assessment of Capacity Building Needs and Country Specific Priorities in Biological Diversity of Mongolia" with the financial support of the GEF/World Bank which gave clear priority to human and technical resource strengthening with special regard to the PA's of Mongolia. Recommendations from this work with highest priority were: (1) a need for training programmes for PA staff (2) further identification of mechanisms for the sustainable financial management of PA's. These recommendations need still need to be implemented. The focus of the SPAN project address these needs and are very much in line with the Programme of Work on Protected Areas (PoWPA) Goals 3.2 Capacity building and 3.4 Financial Sustainability.

126. The National Biodiversity Action Plan originates from 1996 and needs to be updated and revised. The plan mainly focuses on the establishment of Mongolia's protected area system which to a great extent has been completed but still needs further strengthening along the principles outlined in the plan. The project is well aligned to the majority of the 8 priorities of the National Programme on PAs, mainly; (2) PA legal and regulatory framework; (3) PA Management and Institutional Framework; (4) Human Resources Capacity and; (8) Increase community involvement and buffer zone development. The project will closely follow the developments of the new Environmental Master Plan that is currently being developed by MNET (expected completion mid 2010), and ensure its activities will be aligned.

127. The project will be complementary to other projects or initiatives on protected areas and biodiversity conservation in Mongolia, including:

- WWF - 2007-9 GEF Early Action Grant (GEF, US\$ 150,000), which provided a lot of the baseline data for the current document
- The Eastern Steppe Living Landscape, WCS, 2004-2009 (USAID - \$900,000)

⁴⁴ <http://www.cbd.int/doc/world/mn/mn-nr-04-en.pdf> (reference Conclusion).

- Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia's Altai-Sayan Ecoregion, UNDP/MNET, 2005 – 2011 (GEF- \$3million, The Netherlands government- \$1.5million)
- WWF's Altai-Sayan project, WWF, 2007 -2010 (WWF-NL – 200,000 Euro).
- Rural development and education for sustainable development, WWF, 2004 – 2009 (SIDA - 6.5m Sweden Kronor, or approximately US\$850,000).
- Saiga Conservation, WWF, 2007 -2010 (MAVA foundation – \$600,000)
- Amur/Heilong River Basin Programme development, WWF, 2007 – 2010 (WWF-US and WWF-NL – \$60,000 in 2007)
- Conservation and Sustainable Management of Natural Resources – Biodiversity and Climate Change, GTZ 2009 - 2011
- National Geo-Information Centre for Natural Resource Management, MNET, 2007-2009 (ITC)

128. The project will build on UNDP's successful record of partnership in Mongolia. The project is in line with the development results identified in the UN Partnership Framework with Mongolia (UNDAF 2007-2011) which aims to improve sustainable utilisations and management of natural resources and the environment at national and community levels through demonstration of sustainable financing and ecosystem valuation for conservation. The success will be replicated as a means to achieve MDG # 7 - ensure environmental sustainability.

129. The project expected outcomes are also in line with the Country Programme Action Plan 2001-2011 (CPAP) between the Government of Mongolia and the UNDP which calls for achieving Millennium Development Goals as well as strengthening the governance capacity and effective management of natural resources.

Rationale and summary of GEF Alternative

130. Support for enhancing the management effectiveness and financial sustainability of Mongolia's protected area system defined by this project and the removal of barriers to do so constitutes the essential rationale for the present project and forms the basis for its outcomes. In order to achieve these outcomes, GEF has joined in partnership with key PA management agencies MNET, and will collaborate with other partners such as those referenced in the Stakeholder Analysis section of this document.

2.2 Project Goal, Objective, Outcomes and Outputs/activities

131. The **Project Objective** is to catalyze the management effectiveness and financial sustainability of Mongolia's protected areas system. As noted in Annex D (*Mongolia Protected Area Financial Analysis*) the current annual revenues to the National PA system is approximately US\$2.5million. The project will develop the management and financial capacity of MNET and strengthen the partnerships between PA authorities and local communities, local government, NGOs and the private sector to achieve the long-term sustainability of PA financing to allow Mongolia to cover the financing gap between this amount and the "basic" level need estimated at US\$5 million and the "optimal" need of an estimated US\$10 million. The current gap in funding requirements for the Mongolia PA system would therefore range from US\$5 million to US\$7.5 million.

132. GoM budget (2008) allocated to the PA system through MNET is US \$1,439,370 million. This is very close to the actual amount requested (approximately \$1.7 million US per discussions with MNET staff, July 2009). This 2008 financing need estimate is based on approximate PAA budget submittals. It is not basic or optimal as it does not take into account actual financing needs for the system because a) PAA Directors do not submit actual needs / budgets based on completed or functioning Management

Plans and b) 13 of the PAs under this system are outside of the PAA system and not addressed systematically. A true calculation of the financial needs of the *entire* PA system has not yet been conducted in a comprehensive, need-based fashion across the entire PA system in Mongolia. However, WWF Mongolia conducted financial needs analysis (2007-2008) covering approximately 60% of the PAs in the system estimated financing needs at a “basic” level to require approximately US\$4.5 million and “optimal” level need requiring US\$7.5 million. During SPAN project preparation and as part of the 2008 UNDP Financing scorecard assessment a total “basic” financing need for the PA system we therefore used WWF’s estimates to extrapolate needs for the whole system at approximately US\$7,500,000 for of basic and \$10,000,000 for optimal.

133. First, a refined policy framework and institutional arrangements. A system of objective-driven protected area management plans linked to a transparent and balanced protected area budget development and allocation decision making (at each of the national-, PAA-, and PA-levels) will ensure the optimal use of available resources to meet PA and PAA objectives. The necessary legal and policy adjustments and the creation of a PA Forum to coordinate stakeholders and donors will be the focus of his component. In addition, this component will improve interactions, coordination, and collaboration between partner agencies, partners and stakeholders. Part of this is the design and use of an effective PA Monitoring and Evaluation (M&E) system.

134. Second, the project will ensure adequate capacity of MNET management and staff, and their partners for effective management and financial planning of the protected area system. This will include institutional development and systems for management, budgeting and financing, as well as institutional and individual skills and capacity development.

135. Third, the project will focus on a system for designing and implementing innovative and appropriate sustainable financing mechanisms involving the application of clear economic valuations at the protected area system level to generate additional resources and to ensure the long term sustainability of the PA system. Related to this will be the development of the legal means and incentives (related to pillar one above) to allow the PA system to retain more of the revenue generated. Such new revenues will come from adjusted entrance and land fees/system, and targets set for new departure and mining taxes at a national level. Also, the SPAN project will promote increased use, and strengthening of, collaborative management models between PAs and communities, NGOs, institutions and local governments as well as strengthening Buffer Zone Councils (BZCs) in order to offset costs and management challenges associated with PA boundary and “use” issues. Both the strengthening of relationships with communities and independent institutions can serve to achieve objectives, offset costs, and provide a source for additional funds that can enhance ecosystem well being as well as- community well-being.

136. While the project is designed to strengthen the management effectiveness and financial sustainability of the national PA system as currently constituted, it will help establish the conditions necessary to facilitate and finance the expansion of the PA estate over the medium to longer term, congruent with the policy aims of the Government of Mongolia.

137. The project’s outcomes and outputs are described below.

138. **Outcome 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of the national PA system.** Under Outcome 1, the SPAN project will focus on assessing and delivering new policy guidance and rules enabling an effective and integrated management and financial framework for the PA system, leading to improved conservation across the almost 22 million hectares of national PA estate. In addition to facilitating the use of a meaningful management and

financial framework the outcome will focus on efforts to identify and refine policy and operational constraints to increasing revenues at the system and PA site level and also revenue retention at the PA site level. Through the PA Forum, the coordination mechanism to be created, and the collaboration through activities under specific outputs, engagement with stakeholders including the Ministry of Finance (MoF) and the mining industry, which are a key sector for increasing revenue streams will be intensified. Local communities will be effectively engaged and will participate in effective PA management leading to improved support of conservation objectives and reduced costs for the PA system. Improved information management and a formal M&E program will be the corner stone of an improving PA system and for further policy changes as required. The outputs necessary to achieve this outcome are described below.

139. *Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. This approach is enshrined in national legislation.* Financial resources are constrained by lack of revenue generation opportunities, as well as the inability of the PA sites to retain all of the revenues which they do generate. As noted in the earlier section on barriers, the suite of existing laws addressing these issues conflict or vague about revenue generation options and retention. The SPAN project will facilitate a formal assessment and revision of both the National Programme on Protected Areas and the Law on Special Protected Areas to provide guidance and requirements for integrated PA management plans and budget plans.

140. In close consultation with the MoF and relevant stakeholders including the mining sector, the SPAN project will also support necessary efforts to ensure that opportunities exist for PAs to develop new revenue mechanisms and retain more of the revenues earned onsite. Clear revenue plans will be developed in and submitted to the MNET/MoF on an annual basis which reflects the actual revenue generation expected and proper use of these funds as part of implementing a formal management plan.⁴⁵ This will only be useful if the plans are part of broader discussions on reducing the financing targets. A full set of relevant guidance materials and methodologies for developing management and budget plans will be developed and will be made available to MNET staff. Other relevant laws will be reviewed and revisions proposed to increase revenue generation and retention and cost-effective collaborative management approaches within the PA system. SPAN project staff will assess and identify policy changes or refinements to advocate for and will coordinate support to succeed in doing so.

141. As part of this output (and 1.3 below) the SPAN project will coordinate activities, raise awareness and organise workshops to support review and proposed changes to National Programme on Protected Areas and the Law on Special Protected Areas (and others, such as the Buffer Zone Law), and prepare copies of proposed draft law inputs and revisions and organize awareness raising activities involving Parliament members and government officials. The revised planning guidelines should include climate change adaptation strategies. The Nature Conservancy has developed a tool to integrate climate change considerations into protected area management planning, which can be used to incorporate climate change adaptation mechanisms into the Mongolian PA Network. The demonstration sites will function as pilot areas to adapt their management plans.

142. *Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.* The SPAN project will focus on the development and use of a unified and integrated PA management and budget plans. The framework will link functional management plans and priorities to the actual budget

⁴⁵ In the SPAN Team discussions with MoF in July 2009 there was indication that MNET and PAA system management plans and budget requests were rarely sufficient to justify further retention of any entrance fee or other revenues generated. It was communicated to the team that in order to avail of increased revenue retention for the PA system improved planning and budget/retention request documentation would be required.

plan submittals and resource use and operations plans. This will require PA directors to clarify PA objectives, define functional activities (across a consistent set of issues) and develop a clear set of cost requirements and budgets to conduct those activities and achieve the objectives. The objective will be to improve PA site based management and to develop consistent PA management plans and budgets (business plans) at the PA-level, the PAA-level, and the PA system-level and to optimize operations and resources across PAs within each PAA and across the system. The management planning will also ensure that PA management plans will include issues on climate change adaptation. This may also allow certain PA management functions or costs to be shared at a regional or at the whole system level.

143. In addition, The SPAN project will focus on the need to refine the PA entrance fee system in Mongolia. Currently, system-wide entrance fee rates are low and are not consistently collected, efforts to benchmark visitor sentiment reveals that there is room to adjust fees upward per visit., and to put more categories of fee in place for duration of stay, type of activities, etc. The project will develop a tourism revenue strategy, pilot higher tariffs in the order of \$5-10 per visit and will determine how to optimize collection of entrance fees at the **two (2)** demonstration PAs and assist PAA directors across the system with identifying management and infrastructure requirements. These strategies will determine resourcing so PA park rangers do not reduce their core duties in order to manage tourists.

144. In addition to assessing and identifying policy changes or refinements required to increase revenue generation and retention across the PA system, the SPAN project will assess and support new or refined policies to allow innovative, cost effective collaborative management approaches between PAs and appropriate partners.

145. *Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors.* The SPAN project will facilitate the development of a detailed system-wide financial needs analysis and financial strategy (covering at a minimum the existing 61 PAs in the national system) by the third year of the project. This will then be used to increase government expenditure allocated to the PA system. The analysis will reflect lessons and approaches from international best practices, and will – to the extent possible – be based on actual PA and PAA management plans and buffer zone needs and the future financial needs for the expansion of the PA system. The analysis will highlight specific financial gaps as well as outline possible new financial revenue models and mechanisms. By end of year two accounting systems will be designed and in place to track revenues, expenditures and performance.

146. In addition, As the PA system in Mongolia relies so heavily on donor and partner support and since other GoM agencies take decisions related to mining, development and other on issues related to the success of PAs in Mongolia it is important that the efforts of the MNET be informed by (and that MNET inform) and be coordinated with the ongoing efforts of the various stakeholders involved (e.g. international and national NGOs, aid agencies and donor organizations, local government, community groups, other national ministries, etc).

147. The SPAN project will support the PA Authority to launch a Mongolia PA Forum; coordinating initial set-up and periodic meetings throughout the duration of the SPAN project. It is expected that the PA Forum will become an important means to define roles and responsibilities for all stakeholders in PA management, including **the tourism and mining sector**, Buffer Zone Development Councils and *Soums*, coordinate resources (human, technical, financial) and efforts to support the success of the PA system and reduce threats to key biodiversity, habitats and ecosystems. The PA Forum will also serve as the primary means to communicate the efforts and outputs of the SPAN project broadly to relevant stakeholders, leading to wider replication of best practices. The Forum will also support development of the sustainable financing plan for the system and develop specific partnerships with the tourism and mining

sectors for enhanced participation of the sectors in supporting increased PA financing. The production sectors will be engaged to jointly discuss the PA management and financing issues at two levels, namely at the systemic level funding mechanisms establishment and at the local level to create mutually beneficial arrangements for the industry's support for individual PAs.

148. Sustainability of the Forum will be pursued by ensuring that such a forum is provided for in the legislative framework, thereby making the running of the forum a core function of the MNET. Throughout the project period, the Forum will act as a coordination mechanism as well as an advocacy tool and policy development platform. Raising public awareness and interest in PAs and fostering a better understanding of PAs' economic roles among the policy makers is expected to make it more likely that the forum will be sustained beyond the project.

149. **Outcome 2: Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system.** Under Outcome 2, the SPAN project will focus on developing institutional and staff capacity and arrangements within the PAA Department, and designing and delivering effective training and mentoring materials, approaches and programs within the PAA Departments and to improve Pa management and sustainable financing across the PA system. This outcome will also help to facilitate information management and a formal M&E program which will be the corner stone of an improving PA system and for further policy changes as required. It will also formalize important new staff position within MNET PAA department to oversee PA management and finance as well as launch a Mongolia PA Forum to coordinate various stakeholders and PA funders/investors. The outputs necessary to achieve this outcome are described below.

150. *Output 2.1: Training curricula and institutes are in place at national and local level for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives.* A training need assessment will be conducted across the system to direct and support the design of training and mentoring programs to include: management planning (incl. related technical issues), financing and budgeting, business planning, accounting, fee collection, tourism management, livelihood support, community consultations and partnership collaboration, etc. The training programs will be demonstrated first for all PA staff within the **two (2)** demonstration PAs. There will also be a component and training programme focused on training and mentoring the PAA directors in skills such as key areas such as management and budget planning, business planning and effective collaboration management.

151. The Project will work with academic institutions in the country in curriculum development as well as with GTZ supported projects working with vocational training centres to establish training programmes for rangers. A unit within the MNET will be identified to support its capacity to budget for training activities, liaise with training institutions, and ensure institutionalisation of training activities.

152. There will also be knowledge sharing workshops and missions within the PA system and – if appropriate – within PA systems of neighbouring countries. As part of this output a full training programme will be developed and maintained within the MNET PAA department and continuously used and refined to ensure staff have skills to allow PAs to achieve objectives. In addition the project will work with MNET to develop staff career development programs, allowing each staff to develop and pursue a personal development and annual training plan

153. National PA stakeholder workshops (at least half a day each) held during year 1 and 2 of the project on the following topics:

- PA management plans and budgeting

- Entrance fee collection system
- fund management
- Refining revenue retention law and practice
- Design of appropriate arrival (or departure) fees/taxes for use by PA system
- Mining royalties/funds for environmental and PA management.
- Collaborative management options

154. Guidance materials and methodologies will be developed and will be made available to MNET staff providing guidance and instruction on important aspects of co-management of protected areas. These materials will focus on the set-up and management of community interaction, establishment and institutional strengthening of Protected Area Management Boards and collaboration partners in the PAs, and effective utilization of Buffer Zone Councils and other partners in the buffer zone.

155. *Output 2.2: Financial and data management systems in place improving resource use across PA system.* A key gap in MNET institutional capacity is the lack of responsible staff for PA management and budget/finance. The SPAN project will hire a PA management expert and PA finance expert who will become de facto MNET staff (sitting within MNET offices) for the duration of the SPAN project (reporting jointly to the SPAN National Director and appropriate management within the PAA Department of the MNET). The project will ensure that the new institutional arrangements are put in place to enable the MNET to undertake appropriate analysis and provide national support for PA financing and will include the two positions. The project will also ensure that the expected budget increase will provide sufficient justification for absorbing the two positions in the MNET structure.

156. In addition, the project will devise effective monitoring and evaluation approaches at the individual PA and at the system level to assess performance against biological and socio-economic objectives and to inform policy decisions for PA management and financing. The M&E system will include use of the Management Effectiveness Tracking Tools (METT) and the UNDP Capacity and Financial Scorecards on an annual basis. The project will also work with MNET to develop a simple but effective knowledge-based data management system to capture financial data, staff performance, biological, socio-economic, etc. data to drive continuous improvements. A cost and revenue accounting system, linked to the budgeting requirements of each PA, will be established and operational for use by MNET.

157. *Output 2.3: Management, incentive and reporting systems in place.* This will ensure protected area directors, managers and staff have clear responsibilities and annual performance targets. Career development will depend on meeting those targets, which will include financial sustainability. The management system will also design guidelines for managing site tourism and fee collection in a manner that does not consume all the rangers' time, as well as guidelines to supervise organizations brought on to collaboratively manage specific protected areas.

158. **Outcome 3: Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites.** The project will focus on identifying, designing and initiating new innovative collaboration approaches and financing mechanisms and related efforts at the two (2) PA demonstration sites: Ikh Nart Nature Reserve and Orkhon Valley National Park (see Annex G for discussion on each). In particular, the project will evaluate ways to increase revenue through optimized entrance fees and fee collection, sustainable tourism services, land fee agreements with the government, and other financing opportunities.⁴⁶ The project will focus on strengthening the establishment and use of

⁴⁶ Specific mechanisms and revenue development at the PA site levels will include increases in entrance fees and capacity to collect, negotiations and establishment of appropriate land fee payments, partnerships with international (or capable national) institutions to raise increasing amounts of funding and technical assistance (this may include "Friends-of" style NGO

collaborative management approaches, initiatives and agreements as a means to reduce existing conflicts and negative impacts of resource use by these communities, contributing to overall improved and cost effective management of the PA system. Close linkages between demonstration activities and Outcome 1 and 2 will be assured. Enabling policy and legal framework for PA budgeting and financing as well as increased capacity of the MNET in financial planning and management is essential for sustainability of the increased revenue stream and cost effective PA management to be achieved in the demonstration sites. Simultaneously, the envisaged outputs under this outcome will act as test cases for refining and consolidating the outputs under the policy and institutional components. The outputs necessary to achieve this outcome are described below.

159. *Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites.* The project will support the development of approved and integrated management plans and budget plans for the two (2) demonstration PAs. By the end of year 2 of the project each PA will submit a new or newly refined management plans, and budget plans based on these, for approval to MNET. Each PA will also develop PA business plans, assessing new financing and collaboration efforts and mechanisms (including sustainable tourism plans, as well as revenue plans and projections). Lessons and approaches will be shared with all PAA directors through facilitated management plan, budgets and business plan workshops. As part of this process each PA will develop specific cost models/budgets in line with new management plans, including standard budget categories and scenario setting, etc. International best practices will be considered. Climate change adaptation measures will be incorporated.

160. In addition to PAs, the project will focus on creation and publication of “Management and Investment Guidelines for Buffer Zones” which will assist PAA directors, PA staff, Soum government and Buffer Zone Councils better understand the management requirements and approaches for Buffer Zones, as well as to implement effective management and budgeting plans, and to design effective BZ Funds and financing strategies. This approach will mirror the PA work outlined above.

161. *Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.* Mongolian PAs rely on a mix of state budgets, entrance fees and various other fees and donor aid to support costs. Many receive no funding. The focus of this output will be on developing both traditional (tourist fees, land fees, etc.) and non-traditional (concessions and biodiversity offsets from mining or other private sector activities, sustainable products, markets for ecosystem services, and other collaborative partnerships to offset costs and raise funds) sources of revenues for the PAs. Innovative revenue mechanisms and opportunities beyond existing ones will be researched, designed and implemented. Based on market intelligence and the business planning effort discussed above (including feasibility assessments), the SPAN team will work with MNET and PAA staff to explore, and where possible develop, the potential of such mechanisms. By end of year 1 the two (2) demonstration PAs will have completed detailed valuation studies for their PA resources, and comprehensive feasibility assessments and mechanism designs for one or more of the new financing mechanism options mentioned in Output 3.1 above. By year 3 finance mechanisms are implemented and revenue increases are realized and utilized for PA management. These new mechanisms will not diminish state budget allocations (which should also be assessed and maintained or raised).

162. In addition, the SPAN project will seek to scale-up similar efforts across the system by establishing a grant facility to award specific grants for finance mechanism proposal for specific and innovative finance options (feasibility assessments and implementation) in other (non-demonstration site)

relationships, and improved collaboration with communities, BZCs and local government to offset costs. The SPAN project will also work at the National level to enact arrival tax/fees, mining taxes/offsets, and improve the ability of Pas to retain revenues at the site.

PAs. A process for managing this grants mechanism will be set-up in year 1 of the project. By year 2 grants will be awarded to up to 3 projects per year to support feasibility and implementation activities.

163. PA System-level valuation studies conducted and options for increasing use of new financing options results in increased funds (i.e. mining royalties, departure taxes, etc). The SPAN team will actively coordinate with key stakeholders (GoM, The Asia Foundation, The Nature Conservancy, GTZ and mining companies) to define options, and effectively implement requirements, for capturing mining royalties and/or taxes to offset impacts on the National PA system.

164. *Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.* The SPAN project will work with the **two (2)** demonstration PAs and PAA Directors on cost effective collaboration opportunity assessments and the initiation of long term partnerships with institutions, NGOs and community groups. PA management boards will be formalized and in place for the **2** demonstration PAs, actively coordinating PA management and communities, as well as other stakeholders, to improve management of each PA. Also, The SPAN project will work with the PA management and MNET to coordinate support from the national tourism industry, and those tour operators within the **2** demonstration PAs, to actively support PA efforts and entrance and land fee systems for PA management. Finally, the SPAN project will assess whether formal agreements can be developed between PA demonstration sites and the MNET to allow partner management, or support, of the PA similar to what is happening in Hustai National Park and Ikh Nart Nature Reserve.⁴⁷

2.3 Project Indicators, Risks and Assumptions

165. The project indicators, risks, and assumptions, along with baseline and target situation are further detailed in the Logical Framework (attached in Section II of this document).

Table 7: Project Indicators

Objective / Outcomes	Indicators:	Target by end of project with the baseline as 2009 (unless specified otherwise),
Objective: To catalyze the management effectiveness and financial sustainability of	UNDP Financial Scorecard	Total Score: 40% ⁴⁸
	UNDP Capacity Scorecard	Total Score: 70%

⁴⁷ In the case of Ikh Nart Nature Reserve the local governments in Dalanjargal and Airag Soums have entered into an informal agreement (the MNET has not formally endorsed the agreement or approach) to jointly manage the Reserve along with partners at the Argali Research Center (ARC) and the Mongolia Conservation Coalition (MCC). Each of these local NGOs is supported directly by the Denver Zoological Foundation. In Hustai National Park the GoM has entered into an innovative collaborative management arrangement with an international NGO, the Hustai National Park Trust (HNPT). Established in 2003, the HNPT is responsible for the full management and financing of the Hustai National Park. SPAN will support efforts to optimize and formalize the arrangement and agreement with local partners.

⁴⁸ The SPAN team worked with MNET and other stakeholders to complete a comprehensive Financial Sustainability Scorecard (UNDP) assessment for the Mongolia National PA system. The outcomes revealed that the current score is 20% across all issues assessed. It was further estimated that the SPAN project could advance the sustainability of the National PA system and allow it to achieve approximately 40% within 5 years. In real terms this would result in significant improvements in both management and financial sustainability of the National PA system, while leaving much room for continued improvement going forward.

Mongolia's protected areas system.	Level of financing for PA system	Total PA system level financing increases by at least \$3 million/year (>100% increase). At least 1 meaningful system wide finance mechanism in place (e.g. landing fee, mining mitigation) combined with optimized PA site level revenues.
Outcome 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system	UNDP Financial Scorecard component 1: "Legal, regulatory and institutional frameworks"	Score (percentage) at the end of the project is at least 45%
	UNDP Capacity Scorecard components related to: "Capacity to conceptualize and formulate policies, legislations, strategies and programmes"	Score (numeric) at the end of the project is at least 7.0 (approx. 75%)
Outcome 2: Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system.	UNDP Capacity Scorecard components related to: "Capacity to implement policies, legislation, strategies and programmes"	Score (numeric) at the end of the project is at least 30.0 (approx 60%)
Outcome 3: Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites.	UNDP Financial Scorecard component 3: "Tools for revenue generation"	Score (percentage) at the end of the project is at least 35%
	Management Effectiveness of PAs totalling approximately 850,000 ha (METT)	Scores at (percentage) the end of the project are at least: Ikh Nart: 75% Orkhon: 55%

Table 8. Risks facing the project and the risk mitigation strategy

Risks	Risk status	Mitigation
GOM political will and operational commitment to refine and support the National Programme on Protected Areas and Law on Special Protected Areas is insufficient.	Medium	Whilst MNET and the PAA department have been relative low priorities within the GoM in terms of State Budget allocations and human resource capacity there is increasing efforts within MNET and also interest in Parliament to review and revise the relevant laws and policies affecting the management and success of the PA system.
Global economic crisis' affect on Mongolia will reduce National commitment to conservation and may limit revenue generation for PAs through tourism and other ideas	High	Whilst some impacts of the global economic crisis are felt in Mongolia, national commitment to conservation is not expected to decrease. Whilst international tourism may not increase significantly due to global economic crisis, the project's long term vision development, capacity building and institutional strengthening will ensure that Mongolia's PAs are is poised to benefit from tourism when the international visitor numbers do go up in future. Local PA revenues are not fully retained at the PA level. The percentage retained drops during GoM financial crises. In 2009 it is expected that PAs will retain 0% of their 2008 revenues (approximately \$715,000) over the approved revenue plan (approximately

Land use conflicts between stakeholders at landscape level will undermine project efforts	Medium	<p>\$153,000).</p> <p>The project's work on community involvement and in buffer zone areas management is expected to reduce conflicts. The project's work on institutional strengthening and PA staff capacity development will also focus on conflict resolution mechanisms and skills. There are still risks associated with the damages from expansion of cultivated land (in 2007 an additional 8.3 thousand hectares were added, making the total 2.5 percent of all cultivated land). Damage to pasture land is also a serious issue, with 700,000 ha added in 2007 to this category. Causes are livestock numbers exceeding carrying capacity, supported by the opening of additional water points that are available on an open access basis, as well as losses due to pests and mining activities. Policies and actions to address these are to a great extent outside the scope of the environment sector and require integrated actions involving the agricultural and other ministries (Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)).</p>
The inability to capitalize on previous Mongolia Environment Trust Fund in past will discourage project stakeholders in addressing PA finance issues	Medium	<p>The project will be built on past lessons in Mongolia and around the world. A trust fund which is specific for PAs (the METF was a broadly designed fund) is still desirable, however a Trust Fund is a mechanism and not a source of revenue. This project will focus primarily on developing the capacity and integrated management and financial planning necessary to demonstrate and convince all investors of the needs of the PA system in Mongolia. That said, the project will attempt to be realistic in its approach in what is feasible given the overall economic development of Mongolia, global economic conditions and wider donor interest in supporting such financing mechanisms. A promising new imitative to establish an ecological fund is currently being developed.</p>
High importance attached by some government agencies and some local governments on mineral exploration in and around undermines conservation efforts and, discovery of minerals threaten de-gazettement of PAs.	Medium to high	<p>Not all PAs are equally threatened by mining explorations. However, experience suggests that lack of adequate knowledge on PA boundaries and PA values have contributed to some local governments' allowing mineral explorations in and around PAs. The project's work on building partnerships at local level (local governments, communities and the private sector) and increasing transparency and knowledge is expected to reduce this risk. Introduction of biodiversity offsets to the government as an innovative approach may be used to mitigate some of the threats to biodiversity from mining. MNET is not supporting changes in the legislation that would allow mining in PAs.</p>
Coordination and collaboration from different government agencies on PA financing will not materialize	Medium	<p>Since PA financing must deal with issues also outside the remit of Ministry of Nature and Environment (including issues of finance, local governments etc.), strong support will be required from different government ministries. Almost all of the issues on sustainable financing of PAs are also relevant to other sectors (such as cost, revenue, transparency), so strong involvement and support is expected from other government agencies. The project will also continue to stress this in its development and implementation arrangements.</p>

2.4 Incremental reasoning and expected global, national and local benefits

166. The project addresses the main barriers that prevent Mongolia from achieving sustainable PA management, financing and environmental performance nationally. Under the “business-as-usual” scenario, Mongolia’s protected area system, which have significant global values, would remain poorly managed, under financed and would not effectively meet conservation objectives. The effectiveness of the protected area system would further suffer from institutional constraints as well as poorly developed financial planning systems.

167. Without the GEF support, continuing poor management of protected areas, driven by the lack of clear, objectives-led planning, weak operational capacity, underutilised PA models, and poorly resourced and allocated budgets will continue to hinder effective management of...

168. Under the alternative scenario, staff, institutional and systemic financial and operational barriers will be overcome and new management and budget models will be deployed, allowing for improved management and resource administration of the PA system. The consequent effective biodiversity conservation through sustainable PA management will also have a long-term cost-saving impact as high costs for remedial actions to biodiversity loss and degradation will be avoided.

Summary of costs: The total cost of the project, including co-funding and GEF funds, amounts to **US\$ 4,521,233.-**. Of this total, co-funding constitutes nearly 67% or **US\$3,021,233.-**. GEF financing comprises the remaining 33% of the total, or **US\$1,500,000**. The incremental cost matrix in the Project Document provides a summary breakdown of baseline costs and co-funded and GEF-funded alternative cost.

Expected global, national and local benefits

169. The project will have several global, national and local benefits. Without the GEF project, protected area management and financing in Mongolia will remain at a very basic level and will not be able to achieve their full conservation objectives, and not contribute to significant conservation of globally important biodiversity.

170. In terms of global benefits, improved PA management and sustainable financing will lead to better management of a PA estate in Mongolia greater than 21 million hectares in size. As noted in this document, there are significant global biodiversity and habitat values in Mongolia – much of which have been included into this formal PA system. Furthermore, global benefits to be derived come from the additional security that the PA system will enjoy in terms of predictable financing. This will improve the efficacy of protected areas as a mechanism to address threats against biodiversity in Mongolia. It will result in greater protection for significant populations of 40 endangered and vulnerable species that reside in Mongolia’s protected areas. The increased financing will also enable protected areas to better maintain their forests and reduce pressure from grazing, to make important contributions to combat desertification and reduce GHG emissions. These proposed project target areas will include Orkhon Valley National Park (92,957 ha), as well as the Ikh Nart Nature Reserve (43,740 ha is official, although current GIS data suggest it is actually 66,000 ha). These sites constitute more than **125,000** ha of globally important biodiversity sites. They contain globally important ecosystems and species such as the endangered snow leopard (*Uncia uncia*) and highly vulnerable populations of the Argali sheep (*Ovis ammon*), as well as

many last remaining populations of locally threatened species. The benefits of better conservation results will be realized directly in these PAs (although these benefits should also be seen as a global benefit as these are considered to be globally important sites).

171. National and local benefits of this project will stem from the conservation and sustainable use of natural resources in Mongolia's PAs – particularly as better ecosystem management in PAs is also expected to contribute to other improved ecosystem provision services such as better water qualities and adjacent grazing lands. Other national benefits of the project will be through the extensive capacity building activities of the project – from national to local levels. These are expected to help in achieving a number of national development (including conservation) objectives as well as global objectives. Improved cost-effectiveness of resource use and contributions to conservation from multiple sources (other than government) is also expected to lead to additional national benefits. Whilst the need for institutional and policy reforms and capacity building have been felt, without GEF support and specific expertise involved, they will not be undertaken with the same urgency as required. Work will continue to be done on ad hoc basis at site level on strengthening PA management and on addressing some issues of sustainable financing, but requisite comprehensive and systemic changes will not occur. Mongolia, with its relatively recent move to a free market economy lacks the overall capacities on sustainable financing of PAs. Therefore, without this GEF project intervention, PA finance related work will continue to largely deal with cost side of financing, and extremely limited work may be done on revenue generation aspects. The full potential of community and private sector engagement and contributions to PA financing will not be explored and opportunities will be lost to influence sectors such as the mining sector to better contribute to conservation in Mongolia. The project's activities will strengthen the overall policy, legal and institutional arrangements so that they are able to better address threats to biodiversity of global values and sustain their activities through strategic partnerships and sustainable financing. In addition to strengthening protected area management capacity and financing at national level, and improved PA-community interaction and collaboration across the system, the project will work at **two** target sites for demonstration purposes. Effective ecosystem management in protected areas is expected to lead to improved ecosystems services for local communities living in and around protected areas.

2.5 Country ownership: Country eligibility and drivenness

172. Eligibility: Mongolia ratified the CBD in June 12, 1992 to become a full member on September 30, 1993 and is therefore is eligible for GEF grants.

173. Country Drivenness: This project is Country Driven as it is in line with national policies and priorities identified under section 2.1 above. The project was identified as a high priority project and has been endorsed by the GEF Operational Focal Point in his letter to UNDP/GEF in 2008. The formulation of the project through extensive involvement of, and discussions with different government stakeholders and others has also ensured that the proposed project activities, outputs and outcomes have high national ownership. The co-funding committed by UNDP Mongolia and the MNET, as well as other partners, to this project is an added testament to the importance attached to this project.

174. The proposed project is consistent with Mongolia's vision of effective management of its natural resources – as laid down in Article 6.1 of the National Constitution of Mongolia (1992) to key laws such as on Environmental Protection (1995), the Law on Special Protected Areas (1994) and the Law on Buffer Zones (1997). The proposed project will assist the government to make further improvements in the relevant laws. It is also in line with the 1996 Biodiversity Conservation Action Plan (BAP) that highlighted the need to (1) Establish a complete protected area system representing all ecosystems and to protect endangered species; (2) Implement an effective environmental impact assessment program, and to; (3) Establish a research program to improve knowledge of biodiversity amongst other issues. The

National Program on Protected Areas (1998) also highlights the need for more effective management of existing PAs and to increase overall PA to cover at 30% of Mongolia’s territory. The country’s 2007 National Development Plan has identified the need to decrease rapid decline in its biodiversity.

2.6 Sustainability

175. Environmental sustainability: The project is considered environmentally sustainable as it is strengthening better management of protected areas and their financial sustainability through overall systemic capacity building at the national level and at specific site levels. The work done at three demonstration sites, in particular, will ensure environmental sustainability of those sites. The threats outlined in this document that affect the environmental sustainability of the PAs in Mongolia will be systematically addressed through the improved management and financing efforts of SPAN.

176. Financial sustainability: A baseline level of financial sustainability for the protected area system has been estimated during preparation of the present document using the UNDP Financial Scorecard. The final outcome of the UNDP Financial Scorecard (2008) was a total actual score of 19.4%. The Legal and Regulatory Framework (21.1%) and the Business Planning and Tools component (21.3%) scored higher than the Tools for Revenue Generation (15.5%) indicating a need to focus heavily on the latter, however the overall score are very low and each will be a focus for improvement.

Table 9: Mongolia UNDP Financial Scorecard Baseline vs. Proposed Targets

	Legal, Regulatory & Institutional	Business Planning & Tools	Revenue Generation Tools	Total Score
Total Possible Score	95	61	71	227
Actual Score (2008)	20	13	11	44
Target Score (2013)	43	27	25	95
Total Percentage Score (2008)	21.1%	21.3%	15.5%	19.4%
Target Percentage Score (2013)	45.3%	44.2%	35.2%	41.9%

177. This project has been designed to improve financial sustainability, with several outputs aimed at increasing each of these elements of financial sustainability. Under the alternative scenario, MNET will have the tools to identify and implement a range of management planning approaches and affordable and sustainable financing options and mechanisms for funding the planning and management of PAs. It is estimated that the overall UNDP Financial Scorecard for the PA system in Mongolia will rise from approximately 20% under the 2008 baseline to 40% under the alternative scenario. This project’s activities will, therefore, put the PA systems under path for financial sustainability. This will come about through an adjustment in the specific scores as presented in the following table.

178. Social sustainability: A key aspect of the project is on strengthening local stakeholders’ involvement in PA management – including local communities, Buffer Zone Councils, aimag/soum government, and the private sector. Their involvement at demonstration sites and subsequent replication of approaches developed by this project nationally is expected to strengthen social sustainability of Mongolia’s PAs. Inclusive approaches will be considered with regards to PA management planning, revenue generation, and overall benefits sharing. Specifically, community involvement and management

of Buffer Zones will be linked to improved management of the PA systems as well as alternative funding opportunities. The project will give strong emphasis on promoting gender equity in its actions, thereby further aiding social sustainability.

179. Institutional sustainability: The SPAN project is committed to developing MNET and other agency systems, structures and processes that will enable long term management of protected areas. The project is largely designed to be based on existing institutional arrangements. An important adjustment is the creation of the MNET PA management officer position and the MNET PA finance officer position. These individuals, SPAN employees initially, are intended to become full time positions within the MNET to manage ongoing efforts beyond the life of the SPAN project. The MNET has been fully engaged in design discussions and is committed to the process of PA management and financing improvements outlined in this document. Efforts to raise MNET's staff and institutional capacities will help to ensure that follow-up efforts are undertaken professionally and cost effectively. In order to ensure that it will continue to meet its mandates to conserve biodiversity and effectively manage the national PA system, and also act on its goals for expanding and improving the system, the MNET is committed to the SPAN project as means to help it to innovate and improve.

2.7 Replicability

180. The project's approach to strengthening overall PA management effectiveness and PA financing will be replicable to other countries in the region and other parts of the world too. Lessons from this project will be available to other nations through websites, publications and lessons sharing through the government, the GEF and UNDP. UNDP and GEF are supporting similar PA financing projects in Asia (for example Thailand, China, and Vietnam) and replication of successful approaches in Mongolia could be of interest to these countries. Within the project, many activities will focus on testing and demonstrating specific approaches in five demonstration sites. The project has built in mechanisms so that lessons from the demonstration sites are learnt and disseminated throughout the PA system – through PAA Director Involvement and training in system level capacity building efforts as well as through workshops and seminars open to other PA staff related to aspects of improved management and financial planning, business planning, and revenue generation. The SPAN project will involve peer review of actions by other PAA directors and PA staff at demonstration sites (please see section on M&E).

181. The SPAN project will seek to scale-up revenue generation efforts across the system specifically by establishing a grant facility to award specific grants for finance mechanism proposal for specific and innovative finance options (feasibility assessments and implementation) in other (non-demonstration site) PAs. The SPAN project will also launch a Mongolia PA Forum coordinating initial set-up and periodic meetings throughout the duration of the SPAN project. It is expected that the PA Forum will become an important means to coordinate resources (human, technical, financial) and efforts to support the success of the PA system and reduce threats to key biodiversity, habitats and ecosystems. The PA Forum will also serve as the primary means to communicate the efforts and outputs of the SPAN project broadly to relevant stakeholders.

182. It is important to note that the project will be more cost effective than investing largely on PA expansion now, rather than addressing the issues of “fixing the basics” – including the management effectiveness of PAs in addressing pressures to biodiversity and sustainable financing. This is because Mongolia already has an extensive PA estate that is not being managed effectively. Focus on PA expansion without such actions will mean that biodiversity in existing and planned PAs will continue to be degraded and lost. This means that future remedial actions to biodiversity loss and degradation will be

greater. It is, therefore, more cost-effective to ensure sustainable and effective management financing of existing PAs so that such future costs are avoided. The focus on sustainable financing will also be more cost effective than the baseline scenario of largely government or GEF funding of PAs as local government, the private sector and the local communities are expected to reduce threats to biodiversity and contribute more to conservation actions. The more inclusive PA management models this project seeks to promote is also expected to lead to cost-effective use of resources resulting from increased transparency and accountability of PA managers.

3. PROJECT RESULTS FRAMEWORK:

Part I: Project Logical Framework

Project Strategy	Objectively verifiable indicators	Baseline	Target	Sources of verification	Assumptions
Objective: To catalyze the management effectiveness and financial sustainability of Mongolia's protected areas system.	UNDP Financial Scorecard	Total Score: 19.4%	Total Score: 40%	Completed UNDP Financial Scorecards	GOM maintains political will and operational commitment to refine and support the National Programme on Protected Areas and Law on Special Protected Areas. GoM maintains budget allocation level for PAA system and supports capacity improvements. Stated project co-financing commitments are maintained.
	UNDP Capacity Scorecard	Total Score: 49.5%	Total Score: 70%	Completed UNDP Capacity Scorecards	
	Level of financing for PA system	Low - PA revenue limited to State Budget funds and limited site revenues from entrance fees, fines and related sources. Donor funds for short term projects in some PAs	Total PA system level financing increases by at least \$3 million/year (>100% increase). System finance mechanism (e.g. arrival fee, mining mitigation) combined with new revenues at PAs.	Revenue reports and financial mechanism plans (also, see reference to business plans below)	
Outcome 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system	UNDP Financial Scorecard component 1: "Legal, regulatory and institutional frameworks"	21.1%	Score (percentage) at the end of the project is at least 45%	Score card assessment	
	UNDP Capacity Scorecard components related to: "Capacity to conceptualize and formulate policies, legislations, strategies and programmes"	4.92 (approx. 55%)	Score (numeric) at the end of the project is at least 7.0 (75%)	Score card assessment	
Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. This approach is enshrined in national legislation.	Approved policy and legislation related to management plans, budgets, and revenue retention and land fees.	Integrated management plan and financial (budget) framework not legally required. Existing laws conflict or vague about revenue generation options and retention, and also land fee assessment and use for PAs.	National Programme on PAs and Law on SPA require PA management planning and budgeting. PAs retain substantial proportion (75% or more) of site-based revenues.	Management plans and budgets. Revenue retention / allocation records. Land fee law and records.	Regulations are approved and institutional capacity and frameworks to implement are in place
Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and	UNDP Financial Scorecard component 2: "Business planning and tools for cost-effective	21.3% System-wide entrance fee	Score at the end of the project is at least 44%	Score card assessment Entrance fee schedules	

Project Strategy	Objectively verifiable indicators	Baseline	Target	Sources of verification	Assumptions
introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.	management” Entrance fee levels and collection rates.	rates are low. Entrance fees are not consistently collected.	Total PA revenues from entrance fees increase by \$150,000 (>100% over baseline)	Entrance fee revenue records	
Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors	Detailed system-wide financial needs analysis. Existence of Mongolian PA Forum to coordinate lobbying/advocacy and donor funds, among other things.	PA system financial analysis (for all 61 PAs) does not exist. PA system coordination and dialogue between stakeholders (including MNET and aimag and soum agencies) is ad hoc at best and no such PA forum exists.	PA system financial analysis clarifies financial needs and priorities by year 2 Accounting systems in place track revenues, expenditures and performance by year 3. PA Forum facilitated by SPAN and MNET.	Analysis PA system-wide accounting system PA Forum meeting minutes.	Such an analysis will be completed against PA and PAA management plans for the PA system
Outcome 2: Institutional and staff capacities are in place to effectively manage and govern the national PA system.	UNDP Capacity Scorecard components related to: “Capacity to implement policies, legislation, strategies and programmes”	24.26 (approx. 50%)	Score (numeric) at the end of the project is at least 30.0 (60%)	Score card assessment	GoM commits to capacity development.
Output 2.1: PA staff have access to training facilities at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives	Proportion of PA managers and staff trained in essential skills.	MNET does not have a capacity building or training program. No PA managers trained in issues such as management planning, business planning, or budgeting.	MNET has a formal capacity building and training program at all levels. Staff at 50% of PAs trained in key skills by year 3; by end of the project this is 70%.	Project reports/ training reports Training materials and program.	Training and mentoring needs assessed and understood Skills development through a blend of training, mentoring, knowledge sharing missions

Project Strategy	Objectively verifiable indicators	Baseline	Target	Sources of verification	Assumptions
Output 2.2: Financial specialists and data management systems in place improving resource use across PA system.	Presence of MNET PAA Department Finance Capacity specialists / unit with skills and capacity to manage PA system.	Current staff within MNET PAA Department are not focused on effective management or financial planning.	PA management and finance experts hired in year 1 of SPAN project.	Staff hired.	GoM commits to maintain new staff as part of a Capacity unit to manage the capacity building programs for MNET (including PA planning, budgeting and tourism management at PA sites) and arrangements.
	Resource allocation properly allocated based on clear need and priority as determined by management plans.	Allocations are not based on need.	PA system budgets based on need outlined in approved management plans.	Budget allocation records and management plan requests.	
	Presence of M&E system and data / information management system supports effective and adaptive management of PAs	No M&E system exists. No knowledge-based data management system in place.	Effective M&E and system is in place. Operational and cost comparisons between sites allow for continued improvement of resource allocations.	M&E system and assessment results. Databases. Operational and cost comparisons among PAs.	
Output 2.3: Management, incentive and reporting systems in place	Performance evaluations in place to encourage continuous improvements in management.	No performance evaluations or incentives in place for revenue generation or otherwise.	Annual performance evaluations for MNET staff provide incentives and increases staff retention.	Performance reviews.	
Outcome 3: Demonstration of Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites lead to better conservation outcomes	Core zones of at least 150,000 ha protected from overgrazing by domestic animals' in demonstration PAs	0%	100%	PA management plan effectiveness reviews	Demonstrations are an effective way of supporting the development of new policy and procedures New national policies allow increased revenue and retention at PA level Local political support for
	Increase in argali population at demonstration sites	To be established at project inception	10%	Population studies	
	UNDP Financial Scorecard component 3: "Tools for revenue generation"	15.5%	Score (percentage) at the end of the project is at least 35%	Score card assessment	

Project Strategy	Objectively verifiable indicators	Baseline	Target	Sources of verification	Assumptions
	Management Effectiveness of PAs totalling approximately 850,000 ha (METT)	Ikh Nart: 61 (60%) Orkhon: 38 (37%)	Scores at (percentage) the end of the project are at least: Ikh Nart: 75% Orkhon: 55%	Application and use of METT in line with the monitoring and evaluation component of the project	demonstrations
Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites.	Presence of approved and integrated management plans and budget plans	Management plans exist for approximately 25-30% of PAs (6 PAAs) Management plans not integrated with budgets plans	2 demo PAs complete and submit annual and 5-year management and budget plans by year 3. Approved PA budgets based on management plans and common criteria.	Management and budget plans	System-wide data exists in order to conduct an initial system wide analyses (draft management plans, etc) Improvements in PA financial projections provide information on financial needs. Business plans for effective management and financing include assessing new financing mechanisms, including sustainable tourism plans, as well as revenue plans and projections.
	Presence of PA business plans.	No PA business plans, nor related needs and revenue assessments, in place.	Business plans for 2 demo PAs by year 3. Lessons, methods and approaches are shared across the PA system	Business plans, feasibility studies, income statements.	
Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.	Presence of Financing mechanisms. Increased resources and investment.	PAs rely on a mix of state budgets, entrance fees and various other fees and donor aid (most receive little, many realize none) Limited traditional finance mechanisms exist. No feasibility or valuation studies in place for PA system.	The 2 demo PAs identify finance mechanisms by end of year 1; design and implement best option(s) by year 3 (with positive net returns). Grant facility for finance mechanism proposals from non-demo PAs in place by end of year 1; award 1-3 grants per year by end of year 2. PA valuation studies guide new financing mechanisms (i.e. mining royalties, departure taxes,	Mechanisms in place Feasibility / valuation studies Grant facility	System-level funding mechanisms support site level budget increases and revenue retention. New revenue sources and mechanisms do not diminish state budget allocations (which are maintained or raised).

Project Strategy	Objectively verifiable indicators	Baseline	Target	Sources of verification	Assumptions
			etc).		
<p>Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.</p>	<p>Collaboration opportunity assessments.</p> <p>Collaborative management approaches.</p>	<p>Long term partnerships with institutions and communities are rare and underutilized.</p> <p>Establishment of PA management boards in 2 demonstration PAs to improve collaboration and PA management.</p>	<p>2 demonstration PAs actively collaborating with communities and institutions for relevant conservation activities</p> <p>PA Management Boards in place at 2 demo sites improve coordination with stakeholders</p>	<p>Collaboration agreements.</p> <p>PA management board records.</p> <p>Relevant laws and regulations refined to support improved collaboration and management of PAs by NGOs, etc.</p>	<p>Collaboration and PA management boards are facilitated and supported by MNET and local governments</p>

Part II: Incremental Cost Matrix

Cost/Benefit	Baseline (B)	Alternative (A)	Incremental costs (A-B)
<p>Global Benefits</p>	<p>Under the “business-as-usual” scenario, Mongolia’s protected area system, which have significant global values, would remain poorly managed, under financed and would not effectively meet conservation objectives, leading to a net-loss of globally important biodiversity. Related, international support for Mongolia’s global biodiversity conservation – such as through the GEF and other important donors - will continue to face systemic weaknesses in management and policy barriers nationally, which individual PA management projects cannot effectively address. The resource utilization will not be cost-effective and would not leverage significant support from other stakeholders.</p> <p>Few funding sources besides government, donor, and tourism fees currently exist for the PA system. GoM State Budget allocation increases will not be realized as budget plans consistently under-value and communicate need.</p> <p>The current status of management practices, which do not have clear management objectives, plans and resource allocations based on them, will continue and their ability to pursue improvements will continue to be challenged, and effective financial strategies will not be effectively pursued.</p>	<p>Under the alternative scenario, capacity, financial, policy and operational barriers will be overcome and new management and budget models will be deployed, allowing for improved management and resource administration throughout the PA system, resulting in protection and maintenance of global biodiversity values, including the share of ecosystems services benefits.</p>	<p>Barriers to management and financial sustainability have been removed. Reduced risks of loss of globally threatened and endemic species and habitats. Continued global existence values and global options values to sustainably utilize and benefit from biodiversity maintained. Lessons of wider international relevance identified and disseminated.</p>
<p>Local/National Benefits</p>	<p>Reduced ecosystem services derived from ecosystems due to habitat damage, negative impacts on intra-species and inter-species population structures and pollution.</p> <p>Lack of cost effectiveness in PA management and poor stakeholders’ involvement will also have negative impacts on local and national development – as there will be inefficiencies in resource utilization and parks-people conflict will continue.</p>	<p>Under the alternative scenario, Mongolia will benefit from medium-long term increases in improved ecosystem services and other economic benefits from the PA system, increased ecosystem resiliency and improved management of national natural resources.</p>	<p>The legal and institutional basis for sustainable PA financing is set; systems structures and procedures for improved management, budget allocation, revenue generation and retention and management effectiveness are established; cost effective management is enhanced, and financially viable investments are identified and supported.</p>

Cost/Benefit	Baseline (B)	Alternative (A)	Incremental costs (A-B)
Outcome 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system.	MNET: 0 Sub-total: \$0	MNET: 176,975 GEF: 398,730 UNDP: 161,400 Others: 607,621 Sub-total: \$1,344,726	MNET: 176,975 GEF: 398,730 UNDP: 161,400 Others: 607,621 Sub-total: \$1,344,726
Outcome 2: Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system.	MNET: 0 Sub-total: \$0	MNET: 70,790 GEF: 285,000 UNDP: 130,900 Others: 457,621 Sub-total: \$ 944,311	MNET: 70,790 GEF: 285,000 UNDP: 130,900 Others: 457,621 Sub-total: \$ 944,311
Outcome 3: Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites.	MNET: 0 Sub-total: \$0	MNET: 106,185 GEF: 543,540 UNDP: 261,650 Others: 657,616 Sub-total: \$1,568,991	MNET: 106,185 GEF: : 543,540 UNDP: 261,650 Others: 657,616 Sub-total: \$1,568,991
Project Management	MNET: 0 Sub-total: \$0	MNET: 146,050 GEF: 136,360 UNDP: 146,050 Others: 0 Sub-total: \$428,460	MNET: 146,050 GEF: 136,360 UNDP: 146,050 Others: 0 Sub-total: \$428,460
Cost Totals	MNET: 0 TOTAL: \$0	MNET: 500,000 GEF: 1,363,630 UNDP: 700,000 Others: 1,722,858 TOTAL: \$4,286,488	MNET: 500,000 GEF: 1,363,630 UNDP: 700,000 Other: 1,722,858 TOTAL: \$4,286,488

TOTAL BUDGET AND WORKPLAN

Part I: Total Budget and Work Plan

Award ID:	00059380
Project ID:	00074228
Award Title:	PIMS 4180 BD FSP: Strengthening of the Protected Area Networking system in Mongolia (SPAN)
Business Unit:	MNG10
Project Title:	PIMS 4180 BD FSP: Strengthening of the Protected Area Networking system in Mongolia (SPAN)
Implementing Partner (Executing Agency)	Ministry of Nature and Environment, and Tourism (MNET) / Special Protected Area Administration Department

GEF Outcome/Atlas Activity	Responsible Party/ Agent	Fund ID	Donor Name	Atlas Budgetary Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)
OUTCOME 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system.			GEF		International Consultants	51,000	36,000	21,000	21,000	9,000	138,000
					Local Consultants	19,200	15,000	15,000	14,400	10,500	74,100
					Contractual services	20,000	13,630	-	-	-	33,630
					Travel	14,000	16,000	16,000	16,000	16,000	78,000
					Supplies	-	-	-	-	-	-
					Miscellaneous	15,000	15,000	15,000	15,000	15,000	75,000
					Sub-Total GEF	119,200	95,630	67,000	66,400	50,500	398,730
			UNDP Mongolia		International Consultants	21,000	12,000	15,000	9,000	9,000	66,000
					Local Consultants	20,400	17,100	20,400	20,400	17,100	95,400
					Contractual services	-	-	-	-	-	-
					Travel	-	-	-	-	-	-
					Supplies	-	-	-	-	-	-
					Miscellaneous	-	-	-	-	-	-
	Sub-Total UNDP Mongolia	41,400	29,100	35,400	29,400	26,100	161,400				
	Sub-Total Outcome 1	160,600	124,730	102,400	95,800	76,600	560,130				
OUTCOME 2: Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system.			GEF		International Consultants	15,000	15,000	9,000	9,000	3,000	51,000
					Local Consultants	13,200	10,500	10,200	8,700	8,400	51,000
					Contractual services	30,000	20,000	20,000	10,000	-	80,000
					Travel	9,500	15,500	8,500	8,500	11,000	53,000
					Supplies	-	-	-	-	-	-
					Miscellaneous	10,000	10,000	10,000	10,000	10,000	50,000
				Sub-Total GEF	77,700	71,000	57,700	46,200	32,400	285,000	
			UNDP Mongolia		International Consultants	12,000	3,000	3,000	3,000	12,000	33,000
					Local Consultants	20,900	17,600	20,900	20,900	17,600	97,900
	Contractual services	-		-	-	-	-	-			

				Travel	-	-	-	-	-	-
				Supplies	-	-	-	-	-	-
				Miscellaneous	-	-	-	-	-	-
				Sub-Total UND Mongolia	32,900	20,600	23,900	23,900	29,600	130,900
				Sub-Total Outcome 2	110,600	91,600	81,600	70,100	62,000	415,900
OUTCOME 3: Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites.			GEF	International Consultants	54,000	33,000	24,000	21,000	9,000	141,000
				Local Consultants	31,500	29,100	27,000	25,500	22,800	135,900
				Contractual services	10,610	10,610	10,610	10,610	10,610	53,050
				Travel	43,500	43,500	43,500	40,500	13,000	184,000
				Supplies	-	-	-	-	-	-
				Miscellaneous	5,918	5,918	5,918	5,918	5,918	29,590
				Sub-Total GEF	145,528	122,128	111,028	103,528	61,328	543,540
			UNDP Mongolia	International Consultants	36,000	27,000	15,000	9,000	3,000	90,000
				Local Consultants	37,100	29,700	37,100	37,100	29,700	170,700
				Contractual services	190	190	190	190	190	950
				Travel	-	-	-	-	-	-
				Supplies	-	-	-	-	-	-
				Miscellaneous	-	-	-	-	-	-
Sub-Total UNDP Mongolia	73,290	56,890		52,290	46,290	32,890	261,650			
Sub-Total Outcome 3	218,818	179,018	163,318	149,818	94,218	805,190				
PROJECT MANAGEMENT & PROJECT M&E.			GEF	International Consultants	-	15,000	-	-	15,000	30,000
				Local Consultants	5,250	8,450	5,250	5,250	8,450	32,650
				Contractual services	-	-	-	-	-	-
				Travel	5,000	10,500	5,000	5,000	10,500	36,000
				Supplies	7,542	7,542	7,542	7,542	7,542	37,710
				Miscellaneous	-	-	-	-	-	-
				Sub-Total PM GEF	17,792	41,492	17,792	17,792	41,492	136,360
			UNDP Mongolia	International Consultants	-	15,000	-	-	15,000	30,000
				Local Consultants	7,750	11,750	7,750	7,750	14,550	49,550
				Contractual services	-	-	-	-	-	-
				Travel	10,000	15,500	10,000	10,000	21,000	66,500
				Supplies	-	-	-	-	-	-
				Miscellaneous	-	-	-	-	-	-
Sub-Total PM UNDP Mongolia	17,750	42,250		17,750	17,750	50,550	146,050			
Total Project	35,542	83,742	35,542	35,542	92,042	282,410				
TOTAL PROJECT (GEF & UNDP Mongolia)					525,560	479,090	382,860	351,260	324,860	2,063,630

Summary of Funds^[1]:

Responsible Party/ Implementing Agent	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)
GEF	360,220	330,250	253,520	233,920	185,720	1,363,630
UNDP Mongolia	165,340	148,840	129,340	117,340	139,140	700,000
MNET / Government of Mongolia	100,000	100,000	100,000	100,000	100,000	500,000
GTZ	200,000	200,000	200,000	200,000	200,000	1,000,000
Denver Zoological Society	100,000	100,000	100,000	100,000	100,000	500,000
WWF Mongolia	74,286	74,286	74,286	-	-	222,858
TOTAL	999,846	953,376	857,146	751,260	724,860	4,286,488

^[1] Summary table should include all financing of all kinds: GEF financing, co-financing, cash, in-kind, etc.

Part II: Budget Notes

General Cost Factors:

The budget and budget notes reference US dollars. The budget assumes average unit costs for the most common cost items as provided below. Other costs are determined on a case-by-case basis.

International Consultant (per week)	\$ 3,000
Local Consultant (per week)	\$ 300
International Travel (per trip)	\$ 4,000
Local Travel (per trip)	\$ 500

Outcome 1: Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system. Activities will include:

- Facilitate a working group to assess National Program on PA and propose clear and comprehensive changes
- Assess and determine necessary revisions to Law on SPA
- Work with Parliament and GoM for effective revision of National Programme on PAs and Law on SPA revisions
- Develop standard PA management plan and budgeting framework for approval and use by MNET (including stakeholder and expert workshops and dialogues as required)
- Design and implement PA system financial needs analysis
- Accounting systems designed and in place to track revenues, expenditures and performance.
- Assess system-wide financing options
- Determine and raise entrance fee levels and enact new entrance fee system to collect more visitor fees
- Policy/legal review, needs assessments, and recommended law revisions to increase ability of PAs to generate and retain revenue

1. International Consultants A total of 68 weeks (\$138,000 GEF) (\$66,000 UNDP Mongolia) during life of project. International consultants will be used to lead/assist with the following activities:

- Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. This approach is enshrined in national legislation.
- Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.
- Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors.

2. *Local Consultants*: A total of 677 weeks (\$74,100 GEF) (\$95,400 UNDP Mongolia) during life of project. Local consultants will be used to lead/assist with the following activities:

- Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. This approach is enshrined in national legislation.
- Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.
- Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors.

3. *Contractual services*:

- Vendor 1: Design MNET accounting and budgeting architecture design – Output 1.1. (\$33,630 GEF)
- Vendor 2: Design of IT data base and capture system for MNET - Output 1.3.
- Vendor 3: PA Forum facilitation and a Communication strategy and its implementation - Output 1.3.

4. *Travel*: A total of 10 international trips and 76 local trips for national and international consultants (\$78,000 GEF).

5. *Supplies, equipment, printing, communications, mail, etc.* (\$0)

6. *Miscellaneous*: Guide-related costs, Workshop facilitation (x6) and unforeseen expenditures related to inflation, raises, foreign exchange, etc. (\$75,000 GEF).

Outcome 2: Institutional and staff capacity and arrangements are in place to effectively manage and govern the national PA system. Activities will include:

- Conduct training and mentoring needs assessment for PA management planning and budget planning, and PA business planning
- Develop training and related materials
- Conduct training on PA management planning and budget planning across PAA system
- Conduct training on business planning for 2 demonstration PAs
- Develop mentoring modules and capacity development programs as formal function of MNET
- At least 6 specific National PA stakeholder workshops (at least half a day each) held during year 1 and 2.
- Establish new MNET PA management and finance capacity positions – hire staff (first 5 years under SPAN salary)
- Develop knowledge sharing and transfer / study program
- Develop and launch PA Forum and communication strategy; facilitate periodic meetings
- Develop information database for PA system (biological, socio-economic, etc)
- Design PA monitoring and evaluation M&E system

1. *International Consultants* A total of 28 weeks (\$51,000 GEF) (\$33,000 UNDP Mongolia) during life of project. International consultants will be used to lead/assist with the following activities:

- Output 2.1: PA staff have access to training facilities at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives
- Output 2.2: Financial specialists and data management systems in place improving resource use across PA system.
- Output 2.3: Management, incentives, and reporting systems in place.

2. *Local Consultants* A total of 615 weeks (\$51,000 GEF) (\$97,900 UNDP Mongolia) during life of project. Local consultants will be used to lead/assist with the following activities:

- Output 2.1: PA staff have access to training facilities at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives
- Output 2.2: Financial specialists and data management systems in place improving resource use across PA system.
- Output 2.3: Management, incentives, and reporting systems in place.

3. *Contractual services:*

- Vendor 4: Training, mentoring, and capacity building program materials and guides and related tools – Output 2.1 and 2.2 (\$80,000 GEF).

4. *Travel:* 7 international trips and 50 local trips (\$53,000 GEF).

5. *Supplies, equipment, printing, communications, mail, etc.* (\$0)

6. *Miscellaneous:* Training- and development-related costs and unforeseen expenditures related to inflation, raises, foreign exchange, etc. (\$50,000 GEF).

Outcome 3: Sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites. Activities will include the following:

- Develop integrated management and finance (budget) plans for 2 PA demonstration sites (2PAs)
- PA system economic valuation study
- Conduct PA cost and financial needs analysis (based on management plans) (3PAs)
- Conduct business planning, including feasibility assessment of specific financing mechanisms (3 PAs)
- Design and implementation specific finance mechanisms (3 PAs)
- Grant facility for finance mechanism proposals in other (non-demo site) PAs in place in year 1 of the project. By year 2 grants will be awarded to up to 3 projects per year to support feasibility and implementation activities.

- Conduct review of collaboration best practices and develop guidance and training materials for collaborations
- Develop or strengthen PA site-based collaboration and partnerships for management and cost effectiveness (2 PAs)
- Establish PA Management Boards (3 PAs)

1. International Consultants A total of 77 weeks (\$141,000 GEF) (\$90,000 UNDP Mongolia) during life of project. International consultants will be used to lead/assist with the following activities:

- Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites.
- Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
- Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.

2. Local Consultants A total of 1,398 weeks (\$135,900 GEF) (\$170,700 UNDP Mongolia) during life of project. Local consultants will be used to lead/assist with the following activities:

- Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites.
- Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
- Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.

3. Contractual services:

- Vendor 5: Tourism willingness-to-pay study – Output 3.2
- Vendor 6: PA system economic valuation study – Output 3.1 and 3.2
- Project Field Coordinator – Ikh Nart (\$53,050 GEF) (\$950 UNDP Mongolia)

4. Travel: 20 international trips and 208 local trips (\$184,000 GEF).

5. Supplies, equipment, printing, communications, mail, etc. (\$0)

6. Miscellaneous: Training- and development-related costs and unforeseen expenditures related to inflation, raises, foreign exchange, etc. (\$29,590 GEF).

Project Management & M&E:

1. International Consultants A total of 20 weeks (\$30,000 GEF) (\$30,000 UNDP Mongolia) during life of project. International consultants will be used to lead/assist with the following activities:

2. *Local Consultants* A total of 563 weeks, (\$32,650 GEF) (\$49,550 UNDP Mongolia) during life of project. Local consultants will be used to lead/assist with the following activities:

3. *Contractual services* (\$0):

4. *Travel*: 5 international trips and 165 local trips (\$36,000 GEF) (\$66,500 UNDP Mongolia).

5. *Supplies, equipment, printing, communications, mail, etc.* (\$37,710 GEF) (\$96,050 MNET/GoM)

6. *Miscellaneous*: Training- and development-related costs and unforeseen expenditures related to inflation, raises, foreign exchange, etc. (\$50,000 MNET/GoM)

SECTION IV: ADDITIONAL INFORMATION

Part I: Other agreements

- Co-funding letter from MNET
- Co-funding letter from UNDP Mongolia
- Other co-funding letters (GTZ, WWF and Denver Zoo)

Part II: Terms of References for Key Project Staff

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
For Project Management			
Project Coordinator (local)	260	400	<ul style="list-style-type: none"> Supervise and coordinate the project to ensure its results are in accordance with the Project Document and the rules and procedures established in the UNDP Programming Manual; Assume primary responsibility for daily project management - both organizational and substantive matters – budgeting, planning and general monitoring of the project; Coordinate closely with and undertake any other actions related to the project as requested by UNDP or the MNET Project Manager; Maintain regular contact with UNDP Country Office and the MNET Project Manager on project implementation issues of their respective competence; Ensure adequate information flow, discussions and feedback among the various stakeholders of the project; Ensure adherence to the project’s work plan, prepare revisions of the work plan, if required; Oversee and manage policy related development and matters related to the project, including Chairing the proposed Mongolian PA Forum; Assume overall responsibility for the proper handling of logistics related to project workshops and events; Prepare necessary GEF project progress reports, as well as any other reports requested by the Executing Agency and UNDP; Prepare, and agree with UNDP on, terms of reference for national and international consultants and subcontractors; Guide the work of consultants and subcontractors and oversee compliance with the agreed work plan; Monitor the expenditures, commitments and balance of funds under the project budget lines, and draft project budget revisions; Assume overall responsibility for the meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping; Liaise with project partners to ensure their co-financing contributions are provided within the agreed terms; Assume overall responsibility for reporting on project progress vis-à-vis indicators in the Logframe.
Senior Project Officer – PA Management	260	200	<ul style="list-style-type: none"> Develop and secure consensus on Mongolia PA management guidelines and template for all PAs and PAA offices; Coordinate with Senior Project Officer – PA Financing to ensure integration of management planning and budget

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
(local)			<p>planning within PA system;</p> <ul style="list-style-type: none"> • Coordinate policy efforts to ensure PA management guidelines and requirements are referenced in appropriate laws and regulations; • Lead effort to develop comprehensive management plans for 2 demonstration sites and to replicate and deliver materials and guidelines to all PAs and PAA offices; • Convene and facilitate management planning workshops; • Develop training and mentoring materials and MNET professional development programs; • Support development of PA management boards within 3 demonstration PAs; • Ensure collection of relevant data necessary to use in the Management Effectiveness Tracking Tools (METT) in 3 demonstration PAs and oversee the initial use of the METT for all PAs; • Coordinate closely with and undertake any other actions related to the project as requested by the Project Coordinator or the MNET Project Manager; • Ensure adequate information flow, discussions and feedback among the various stakeholders of the project; • Ensure adherence to the project's work plan, prepare revisions of the work plan, if required; • Prepare necessary project reports, as well as any other reports requested by the Project Coordinator;
Senior Project Officer – PA Financing (local)	260	200	<ul style="list-style-type: none"> • Develop and secure consensus on Mongolia PA budget and financial analysis guidelines and template for all PAs and PAA offices; • Coordinate with Senior Project Officer – PA Management to ensure integration of management planning and budget planning within PA system; • Coordinate policy efforts to ensure PA budget guidelines and requirements are referenced in appropriate laws, resolutions and regulations; • Lead effort to develop comprehensive budget plans for 2 demonstration sites and to replicate and deliver materials and guidelines to all PAs and PAA offices; • Convene and facilitate budget planning and financial analyses workshops; • Develop training and mentoring materials and MNET professional development programs; • Design and lead National PA system cost and financial needs analysis; • Develop PA business planning training materials and guidelines;

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
			<ul style="list-style-type: none"> Assess system wide financing options and support development of new financing opportunities; Lead business planning efforts in 2 demonstration PAs; Coordinate closely with and undertake any other actions related to the project as requested by the Project Coordinator or the MNET Project Manager; Ensure adequate information flow, discussions and feedback among the various stakeholders of the project; Ensure adherence to the project's work plan, prepare revisions of the work plan, if required; Prepare necessary project reports, as well as any other reports requested by the Project Coordinator;
Project Field Coordinator – Ikh Nart	260	150	<ul style="list-style-type: none"> Coordinate all aspects of the Ikh Nart demonstration project; Convene and facilitate management and budget planning with Senior Officers; Coordinate training sessions and site workshops; Ensure adequate information flow, discussions and feedback among the various stakeholders of the project; Ensure adherence to the project's work plan, prepare revisions of the work plan, if required Prepare necessary project reports, as well as any other reports requested by the Project Coordinator
Project Field Coordinator – Orkhon Valley	260	150	<ul style="list-style-type: none"> Coordinate all aspects of the Orkhon Valley demonstration project; Convene and facilitate management and budget planning with Senior Officers; Coordinate training sessions and site workshops; Ensure adequate information flow, discussions and feedback among the various stakeholders of the project; Ensure adherence to the project's work plan, prepare revisions of the work plan, if required; Prepare necessary project reports, as well as any other reports requested by the Project Coordinator
Project Assistant / Translator	260	150	<ul style="list-style-type: none"> Act as the Executive Assistant to the Project Coordinator. Provide translation (oral and written) services for all project needs.
Administrative and Financial Assistant (local)	260	150	<ul style="list-style-type: none"> Provide general administrative support to ensure the smooth running of the project management unit; Project logistical support to the Project Coordinator and project consultants in conducting different project activities (trainings, workshops, stakeholder consultations, arrangements of study tour, etc.); During the visits of foreign experts, bear the responsibility for their visa support, transportation, hotel accommodation etc;

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
			<ul style="list-style-type: none"> • Keep files with project documents, expert reports; • Keep regular contact with project experts and consultants to inform them about the project details and changes; • Provide English translation as required; • Draft correspondence and documents; finalize correspondence of administrative nature; edit reports and other documents for correctness of form and content; • Arrange duty travel; • Act on telephone inquiries, fax, post and e-mail transmissions, and co-ordinate appointments; • Perform any other administrative duties as requested by the Project Coordinator;
Office Support / Driver	520	125	<ul style="list-style-type: none"> • Provide driving services to project management unit. • Support PMU administration as necessary. • <i>(This position may require multiple drivers be hired during the same period to cover needs that overlap in different places. However it is not expected that the total weeks will exceed 350).</i>
Evaluation expert (mid-term, final) (local)	43	400	<ul style="list-style-type: none"> • Design the project M&E plan; • Participate, alongside with the international consultant, in the mid-term and final evaluation of the project, in order to assess the project progress, achievement of results and impacts. • Develop draft evaluation report, discuss it with the project team, government and UNDP, and as necessary participate in discussions to realign the project time-table/Logframe at the mid-term stage. (The standard UNDP/GEF project evaluation TOR will be used.)
Evaluation expert (mid-term, final) (international)	21	3,000	<ul style="list-style-type: none"> • Design the project M&E plan; • Participate, alongside with the national consultant, in the mid-term and final evaluation of the project, in order to assess the project progress, achievement of results and impacts. • Develop draft evaluation report, discuss it with the project team, government and UNDP, and as necessary participate in discussions to realign the project time-table/Logframe at the mid-term stage. (The standard UNDP/GEF project evaluation TOR will be used.)
For Technical Assistance			
Local consultants			
PA Management Experts	130	300	<ul style="list-style-type: none"> • Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. • Output 1.2: Consistent management and budget plans are

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
			<p>utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.</p> <ul style="list-style-type: none"> • Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors. • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.
PA Finance Experts	130	300	<ul style="list-style-type: none"> • Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. • Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans. • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Training experts	130	300	<ul style="list-style-type: none"> • Output 2.1: PA staff have access to training facilities and programmes at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives. • Output 2.2: Financial specialists and data management systems in place improving resource use across PA system. • Output 2.3: Management, incentive and reporting systems in place.
M&E Expert	40	300	<ul style="list-style-type: none"> • Output 2.2: Financial specialists and data management systems in place improving resource use across PA system. • Output 2.3: Management, incentive and reporting systems in place.
Economist/ Business experts	130	300	<ul style="list-style-type: none"> • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Community experts	40	300	<ul style="list-style-type: none"> • Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.
Sustainable Tourism Expert	90	300	<ul style="list-style-type: none"> • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
Sustainable Mining / BBOP Expert	70	300	<ul style="list-style-type: none"> Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Policy Experts	110	300	<ul style="list-style-type: none"> Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans. Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors.
International consultants			
Senior PA Management Experts	40	3,000	<ul style="list-style-type: none"> Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans. Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors. Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. Output 3.3: Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.
Senior PA Finance Experts	40	3,000	<ul style="list-style-type: none"> Output 1.1: Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. Output 1.2: Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans. Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Senior Training	20	3,000	<ul style="list-style-type: none"> Output 2.1: PA staff have access to training facilities and

Position Titles	Estimated person weeks (for GEF finance)	US \$/ person week	Tasks to be performed
experts			<p>programmes at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives.</p> <ul style="list-style-type: none"> • Output 2.2: Financial specialists and data management systems in place improving resource use across PA system. • Output 2.3: Management, incentive and reporting systems in place.
Senior M&E Expert	8	3,000	<ul style="list-style-type: none"> • Output 2.2: MNET capacity is strengthened to plan, coordinate, generate, allocate and utilize resources optimally across PA system to strengthen global biodiversity conservation outcomes. • Output 2.3: Management, incentive and reporting systems in place.
Senior Economist/ Business experts	15	3,000	<ul style="list-style-type: none"> • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Sustainable Tourism Expert	25	3,000	<ul style="list-style-type: none"> • Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors. • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.
Sustainable Mining / BBOP Expert	25	3,000	<ul style="list-style-type: none"> • Output 1.3: Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors. • Output 3.1: Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites. • Output 3.2: New or improved financing mechanisms demonstrated PA level resulting in increased revenues.

In addition the project will hire contractor firms and / or individuals for the following (also see Budget Notes above).

- Vendor 1: Design MNET accounting and budgeting architecture design – Output 1.1. (33,630)
- Vendor 2: Design of IT data base and capture system for MNET - Output 1.3.
- Vendor 3: PA Forum facilitation and a Communication strategy and its implementation - Output 1.3.
- Vendor 4: Training, mentoring, and capacity building program materials and guides and related tools – Output 2.1 and 2.2 (\$80,000).
- Vendor 5: Tourism willingness-to-pay study – Output 3.2

- Vendor 6: PA system economic valuation study – Output 3.1 and 3.2
- Project Field Coordinator – Ikh Nart (\$53,050 GEF) (\$950 UNDP MONGOLIA)

*Details on ** Line Items in Project Management Budget*

Cost items	GEF (\$)	Other sources (\$)	Project Total (\$)	Comments
Local consultants	32,650	49,550	82,200	See table above for consultants. Co-funding is for MNET Project Manager and other staff support.
International consultants	30,000	30,000	60,000	International Evaluation Expert for the M&E Plan (interim and final evaluations).
Office facilities, equipment, vehicles and communication	37,710	96,050	133,760	Government of Mongolia will host the core SPAN team within offices and make certain facilities and communications available to the team.
Travel	36,000	66,500	102,500	Government staff related travel co- funded by the government.
Others (supplies and miscellaneous) **	0	50,000	50,000	**Supplies, equipment, printing, communications, mail, etc. (\$x) and Miscellaneous: Unforeseen expenditures related to inflation, raises, foreign exchange, etc. (\$x)/ co fund will be also for related government office costs

PART III: Stakeholder Involvement Plan

Stakeholder Identification

The MNET, through the DPAA, is the primary authority which will execute the project, thereby enabling it to realize its policy and operational objectives. The MNET will work in close cooperation with other key government agencies, local governments (Aimags and Soums), local communities, universities, institutions, NGOs and other key stakeholders. These stakeholders and their expected roles and responsibilities are given in the table below.

Stakeholder	Roles and Responsibilities
Government	
Ministry of Nature, Environment and Tourism (MNET)	MNET is mandated to conserve biodiversity resources and protect the environment, by setting standards, laws and providing annual budget support to line agencies and is the highest decision-making body for the environment within the Mongolian government.
Special Protected Areas Administration (PAA) Department of MNET	This department is the primary agency responsible for managing the PA system. The PAA Department is the principal proponent and implementer for this project, facilitating the successful execution of the project, providing necessary operational support and sustained improvements in PA management at the national level.
Protected Area Administrations (PAA) (Directors, specialists and rangers)	The designated authority responsible for management of the PA system in Mongolia. The PAAs will be the primary target group for aspects for the PAN project.
Ministry of Finance (MoF)	The MoF will support the project to improve the budgeting capacity of MNET. Relevant staff of the Ministry will participate in working groups to elaborate on sustainable financing mechanisms for PAs and amendment related laws and regulations.
Local government (Aimag and Soum)	Aimag Governors have the highest authority at the Aimag, or provincial, level. The Aimag government has an important role in coordinating administrative support needed at the provincial level, and in ensuring policy and planning consistency at that level. They will be encouraged to provide additional co-funding for project initiatives that bring about local benefits. In addition Soum (district) officials will necessarily be involved in project PA site demonstrations.
Communities	
Protected Area's Buffer Zone Councils (BZC)	BZCs are mandated by the law on Buffer Zones to broaden participation of local stakeholders in conservation of a PA. BZC is potentially the most tangible form of local stakeholder participation in local activities, including conflict resolution and fund-raising. However, the councils are very weak or non-existent, with few exceptions..
Local communities	Local herder communities will benefit most from the conservation of natural resources in and around protected areas in terms of protection of grazing habitats and resources. Local communities normally also have their own "natural" leaders, who could speak,

Stakeholder	Roles and Responsibilities
	facilitate, cooperate and mediate conflicts on behalf of the larger members of the communities. These leaders could be appointed to be members of BZC.
Nongovernment Organizations (NGOs)	
NGOs (local and international)	National and international NGOs have played a strong role to strengthen Mongolia's protected area in the past, in partnership with the Mongolian Government. They are also active in supporting local communities in nature conservation and livelihood improvement. Implementation of activities will be closely coordinated with national and international NGOs and they will have to play an important role in replicating the lessons learned from the project.
Argali Research Centre	The Argali Research Centre, with the MCC, is responsible for the management of target site Ikh Nart Nature reserve.
Mongolian Conservation Coalition (MCC)	The Mongolian Conservation Coalition is involved in the management of Ikh Nart nature Reserve.
WWF Mongolia	WWF Mongolia started its activities in 1992 and is currently implementing a Protected Area management project in Altai-Sayan Eco-region (western Mongolia) and in Onon Balj National Park. They also support the government in the drafting and implementation of the CBD Programme of Work on Protected Areas (PoWPA). WWF will be an important partner to exchange information and lessons learned on activities related to protected areas and to organise joint-activities on protected area management and financing. .
Wildlife Conservation Society (WCS)	The Wildlife Conservation Society (WCS) is an international NGO active in protected area management and conservation capacity building efforts in the Eastern Steppe regions of Mongolia. They are an important partner in piloting revenue generating options in the East of Mongolia.
The Nature Conservancy (TNC)	The Nature Conservancy (TNC) is an international NGO active in protected area management and conservation capacity building efforts in the Eastern Steppe regions of Mongolia. They have strong experience in protected area financing in many parts of the world. They are a potential partner in piloting revenue generation activities in Eastern Mongolia and giving technical support to protected area financing initiatives.
Private Sector	
Tourism Sector (Tour-operators)	In principle, tour operations and association have to observe and be obliged by laws governing the PAs. A collaborative role is mainly expected for these associations, including in bringing additional resources to the parks, and ensuring that tourism activities that are promoted do not go against the objectives of conservation, but help enhancing it. Tour camps have to pay land fees to the local government which are sometimes shared with protected areas due to special agreements.
Mining Sector	The mining sector will be consulted in all activities related to

Stakeholder	Roles and Responsibilities
	mining in the vicinity of protected areas and efforts to establish offset mechanisms.
Other Agencies and Institutions	
UNDP	UNDP is the GEF implementing agency. Link to ongoing and planned UNDP projects as well. The Strengthening Environmental Governance Project will be a key partner in the work on policy and legal reform. Close cooperation is foreseen with the Sustainable Land Management Project on pasture and land management issues. The project will link up with the Altai Sayan Ecoregion Project in order to replicate best practices in that region and work together on policy issues.
GTZ	GTZ has been active in supporting protected areas in Mongolia for many years, mainly focusing on the Khangai Mountains and other areas in Central Mongolia. Their current programme involves 8 protected areas. The project will work closely with GTZ in target area Orkhon Valley, but also in other areas and in particular on management and capacity development activities.
Denver Zoo Foundation	Main donor and partner of Argali Research Centre. NGO, for study Argali sheep in Ikh Nart National Reserve and public environmental education campaign among Dalanjargalan soum and Dornogobi aimag population. Likely cofunder for the PAN project.
UNEP	UNEP is a global specialist in supporting countries in the implementation of international conventions and will be actively involved in law reform activities through their advisor in the regional office.
Universities and Research Institutions	Contract relevant scientists for consultancy services through the participation of different working groups, use research results for analyses and assessment, invite to stakeholder workshops and meetings.
“Eco-Asia” Higher environmental education institute	This NGO has developed a curriculum for rangers and can be an important partner in the implementation of activities related to capacity building.
People Centred Conservation (PCC)	Has a lot of experience in carrying out training for community based conservation and is a potential partner in activities related to community development.
COCONET (Community Conservation and Consulting Network) NGO	This NGO is specialised in supporting community group development and is a potential partner in the implementation of activities related “COCONET” works in the areas of rural development, land reform, sustainable management of natural resources, and agricultural sciences. Its expertise includes public administration, broader issues of rural citizens and herders’ community organization’s development for creating co-management of conservation areas and livelihoods for sustainable development.

The stakeholder participation plan has been developed based on the principles outlined in the table below.

Principle	Stakeholder participation will:
Value Adding	be an essential means of adding value to the project
Inclusivity	include to the extent possible, all relevant stakeholders
Accessibility and Access	be accessible and promote access to the process, based on voluntary basis
Transparency	be based on transparency and fair access to information; main provisions of the project's plans and results will be published in local mass-media
Fairness	ensure that all stakeholders are treated in a fair and unbiased way
Accountability	be based on a commitment to accountability by all stakeholders to each other
Constructive	Seek to manage conflict and promote peace, cooperative spirit and the public interest
Redressing	Seek to redress inequity and injustice
Capacitating	Seek to develop and strengthen the needed capacity of all stakeholders so that they could contribute to conservation
Needs Based	be based on the needs of all stakeholders, while ensuring ecosystem integrity and sustainable livelihoods
Flexible	be flexibly designed and implemented within an adaptive, continual improvement manner
Rational and Coordinated	be rationally planned and coordinated, and not be ad hoc
Excellence	be subject to ongoing reflection and continual improvement

The project proposes a mechanism to achieve broad-based stakeholder involvement in the project preparation and implementation processes. Stakeholder participation will include a Project Board and an Advisory/Policy Group. These are discussed in detail in Section I, Part II of this project document.

In addition, the project will provide opportunities for long-term participation of all stakeholders, with a special emphasis on the active participation of local communities. These will include:

Decision-making through the establishment of the Project Board. The establishment of the structure will follow a participatory and transparent process involving the confirmation of all stakeholders; conducting one-to-one consultations with all stakeholders; development of Terms of Reference and ground-rules; inception meeting to agree on the constitution, ToR and ground-rules for the committees.

Capacity building at systemic, institutional and individual level – is one of the key strategic interventions of the project and will target all stakeholders that have the potential to be involved in brokering, implementing and/or monitoring management agreements related to activities in and around the reserves. The project will target especially organizations operating at the community level to enable them to actively participate in developing and implementing management agreements.

Communication will include the participatory development of an integrated communication strategy. The communication strategy will be based on the following key principles: providing information to all stakeholders; promoting dialogue between all stakeholders; promoting access to information.

Finally, the project will be launched by a well-publicized multi-stakeholder inception workshop. This workshop will provide an opportunity to provide all stakeholders with updated information on the project as well as a basis for further consultation during the project's implementation, and will refine and confirm the work plan.

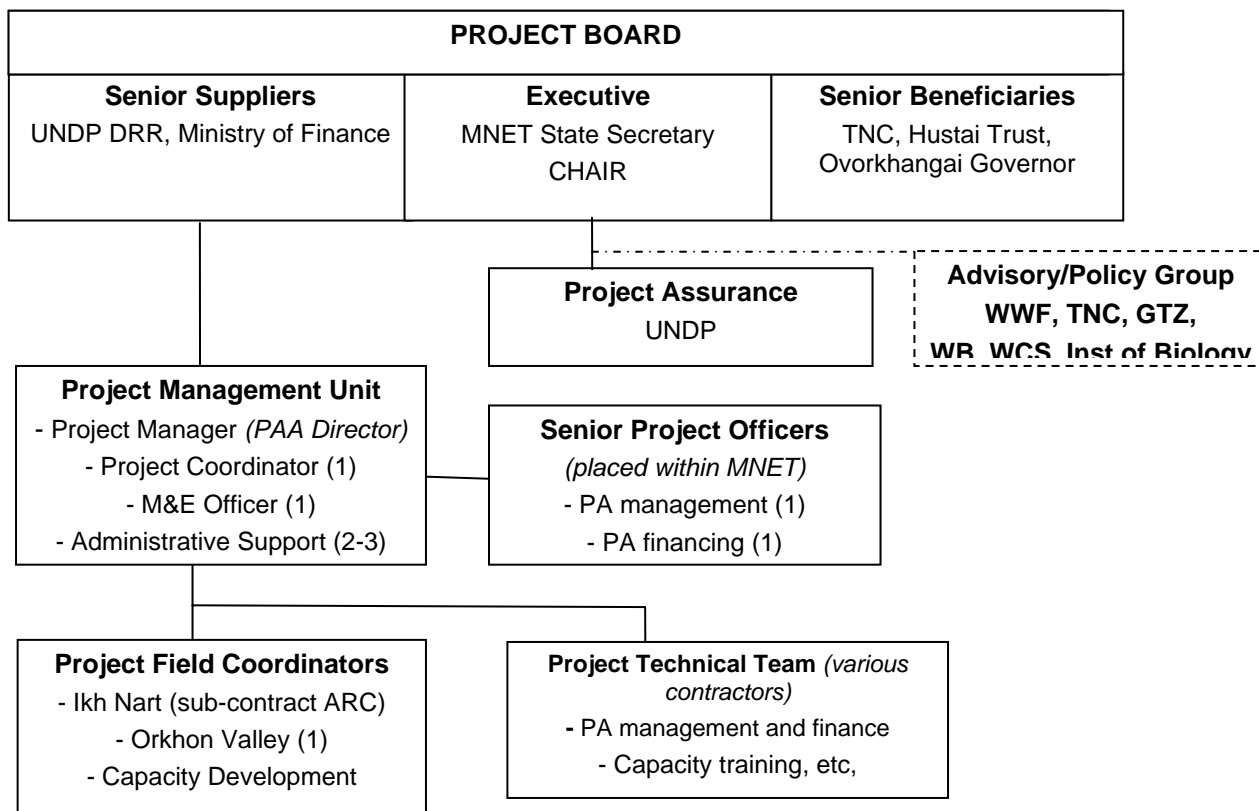
5. MANAGEMENT ARRANGEMENTS SEE [UNDP POPP](#) FOR FURTHER DETAILS

183. The project will be executed by The Ministry of Nature, Environment and Tourism's (MNET) Special Protected Areas Administration Department following UNDP guidelines for nationally executed projects (NEX), as well as in line with the programme and operations policies and procedures (POPP) and principles of results-based management. The Executing agency will sign a grant agreement with UNDP and will be accountable to UNDP for the disbursement of funds and the achievement of the project objective and outcomes, according to the approved work plan. In particular, the Executing Agency will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) coordinating interventions financed by GEF/UNDP with other parallel interventions; (v) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to UNDP on project delivery and impact.

184. The Ministry of Nature, Environment and Tourism's (MNET) Special Protected Areas Administration Department will implement the project and work in close cooperation with the Ministry of Finance (MoF), local governments, PAA offices, research institutes, communities, and national and local NGOs. In particular, the MoF as a senior supplier, will play a central role in some key activities of the project related to increasing PA financing such as improvement of budgeting process.

185. The project will establish a Project Board, a Project Management Unit (PMU), which will be located at MNET in Ulaan Baatar. The Project Board and PMU will be instrumental in conveying the messages/outcomes of actual site work to relevant central bodies and make use of them in developing new policies. The overall programme management structure of the project is shown below:

Chart 1: Project Management Structure



186. The Project Board. The Project Board (PB) has the responsibility to supervise and monitor the project delivery according to the annual work plan and project document. The PB has three roles: Executive: Chair of the Board (MNET State Secretary) representing the GoM, Senior Suppliers (UNDP DRR, Ministry of Finance) who provide guidance regarding the technical and overall feasibility of the project, and Senior Beneficiaries (TNC, Hustai Trust and the Ovorkhangai Governor) who ensure that the project benefits reach the intended beneficiaries. The PB will meet at least quarterly and it will be convened and supported logistically by the PMU. The PB is responsible for making executive management decisions, including approval of work plans, budget plans and project revisions. The PB will also provide guidance regarding the technical feasibility of the project, and ensure the realization of project benefits to the project beneficiaries. Specifically the PB will be responsible for: (i) achieving co-ordination among the various government agencies; (ii) guiding the program implementation process to ensure alignment with national and local statutory planning processes and sustainable resource use and conservation policies, plans and conservation strategies; (iii) ensuring that activities are fully integrated between the other developmental initiatives in the region; (iv) overseeing the work being carried out by the implementation units, monitoring progress and approving reports; (v) overseeing the financial management and production of financial reports; and (vi) monitor the effectiveness of project implementation.

187. The Project Management Unit (PMU). The project administration and coordination between central and field divisions / offices within MNET and relevant organizations will be carried out by a PMU under the overall guidance of the Project Board. The PMU will be composed of an overall **Project Manager**, from within MNET, who will be the focal point to provide overall guidance to the Project Management Unit members who are hired on the project budget. The PMU members include (1) a project coordinator, (2) an Administrative and Finance Assistant (AFA), translator/secretary and a driver; (3) 2 senior project officers, (4) 3 project field coordinators; and (5) a project technical team comprised of national and international experts.

188. More specifically, the role of the PMU will be to: (i) ensure the overall project management and monitoring according to UNDP rules on managing UNDP/GEF projects; (ii) facilitate communication and networking among key stakeholders; (iii) organize the meetings of the PB; and (iv) support the local stakeholders. The **Project Coordinator** has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board and is responsible for day-to-day management and decision making for the project. The project coordinator will also lead and manage the policy issues required for the success of this project. The project coordinator will be assisted by an **Administrative Team** (administrative and finance assistant, office support, translator/secretary, driver) and a **Monitoring and Evaluation (M&E) Officer**. The project coordinator's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Responsibilities include the preparation of progress reports which are to be submitted to the members of the Project Board. The project coordinator will also coordinate directly with UNDP. A monthly meeting between UNDP and the project management team will be held to regularly monitor the planned activities and their corresponding budgets in the project's Annual Work Plan (AWP).

189. In addition the Project Coordinator will be directly assisted by two **Senior Project Officers** (PA Management Officer and PA Finance Officer) who will be hired by the project and will be housed within MNET as internal project staff reporting directly to the Project Coordinator but working with MNET PAA Department staff. **Project Field Coordinators** will ensure the coordination and effective liaising between the PMU and demonstration site level partners and MNET staff; while the **Project Technical Team**, will consist of national and international consultants to provide technical support to project implementation (see Section IV, Part II: Terms of References for Key Project Staff).⁴⁹

190. As noted above MNET staff will be assigned to work in partnership with members of the project management unit to enhance the mutual learning process during project implementation. This will especially be true at the national level with Project Coordinator, Senior Project Officers and Project Technical Team experts. At the PAA regional level, the MNET staff will be assigned to work closely with the Project Field Coordinator for the Orkhon Valley demonstration site and with the Argali Research Centre (ARC) that will be in charge of Ikh Nart demonstration site activities, as well as Project Technical Team experts. It is expected that the Project Management Unit will be located in Ulaan Baatar within or near the MNET offices. Field coordinators will

⁴⁹ These two officers will be hired and compensated by the project (UNDP lead effort) and placed within the MNET offices to support both the project design and implementation as well as focus on the development of the MNET PAA Department capacity and programs. It is expected that at the end of the SPAN project these two officers will become full time staff of the MNET to continue to roll-out and replicate the PA system strengthening and management programs.

spend significant time in the field and housed within PAA offices or placed within partner organization field offices.

191. **Advisory / Policy Group.** An ad-hoc advisory group may be established to provide technical guidance and advice on specific issues. This will include NGOs and donors that are supporting PA management in the country, including TNC that is expected to bring in the expertise of protected area financing and climate change adaptation measures for the PAs.

192. **The Project Assurance.** The Project Assurance function will be performed by UNDP. The function supports the Project Board by carrying out objective and independent project oversight and monitoring functions. The role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Coordinator; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager or the Project Coordinator.

193. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

194. In line with the United Nations reform principles, especially simplification and harmonization, the Annual Work Plan (AWP) will be operated with the harmonized common country programming instruments and tools, i.e. the UNDAF results matrix and monitoring and evaluation tools. At the day-to-day operational level, ATLAS will be used for keeping track of timely and efficient delivery of the activities and for effective financial monitoring under the AWP.

6. MONITORING FRAMEWORK AND EVALUATION

195. Project monitoring and evaluation (M&E) will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office with support from the UNDP/GEF Regional Coordination Unit. The Logical Framework Matrix (Section II, Part I) provides performance and *impact* indicators for project implementation along with their corresponding *means of verification*. The METT tool and the UNDP Financial Scorecard (see Annex G and D respectively) will all be used as instruments to monitor the progress against the outcomes of this project. The following sections outline the principle components of the M&E Plan and indicative cost estimates related to M&E activities.

5.1 Project Inception Phase

196. A Project Inception Workshop (IW) will be conducted within the first 6 months of the project with the full project team, relevant government counterparts, and representatives from pilot sites, co-financing partners, the UNDP, and representation from the UNDP-GEF as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalize preparation of the project's first annual work plan on the basis of the log frame matrix. This will include reviewing the log frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the IW will be to:

(i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit (RCU) staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations.

197. The IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget re-phasing. The IW will also highlight the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed in order to clarify for all, each party's responsibilities during the project's implementation phase.

5.2 Monitoring responsibilities and events

198. A detailed schedule of project review meetings will be developed by the project management and incorporated in a Project Inception Report (PIR). Such a schedule will include: (i) tentative time frames for Project Board Meetings and (ii) project related Monitoring and Evaluation activities. Day-to-day monitoring of implementation progress will be the responsibility of the Project Coordinator based on the project's Annual Work Plan and its indicators. The Project Coordinator will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Coordinator will fine-tune the progress and performance/impact indicators of the project – both full project and subsets of indicators at the PA demonstration site levels - in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

199. Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using METT scores. The measurement of these will be undertaken through subcontracts or retainers with relevant institutions. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

200. Periodic Monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Project Board

can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

201. Annual Monitoring will occur through the Tripartite Review (TPR). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to TPR at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

202. In addition, the project team will coordinate Peer Reviews each year during the project, whereby protected area superintendents from protected areas within the same cluster as the pilot sites will be invited to evaluate the relevance of the project to their protected areas and the PA system. Feedback from these reviews will provide the project team and the MNET with guidance and inputs into appropriate adjustments and highlight aspects of the project to communicate to the PA system more broadly.

5.3 Project Reporting

203. The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and the frequency and nature is project specific to be defined throughout implementation.

204. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

205. Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

206. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

207. An Annual Review Report (ARR) shall be prepared by the Project Coordinator and shared with the Project Board. As a self-assessment by the project management, it does not require a cumbersome preparatory process. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format covering the whole year with updated information for each element of the PPR as well as a summary of results achieved against pre-defined annual targets at the project level. As such, it can be readily used to spur dialogue with the Project Board and partners. An ARR will be prepared on an annual basis prior to the Project Board meeting to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The ARR should consist of the following sections: (i) project risks and issues; (ii) project progress against pre-defined indicators and targets and (iii) outcome performance.

208. The Project Implementation Review (PIR) is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project team. The PIR should be prepared and discussed with the CO and the UNDP/GEF.

209. Project Terminal Report: During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and RBAP-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader

environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation. The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

5.4 Independent evaluations

210. The project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Evaluation will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

211. An independent Final Evaluation will take place three months prior to the terminal Project Board meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

5.5 Learning and knowledge sharing

212. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF Regional Unit has established an electronic platform for sharing lessons between the project coordinators. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analyzing lessons learned is an on- going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. These lessons will be shared widely throughout MNET and the DPAA to help develop and initiate ongoing projects and new initiatives. Such mechanism for sharing will include newsletter, websites, and technical and general publications.

213. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget

214. The M&E plan is summarized in the table below.

Table 10: Indicative Monitoring and Evaluation Work plan and corresponding Budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP Mongolia ▪ UNDP GEF 	\$10,000	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP CO 	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> ▪ Hired Third Party Assessment 	\$2,000	During Inception Phase
Measurement of Means of Verification for Project Progress and Performance	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP Mongolia ▪ UNDP GEF 	None	Annually
Annual Progress Report (APR) and Project Implementation Report	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP Mongolia ▪ UNDP-GEF 	None	Annually
Tripartite Review (TPR) and TPR report	<ul style="list-style-type: none"> ▪ Government Counterparts ▪ Project Management Unit ▪ UNDP Mongolia ▪ UNDP-GEF 	None	Annually, upon receipt of APR
Project Board Meetings	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP Mongolia 	None	Following Project IW and subsequently at least annually
Mid-term Review	<ul style="list-style-type: none"> ▪ Hired third-party assessment 	\$40,000	At the end of the second year
Periodic status reports (incl. CDRs, Issues Log, Risk Log, Lessons Learned, Terminal	<ul style="list-style-type: none"> ▪ Project Management Unit 	\$10,000	Periodic as required

Report)			
Technical reports	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ consultants 	\$5,000	To be determined by Project Team and UNDP-CO
Audit	<ul style="list-style-type: none"> ▪ UNDP Mongolia ▪ Project team 	\$5,000	Annually
Visits to field sites (<u>excluding</u> UNDP staff travel costs)	<ul style="list-style-type: none"> ▪ Government representatives and others (such as peer group) 	\$15,000	Annually
Final Evaluation	<ul style="list-style-type: none"> ▪ Hired third-party assessment 	\$40,000	3 months before the project ends.
TOTAL INDICATIVE COST <i>Excluding project team staff time expenses</i>		\$127,000	

7. LEGAL CONTEXT

215. This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in Standard Basic Assistance Agreement (SBAA) and all Country Programme Action Plan (CPAP) provisions apply to this document.

216. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

217. The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

218. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

219. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

8. ANNEXES

A. A List of Mongolia's Special Protected Areas

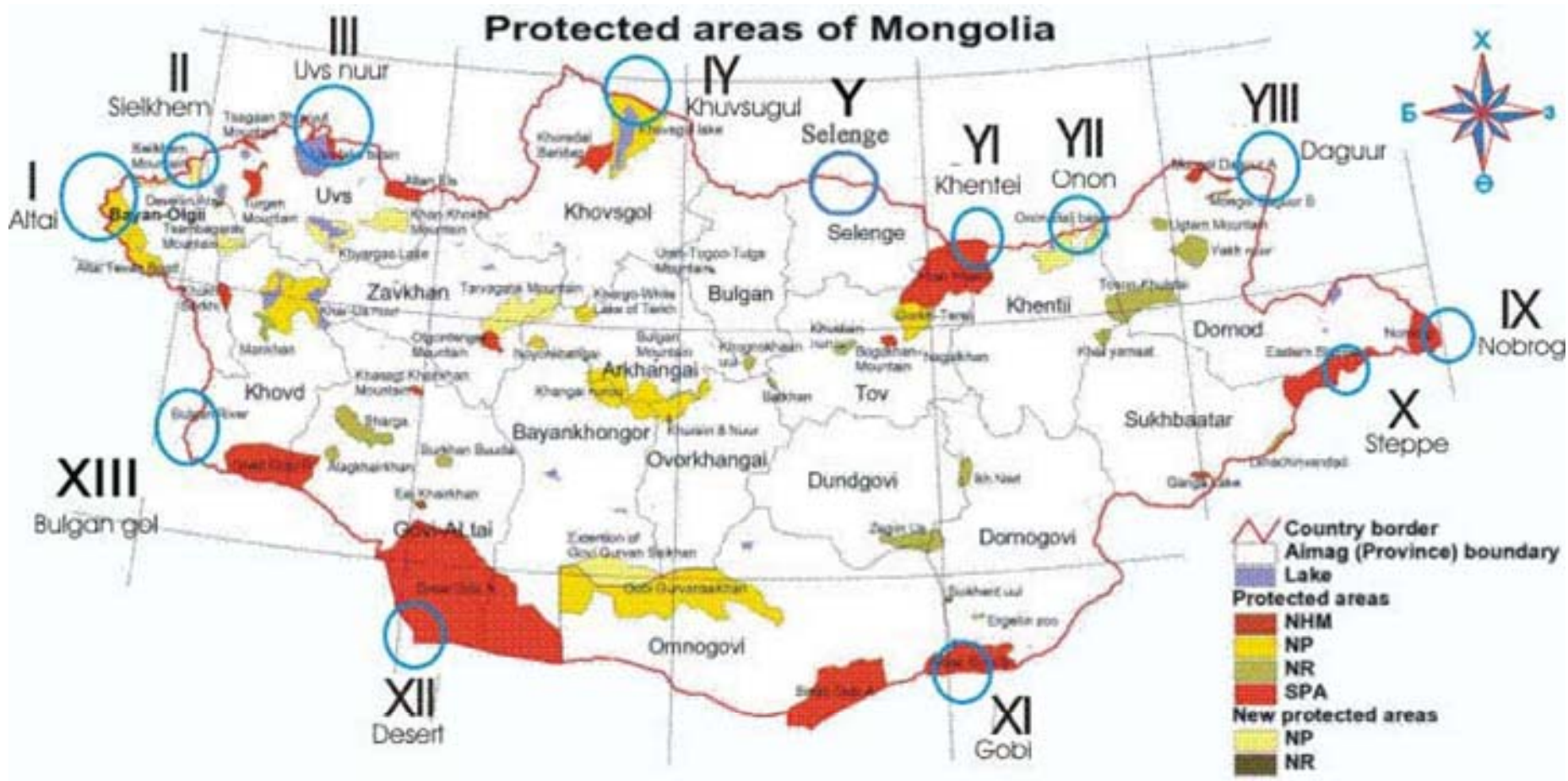
PAA	PA #	Location	Year(s) Designated	Hectares	Type	IUCN
Protected Area Administration Offices (PAA)						
1	Bogd khan mountain PAA			41,651.0		
	1	<i>Bogd Khan Mountain SPA</i>	1978	41,651.0	<i>Strictly Protected Area</i>	<i>Ib</i>
2	Otgontenger PAA			95,510.0		
	2	<i>Otgon Tenger SPA</i>	1992	95,510.0	<i>Strictly Protected Area</i>	<i>Ib</i>
3	Khan Khentii Special PAA			523,318.0		
	3	<i>Khan Khentii SPA</i>	1992	1,227,074.0	<i>Strictly Protected Area</i>	<i>Ib</i>
	4	<i>Gorkhi-Terelj NP</i>	1993	293,168.0	<i>National Park</i>	<i>II</i>
	5	<i>Nagal Khan Mountain NR</i>	1995	3,076.0	<i>Nature Reserve</i>	<i>III</i>
4	Gobi Gurvan Saikhn PAA			2,694,307.0		
	6	<i>Gobi Gurvan Saikhan NP</i>	1993/2000	2,694,307.0	<i>National Park</i>	<i>II</i>
5	Great Gobi PAA			5,361,653.0		
	7	<i>Great Gobi "A" SPA</i>	1975	5,311,730.0	<i>Strictly Protected Area</i>	<i>Ib</i>
	8	<i>Khasagt Khairkhan SPA</i>	1965	27,448.0	<i>Strictly Protected Area</i>	<i>Ib</i>
	9	<i>Eej Khairkhan NM</i>	1992/1995	22,475.0	<i>Natural Monument</i>	<i>III</i>
6	Uvs Lake Basin PAA			1,369,469.0		
	10	<i>Uvs Nuur (lake) SPA</i>	1993/1995	712,545.0	<i>Strictly Protected Area</i>	<i>Ia</i>
		<i>Altan Els SPA</i>	1993/1995			
		<i>Tsagaan Shuvuut SPA</i>	1993/1995			
		<i>Turgen Mountain SPA</i>	1993/1995			
	11	<i>Khyargas Nuur NP</i>	2000	555,924.0	<i>National Park</i>	<i>II</i>
		<i>Khan Khukhii NP</i>	2000			<i>II</i>
	12	<i>Tesyn Gol NR</i>	2006	101,000.0	<i>Nature Reserve</i>	<i>III</i>
7	Dornod PAA			1,440,866.0		

	13	<i>Dornod Mongol SPA (Eastern Mongolia)</i>	1992	570,374.0	<i>Strictly Protected Area</i>	<i>Ib</i>
	14	<i>Mongol Daguur SPA ("A" and "B")</i>	1992	103,016.0	<i>Strictly Protected Area</i>	<i>Ib</i>
	15	<i>Yakhi Nuur NR</i>	1998	251,388.0	<i>Nature Reserve</i>	<i>III</i>
	16	<i>Ugtam NR</i>	1993	46,160.0	<i>Nature Reserve</i>	<i>III</i>
	17	<i>Toson Khulstai NR</i>	1998	469,928.0	<i>Nature Reserve</i>	<i>III</i>
8	Khuvsgul PAA			1,162,704.0		
	18	<i>Khuvsgul Nuur (Lake) NP</i>	1992	838,070.0	<i>National Park</i>	<i>II</i>
	19	<i>Khoridol Saridag SPA</i>	1997	188,634.0	<i>Strictly Protected Areas</i>	<i>Ia</i>
	20	<i>Ulaan Taiga NP</i>	2003	108,000.0	<i>National Park</i>	<i>II</i>
	21	<i>Dayan Deerkh NM</i>	2006	28,000.0	<i>Natural Monument</i>	<i>III</i>
9	Khangai Mountain PAA			1,024,810.0		
	22	<i>Khangai Nuruu NP</i>	1996	888,455.0	<i>National Park</i>	<i>II</i>
	23	<i>Khorgo-terkhiin Zagaan Nuur NP</i>	1965/1995	77,267.0	<i>National Park</i>	<i>II</i>
	24	<i>Noyon Khangai NP</i>	1998	59,088.0	<i>National Park</i>	<i>II</i>
10	Mongol Altai PAA			900,739.0		
	25	<i>Altai Tavan Bogd NP</i>	1996	636,161.0	<i>National Park</i>	<i>II</i>
	26	<i>Suilkhem mountain NP</i>	2000	142,778.0	<i>National Park</i>	<i>II</i>
	27	<i>Tsambagarav NP</i>	2000	111,462.0	<i>National Park</i>	<i>II</i>
	28	<i>Devel Aral (Island) NR</i>	2000	10,338.0	<i>Nature Reserve</i>	<i>III</i>
11	Khar Us Lake PAA			1,300,343.0		
	29	<i>Khar-Us Nuur (lake) NP</i>	1997	850,272.0	<i>National Park</i>	<i>II</i>
	30	<i>Mankhan NR (Mankhan-Sharga)</i>	1993	390,071.0	<i>Nature Reserve</i>	<i>III</i>
	31	<i>Myangan Ugalzat NP</i>	2002	60,000.0	<i>National Park</i>	<i>II</i>
12	Tujiin Nars PAA			80,691.0		
	32	<i>Tujiin Nars NP</i>	2002	80,691.0	<i>National Park</i>	<i>II</i>
13	Khukh Serkh PAA			65,920.0		
	33	<i>Khukh Serkh SPA</i>	1997	65,920.0	<i>Strictly Protected Area</i>	<i>Ib</i>
14	Hustai National Park (co-managed by Foundation)			50,620.0		
	34	<i>Hustai Nuruu NP</i>	1993/1998	50,620.0	<i>National Park</i>	<i>II</i>

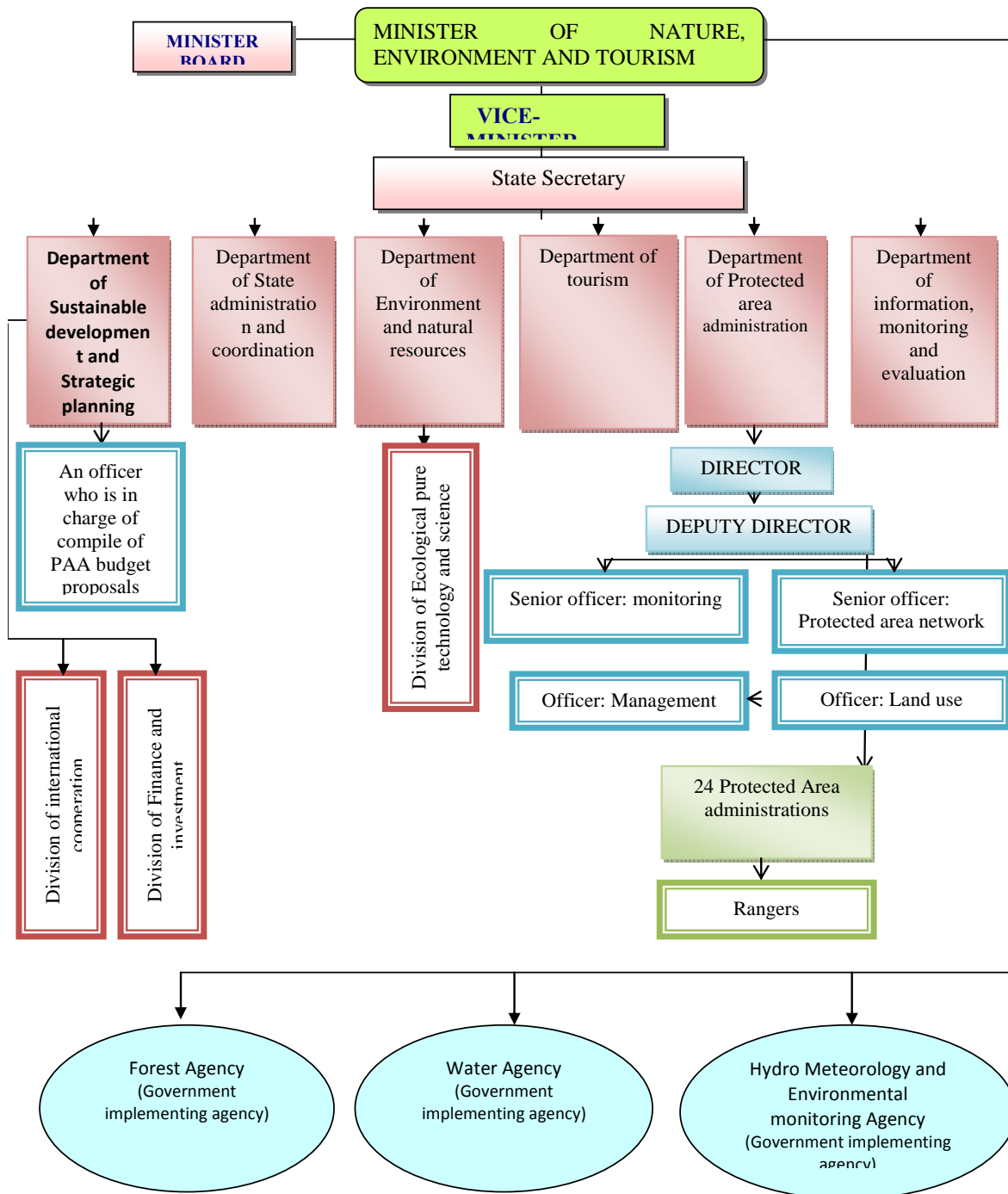
15	Khugnu Tarna PAA			84,390.0		
	35	<i>Khugno-Tarna NP</i>	2003	84,390.0	<i>National Park</i>	<i>II</i>
16	Dariganga PAA			86,060.0		
	36	<i>Dariganga NP</i>	1993/2004	62,860.0	<i>National Park</i>	<i>II</i>
	37	<i>Shilyn Bogd NM</i>	2004	17,200.0	<i>Natural Monument</i>	<i>III</i>
	38	<i>Khurgiin Khondii NM</i>	2004	6,000.0	<i>Natural Monument</i>	<i>III</i>
17	Munkhkhairkhan PAA			300,000.0		
	39	<i>Munkhkhairkhan Mountain NP</i>	2006	300,000.0	<i>National Park</i>	<i>II</i>
18	Tarvagatai Mountain PAA			545,609.0		
	40	<i>Tarvagatai Nuruu NP</i>	2000	545,609.0	<i>National Park</i>	<i>II</i>
19	Numrug (Dornod) PAA			311,205.0		
	41	<i>Numrug SPA</i>	1992	311,205.0	<i>Strictly Protected Area</i>	<i>Ib</i>
20	Small Gobi PAA			1,839,176.0		
	42	<i>Small Gobi SPA ("A" and "B")</i>	1996	1,839,176.0	<i>Strictly Protected Area</i>	<i>Ib</i>
21	Orkhon Valley PAA			101,500.0		
	43	<i>Orkhon Khundii NP</i>	2006	90,000.0	<i>National Park</i>	<i>II</i>
	44	<i>Khuisyn Naiman Nuur NM</i>	1992/1995	11,500.0	<i>Natural Monument</i>	<i>III</i>
22	Onon Balj PAA			452,694.0		
	45	<i>Onon-Balj NP</i>	2000	402,100.0	<i>National Park</i>	<i>II</i>
	46	<i>Khar Yamaat NR</i>	1998	50,594.0	<i>Nature Reserve</i>	<i>III</i>
23	Takhi Research Center			36,400.0		
	7	<i>Great Gobi "B" SPA</i>	1975	See PA #7	<i>Strictly Protected Area</i>	<i>Ib</i>
	47	<i>Alag Khairkhan NR</i>	1996	36,400.0	<i>Nature Reserve</i>	<i>III</i>
24	Ikh Bogd PAA			282,931.0		
	48	<i>Ikh Bogd Mountain NR</i>	2007	282,931.0	<i>Nature Reserve</i>	<i>III</i>
Total Hectares (PAA)				21,152,566.0		
Aimag Level SPAs (Other)						
1	Tuv aimag			21,850.0		
	49	<i>Bat Khan mountain NR</i>	1957/1995	21,850.0	<i>Nature Reserve</i>	<i>III</i>

2	Arkhangai Aimag			1,840.0		
	50	<i>Bulgan mountain NM</i>	<i>1965/1995</i>	<i>1,840.0</i>	<i>Natural Monument</i>	<i>III</i>
3	Gobi-Altai Aimag			52,110.0	<i>Sharga is part of Mankhan PAA # 11)</i>	
	51	<i>Burkhan Buudai NR</i>	<i>1996</i>	<i>52,110.0</i>	<i>Nature Reserve</i>	<i>III</i>
	30	<i>Sharga NR (same as a Mankhan-Sharga)</i>	<i>1964/1995</i>	<i>58,800.0</i>	<i>Nature Reserve</i>	<i>III</i>
4	Sukhbaatar Aimag			-	<i>PA is extremely small</i>	
	52	<i>Lkhachinvandad NR</i>	<i>1993</i>	-	<i>Nature Reserve</i>	<i>III</i>
5	Dornogobi Aimag			109,480.0		
	53	<i>Ikh Nart NR</i>	<i>1996</i>	<i>43,740.0 (latest GIS indicates over 60,000)</i>	<i>Nature Reserve</i>	<i>III</i>
	54	<i>Suikhent NM</i>	<i>1996</i>	<i>4,830.0</i>	<i>Natural Monument</i>	<i>III</i>
	55	<i>Ergeliin Zoo (range) NR</i>	<i>1996</i>	<i>60,910.0</i>	<i>Nature Reserve</i>	<i>III</i>
6	Dungobi Aimag			308,606.0		
	56	<i>Zagyn Us NR</i>	<i>1996</i>	<i>273,606.0</i>	<i>Nature Reserve</i>	<i>III</i>
	57	<i>Ikh Gazryn Chuluu NR</i>	<i>2003</i>	<i>35,000.0</i>	<i>Nature Reserve</i>	<i>III</i>
7	Khovd Aimag			7,657.0		
	58	<i>Bulgan NR</i>	<i>1965/1995</i>	<i>7,657.0</i>	<i>Nature Reserve</i>	<i>III</i>
8	Bulgan Aimag			95,400.0		
	59	<i>Uran Togoo-Tulga mountain NM</i>	<i>1965/1995</i>	<i>5,800.0</i>	<i>Natural Monument</i>	<i>III</i>
	60	<i>Khan Jargalant NR</i>	<i>2003</i>	<i>60,000.0</i>	<i>Nature Reserve</i>	<i>III</i>
	61	<i>Namnan mountain NR</i>	<i>2003</i>	<i>29,600.0</i>	<i>Nature Reserve</i>	<i>III</i>
Total Hectares (Other)				596,943.0		
Total Hectares - 61 PAs (PAA + Other)				21,749,509.0		

B. Map – Mongolia’s Protected Area System



C. Mongolia Ministry of Nature, Environment and Tourism (MNET) Organigram



D. Mongolia Protected Area Financial Analysis

The current annual GoM budget (2008) allocated to the PA system through MNET is USD \$1,439,370 million. In addition to these direct government allocations, the PA system receives approximately \$675,000 from various donors.⁵⁰ There was a further \$112,225 from entrance fees and approximately \$600,000 from other revenue sources for the total national PA system in 2008. The total amount of revenue generated in 2008 for the national PA system was therefore approximately \$2,759,901, however not all of the revenues are made available, or retained, within the PA system. In 2008 it is estimated that \$2,432,083 was made available and retained within the PA system. A full breakdown of available finances for the Mongolia PA system in 2008 is provided in the table below.

Finance Source	Total Available (2008) ⁵¹	Total \$ (%) Retained in PA system (2008)	Proposed Annual Revenue (% retained)
GoM State Budget	1,439,370	1,439,370 (100%)	3,000,000 (100%)
Donor Funds	667,500	667,500 (100%)	667,500 (100%)
Entrance Fees	112,255	60,902 (40%)	260,000 (80%)
Fines and Penalties	47,061	18,824 (40%)	40,000 (80%)
Land Use Fees	361,886	144,755 (40%)	800,000 (80%)
Other (merchandise, tree nursery, etc)	191,829	100,732 (40%)	480,000 (80%)
Airport Arrival or Departure Tax	0	0	1,600,00 (100%)
Mining royalties or voluntary contributions	0	0	2,000,000-5,000,000 (100%)
Totals	\$2,759,901	\$2,432,083	\$7,247,500 - 10,247,500

While these reflect the amount that is documented and accounted for, there are clearly other sources of financing (albeit minor) that are not accounted for here such as contributions from local NGOs, donors, and stakeholders, as well as Buffer Zone Funds and other community and government cash and in-kind contributions that benefit the PA system. We do not expect that these additional amounts are significant however, and it is quite clear that the PA system is underfunded. The amount necessary to cover the costs of the national PA system in Mongolia is difficult to determine at this stage as many PAs do not have management plans, and those that exist are not necessarily based on an actual assessment of the objectives of the PAs (nor do they clearly outline in any systematic way the specific activities and costs required).

⁵⁰ This is based on input from MNET. It is likely that this number is higher for the total of donor funds for PA related projects, however without a clear accounting this is the official number used in the 2008 UNDP Financial Scorecard.

⁵¹ This analysis does not account for either financing or costs associated with the 13 national PAs under Aimag level administration. This also does not take into account the available Buffer Zone Funds, of which there are a few established. These are gaps in available data which needs to be documented.

As noted above, the current annual GoM budget (2008) allocated to the PA system through MNET is US\$1,439,370 million. The actual amount requested (approximately US\$2 million US per discussions with MNET staff, July 2009) is actually under the total revenue retained) as noted above (US\$2.5 million). This 2008 financing need estimate is based on approximate PAA budget submittals. It is not basic or optimal as it does not take into account actual financing needs for the system because a) PAA Directors do not submit actual needs / budgets based on completed or functioning Management Plans and b) 13 of the PAs under this system are outside of the PAA system and not addressed systematically. A true calculation of the financial needs of the *entire* PA system has not yet been conducted in a comprehensive, need-based fashion across the entire PA system in Mongolia. However, WWF Mongolia conducted financial needs analysis (2007-2008) covering approximately 60% of the PAs in the system estimated financing needs at a “basic” level to require approximately US\$4.5 million and “optimal” level need requiring US\$7.5 million. During SPAN project preparation and as part of the 2008 UNDP Financing scorecard assessment a total “basic” financing need for the PA system we therefore used WWF’s estimates to extrapolate needs for the whole system at approximately US\$7,500,000 for of basic and \$10,000,000 for optimal. The current gap in funding requirements for the Mongolia PA system would therefore range from US\$5 million to US\$7.5 million.

Mongolia National PA System Financial Gap (range)

Current Revenue (2008, Retained): \$2,432,083

Basic Need: \$7,500,000

Basic Gap: \$5,067,917

Optimal Need: \$10,000,000

Optimal Gap: \$7,567,917

In 1992, Mongolia committed to increasing its protected area coverage to 30% (from the current 14% coverage) of its territory as one of its Millennium Development Goals. If this target is achieved then it can be assumed that the financial need gap for the PA system will double – requiring \$10-15 million. If buffer zone and corridor management needs are also considered this gap could double again (or more) to \$20-30 million. Leaving aside these expanded views, however, the SPAN project assumes that gap for the existing PA system as it stands now is between \$5 and \$7.5 million. The SPAN project will seek to substantially reduce this gap. (As noted above, understanding actual needs and what it will take to cover these still require a more complete financial needs analysis based on PA management plans, and overcoming the challenges to generate these funds given the fiscal and economic situation in Mongolia.)

A primary focus of the SPAN project in terms of PA system revenue generation will therefore be the following:

- a. Government of Mongolia: a trebling of the existing state budget allocations by the end of the project, based on improved and rationale management and budget plans, or an estimated \$3,000,000 more per annum.

b. Donor funds: It is expected that donor funds will stay similar to current rates. No change to net amount of revenue.

c. Entrance fees: There are approx 400,000 visitors to Mongolia per year but only a small proportion (30,000) is estimated to visit PAs. (Indeed the actual number is not even known.) If PA entry fees were increased to \$10, this would only yield \$300,000 per year in revenues in total. A combination of entrance fee raises and increased visitor (and collection) is assumed to be required and an increase in fees from \$112,000 to \$262,000 is expected by the end of the SPAN project.

d. Fines and penalties: This is a rather insignificant source of revenues and in this analysis the amount is assumed to be close to current by the end of the SPAN project.

e. Land use fees: Currently only 4 PAs secure land use fees for PAs. We expect this number to quadruple and that at least 12 PAs will be actively collecting land use fees under appropriate agreements resulting in \$1,000,000 (or \$800,000 retained) under this category.

f. Other: It is expected that this will treble against current rates through site based revenues mechanisms.

g. Airport arrival *or* departure tax: A departure conservation charge levied on all 400,000 visitors at between \$3-5 (\$4) per person will yield \$1.6m per year for the PA system (100% retained).

h. Mining industry royalties or voluntary contributions. Much more work is required on this issue but we tentatively estimate that a royalty tax on mining activities/production and /or voluntary contribution to a PA fund as an offset mechanism needs to be established.

While it appears it will be difficult to change current laws to permit more revenues to be retained at site level it will become necessary to do so and so this will also be pursued and it is expected that by the end of SPAN an average of 80% of revenues will be retained within the PA system. In addition to these specific and direct revenue increases other, non-direct contributions will be sought to cover costs of the PA system, especially through co-management of specific PA sites by NGOs that can collect and manage funds from additional donor and private sector sources.

E. Mongolia UNDP Financial Scorecard results (2009; for FY 2008)⁵²

FINANCIAL SCORECARD - PART I – OVERALL FINANCIAL STATUS OF THE PROTECTED AREAS SYSTEM

Basic Protected Area System Information			
<p>Describe the PA system and what it includes:</p> <p>This could be defined by IUCN Categories I-VI. However, if a country defines its PA system differently or has multiple PA systems then insert a definition that best describes the system about which the Scorecard is presenting data. For example some PA systems have a mixture of public, private and mixed ownership protected areas. What is important is for each country to explain and state which types of protected areas are included in the defined system and financial analysis. Some countries have private reserves separate from the national PA system. In these cases it is optional to report these here in an additional category in the tables (under other) as they do not fall under the responsibility of the government.</p> <p>Also include any additional specific characteristics of the national PA system that might affect its financing.</p>			
Protected Areas System or sub-system	Number of sites	Total hectares	Comments
National protected areas	60	21,698,889	<ul style="list-style-type: none"> There are in total 61 PAs at the National Level managed by one of 24 Protected Area Administrations (PAA) or one of 7 local governments (<i>Aimags</i>) (48 of the National PAs are under the PAA system, and 13 National PAs are under Provincial/<i>Aimag</i> level). Of the 61 PAs, there are 12 Strictly Protected Areas, 22 National Parks (1 is co-managed), 19 Nature Reserves and 8 National Monuments. Each is designated according to the Law on Special Protected Areas (1994). (Some calculations give the number of up to 78 PAs when defined by specific, gazetted geographic areas). Under the Mongolian PA system some individual sites are clustered together under one Special Protected Area (PA). An example of this is Uvs Nuur SPA, which is actually made up of 4 individual PAs, including: Uvs Nuur SPA, Altan Els SPA, Tsagan Shuvuut SPA, and Turgen Mountain SPA. This analysis <u>does not</u> account for either financing or costs associated with the 13 national PAs under <i>Aimag</i> level administration. This is a major gap in available data which needs to be documented.
Sub-national (state/regional/municipal) protected areas	0	0	<ul style="list-style-type: none"> There is a Sub-National system of Local Special Protected Areas (approximately 910) but these are not considered as part of this national system assessment. They are not included in this scorecard analysis.
Co-managed protected areas	1	50,620	<ul style="list-style-type: none"> Hustai National Park is part of the national system but it is managed by the Hustai National Park Trust (NGO) under an MOU with MNET.

⁵² This Mongolia UNDP Financial Scorecard for FY 2008 was completed by the SPAN project preparation team between May and July 2009. Preparation took into account earlier UNDP Scorecard and Mongolia PA system financial analyses by WWF Mongolia. The process also included direct meetings with MNET, MoF and PAA Department management and financial officers. Finally, a final draft scorecard was presented to a majority of the PAA Directors and other stakeholders over a 1.5 day workshop held in Ulaan Baatar (July 6-7, 2009). The final scores and comments were reviewed and agreed to by the participants in these workshops.

Others (define)	0	0	• Not Applicable.
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Financial Analysis of the National Protected Area System	Baseline year ⁵³ 2008 (US\$) ⁵⁴	Year X ⁵⁵ (US\$) ⁵⁶	Comments ⁵⁷
Available Finances⁵⁸			
(1) Total annual central government budget allocated to PA management (excluding donor funds and revenues generated for the PA system)	1,439,370		<ul style="list-style-type: none"> The total 2008 Annual Budget for the full MNET Ministry was approximately \$27.7 million USD. Of this, a total of \$1,439,370 (or around 5%) was spent on the National PA system (Approx. \$1.38 million in PAA operations - staff - costs, \$30,000 for PAA capital investments, and \$30,000 for MNET Department staff). The MoF actually receives up to around 60% of the PA revenues which exceed plan (up to \$300,000 per year) in recent years for uses by other Ministries or MNET departments. In 2008, as a result of the financial crisis, the MoF is expected to retain all of the excess revenues (over 'plan'). In 2008 the amount of revenues was approximately \$715,000 USD, exceeding the revenue plan (\$153,000) by approximately \$462,000 USD. In addition, there are specific funds available from government and donors, etc for Buffer Zones as they relate to the PA system; however as these are not direct inputs into the PAs they are not accounted for here. Future uses of this Scorecard may include these.
- national protected areas	1,439,370		<ul style="list-style-type: none"> The State Budget allocations to the PA system include the following 3 types of State Budget funds: State PAA Ops Budget, State PAA Investment Budget, and MNET PAA staff budgets. MNET does not fund PAs administered by local government. (Therefore, this amount is only for 48 of 61 PAs covering around 21.2 million Ha. The other 13 PAs covering almost 600,000 ha, while still a part of the National PA system, are managed by local government administrations.
- co-managed protected areas	0		<ul style="list-style-type: none"> The MNET does not fund Hustai National Park PAA since it is a co-

⁵³ The baseline year refers to the year the Scorecard was completed for the first time and remains fixed. Insert year eg 2007.

⁵⁴ Insert in footnote the local currency and exchange rate to US\$ and date of rate (US\$1=1,169.97 Tugrik, January 2008)

⁵⁵ X refers to the year the Scorecard is completed and should be inserted (e.g. 2008). For the first time the Scorecard is completed X will be the same as the baseline year. For subsequent years insert an additional column to present the data for each year the Scorecard is completed.

⁵⁶ Insert in footnote the local currency and exchange rate to US\$ and date of rate

⁵⁷ Comment should be made on robustness of the financial data presented (low, medium, high)

⁵⁸ This section unravels sources of funds available to PAs, categorized by (i) government core budget (line item 1), (ii) additional government funds (line item 2), and (iii) PA generated revenues (line item 3).

			managed area. It is expected to generate its own revenue and donor funds.
(2) Total annual government budget provided for PA management (including PA dedicated taxes ⁵⁹ , Trust Funds, donor funds, loans, donations, debt-for nature swaps and other financial mechanisms)	2,106,870		Specify sources of funds and US\$ amounts for each
- national protected areas	1,739,370		<ul style="list-style-type: none"> It is estimated (MNET data) that additional Donor funds through MNET in 2008 were \$300,000 USD. There are no other forms of funds flowing through MNET to the PAA system.
- co-managed protected areas	367,500		<ul style="list-style-type: none"> Equals Donor Funds plus from the Netherlands government (250,000 Euro - or \$367,500 in Jan 2008 and 50,000 Euro/year from 2009-2012) as well as local revenue.
(3) Total annual site based revenue generation across all PAs broken down by source ⁶⁰			Indicate total economic value of PAs (if studies available) ⁶¹
A. Tourism entrance fees	112,255		Specify the number of visitors to the protected areas in year X - international: - national: <ul style="list-style-type: none"> Tourism entrance fees are set at 300 Tugrik (approximately \$0.25 at 2008 exchange rate) for Mongolians and 3,000,000 Tugrik (or \$2.50 in 2008) for foreign visitors. PA specific numbers were not available - only PAA system aggregate. Not all PAAs collect entrance fees consistently. There is likely extensive 'leakage' as a result of understaffing and lack of infrastructure to collect fees at PAAs. Fees are also only collected once per visitor regardless of duration of stay.
- national protected areas	72,255		
- co-managed protected areas	40,000		<ul style="list-style-type: none"> Hustai National Park local revenue comes from entrance fees as well as a tourism visitor centre.
B. Concessions	0		<ul style="list-style-type: none"> There are no legal "concessions" in terms of revenue generating mechanisms.
- national protected areas	0		
- co-managed protected areas	0		
C. Payments for ecosystem services (PES)	0		<ul style="list-style-type: none"> There is no legal basis for PES payments or revenue.
- national protected areas	0		

⁵⁹ Such as a conservation departure tax or water fees re-invested in PAs

⁶⁰ This data should be the total for all the PA systems to indicate total revenues. If data is only available for a specific PA system specify which system

⁶¹ Note this will include non monetary values and hence will differ (be greater) than revenues

- co-managed protected areas	0		
D. Other (specify each type of revenue generation mechanism ⁶²)	600,776		The GoM states that income from trophy hunting (especially of argali) goes toward the PA system (in their reports to the U.S. government to justify continued import permits), but it is not clear that this actually happens and if so, how much money is allocated to the PAs.
- national protected areas	540,776		
• Income from fines and penalties	47,061		• Fines assessed by State Inspectors office at <i>Aimag</i> level and collected into MNET State Budget system.
• Land use fee	361,886		• Land fees assessed by some <i>Aimags</i> and <i>Soum</i> local government for tourism (ger camps) provided \$362,000USD in 2008 for PAAs. Local governments are supposed to provide 30% of these land fees assessed and collected within PAs to the actual PA administration to cover PA costs. This is only happening in a few PAs (include details on issues with this revenue source and land fee practice). This practice can and should be increased across system.
• Other supplementary economic activities	129,829		• Revenue from tree nursery (see WWF analysis and estimate) is low but other merchandise etc. generate revenues for the PAA system.
• Income from car parking area	2,000		• Tujiin nars PA authority has a fenced territory where they collect some revenue from car parking (see WWF analysis and estimate).
- co-managed protected areas	60,000		• Hustai collects approximately \$60,000 in addition to the entrance fees noted above - this is from accommodation, training fees and other intern payments, horse viewing, etc.
(4) Total annual revenues generated by PAs (total of (3))	713,031		
- national protected areas	613,031		• It is important to note that the 2008 approved revenue plan (by MoF for the PAA Department) amounted to approximately \$153,000. The allocation balance between total revenue and the approved revenue plan is at the sole discretion of the MoF. MNET/PAA can request amendments to the revenue plan to increase their allocations to cover PA costs; however these are not always accepted and ultimately have to be approved by Parliament first. (See below for further discussion on this issue).
- co-managed protected areas	100,000		
(5) Percentage of PA generated revenues retained in the PA system for re-investment ⁶³			
	40%		Specify whether PA generated revenues are retained directly in the PA system or

⁶² This could include fees for licenses, research etc

⁶³ This includes funds to be shared by PAs with local stakeholders

			are sent to government and then returned back to the PA system
- national protected areas	40%		<ul style="list-style-type: none"> Each PAA is required to develop a plan and budget proposal based on their “needs” across the PAA. They also propose a revenue projection / plan. If they earn more revenue than this plan the excess is kept by the Finance Ministry in the State Budget before a percentage is returned to the PAAs. A recent resolution (MOF Resolution #11, 2007) does not specify an amount (it has averaged 30-40% of 'excess' revenues returned to, or retained by PAAs). This year 2009 it is expected that the MoF may keep all of the excess revenue due to the economic crisis. It is important to also understand what percentage of the approved "Revenue Plan" is against the ultimate total amount generated. This changes year-to-year and among PA/PAAAs. In 2008 as the approved "Plan" was approx. \$153,000 USD in revenue across all PAAs. The actual total revenue was \$715,000 USD – so approximately 21% of total revenue was retained. This, combined with the 30% of the balance (the 79% of revenue held by the MoF in the State Budget) that a PAA might receive would essentially mean that each PAA retains a total of 40% of the total revenue generated at the site. Given the uncertainty and in an effort to reflect historical norms this analysis assumes that 40% of the revenues is therefore retained. Clearly this is an average estimate.
- co-managed protected areas	100%		<ul style="list-style-type: none"> Hustai National Park funds and revenues are 100% for the management of Hustai National Park PA.
(6) Total finances available to the PA system [line item 2]+ [line item 4 * line item 5]	2,432,083		
- national protected areas	1,964,583		
- co-managed protected areas	467,500		
Costs and Financing Needs			
(7) Total annual expenditure for PAs (all PA operating and investment costs and system level expenses) ⁶⁴	2,171,989		<p>State any extraordinary levels of capital investment in a given year</p> <p>State rate of disbursement – total annual expenditures as % of available finances (line item 6.)</p> <p>The total expenses equals MNET inputs as well as NGO, Donor, and possible <i>soum</i> and <i>aimag</i>, as well as community, inputs. However almost all <i>Aimags</i> and <i>Soums</i> cannot currently afford to contribute any funds or in-kind support. Securing information on donors and NGOs is difficult.</p> <p>If this % is low, state reasons⁶⁵:</p>
- national protected areas	1,704,489		

⁶⁴ In some countries actual expenditure differs from planned expenditure due to disbursement difficulties. In this case actual expenditure should be presented and a note on disbursement rates and planned expenditures can be made in the Comments column.

⁶⁵ Low to be defined by country expectations and needs

- co-managed protected areas	467,500		
(8) Estimation of financing needs ⁶⁶			
A. Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	7,800,000		<ul style="list-style-type: none"> The current 2008 financing need estimate is based on approximate PAA budget submittals (Budget Proposals 2008). It is not basic or optimal as it does not take into account actual Basic financing needs for the system because A) PAA Directors do not submit actual needs / budgets based on completed or functioning Management Plans and B) 13 of the PAs under this system are outside of the PAA system and not addressed systematically.
- national protected areas	7,500,000		<ul style="list-style-type: none"> Estimating financial needs of the PA system has not yet been conducted in a comprehensive, need-based fashion for Basic and Optimal. Management costs are currently determined based on basic, annual assumptions which rarely change and are not based on actual costs from PA specific management plans. (The general protocol is to use the previous year's budget approval as a guide for submittal). It is highly recommended that budget based on management plans/actual needs are developed and submitted across the PA system. However, WWF has estimated financing needs for Basic at approximately \$4.5 million for approximately 60% of the PAs in the system. We therefore make a rough guess at the total Basic need based on this as being \$7,500,000 USD.
- co-managed protected areas	300,000		<ul style="list-style-type: none"> This figure is based on an estimate from the Hustai National Park/Trust NGO Director. They have a detailed management plan and are embarking on a detailed costing and business plan effort in 2009.
B. Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered ⁶⁷	10,000,000		<ul style="list-style-type: none"> As noted above, actual management plan / needs-against-objectives budgeting systems do not exist either for Basic or Optimal levels. We have assumed that the current, flawed financial needs projecting/budgeting system is reflective of a "basic" need, and that no comprehensive assessment of "optimal management" needs has been done. However, WWF has estimated financing needs for the optimal level at approximately \$6 million for approximately 60% of the PAs in the system. We therefore make a rough guess at the total Optimal level is around \$10,000,000 USD.
- national protected areas	9,600,000		<ul style="list-style-type: none"> See above comments.
- co-managed protected areas	400,000		<ul style="list-style-type: none"> Hustai has a Basic estimate/proposal but not Optimal. It is assumed to be \$400,000.
(9) Annual financing gap (financial needs – available finances) ⁶⁸			

⁶⁶ Complete this per PA system and add rows as necessary for each PA system for which needs are estimated

⁶⁷ Optimal scenarios should include costs of expanding the PA systems to be fully ecologically representative

⁶⁸ Financing needs as calculated in (8) minus available financing total in (6)

A. Net actual annual surplus/deficit ⁶⁹	- 280,094		
- national protected areas	- 280,094		
- co-managed protected areas	0		
B. Annual financing gap for basic expenditure scenarios	5,347,917		<ul style="list-style-type: none"> • See comments in # 8 above.
- national protected areas	5,515,417		
- co-managed protected areas	- 167,500		<ul style="list-style-type: none"> • Hustai had a large grant from EU in 2008 which is an exceptional income.
C. Annual financing gap for optimal expenditure scenarios	7,549,917		<ul style="list-style-type: none"> • See comments in # 8 above.
- national protected areas	7,615,417		
- co-managed protected areas	- 67,500		<ul style="list-style-type: none"> • Hustai had a large grant from EU in 2008 which is an exceptional income
D. Projected annual financing gap for basic expenditure scenario in year X+5 ^{70,71}	NA		<ul style="list-style-type: none"> • The current budget/financial system is based on an annual, non-comprehensive budgeting process. No long-term financial needs projection/budgeting system is used (especially not a needs-driven one). While we could use a linear projection based on the current baseline year budget this would not provide an accurate snapshot of the annual need or financing gap so we have left this blank.
- national protected areas	NA		
- co-managed protected areas	NA		
(10) Financial data collection needs			Specify main data gaps identified from this analysis: Specify actions to be taken to fill data gaps ⁷² :

⁶⁹ This will likely be zero but some PAs may have undisbursed funds and some with autonomous budgets may have deficits

⁷⁰ This data is useful to show the direction and pace of the PA system towards closing the finance gap. This line can only be completed if a long term financial analysis of the PA system has been undertaken for the country

⁷¹ As future costs are projected, initial consideration should be given to upcoming needs of PA systems to adapt to climate change which may include incorporating new areas into the PA system to facilitate habitat changes and migration

⁷² Actions may include (i) cost data based on site based management plans and extrapolation of site costs across a PA system and (ii) revenue and budget accounts and projections

FINANCIAL SCORECARD – PART II – ASSESSING ELEMENTS OF THE FINANCING SYSTEM

Component 1 – Legal, regulatory and institutional frameworks					COMMENT
<i>Element 1</i> – Legal, policy and regulatory support for revenue generation by PAs	None (0)	A Few (1)	Several (2)	Fully (3)	
(i) Laws or policies are in place that facilitate PA revenue mechanisms		1			Sources of financing for protected areas are specified in the Law on Special PAs (1994) and include state and local budgets, donations and aid by citizens, economic entities and organizations, as well as income from compensation for damage caused by persons who violate this law and its regulations. Entrance fees, Land fees and Fines are specified in the Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources (2000). Fines are also addressed in the Law on Environmental Protection (1995). However these policies are not fully implemented or enforced and randomly applied and disputed.
(ii) Fiscal instruments such as taxes on tourism and water or tax breaks exist to promote PA financing	0				There are no tourism taxes or other taxes used for PA financing except for entrance fee.
<i>Element 2</i> - Legal, policy and regulatory support for revenue retention and sharing within the PA system	No (0)	Under development (1)	Yes, but needs improvement (2)	Yes, satisfactory (3)	

i) Laws or policies are in place for PA revenues to be retained by the PA system (central and site levels)		1			There is also a Minister of Finance Resolution (#11, 2007) which addresses this issue. Each PA Administration is required to develop a plan and budget proposal based on their own “needs” across the PAA In this Budget Proposal they list expenses / costs and also a revenue projection / plan. They are not allowed to spend any revenue in excess of this plan. If they earn more revenue this is kept in the PAA account and the MoF determines how it is used. A recent resolution (MOF Resolution #11, 2007) decides that the amount or % to be retained is not fixed but decided on annual basis by the Ministry of Finance MoF can determine that 0% is available to be retained (which it is doing in 2009 due to economic crisis – although the latest news from MoF is that the Government budgets/revenues will be higher than originally planned it is still unlikely that the excess 2008 revenues from PAA system will be made available to the PAAs but will be used by MoF for other government costs (absorbed into State Budget).
(ii) Laws or policies are in place for PA revenues to be retained at the PA site level			2		According to the Law on Protected Areas (1994) there are 4 categories of income: 1) State or Local government budgets, 2) tourism and income from other (this is open to wide interpretation) activities, 3) grants from individual organizations, 4) compensation payments (mitigation offsets, etc and fines. It is not clear whether PAs can generate income from other sources such as concessions or actual businesses (e.g. PA-run hotels) - There is an example of PAs generating income from running tree nurseries. It is not clear which law allows this -.
(iii) Laws or policies are in place for revenue sharing at the PA site level with local stakeholders		1			There are no laws and policies for revenue sharing with local stakeholders.
<i>Element 3 - Legal and regulatory conditions for establishing Funds (endowment, sinking or revolving)</i> ⁷³					
	No (0)	Established (1)	Established with limited capital (2)	Established with adequate capital (3)	

⁷³ This element can be omitted in countries where a PA system does not require a Trust Fund due to robust financing within government

(i) A Fund has been established and capitalized to finance the PA system	0				Not for the PA system. According to the Law on Government Special Funds a special fund has been established for Environmental Protection of which a certain percentage is supposed to go toward PA system/natural resource management. It is not clear if any has. Also, two Trust Funds (NEMO and METF) were set up for broad environmental protection purposes in the past, but neither was for PAs specifically.
	None (0)	A few (1)	Several (2)	Sufficient (3)	
(ii) Funds have been created to finance specific PAs		1			The Hustai National Park trust fund.
	No (0)	Partially (1)	Quite well (2)	Fully (3)	
(iii) Fund expenditures are integrated with national PA financial planning and accounting	0				No
<i>Element 4</i> - Legal, policy and regulatory support for alternative institutional arrangements for PA management to reduce cost burden to government	None (0)	Under development (1)	Yes, but needs improvement (2)	Yes, Satisfactory (3)	
(i) There are laws or policies which allow and regulate concessions for PA services	0				None exist.
(ii) There are laws or policies which allow and regulate co-management of PAs		1			A Co-management agreement (MoU or contract) exists for Hustai National Park, but there is no clear law addressing this approach making replication difficult.
(iii) There are laws or policies which allow and regulate local government management of PAs			2		<i>Aimag/Soums</i> are able to legally manage Nature Reserves and National Monuments according to the Law on Special Protected Areas 1994).
(iv) There are laws which allow, promote and regulate private reserves	0				None exist.
<i>Element 5</i> - National PA financing policies and strategies					
(i) There are key PA financing policies for:	No (0)	Yes, but needs improvement (2)	Yes, satisfactory (3)		

- Comprehensive, standardized and coordinated cost accounting systems (both input and activity based accounting)	0				No
- Revenue generation and fee levels across PAs		2			See Element 2 discussions above.
- Allocation of PA budgets to PA sites (criteria based on size, threats, business plans, performance etc)	0				Policies for effective and meaningful PA budget allocations do not exist (the PA Laws referenced above do not address this issue). Annual budget planning is based on outcome of the previous year budget results and largely emphasizes staffing costs versus functional PA management activity costs.
- Safeguards to ensure that revenue generation does not adversely affect conservation objectives of PAs		2			The Law on Special Protected Areas (1994) does address the issue by specifying economic / revenue activities per PA type as long as these do not harm values for which the PA was established. Specific safeguards are not specified or in place.
- PA management plans to include financial data or associated business plans	0				There are no requirements in the law for management plans so by default this is no. However, some PAA plans and budgets are combined.
(ii) Degree of formulation, adoption and implementation of a national financing strategy ⁷⁴	Not begun (0)	In progress (1)	Completed (3)	Under implementation (5)	
		1			A financing strategy does not yet exist with clear targets, policies, tools, approaches, etc. There are annual budgets based on PA Administration office proposals and approved by MoF which is a starting point.
<i>Element 6</i> - Economic valuation of protected area systems (ecosystem services, tourism based employment etc)	None (0)	Partial (1)	Satisfactory (2)	Full (3)	
(i) Economic valuation studies on the contribution of protected areas to local and national development are available	0				No valuation studies of PAs yet exist.

⁷⁴ A national PA Financing Strategy will include targets, policies, tools and approaches

(ii) PA economic valuation influences government decision makers	0	(e.g. within Ministry of Environment)	(e.g. within other sectoral Ministries)	(e.g. within Ministry of Finance)	Government decision makers are beginning to request valuation studies in development decisions (for upper Tuul river watershed development), but it has not yet been done for protected areas.
<i>Element 7 - Improved government budgeting for PA systems</i>	No (0)	Partially (2)	Yes (3)		
(i) Government policy promotes budgeting for PAs based on financial need as determined by PA management plans	0				No. This is a major gap in policy and PA law. However, NGO managed Hustai NP have a procedure of financing by the decision of Committee of representatives.
(ii) PA budgets includes funds to finance threat reduction strategies in buffer zones (e.g. livelihoods of communities living around the PA) ⁷⁵	0				No. All State Budgets allocated to PAs cover staffing and related expenses. For community and threat reduction or livelihood work in BZ funds need to be sourced from donor projects, etc. The Buffer Zone Law does allow for BZ Funds, but there is no current source of funds.
(iii) Administrative (e.g. procurement) procedures facilitate budget to be spent, reducing risk of future budget cuts due to low disbursement rates		2			Procedure exists to facilitate expenditure, however, where revenues are generated PAs are not authorized to spend these in full and if they do they are penalized in the next year.
(iv) Ministry of Finance plans to increased budget, over the long term, to reduce the PA financing gap	0				MoF clearly desires to increase the State Budget but has no policy to increase PA budgets.
<i>Element 8 - Clearly defined institutional responsibilities for financial management of PAs</i>	None (0)	Partial (1)	Improving (2)	Full (3)	
(i) Mandates of public institutions regarding PA finances are clear and agreed		1			PAA Directors are required to submit budget proposals. However no policies for revenue generation are in place in law or regulations.
<i>Element 9 - Well-defined staffing requirements, profiles and incentives at site and system level</i>	None (0)	Partial (1)	Almost there (2)	Full (3)	

⁷⁵ This could include budgets for development agencies and local governments for local livelihoods

(i) There is an organizational structure with a sufficient number of economists and financial planners in the PA authorities (central, regional and site levels) and sufficient authority to properly manage the finances of the PA system		1			MNET Department of Strategic Planning and Sustainable Development has financial and economic professionals but few and they are responsible for all of MNET not just PAA Department/PA system.
(ii) PA site manager responsibilities include, financial management, cost-effectiveness and revenue generation ⁷⁶		1			In effect the PAA Directors who oversee PA management are responsible for these issues but they are not explicit in the ToR for these positions except for submitting budget and revenue plans on an annual basis. Cost-effectiveness is not yet considered within the system.
(iii) Budgetary incentives motivate PA managers to promote site level financial sustainability (e.g. sites generating revenues do not experience budget cuts)	0				In effect the PAA Directors who oversee PA management are responsible for these issues but they are not explicit in the ToR for these positions except for submitting budget and revenue plans on an annual basis. Cost-effectiveness is not yet considered within the system.
(iv) Performance assessment of PA site managers includes assessment of sound financial planning, revenue generation, fee collection and cost-effective management	0				No formal performance assessments within PAA department.
(v) There is auditing capacity for PA finances		1			Annual government audits happen within MNET as a whole but PAA/PA audits do not happen.
(vi) PA managers have the possibility to budget and plan for the long-term (e.g. over 5 years)	0				No. They only submit annual budgets.
Total Score for Component 1					Actual score: 20 Total possible score: 95 #: 21.1%

Component 2 – Business planning and tools for cost-effective management					COMMENT
<i>Element 1</i> – PA site-level business planning	Not begun (0)	Early stages (1)	Near complete (2)	Completed (3)	

⁷⁶ These responsibilities should be found in the Terms of Reference for the posts

(i) PA management plans includes conservation objectives, management needs and costs based on cost-effective analysis		1			Management plans which do exist address some objectives and some management needs but do not an analysis of cost effectiveness.
(ii) PA management plans are used at PA sites across the PA system		1			Only some (approximately 50%) have management plans. The PA law does not require.
(iii) Business plans, based on standard formats and linked to PA management plans and conservation objectives, are developed across the PA system ⁷⁷	0				No business plans exist. Most PA staff and management do not understand what a PA business plan is.
(iv) Business plans are implemented across the PA system (degree of implementation measured by achievement of objectives)	0				No. (Hustai National Park is an exception, whereby they have comprehensive management and financial plans, including tourism business plans - but this is not the norm for the PAA system).
(v) Business plans for PAs contribute to system level planning and budgeting	0				No
(vi) Costs of implementing management and business plans are monitored and contributes to cost-effective guidance and financial performance reporting	0				No
<i>Element 2 - Operational, transparent and useful accounting and auditing systems</i>	None (0)	Partial (1)	Near complete (2)	Fully completed (3)	
(i) There is a transparent and coordinated cost (operational and investment) accounting system functioning for the PA system		1			A basic budgeting system exists and is documented and available. Not transparent to the PA level - only PAA and MNET. (PA breakdowns are not readily available and must be sourced directly from the PAA Director).
(ii) Revenue tracking systems for each PA in place and operational			2		Same as above.

⁷⁷ A PA Business Plan is a plan that analyzes and identifies the financial gap in a PA's operations, and presents opportunities to mitigate that gap through operational cost efficiencies or revenue generation schemes. It does not refer to business plans for specific concession services within a PA. Each country may have its own definition and methodology for business plans or may only carry out financial analysis and hence may need to adapt the questions accordingly.

(iii) There is a system so that the accounting data contributes to system level planning and budgeting		1			The norm is to refer to last year's account to determine the scale of budgets, etc. This is not progressive but the system exists to start contributing to improved planning. Budget is approved after cutting from PAA's budget proposal by MNET and MoF. There is not financial officer, who knows situation and specific characters of PA and PAAs, at the PAA department of MNET.
<i>Element 3 - Systems for monitoring and reporting on financial management performance</i>	None (0)	Partial (1)	Near completed (2)	Complete and operational (3)	
(i) All PA revenues and expenditures are fully and accurately reported by PA authorities to stakeholders		1			Information is available in basic formats at PAA (detail to PA level is not clear) level but this is only reported to MNET, not to all stakeholders. Collated revenues are not consistently reported to local government, communities, and other stakeholders.
(ii) Financial returns on tourism related investments are measured and reported, where possible (e.g. track increase in visitor revenues before and after establishment of a visitor centre)		1			Revenues are tracked according to "Main Activities" which includes entrance fees, fines, etc, and "Sub-activities" which includes various other sources. It is difficult to break down all tourism related investments and details of tourism figures/statistics which are not kept across the PAA system. PA level and PAA of MNET could determine numbers of tourists through entrance fee revenue. Reliable figures on numbers of tourists are lacking.
(iii) A monitoring and reporting system in place to show how and why funds are allocated across PA sites and the central PA authority	0				Such a system does not exist. Funds and capital are allocated across PA sites from projects and national and international NGOs are not reported to the Ministry. Protected area administration does not report to any organizations.
(iv) A reporting and evaluation system is in place to show how effectively PAs use their available finances (i.e. disbursement rate and cost-effectiveness) to achieve management objectives	0				Such a system does not exist.
<i>Element 4 - Methods for allocating funds across individual PA sites</i>	No (0)	Yes (2)			

(i) National PA budget is allocated to sites based on agreed and appropriate criteria (e.g. size, threats, needs, performance)	0				No. Allocation is based on historic norms and available MNET budgets. They are largely used only for minimal staff costs and other cost criteria is not considered. Certainly, the PA system does not prioritize for needs based on PA objectives and threats (and these are poorly understood). Whether planning, capacity, and capability etc is not basis for the budget. Does not take into account the size of the PA needs.
(ii) Funds raised by co-managed PAs do not reduce government budget allocations where funding gaps still exist	0				Specific policy does not exist. In the case of Hustai NP, State Budget funds were drastically reduced as a result of co-management agreement was in place (in 2008 MNET stated they gave KNP \$17,000 where Hustai NP says they received \$0).
<i>Element 5 - Training and support networks to enable PA managers to operate more cost-effectively</i>	Absent (0)	Partially done (1)	Almost done (2)	Fully (3)	
(i) Guidance on cost-effective management developed and being used by PA managers	0				No. There is no guidance on cost-effective management from MNET.
(ii) Inter-PA site level network exist for PA managers to share information with each other on their costs, practices and impacts			2		By default the PAA system is a well designed inter-PA site network system. However it is not clear how well PA staff within each PA under each PAA are sharing information. Most PA Administration Managers mention to have good working relations with neighbouring administrations.
(iii) Operational and investment cost comparisons between PA sites complete, available and being used to track PA manager performance	0				Actual budgets, revenues and expenditures at the PA Administration level (not PA) are available but clearly not being used or tracked neither to measure cost effectiveness, performance nor to inform future decision making. There is no standard for PAA director performance. Also, there is no shared information about operational and investment cost of PAAs.
(iv) Monitoring and learning systems of cost-effectiveness are in place and feed into system management policy and planning		1			Not in place.

(v) PA site managers are trained in financial management and cost-effective management		1			No formal or informal training exists. (some Donor/NGO projects are beginning to consider these needs). In a few cases this training was given on ad-hoc basis.
(vi) PA financing system facilitates PAs to share costs of common practices with each other and with PA headquarters ⁷⁸		1			This is true as a result of the PAA level system but is not being optimized. Sometimes directors of PAAs share their transport costs. But there is no official cost-sharing. Financing is sometimes shared but not enough (e.g. in a few PAAs car sharing can be increased_.
Total Score for Component 2					Actual score:13 Total possible score: 61 #:21.3 %

Component 3 – Tools for revenue generation by PAs					COMMENT
<i>Element 1 - Number and variety of revenue sources used across the PA system</i>	None (0)	Partially (1)	A fair amount (2)	Optimal (3)	
(i) An up-to-date analysis of revenue options for the country complete and available including feasibility studies;	0				Not complete or available. WWF and others are starting to analyze for specific PAs/PAA.
(ii) There is a diverse set of sources and mechanisms, generating funds for the PA system		1			There are a few standards: entrance fee (low fees), fines, land fees (low use of this mechanisms is a lost opportunity), and a few minor others. Only during summer season is tourism significant.
(iii) PAs are operating revenue mechanisms that generate positive net revenues (greater than annual operating costs and over long-term payback initial investment cost)	0				Probably not, but it is not clear as the total costs of administering each are not known. In 2008 all revenues that have been documented by PAA Department at MNET totalled around \$200,000 USD out of a total \$2 million USD spent across the PAA.
(iv) PAs enable local communities to generate revenues, resulting in reduced threats to the PAs		1			In a few places communities have been able to offer tourism services (Hustai, etc) and to add to their income, which likely reduces their impact in the PA in other ways, but this is not clear.
<i>Element 2 - Setting and establishment of user fees across the PA system</i>	No (0)	Partially (1)	Satisfactory (2)	Fully (3)	

⁷⁸ This might include aerial surveys, marine pollution monitoring, economic valuations etc.

(i) A system wide strategy and action plan for user fees is complete and adopted by government		1			A system-wide strategy does not exist. The current policy (resolution #172, 2003) requires 300 tugrik per Mongolian visitor and 3,000 - 5,000 (Hustai only) tugrik for foreigners. This is for unlimited duration of stay. The system and policies should be rationalized and revised.
(ii) The national tourism industry and Ministry are supportive and are partners in the PA user fee system and programmes	0				To some degree the tourism sector gives support and participates in collaboration, but much could be done to improve this. It is clear that many Tour operators are neither supportive nor contributing to PAs. Many deal direct with local governments and not PAA.
(iii) Tourism related infrastructure investment is proposed and developed for PA sites across the network based on analysis of revenue potential and return on investment ⁷⁹	0				Investments are made but not necessarily based on a full analysis of return on investments.
(iv) Where tourism is promoted PA managers can demonstrate maximum revenue whilst not threatening PA conservation objectives		1			PAA Directors do not control tourism operations nor can they directly affect returns. Tourism sector / operators operate independently.
(v) Non tourism user fees are applied and generate additional revenue	0				Evidence of these do not exist. (Land fees not withstanding).
<i>Element 3 - Effective fee collection systems</i>	None (0)	Partially (1)	Completed (2)	Operational (3)	
(i) System wide guidelines for fee collection are complete and approved by PA authorities		1			A resolution exists (#?) which determined revised entrance fee levels. Not necessarily approved by the PAA system.
(ii) Fee collection systems are being implemented at PA sites in a cost-effective manner		1			Implementation can be characterised as sporadic and inconsistent. Access points are not controlled and many fees are not collected.
(iii) Fee collection systems are monitored, evaluated and acted upon		1			The system can be monitored by counting ticket numbers for those tickets issued but it is not effectively monitored and acted upon.
(iv) PA visitors are satisfied with the professionalism of fee collection and the services provided		1		Not Applicable	It is not clear as no recent surveys are available but it is likely that in most cases visitors are not aware of services, however most visitors are repeat visitors.
<i>Element 4 - Marketing and communication strategies for revenue generation mechanisms</i>	None (0)	Partially (1)	Satisfactory (2)	Fully (3)	

⁷⁹ As tourism infrastructure increases within PAs and in turn increases visitor numbers and PA revenues the score for this item should be increased in proportion to its importance to funding the PA system.

(i) Communication campaigns and marketing for the public about tourism fees, conservation taxes etc are widespread and high profile at national level		1			Generally these do not exist. PA Administrations do provide information and exchange information - we have a full section on PR
(i) Communication campaigns and marketing for the public about PA fees are in place at PA site level		1			Generally these do not exist. During the Financial Scorecard workshop PA Administration Directors pointed out that the fees should be known to the public since they are uniform throughout the country. This is true but level of public knowledge has not been researched and on evidence of a campaign/ marketing on PA fees was given.
<i>Element 5 - Operational PES schemes for PAs⁸⁰</i>	None (0)	Partially (1)	Progressing (2)	Fully (3)	
(i) A system wide strategy and action plan for PES is complete and adopted by government	0				PES strategies do not exist.
(ii) Pilot PES schemes at select PA sites developed	0				PES schemes do not exist (except perhaps within Hustai).
(iii) Operational performance of pilots is monitored, evaluated and reported	0				See above.
(iv) Scale up of PES across the PA system is underway	0				See above.
<i>Element 6 - Concessions operating within PAs⁸¹</i>	None (0)	Partially (1)	Progressing (2)	Fully (3)	
(i) A system wide strategy and implementation action plan is complete and adopted by government for concessions	0				Concession strategies do not exist. Although Tourism operators have to pay a land fee it is not a formal concession. A proposed Concession Law is being developed.
(ii) Concession opportunities are operational at pilot PA sites	0				See above.
(iii) Operational performance (environmental and financial) of pilots is monitored, evaluated, reported and acted upon	0				see above.
(iv) Scale up of concessions across the PA system is underway	0				see above.
<i>Element 7 - PA training programmes on revenue generation mechanisms</i>	None (0)	Limited (1)	Satisfactory (2)	Extensive (3)	

⁸⁰ Where PES is not appropriate or feasible for a PA system take 12 points off total possible score for the PA system

⁸¹ Concessions will be mainly for tourism related services such as visitor centres, gift shops, restaurants, transportation etc

(i) Training courses run by the government and other competent organizations for PA managers on revenue mechanisms and financial administration		1			There has been some training but simple and not effective.
Total Score for Component 3					Actual score:11 Total possible score: 71 :%:15.5%

FINANCIAL SCORECARD – PART III – SCORING AND MEASURING PROGRESS

Total Score for PA System	44
Total Possible Score	227
Actual score as a percentage of the total possible score	19.4%
Percentage scored in previous year⁸²	NA

Signature⁸³: _____

Director of Protected Areas System

Date: _____

⁸² Insert NA if this is first year of completing scorecard.

⁸³ In case a country does not have an official national Protected Areas system, the head of the authority with most responsibility for protected areas or the sub-system detailed in the Scorecard, should sign.

E. Mongolia UNDP Capacity Scorecard results (2009; for FY 2008)⁸⁴

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵	Evaluative Comments	
1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	1. The protected area agenda is being effectively championed / driven forward	There is essentially no protected area agenda;	0	1.88	The MNET PAA department is the authority yet they are understaffed. PPA Directors are direct champions and supporters of the system but do not have sufficient budgets.
		There are some persons or institutions actively pursuing a protected area agenda but they have little effect or influence;	1		
		There are a number of protected area champions that drive the protected area agenda, but more is needed;	2		
		There are an adequate number of able "champions" and "leaders" effectively driving forwards a protected area agenda	3		
	2. There is a strong and clear legal mandate for the establishment and management of protected areas	There is no legal framework for protected areas;	0	1.52	There is a Law on Special Protected Areas (1994) and the Buffer Zone Law (1998). Revisions to each are being considered. There is also a National Protected Areas Program (1998) but it is very general and provides little guidance. Could be updated and refined into a National PA Vision.
		There is a partial legal framework for protected areas but it has many inadequacies;	1		
		There is a reasonable legal framework for protected areas but it has a few weaknesses and gaps;	2		
		There is a strong and clear legal mandate for the establishment and management of protected areas	3		
	3. There is an institution or institutions responsible for protected areas able to strategize and plan.	Protected area institutions have no plans or strategies;	0	1.52	The PAA Department is the authority responsible for the system. Certain PAs (12 PAs) fall under <i>Aimag</i> management where responsibilities are less clear.
		Protected area institutions do have strategies and plans, but these are old and no longer up to date or were prepared in a totally top-down fashion;	1		
		Protected area institutions have some sort of mechanism to update their strategies and plans, but this is irregular or is done in a largely top-down fashion without proper consultation;	2		

⁸⁴ This Mongolia UNDP Capacity Scorecard was completed by the SPAN preparation team between May and July 2009. The process included direct meetings with MNET and PAA Department management. The final scores and comments were reviewed and agreed to by the participants in these workshops.

⁸⁵ There were 4 Responders completing Scoring for this Mongolia UNDP Capacity Scorecard (June 2009): 3 individuals from the MNET and a SPAN Team representative. Each responder has familiarity with the PA system. In addition, a majority of the PAA Directors and other stakeholders reviewed and confirmed these scores over a 1.5 day workshop held in Ulaan Baatar (July 6-7, 2009).

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
		Protected area institutions have relevant, participatorially prepared, regularly updated strategies and plans	3		
2. Capacity to implement policies, legislation, strategies and programmes	4. There are adequate skills for protected area planning and management	There is a general lack of planning and management skills;	0	0.70	Most PAA staff lack essential management skills across many functional areas, as well as management planning in general. There is no formal training programme. The MNET/PAA relies heavily on outside contractors and consultants to support the PA System. Organisations such as GTZ, UNDP, WWF and WCS are focusing on training and capacity building in a few PAAs.
		Some skills exist but in largely insufficient quantities to guarantee effective planning and management;	1		
		Necessary skills for effective protected area management and planning do exist but are stretched and not easily available;	2		
		Adequate quantities of the full range of skills necessary for effective protected area planning and management are easily available	3		
	5. There are protected area systems	No or very few protected area exist and they cover only a small portion of the habitats and ecosystems;	0	1.62	The PA system consists of 61 PAs (which include 78 geographic sites since some PAs consist of multiple geographic sites). There are 24 PA Administration offices (23 plus 1 Research Centre). The PAA system provides the opportunity to share resources across the PAs. 61 PAs: Strictly PAs (12), National Parks (22), Nature Reserves (19), and National Monuments (8). 49 are managed under PAA system, 12 under <i>Aimag/Soum</i> authorities. While the PA system currently covers and represents most of the habitats represented in Mongolia, some gaps exist and the question of representative and reasonable size/scale of habitat coverage needs to be examined.
		Protected area system is patchy both in number and geographical coverage and has many gaps in terms of representativeness;	1		
		Protected area system is covering a reasonably representative sample of the major habitats and ecosystems, but still presents some gaps and not all elements are of viable size;	2		
		The protected areas includes viable representative examples of all the major habitats and ecosystems of appropriate geographical scale	3		
	6. There is a fully transparent oversight authority (there are fully transparent oversight authorities) for the protected areas	There is no oversight at all of protected area institutions;	0	1.88	The PAA Department within the MNET is the authority responsible for the system. However 12 PAs in the system are not under the direct control of the PAA Department but the <i>Aimags</i> where they are located. Management and Budgets are handled by different MNET departments (PAA Department and Strategic Planning Department respectively) reducing
		There is some oversight, but only indirectly and in a non-transparent manner;	1		
		There is a reasonable oversight mechanism in place providing for regular review but lacks in transparency (e.g. is not independent, or is internalized) ;	2		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	institutions	There is a fully transparent oversight authority for the protected areas institutions	3		accountability and ready transparency. There is a lack of transparency for PA level management and funding. The system needs improvement.
	7. Protected area institutions are effectively led	Protected area institutions have a total lack of leadership;	0	1.46	Each PA is managed by a PA Administration (49) or <i>Aimags/Soums</i> local governments (12). The <i>Aimags</i> managed PAs are generally not managed effectively due to lack of capacity and virtually no funding. The PA Administrations each have a director with varying degrees of capacity and leadership skills.
		Protected area institutions exist but leadership is weak and provides little guidance;	1		
		Some protected area institutions have reasonably strong leadership but there is still need for improvement;	2		
		Protected area institutions are effectively led	3		
	8. Protected areas have regularly updated, participatorially prepared, comprehensive management plans	Protected areas have no management plans;	0	1.11	The Law on PAs (1994) does not include a requirement to prepare Management plans. However, the National Program on PAs specifies a need for management planning. Many PAAs have management plans, and some are approved. There is a need better statistics on the status of management plans.
		Some protected areas have up-to-date management plans but they are typically not comprehensive and were not participatorially prepared;	1		
		Most Protected Areas have management plans though some are old, not participatorially prepared or are less than comprehensive;	2		
		Every protected area has a regularly updated, participatorially prepared, comprehensive management plan	3		
	9. Human resources are well qualified and motivated	Human resources are poorly qualified and unmotivated;	0	1.47	The PA system is understaffed. Training of rangers is not done in a structured manner and often only done with donor support. Management is not properly trained in management and finance. There are very few staff for Science, community development etc.
		Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated;	1		
		HR in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified;	2		
		Human resources are well qualified and motivated.	3		
	10. Management plans are implemented in a timely manner	There is very little implementation of management plans;	0	1.05	Generally poorly developed and implemented. Underfunded.
		Management plans are poorly implemented and their objectives are rarely met;	1		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	effectively achieving their objectives	Management plans are usually implemented in a timely manner, though delays typically occur and some objectives are not met;	2		
		Management plans are implemented in a timely manner effectively achieving their objectives	3		
	11. Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	Protected area institutions typically are severely underfunded and have no capacity to mobilize sufficient resources;	0	1.35	Virtually no funding outside of GoM State Budget. Total system funding in 2008(not counting Donor, etc) from State Budget and local revenues was approximately \$2 million USD or \$32,000 USD per PA on average. Site level revenue generation (primarily entrance fee and tourism) is not fully retained. Much is kept by the Ministry of Finance for other purposes. PA Administration Directors are not trained or incentivized to develop new funding sources/mechanisms.
		Protected area institutions have some funding and are able to mobilize some human and material resources but not enough to effectively implement their mandate;	1		
		Protected area institutions have reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate;	2		
		Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	3		
	12. Protected area institutions are effectively managed, efficiently deploying their human, financial and other resources to the best effect	While the protected area institution exists it has no management;	0	1.82	Institutional capacity is low – lacking in leadership and management skills. While the PA Administration system allows for efficient organization of institutional capacity it is under performing due to lack of management planning and coordination.
		Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal;	1		
		The institution(s) is (are) reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way;	2		
		The protected area institution is effectively managed, efficiently deploying its human, financial and other resources to the best effect	3		
	13. Protected area institutions are highly transparent, fully audited, and publicly	Protected area institutions totally untransparent, not being held accountable and not audited;	0	2.00	There are audits and transparency in final numbers. Accountability is less impressive due to lack of coordination and oversight between PAA system management plans and budgets/financial
		Protected area institutions are not transparent but are occasionally audited without being held publicly accountable;	1		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	accountable	Protected area institutions are regularly audited and there is a fair degree of public accountability but the system is not fully transparent;	2		management.
		The Protected area institutions are highly transparent, fully audited, and publicly accountable	3		
	14. There are legally designated protected area institutions with the authority to carry out their mandate	There is no lead institution or agency with a clear mandate or responsibility for protected areas;	0	1.94	The PAA Department and PAA system are established and have a legal mandate.
		There are one or more institutions or agencies dealing with protected areas but roles and responsibilities are unclear and there are gaps and overlaps in the arrangements;	1		
		There are one or more institutions or agencies dealing with protected areas, the responsibilities of each are fairly clearly defined, but there are still some gaps and overlaps;	2		
		Protected Area institutions have clear legal and institutional mandates and the necessary authority to carry this out	3		
	15. Protected areas are effectively protected	No enforcement of regulations is taking place;	0	1.76	Poor management plans, lack of zoning, low budgets and capacity all result in low management effectiveness.
		Some enforcement of regulations but largely ineffective and external threats remain active;	1		
		Protected area regulations are regularly enforced but are not fully effective and external threats are reduced but not eliminated;	2		
		Protected Area regulations are highly effectively enforced and all external threats are negated	3		
	16. Individuals are able to advance and develop professionally	No career tracks are developed and no training opportunities are provided;	0	1.41	Staff development programs are not in place. WWF has developed a training curriculum which has been approved by the PAA Department, MNET. Use of these materials has not yet started. MNET does not organize trainings. Some projects have held training but not widespread (WWF, UNDP, GTZ, etc)
		Career tracks are weak and training possibilities are few and not managed transparently;	1		
		Clear career tracks developed and training available; HR management however has inadequate performance measurement system;	2		
		Individuals are able to advance and develop professionally	3		
	17. Individuals are appropriately	Skills of individuals do not match job requirements;	0	1.70	Capacity and training is very low. Staff English skills

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	skilled for their jobs	Individuals have some or poor skills for their jobs;	1		re low so international materials and lessons are difficult to apply. MNET does not have a formal Staff skills development programme or even job descriptions.
		Individuals are reasonably skilled but could further improve for optimum match with job requirement;	2		
		Individuals are appropriately skilled for their jobs	3		
	18. Individuals are highly motivated	No motivation at all;	0	1.47	In some cases yes, but low morale and opportunities / incentives prevent initiative taking. PAA Department staff cannot initiate new initiatives unless directors agree.
		Motivation uneven, some are but most are not;	1		
		Many individuals are motivated but not all;	2		
		Individuals are highly motivated	3		
	19. There are appropriate systems of training, mentoring, and learning in place to maintain a continuous flow of new staff	No mechanisms exist;	0	1.52	Very few systems/materials.
		Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed;	1		
		Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required;	2		
		There are mechanisms for developing adequate numbers of the full range of highly skilled protected area professionals	3		
3. Capacity to engage and build consensus among all stakeholders	20. Protected areas have the political commitment they require	There is no political will at all, or worse, the prevailing political will runs counter to the interests of protected areas;	0	1.05	The PAA Department Director is committed. The PAA staff are committed. However MNET and Parliament commitment to the PA system is not strong. Competing development interests and economic challenges with Mongolia take political attention from the PA system. Also, support from local governments, especially <i>Aimag/Soum</i> authorities is low – especially when faced with competing mining and other interests.
		Some political will exists, but is not strong enough to make a difference;	1		
		Reasonable political will exists, but is not always strong enough to fully support protected areas;	2		
		There are very high levels of political will to support protected areas	3		
	21. Protected areas have the public support they require	The public has little interest in protected areas and there is no significant lobby for protected areas;	0	1.35	UN and NGO support for PAs is strong. Most PAs however do not have budgets for communication and awareness so this is an area of concern. Community support from communities near PAs is still low. General public support is growing (among other initiatives, WWF is helping this issue by creating a
		There is limited support for protected areas;	1		
		There is general public support for protected areas and there are various lobby groups such as environmental NGO's strongly pushing them;	2		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
		There is tremendous public support in the country for protected areas	3		competition between PAA with best model for collaboration with communities).
	22. Protected area institutions are mission oriented	Institutional mission not defined;	0	1.82	The PAA Department focuses on few necessary objectives and has weak vision. The PAAs have poor understanding of the objectives or vision for the PAs within their PAA. Overall, poor understanding of objectives and mission – training is needed.
		Institutional mission poorly defined and generally not known and internalized at all levels;	1		
		Institutional mission well defined and internalized but not fully embraced;	2		
		Institutional missions are fully internalized and embraced	3		
	23. Protected area institutions can establish the partnerships needed to achieve their objectives	Protected area institutions operate in isolation;	0	1.52	Some collaborative partnerships exist between PAs and institutions (WWF, GTZ, IPECON, Denver Zoo, WCS, etc) as well as community groups (i.e. Hustai National park) but overall this type of collaboration is still underutilised. The PA laws are not clear on guidance or support for such collaboration. The Hustai Trust Foundation has an MoU with MNET to manage Hustai National Park under collaborative management arrangements
		Some partnerships in place but significant gaps and existing partnerships achieve little;	1		
		Many partnerships in place with a wide range of agencies, NGOs etc, but there are some gaps, partnerships are not always effective and do not always enable efficient achievement of objectives;	2		
		Protected area institutions establish effective partnerships with other agencies and institutions, including provincial and local governments, NGO's and the private sector to enable achievement of objectives in an efficient and effective manner	3		
	24. Individuals carry appropriate values, integrity and attitudes	Individuals carry negative attitude;	0	2.11	Yes, most do.
		Some individuals have notion of appropriate attitudes and display integrity, but most don't;	1		
		Many individuals carry appropriate values and integrity, but not all;	2		
		Individuals carry appropriate values, integrity and attitudes	3		
4. Capacity to mobilize information and knowledge	25. Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of	Information is virtually lacking;	0	1.41	Very little information and knowledge on conservation priorities and socio-economic data is readily available for management decisions. With some exceptions, most PAA offices do not use data for decision making. There is a need improved databases and information management both at the
		Some information exists, but is of poor quality, is of limited usefulness, or is very difficult to access;	1		
		Much information is easily available and mostly of good quality, but there remain some gaps in quality, coverage and availability;	2		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	the protected area system	Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system	3		central and local level. Even basic profiles of existing PAs are not readily available.
	26. Protected area institutions have the information needed to do their work	Information is virtually lacking;	0	1.52	Same as above.
		Some information exists, but is of poor quality and of limited usefulness and difficult to access;	1		
		Much information is readily available, mostly of good quality, but there remain some gaps both in quality and quantity;	2		
		Adequate quantities of high quality up to date information for protected area planning, management and monitoring is widely and easily available	3		
	27. Individuals working with protected areas work effectively together as a team	Individuals work in isolation and don't interact;	0	1.58	This varies between PA administrations. Most are understaffed and as a result do not operate effectively as a functional team. In general the staffing teams consist mainly of only rangers and administrative staff and few specialists.
		Individuals interact in limited way and sometimes in teams but this is rarely effective and functional;	1		
		Individuals interact regularly and form teams, but this is not always fully effective or functional;	2		
		Individuals interact effectively and form functional teams	3		
5. Capacity to monitor, evaluate, report and learn	28. Protected area policy is continually reviewed and updated	There is no policy or it is old and not reviewed regularly;	0	1.23	The Law on Special Protected Areas (1994) and Buffer Zone Law (1998) require revision and improvement. The PA Law has only been refined in minor ways 3 times over the last 15 years
		Policy is only reviewed at irregular intervals;	1		
		Policy is reviewed regularly but not annually;	2		
		National protected areas policy is reviewed annually	3		
	29. Society monitors the state of protected areas	There is no dialogue at all;	0	1.23	Development organisations are the key initiators of the debate on protected areas, and the level of discussion is low.
		There is some dialogue going on, but not in the wider public and restricted to specialized circles;	1		
		There is a reasonably open public dialogue going on but certain issues remain taboo;	2		
		There is an open and transparent public dialogue about the state of the protected areas	3		
	30. Institutions are highly adaptive,	Institutions resist change;	0	1.76	The PAA Department and PA Administrations are
		Institutions do change but only very slowly;	1		

Strategic Area of Support	Issue	Outcome Indicators	Score: ⁸⁵		Evaluative Comments
	responding effectively and immediately to change	Institutions tend to adapt in response to change but not always very effectively or with some delay;	2		slow to adapt and change. There is ample evidence that adaptive management or improvements happen on a structural basis. Difficulties lie in a lack of policy guidance and funds.
		Institutions are highly adaptive, responding effectively and immediately to change	3		
	31. Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	There are no mechanisms for monitoring, evaluation, reporting or learning;	0	1.47	Few M&E systems and evaluations exist. Some PA administrations have reporting but no evaluation against management plans or use of resources. (there is confusion within PAAs about what monitoring' means, especially with biological monitoring). There is a need for more training and tools. MNET The PAA Department needs an M&E Officer.
		There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak;	1		
		Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be;	2		
		Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	3		
	32. Individuals are adaptive and continue to learn	There is no measurement of performance or adaptive feedback;	0	1.76	To the extent possible, given what has been explained above, many staff and PAA Directors try yet performance remains low.
		Performance is irregularly and poorly measured and there is little use of feedback;	1		
		There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be;	2		
		Performance is effectively measured and adaptive feedback utilized	3		
TOTAL SCORE			96	49	
				51 %	

G. Brief Descriptions of the Selected Demonstration Protected Areas

Protected Area (gazetted)	Location / Aimag	Hectares (Features)	Major Global Biodiversity	Authority	Management Plan in Place?	FY 2008 Budget ⁸⁶
1. Ikh Nart Nature Reserve	Dornogobi aimag	43,740 ha (current official; latest GIS indicate approximately 66,000 hectares) (<i>grassland and semi-desert steppe</i>)	Although low in absolute biodiversity it does contain important species, such as Argali sheep (<i>Ovis ammon</i>) and Siberian ibex (<i>Capra sibirica</i>) – and other Red Book listed species. This, and its pristine condition and geological formations, make it an important place for mammalian and bird species and also make it an excellent ecotourism destination. Ikh Nart was named an Important Bird Area (IBA) by BirdLife International primarily because of the large number of breeding pairs of the Globally Threatened lesser kestrels (<i>Falco naumanni</i>), but also the large number of cinereous vultures (<i>Aegypius monachus</i>) that also nest there.	Dalanjargal and Airag Soums jointly manage the Reserve ⁸⁷	Yes, since 2007, although it needs to be updated to strengthen zoning. Approved by soum – level government, not MNET (it is not clear if Reserve plans need MNET approval).	\$100,00
2. Orkhon Valley National Park	Ovorkhangai aimag and Arkhangai aimag	90,000 hectares (<i>river basin, cultural monuments</i>)	Orkhon Valley National Park is a Cultural World Heritage Site containing high mountain and river basin ecosystems. It contains important species such as Argali Sheep (<i>Ovis ammon</i>) and Siberian Ibex (<i>Capra sibirica</i>), Snow Leopard (<i>Uncia uncia</i>), and Musk Deer (<i>Moschus moschiferus</i>), – and other Red Book listed species such as Daurian Hedgehog (<i>Erinaceus dauricus</i>), Wild Pig (<i>Sus scrofa</i>), Whooper Swan (<i>Cygnus cygnus</i>), Black Stork (<i>Ciconia nigra</i>), Bar-headed Goose (<i>Anser indicus</i>), Swan Goose (<i>Anser cygnoides</i>), White-tailed Eagle (<i>Haliaeetus albicilla</i>) and Black Woodpecker (<i>Dryocopus martius</i>). While	MNET (Orkhon Valley PAA)	Yes, draft management plan not yet approved by MNET. Only partially implemented due to funding and management capacity constraints.	\$11,500

⁸⁶ Information for Fiscal Year 2008 Budgets for each individual PA is not possible to secure from MNET PAA Department as they track budgets only to the PAA level, not down to the individual PA level. Ikh Nart receives no MNET State Budget allocation. These numbers are estimated based on the Management Effectiveness Tracking Tool (METT) exercises.

⁸⁷ These Soums are supported by partners at the Argali Research Center (ARC) and the Mongolia Conservation Coalition (MCC).

Protected Area (gazetted)	Location / Aimag	Hectares (Features)	Major Global Biodiversity	Authority	Management Plan in Place?	FY 2008 Budget ⁸⁶
			no scientific study or inventory on globally important birds has been done in Orkhon Valley, there are some birds observed in the park such are Himalayan Griffon (<i>Gyps himalayensis</i>), Eurasian Penduline Tit (<i>Remiz pendulinus</i>), White-naped Crane (<i>Grus vipio</i>).			

Ikh Nart Nature Reserve

(source: *Dalanjargalan soum Governors board, 13August, 2009*)

Ikh Nart Nature Reserve is a semi-arid steppe ecosystem supporting a unique community of wildlife in relatively pristine condition. Although low in absolute biodiversity it does contain important species, such as Argali sheep (*Ovis ammon*) and Siberian ibex (*Capra sibirica*) – and other Red Book listed species. This, and its pristine condition and geological formations, make it an important place for research on important mammalian and bird species (a variety of nesting raptors) and also make it an excellent ecotourism destination. Ikh Nart was named an Important Bird Area (IBA) by BirdLife International primarily because of the large number of breeding pairs of the Globally Threatened lesser kestrels (*Falco naumanni*), but also the large number of cinereous vultures (*Aegypius monachus*) that also nest there. Permanent springs emanate from a number of valleys, making the Reserve an important place for wild and domestic animals.

Ikh Nart Nature Reserve extends over two bags in two soums (Dalanjargalan and Airag) in Dornogobi aimag and is inhabited by about 800 people of 133 households. 9.4 % of the households (1.1% of population) are living inside of the nature reserve. Others reside outside of the nature reserve. Local herders in just one bag manage approximately 25,700 (animal number is only one bag of Dalanjargalan soum). It is estimated that 3,000 thousand animals graze in the nature reserve each year. The Argali Research Centre and nature reserve managers support the establishment of community groups within the nature reserve and soum area.

Partnerships: (source: *Argali Research Centre*)

No	Partnerships	Cooperation starting date	Cooperation fields
1	Environment and tourism board of Dornogobi aimag	na	Management
2	Governor Board of dalanjargalan	na	Management

	soum		
3	Mongolian Conservation Coallation (MCC)	1998	Conservation issues
4	Argali Research center	2000	Research and monitoring; and environmental education
5	Denver Zoo Foundation, USA	1998	Research and monitoring; and environmental education
6	Anzo Borrego Desert Park, USA	2006	Environmental issues: exchange staff and knowledge and support of rangers
7	Nomadic Journeys LLC	2008	Eco-tourism development
8	Earth Watch organization	2005	Environmental Volunteer
9	Association of Artists, USA		

Orkhon Valley National Park

Orkhon Valley National Park was designated a National Park in 2006. It is a Cultural World Heritage Site containing high mountain and river basin ecosystems. It contains important species such as Argali Sheep (*Ovis ammon*) and Siberian Ibex (*Capra sibirica*), Snow Leopard (*Panthera uncia*), and Musk Deer (*Moschus moschiferus*), – and other Red Book listed species such as Daurian Hedgehog (*Erinaceus dauricus*), Wild Pig (*Sus scrofa*), Whooper Swan (*Cygnus cygnus*), Black Stork (*Ciconia nigra*), Bar-headed Goose (*Anser indicus*), Swan Goose (*Anser cygnoides*), White-tailed Eagle (*Haliaeetus albicilla*) and Black Woodpecker (*Dryocopus martius*). While no scientific study or inventory on globally important birds has been done in Orkhon Valley, there are some birds observed in the park such are Himalayan Griffon (*Gyps himalayensis*), Eurasian Penduline Tit (*Remiz pendulinus*) , White-naped Crane (*Grus vipio*).

Orkhon Valley National Park covers territory within four soums (Kharkhorin, Bat-Ulziit, Khujirt and Uyanga) of Ovorkhangai Aimag and two Soums (Khotot and Khashaat) of Arkhangai aimag, which is inhabited by approximately 33,000 people comprising 10,400 households. 13.7 % of the households live inside the park and others live in the Buffer Zone.

Local people are mainly dependent on livestock husbandry and have about 844,000 animals, most of which graze in the national park area. There are 26 community groups in four soums (twenty-three in Bat-Ulziit soum, two in Khujirt soum, two soums in Uyanga and one in Kharkhorin). The community groups have 111 members from about forty households.

Within the park area, there are 33 tourist (ger) camps. The number of ger camps has increased significantly in the past five years. In 2005, there were just six ger camps, and that number rose to twenty five in 2007, and again to thirty three camps in 2008. In 2007, 98,000 ha of the Orkhon Valley NP was selected as part of a World Cultural site. In 2008, 2,300 foreign tourists and 5,153 domestic tourists visited the NP. The park's entrance fee system helped earn 6,900 thousand tugrik from foreign tourists and 1,545 thousand tugrik from domestic tourists. The park also collected 4,000 tugrik in penalties.

Every soum has a Buffer Zone council, and three soum councils have Buffer Zone Funds Kharkhorin Soum's BZC fund has approximately 200,000 thousand tugrik, Bat-Ulziit Soum's BZC fund has approx. 2,000,000 thousand tugrik, and Khujirt Soum's BZC fund has about 150,000 thousand tugrik.

Partnership:

№	Partnerships	Since	Cooperation fields
1	Nature, environment and tourism board (in aimag)	2006	Tourism development
2	Aimag's professional inspection agency board	2006	Monitoring and patrolling
3	Soum Governors	2006	Environmental issues
4	GTZ conservation programme	2006	Environmental education and awareness
5	Police	2006	Monitoring and patrolling

	Community groups and NGO	2007	Environmental issues
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H. Selected Protected Areas Management Effectiveness Tracking Tool (METT) results (2009)

Section One: Project General Information METT - MONGOLIA (2008)

1. Project Name: **Strengthening of the Protected Area Network in Mongolia**
2. Project Type (MSP or FSP): **FSP**
3. Project ID (GEF): **4180**
4. Project ID (IA): **UNDP**
5. Implementing Agency: **Ministry of Nature, Environment, and Tourism (MNET)**
6. Country(ies): **Mongolia**

Name of reviewers completing tracking tool and completion dates:

7.

	Name	Title	Agency
Work Program Inclusion	SPAN		
Project Mid-term			
Final Evaluation/project completion			

Project

duration: **Planned:** 5 years **Actual** _____ years

8. Lead Project Executing Agency (ies): **UNDP and MNET**

9. GEF Strategic Program:

- Sustainable Financing of Protected Area Systems at the National Level (SP 1)**
- Increasing Representation of Effectively Managed Marine PAs in PA Systems (SP 2)
- Strengthening Terrestrial PA Networks (SP 3)

10. Project coverage in hectares

Targets and Timeframe	Foreseen at project start	Achievement at Mid-term Evaluation of Project	Achievement at Final Evaluation of Project
Total Extent in hectares of protected areas targeted by the project by biome type			
Total (Biomes covered by Mongolia National PA system include: steppe, desert, taiga, high mountain, mountain, wetlands, lakes, and river basins.)	21,749,509 hectares		

Please complete the table below for the protected areas that are the target of the GEF intervention. Use NA for not applicable.

Name of Protected Area	Is this a new protected area? Please answer yes or no.	Area in Hectares— <i>biome type</i>	Global designation or priority lists (E.g., Biosphere Reserve, World Heritage site, Ramsar site, WWF Global 200, etc.)	Local Designation of Protected Area (E.g., indigenous reserve, private reserve, etc.)	IUCN Category for each Protected Area ⁸⁸					
					I	II	III	IV	V	VI
1. Ikh Nart Nature Reserve	No	43,740 ha (current official; latest GIS indicate approximately 66,000 hectares) (<i>grassland and semi-desert steppe</i>)	NA	Nature Reserve			✓			
2. Orkhon Valley National Park	No	90,000 hectares (<i>river basin</i>)	UNESCO Cultural World Heritage Site (2004). Cultural World Heritage Site, high mountain and river basin ecosystems.	National Park		✓				

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- I. Strict Nature Reserve/Wilderness Area: managed mainly for science or wilderness protection
- II. National Park: managed mainly for ecosystem protection and recreation
- III. Natural Monument: managed mainly for conservation of specific natural features
- IV. Habitat/Species Management Area: managed mainly for conservation through management intervention
- V. Protected Landscape/Seascape: managed mainly for landscape/seascape protection and recreation
- VI. Managed Resource Protected Area: managed mainly for the sustainable use of natural ecosystems

Section Two: Management Effectiveness Tracking Tool for Protected Areas

Site: Ikh Nart Nature Reserve

- **Section Two: Management Effectiveness Tracking Tool for Protected Areas**

Site: Ikh Nart Natural Reserve

Reporting Progress at Protected Area Sites: Data Sheet 1

Name, affiliation and contact details for person responsible for completing the METT (email etc.)		<ul style="list-style-type: none"> • Bat-Ochir Enkhtsetseg (batochir@gmx.de) • Byamba Tsend-Ayush (tsend_ayush2005@yahoo.com) • Borkhuu Sarantsetseg (saraa_bor@yahoo.com) • John D. Claussen (jdclaussen@gmail.com) • Onno van den Heuvel (Onno.heuvel@undp.org) 		
Date assessment carried out	June 2-3, 2009			
Name of protected area	Ikh Nart Natural Reserve			
WDPA site code (these codes can be found on www.unep-wcmc.org/wdpa/)			
Designations	National SEPA	IUCN Category ✓ (Category I)	International (please also complete sheet overleaf)	
Country	Mongolia			
Location of protected area (province and if possible map reference)	The Ikh Nart Nature Reserve (INNR) is located in Dornogobi <i>Aimag</i> (province) of Mongolia between 105° 40'-106° 37' east longitudes and 47°35'-47°52' north latitudes.			
Date of establishment	Declared in 1996 as Nature Reserve under Law on Special Protected Areas of Mongolia.			
Ownership details (please tick)	State ✓	Private	Community	Other
Management Authority	The reserve covers two <i>Soums</i> (counties) - Dalanjargal and Airag that jointly manage the reserve along with partners at the Argali Research Centre (ARC) and the Mongolia Conservation Coalition (MCC). ⁸⁹			
Size of protected area (ha)	Officially listed as 43,740 hectares (however, recent GIS mapping data reveals that it is closer to 66,000 ha).			
Number of staff	Permanent 1 Reserve Manager ⁹⁰ , 5 Rangers		Temporary 0	
Annual budget (US\$) – excluding civil servant salary costs	Recurrent (operational) funds 0		Project or other supplementary funds ~\$100,000 ⁹¹	

⁸⁹ Both MCC and ARC are supported through financial and technical assistance by the Denver Zoological Foundation (DZF).

⁹⁰ Using money from ecotourism, the NGO partners hired the former soum governor to be the reserve manager.

⁹¹ From partners at ARC, MCC, and DZF.

What are the main values for which the area is designated		<p>INNR is a semi-arid steppe ecosystem supporting a unique community of wildlife in relatively pristine condition. Although low in absolute biodiversity it does contain important species, such as Argali sheep (<i>Ovis ammon</i>) and Siberian ibex (<i>Capra sibirica</i>) – and other Red Book listed species. This, and its pristine condition and geological formations, make it an important place for research on important mammalian and bird species (a variety of nesting raptors) and also make it an excellent ecotourism destination. Ikh Nart was named an Important Bird Area (IBA) by BirdLife International primarily because of the large number of breeding pairs of the Globally Threatened lesser kestrels (<i>Falco naumanni</i>), but also the large number of cinereous vultures (<i>Aegypius monachus</i>) that also nest there. Permanent springs emanate from a number of valleys, making the Reserve an important place for wild and domestic animals.</p>		
List the two primary protected area management objectives ⁹²				
Management objective 1		Conservation of important biodiversity and habitats. Ikh Nart was specifically established to protect argali and its unique rock formations.		
Management objective 2		Protection of geological and water resources.		
No. of people involved in completing assessment		Four members of the SPAN preparation team, the UNDP Programme Officer for Biodiversity Conservation, using interviews with the director of the ARC, the current Director of the Reserve, and the Dalanjargal <i>Soum</i> Governor and <i>Soum</i> Environmental Inspector.		
Including: (tick boxes)	PA manager <input type="checkbox"/>	PA staff	Other PA agency staff	NGO <input type="checkbox"/>
	Local community <input type="checkbox"/>	Donors <input type="checkbox"/>	External experts <input type="checkbox"/>	Other <input type="checkbox"/>
Please note if assessment was carried out in association with a particular project, on behalf of an organization or donor.		The assessment is carried out as part of the preparatory phase of the UNDP/MNET/GEF SPAN Project.		

Information on International Designations			
UNESCO World Heritage site (see: whc.unesco.org/en/list)		<i>Not Applicable</i>	
Date listed	Site name	Site area	Geographical co-ordinates
Criteria for designation (i.e. criteria i to x)			
Statement of Outstanding Universal Value			
Ramsar site (see: www.wetlands.org/RSDB/)		<i>Not Applicable</i>	

⁹² The partners (ARC, MCC and DZF) are working towards the development of a comprehensive, interdisciplinary management program for Ikh Nart Nature Reserve that will actively conserve the protected area and its natural resources in a sustainable manner. This program will incorporate wildlife management, training for rangers and government officials, ecotourism development, pasture management, and environmental education.

Date listed	Site name	Site area	Geographical number
Reason for Designation (see Ramsar Information Sheet)			
UNESCO Man and Biosphere Reserves (see: www.unesco.org/mab/wnbrs.shtml)			<i>Not Applicable</i>
Date listed	Site name	Site area Total: Core: Buffer: Transition:	Geographical co-ordinates
Criteria for designation			
Fulfilment of three functions of MAB (conservation, development and logistic support.)			
Please list other designations (i.e. ASEAN Heritage, Natura 2000)			<i>Not Applicable</i>
Name:		Detail:	

Protected Areas Threats: Data Sheet 2

Please tick all relevant existing threats as either of high, medium or low significance. Threats ranked as of **high** significance are those which are seriously degrading values; **medium** are those threats having some negative impact and those characterized as **low** are threats which are present but not seriously impacting values or **N/A** where the threat is not present or not applicable in the protected area.

1. Residential and commercial development within a protected area

Threats from human settlements or other non-agricultural land uses with a substantial footprint

High	Medium	Low	N/A	
		✓		1.1 Housing and settlement
			✓	1.2 Commercial and industrial areas
		✓		1.3 Tourism and recreation infrastructure

2. Agriculture and aquaculture within a protected area

Threats from farming and grazing as a result of agricultural expansion and intensification, including silviculture, mariculture and aquaculture

High	Medium	Low	N/A	
			✓	2.1 Annual and perennial non-timber crop cultivation
			✓	2.1a Drug cultivation
			✓	2.2 Wood and pulp plantations
	✓			2.3 Livestock farming and grazing
			✓	2.4 Marine and freshwater aquaculture

3. Energy production and mining within a protected area

Threats from production of non-biological resources

High	Medium	Low	N/A	
			✓	3.1 Oil and gas drilling
	✓			3.2 Mining and quarrying
			✓	3.3 Energy generation, including from hydropower dams

4. Transportation and service corridors within a protected area

Threats from long narrow transport corridors and the vehicles that use them including associated wildlife mortality

High	Medium	Low	N/A	
		✓		4.1 Roads and railroads (include road-killed animals)
			✓	4.2 Utility and service lines (e.g. electricity cables, telephone lines.)
			✓	4.3 Shipping lanes and canals
			✓	4.4 Flight paths

5. Biological resource use and harm within a protected area

Threats from consumptive use of "wild" biological resources including both deliberate and unintentional harvesting effects; also persecution or control of specific species (note this includes hunting and killing of animals)

High	Medium	Low	N/A	
	✓			5.1 Hunting, killing and collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)
		✓		5.2 Gathering terrestrial plants or plant products (non-timber)
			✓	5.3 Logging and wood harvesting
			✓	5.4 Fishing, killing and harvesting aquatic resources

6. Human intrusions and disturbance within a protected area

Threats from human activities that alter, destroy or disturb habitats and species associated with non-consumptive uses of biological resources

High	Medium	Low	N/A	
		✓		6.1 Recreational activities and tourism
			✓	6.2 War, civil unrest and military exercises
		✓		6.3 Research, education and other work-related activities in protected areas
		✓		6.4 Activities of protected area managers (e.g. construction or vehicle use, artificial watering points and dams)
			✓	6.5 Deliberate vandalism, destructive activities or threats to protected area staff and visitors

7. Natural system modifications

Threats from other actions that convert or degrade habitat or change the way the ecosystem functions

High	Medium	Low	N/A	
			✓	7.1 Fire and fire suppression (including arson)
			✓	7.2 Dams, hydrological modification and water management/use
		✓		7.3a Increased fragmentation within protected area
		✓		7.3b Isolation from other natural habitat (e.g. deforestation, dams without effective aquatic wildlife passages)(<i>Ikh Nart is relatively isolated region of rocky outcrops</i>)
	✓			7.3c Other 'edge effects' on park values (<i>The main edge effects come from mining, that is growing on the boundaries and often coming in.</i>)

		✓		7.3d Loss of keystone species (e.g. top predators, pollinators etc)
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8. Invasive and other problematic species and genes

Threats from terrestrial and aquatic non-native and native plants, animals, pathogens/microbes or genetic materials that have or are predicted to have harmful effects on biodiversity following introduction, spread and/or increase

High	Medium	Low	N/A	
		✓		8.1 Invasive non-native/alien plants (weeds) (<i>INNR has some introduced plants</i>)
		✓		8.1a Invasive non-native/alien animals (<i>INNR has some introduced animals</i>)
	✓			8.1b Pathogens (non-native or native but creating new/increased problems) (<i>disease epidemics introduced to wildlife from domestic animals in INNR</i>)
			✓	8.2 Introduced genetic material (e.g. genetically modified organisms)

9. Pollution entering or generated within protected area

Threats from introduction of exotic and/or excess materials or energy from point and non-point sources

High	Medium	Low	N/A	
			✓	9.1 Household sewage and urban waste water
		✓		9.1a Sewage and waste water from protected area facilities (e.g. toilets, hotels etc)
		✓		9.2 Industrial, mining and military effluents and discharges (e.g. poor water quality discharge from dams, e.g. unnatural temperatures, de-oxygenated, other pollution)
			✓	9.3 Agricultural and forestry effluents (e.g. excess fertilizers or pesticides)
			✓	9.4 Garbage and solid waste
		✓		9.5 Air-borne pollutants (<i>From gers burning coal</i>)
			✓	9.6 Excess energy (e.g. heat pollution, lights etc)

10. Geological events

Geological events may be part of natural disturbance regimes in many ecosystems. But they can be a threat if a species or habitat is damaged and has lost its resilience and is vulnerable to disturbance. Management capacity to respond to some of these changes may be limited.

High	Medium	Low	N/A	
			✓	10.1 Volcanoes
		✓		10.2 Earthquakes/Tsunamis
			✓	10.3 Avalanches/ Landslides
		✓		10.4 Erosion and siltation/ deposition (e.g. shoreline or riverbed changes)

11. Climate change and severe weather

Threats from long-term climatic changes which may be linked to global warming and other severe climatic/weather events outside of the natural range of variation

High	Medium	Low	N/A	
		✓		11.1 Habitat shifting and alteration
	✓			11.2 Droughts
	✓			11.3 Temperature extremes
		✓		11.4 Storms and flooding

12. Specific cultural and social threats

High	Medium	Low	N/A	
		✓		12.1 Loss of cultural links, traditional knowledge and/or management practices
		✓		12.2 Natural deterioration of important cultural site values
		✓		12.3 Destruction of cultural heritage buildings, gardens, sites etc

Assessment Form

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
1. Legal status Does the protected area have legal status (or in the case of private reserves is covered by a covenant or similar)? <i>Context</i>	The protected area is not gazetted/covenanted	0		Declared in 1996 as a Nature Reserve under Mongolian Law on Special Protected Areas.	<i>“Next Steps” To be completed during SPAN project initiation by SPAN Team and PA staff and stakeholders.</i>
	There is agreement that the protected area should be gazetted/covenanted but the process has not yet begun	1			
	The protected area is in the process of being gazetted/covenanted but the process is still incomplete (includes sites designated under international conventions, such as Ramsar, or local/traditional law such as community conserved areas, which do not yet have national legal status or covenant)	2		The Reserve is jointly managed by Dalanjargal and Airag <i>soums</i> along with NGO partners at the Argali Research Centre (ARC) and the Mongolia Conservation Coalition (MCC). ⁹³	
	The protected area has been formally gazetted/covenanted	3	✓	The <i>Aimag</i> governor and NGO partners are currently petitioning MNET to reclassify the Reserve as a National park.	
2. Protected area regulations Are appropriate regulations in place to control land use and activities (e.g. hunting)? <i>Planning</i>	There are no regulations for controlling land use and activities in the protected area	0		Wildlife hunting is prohibited by Mongolian PA law.	
	Some regulations for controlling land use and activities in the protected area exist but these are major weaknesses	1		Dalanjargalan <i>soum</i> has pasture land use special regulation, which coordinate and manage during harsh winter time (dzud).	
	Regulations for controlling land use and activities in the protected area exist but there are some weaknesses or gaps	2	✓		
	Regulations for controlling inappropriate land use and activities in the protected area exist and provide an excellent basis for management	3		<i>Soums</i> recently approved a regulation on Internal zones and feral dog management.	
3. Law enforcement Can staff (i.e. those with responsibility for managing the site) enforce protected area	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0		In 2006, the reserve hired a team of wildlife rangers to reduce illegal poaching, enforce wildlife laws, and eradicate illegal mining.	
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget, lack of institutional support)	1	✓		
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	2		In 2009, the reserve hired a Reserve Manager using funds from ecotourism.	

⁹³ Both MCC and ARC are supported through financial and technical assistance by the Denver Zoological Foundation (DZF).

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
rules well enough? <i>Input</i>	The staff have excellent capacity/resources to enforce protected area legislation and regulations	3		This person was the former <i>soum</i> governor Small PA Administration and staff. (Also a State Environmental Inspector.)	
4. Protected area objectives Is management undertaken according to agreed objectives? <i>Planning</i>	No firm objectives have been agreed for the protected area	0		The partners (ARC, MCC and DZF) have finalized a management plan in 2007 and are working to implement.re working towards the development of a comprehensive, interdisciplinary management program for Ikh Nart Nature Reserve that will actively conserve the protected area and its natural resources in a sustainable manner. This program will incorporate wildlife management, training for rangers and government officials, ecotourism development, pasture management, and environmental education.	
	The protected area has agreed objectives, but is not managed according to these objectives	1			
	The protected area has agreed objectives, but is only partially managed according to these objectives	2	✓		
	The protected area has agreed objectives and is managed to meet these objectives	3			
5. Protected area design Is the protected area the right size and shape to protect species, habitats, ecological processes and water catchments of key conservation concern? <i>Planning</i>	Inadequacies in protected area design mean achieving the major objectives of the protected area is very difficult	0		According to manager at ARC the design of the Reserve is generally in keeping with the needs and objectives of the Reserve. The current Reserve is missing some key habitats based on research that we would like to include by expanding the reserve.	
	Inadequacies in protected area design mean that achievement of major objectives is difficult but some mitigating actions are being taken (e.g. agreements with adjacent land owners for wildlife corridors or introduction of appropriate catchment management)	1			
	Protected area design is not significantly constraining achievement of objectives, but could be improved (e.g. with respect to larger scale ecological processes)	2	✓		
	Protected area design helps achievement of objectives; it is appropriate for species and habitat conservation; and maintains ecological processes such as surface and groundwater flows at a catchment scale, natural disturbance patterns etc	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
6. Protected area boundary demarcation Is the boundary known and demarcated? <i>Process</i>	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0		MCC and ARC have placed demarcation poles every 1 km along the Reserve's boundary.	
	The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users	1			
	The boundary of the protected area is known by both the management authority and local residents/neighbouring land users but is not appropriately demarcated	2	✓	The reserve also has entry signs on major roads leading into the Reserve.	
	The boundary of the protected area is known by the management authority and local residents/neighbouring land users and is appropriately demarcated	3		The Reserve has a Core Zone as specified in the management plan that was determined by working with local people and using data on wildlife requirements from research. (The question has been raised whether a "core zone" is allowed under the current law on for Nature Reserves. Formal approval has not been given).	
7. Management plan Is there a management plan and is it being implemented? <i>Planning</i>	There is no management plan for the protected area	0		In 2007, the Dalanjargalan <i>soum</i> authority, along with partners at MCC and ARC, developed a draft Management plan for the Reserve. This plan has not yet been approved by MNET, but was approved by the <i>soum</i> (there is some debate over whether MNET needs to approve the plan). The plan requires updating.	
	A management plan is being prepared or has been prepared but is not being implemented	1			
	A management plan exists but it is only being partially implemented because of funding constraints or other problems	2			
	A management plan exists and is being implemented	3	✓		
Additional points: <i>Planning</i>					
7a. Planning process	The planning process allows adequate opportunity for key stakeholders to influence the management plan	+1	✓	Input from NGOs, tour companies and communities were solicited for the final management plan.	
7b. Planning process	There is an established schedule and process for periodic review and updating of the management plan	+1			
7c. Planning process	The results of monitoring, research and evaluation are routinely incorporated into planning	+1	✓	Results of ARC/DZF research and monitoring figured into the development of the management plan.	
8. Regular work plan	No regular work plan exists	0		A workplan exists for research	

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
Is there a regular work plan and is it being implemented <i>Planning/Outputs</i>	A regular work plan exists but few of the activities are implemented	1	✓	activities, education programs, and other aspects of the final management plan.	
	A regular work plan exists and many activities are implemented	2			
	A regular work plan exists and all activities are implemented	3			
9. Resource inventory Do you have enough information to manage the area? <i>Input</i>	There is little or no information available on the critical habitats, species and cultural values of the protected area	0		Information on biodiversity, habitat, species, water and pasture etc exists through efforts of NGO partners. Much of this information is published. From 2009, scientists have started to begin archaeological surveys within the Reserve.	
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is not sufficient to support planning and decision making	1			
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient for most key areas of planning and decision making	2	✓		
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient to support all areas of planning and decision making	3			
10. Protection systems Are systems in place to control access/resource use in the protected area? <i>Process/Outcome</i>	Protection systems (patrols, permits etc) do not exist or are not effective in controlling access/resource use	0		The Reserve has a team of Rangers (paid by NGOs) and 1 or 2 State Environmental Inspectors that conduct regular patrols of the area. The rangers are provided with equipment (GPS units, binoculars, spotting scopes, a ranger station, uniforms and more), training (already conducted 3 training workshops for the rangers), and other resources.	
	Protection systems are only partially effective in controlling access/resource use	1	✓		
	Protection systems are moderately effective in controlling access/resource use	2			
	Protection systems are largely or wholly effective in controlling access/resource use	3			
11. Research Is there a programme of management-orientated survey and research work?	There is no survey or research work taking place in the protected area	0		Research based out of a permanently staffed research station on north Ikh Nart. Four main projects are ongoing: • Argali Sheep and Ibex (also habitat pasture) project	
	There is a small amount of survey and research work but it is not directed towards the needs of protected area management	1			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
<i>Process</i>	There is considerable survey and research work but it is not directed towards the needs of protected area management	2		<ul style="list-style-type: none"> • Carnivore Project and game species project • Raptor research project • Small mammal research • Vegetation studies • Herpetological research • A hedgehog study • Archaeological project 	
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	3	✓		
12. Resource management	Active resource management is not being undertaken	0		The State Environmental Inspector believes that the all use is “under control” but threats are growing.	
Is active resource management being undertaken?	Very few of the requirements for active management of critical habitats, species, ecological processes and cultural values are being implemented	1	✓		
<i>Process</i>	Many of the requirements for active management of critical habitats, species, ecological processes and, cultural values are being implemented but some key issues are not being addressed	2			
	Requirements for active management of critical habitats, species, ecological processes and, cultural values are being substantially or fully implemented	3			
13. Staff numbers	There are no staff	0		Currently there are 1 Reserve Director, 5 Rangers and 1-2 Environmental Inspectors. In addition, the NGO partners’ drivers, camp staff (for research Ger camp) and various scientists and volunteers on project basis.	
Are there enough people employed to manage the protected area?	Staff numbers are inadequate for critical management activities	1			
<i>Inputs</i>	Staff numbers are below optimum level for critical management activities	2	✓		
	Staff numbers are adequate for the management needs of the protected area	3			
14. Staff training	Staff lack the skills needed for protected area management	0		NGO partners have been implementing three major training programs, but overall additional training would be beneficial. More training is planned for later in 2009.	
Are staff adequately trained to fulfil management objectives?	Staff training and skills are low relative to the needs of the protected area	1	✓		
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	2			
	Staff training and skills are aligned with the management needs of the protected area	3			
<i>Inputs/Process</i>					
15. Current budget	There is no budget for management of the protected area	0		No budget from the State Budget to	

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
Is the current budget sufficient? <i>Inputs</i>	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1	✓	the Reserve. The DZF has been consistently funding projects, research and management through certain staff and projects (approximately \$120,000 per year). Tour operator Nomadic Journey's contributes to Reserve funding. (Although it is not clear whether <i>Aimag</i> channels any Land fee income to the Reserve). No revenues from entrance fee as Reserves do not collect such fees (there are maybe 300 visitors each year), however the NGOs have secured some income through a volunteer pay program with Earth Watch (the amount varies by the number of volunteers that come to the Reserve)	
	The available budget is acceptable but could be further improved to fully achieve effective management	2			
	The available budget is sufficient and meets the full management needs of the protected area	3			
16. Security of budget Is the budget secure? <i>Inputs</i>	There is no secure budget for the protected area and management is wholly reliant on outside or highly variable funding	0		There is no State Budget allocation to the Reserve. There is increasing money going to reserve management from tourism development that began in 2008 and now contributes to management	
	There is very little secure budget and the protected area could not function adequately without outside funding	1	✓		
	There is a reasonably secure core budget for regular operation of the protected area but many innovations and initiatives are reliant on outside funding	2			
	There is a secure budget for the protected area and its management needs	3			
17. Management of budget Is the budget managed to meet critical management needs? <i>Process</i>	Budget management is very poor and significantly undermines effectiveness (e.g. late release of budget in financial year)	0		The funding from DZF and the NGOs appears to be well managed for the intended uses.	
	Budget management is poor and constrains effectiveness	1			
	Budget management is adequate but could be improved	2	✓		
	Budget management is excellent and meets management needs	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
18. Equipment Is equipment sufficient for management needs? <i>Input</i>	There are little or no equipment and facilities for management needs	0		Adequate equipment for research and enforcement, but not for management needs. (Where there are issues with enforcement it is caused by lack of policy and funding for salaries.)	
	There are some equipment and facilities but these are inadequate for most management needs	1			
	There are equipment and facilities, but still some gaps that constrain management	2	✓		
	There are adequate equipment and facilities	3			
19. Maintenance of equipment Is equipment adequately maintained? <i>Process</i>	There is little or no maintenance of equipment and facilities	0		Basic maintenance of the equipment that exists is evident in the research camp.	
	There is some <i>ad hoc</i> maintenance of equipment and facilities	1			
	There is basic maintenance of equipment and facilities	2	✓		
	Equipment and facilities are well maintained	3			
20. Education and awareness Is there a planned education programme linked to the objectives and needs? <i>Process</i>	There is no education and awareness programme	0		The Denver Zoo Foundation's education program joins with Dalanjargalan <i>soum</i> 's secondary school (a <i>Soum</i> biology teacher is very involved in educational awareness related to the Reserve in the community) and also works with the local people through a Nomadic Trunk Program and other initiatives Published an Ikh Nart NR booklet by the means of NEMO II project Approximately 20 Master Degree, 3 Ph.D., and dozens of undergraduate students have conducted research at the Reserve to-date.	
	There is a limited and <i>ad hoc</i> education and awareness programme	1			
	There is an education and awareness programme but it only partly meets needs and could be improved	2	✓		
	There is an appropriate and fully implemented education and awareness programme	3			
21. Planning for land and water use Does land and water use planning recognise	Adjacent land and water use planning does not take into account the needs of the protected area and activities/policies are detrimental to the survival of the area	0		In 2009 the Dalanjargalan <i>soum</i> developed an eco-tourism strategy into the <i>Aimag</i> and <i>Soum</i> 's land management plan. Water planning is not well accounted for.	
	Adjacent land and water use planning does not takes into account the long term needs of the protected area, but activities are not detrimental the area	1	✓		

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
the protected area and aid the achievement of objectives? <i>Planning</i>	Adjacent land and water use planning partially takes into account the long term needs of the protected area	2		The <i>soum</i> level governments have pasture land management plans – it is not clear if they are integrated with Reserve plans.	
	Adjacent land and water use planning fully takes into account the long term needs of the protected area	3			
Additional points: Land and water planning					
21a: Land and water planning for habitat conservation	Planning and management in the catchment or landscape containing the protected area incorporates provision for adequate environmental conditions (e.g. volume, quality and timing of water flow, air pollution levels etc) to sustain relevant habitats.	+1			
21b: Land and water planning for connectivity	Management of corridors linking the protected area provides for wildlife passage to key habitats outside the protected area (e.g. to allow migratory fish to travel between freshwater spawning sites and the sea, or to allow animal migration).	+1			
21c: Land and water planning for ecosystem services & species conservation	"Planning addresses ecosystem-specific needs and/or the needs of particular species of concern at an ecosystem scale (e.g. volume, quality and timing of freshwater flow to sustain particular species, fire management to maintain savannah habitats etc.)"	+1	✓	The management plan and additional planning using information from research program to incorporate these needs (see the management plan and numerous publications)	
22. State and commercial neighbours	There is no contact between managers and neighbouring official or corporate land and water users	0			
Is there co-operation with adjacent land and water users? <i>Process</i>	There is contact between managers and neighbouring official or corporate land and water users but little or no cooperation	1	✓		
	There is contact between managers and neighbouring official or corporate land and water users, but only some co-operation	2			
	There is regular contact between managers and neighbouring official or corporate land and water users, and substantial co-operation on management	3			
23. Indigenous people	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0		Herding and nomadic communities are surveyed infrequently. <i>Soum</i> and <i>Aimag</i> authorities should also take into account local community needs.	
Do indigenous and traditional peoples resident or regularly using the protected area have input to management decisions? <i>Process</i>	Indigenous and traditional peoples have some input into discussions relating to management but no direct role in management	1	✓		
	Indigenous and traditional peoples directly contribute to some relevant decisions relating to management but their involvement could be improved	2			
	Indigenous and traditional peoples directly participate in all relevant decisions relating to management, e.g. co-management	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
24. Local communities Do local communities resident or near the protected area have input to management decisions? <i>Process</i>	Local communities have no input into decisions relating to the management of the protected area	0		Herding and nomadic communities are surveyed infrequently. <i>Soum</i> and <i>Aimag</i> authorities should also take into account local community needs.	
	Local communities have some input into discussions relating to management but no direct role in management	1	✓		
	Local communities directly contribute to some relevant decisions relating to management but their involvement could be improved	2			
	Local communities directly participate in all relevant decisions relating to management, e.g. co-management	3			
<i>Additional points Local communities/indigenous people</i>					
24 a. Impact on communities	There is open communication and trust between local and/or indigenous people, stakeholders and protected area managers	+1	✓	The NGO partners maintain open communication and trust with most local people (often entrusting valuable items to each others' care, for example).	
24b. Impact on communities	Programmes to enhance community welfare, while conserving protected area resources, are being implemented	+1	✓	The NGO partners have tourism and a new women's initiative (to make and sell souvenirs to tourists) that began in 2009.	
24c. Impact on communities	Local and/or indigenous people actively support the protected area	+1	✓	The NGO partners maintain an open dialogue with local people and other stakeholders, who primarily view our work very positively. Several local people help us with our work.	
25. Economic benefit Is the protected area providing economic benefits to local communities, e.g.	The protected area does not deliver any economic benefits to local communities	0		Five (5) ranger jobs, 1 Reserve Manager.	
	Potential economic benefits are recognised and plans to realise these are being developed	1		The research camp provides other jobs for local people (i.e., camp manager, camp assistant, research	
	There is some flow of economic benefits to local communities	2	✓		

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
income, employment, payment for environmental services? <i>Outcomes</i>	There is a major flow of economic benefits to local communities from activities associated with the protected area	3		assistants, and horsemen for argali and ibex captures) In 2009, The NGO partners began a livelihood enhancement program in which a women's group will manufacture good to sell to tourists (several sales already made). Local communities supply horses and camels to operators (Nomadic Journeys ger camp). Also some staff are employed by camps	
26. Monitoring and evaluation Are management activities monitored against performance? <i>Planning/Process</i>	There is no monitoring and evaluation in the protected area	0		There is a substantial amount scientific monitoring and monitoring by the ranger corps. Much of this monitoring is covered in the reserve's management plan.	
	There is some <i>ad hoc</i> monitoring and evaluation, but no overall strategy and/or no regular collection of results	1			
	There is an agreed and implemented monitoring and evaluation system but results do not feed back into management	2	✓		
	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	3			
27. Visitor facilities Are visitor facilities adequate? <i>Outputs</i>	There are no visitor facilities and services despite an identified need	0		There are 3 camps in Ikh Nart, 1 private (Nomadic Journeys), 1 <i>aimag</i> run tourist ger camp, and, 1 research ger camp run by Argali Research Centre. The research project purchased a ger to serve as a visitor centre for the reserve in 2008. This is sufficient for the 300 visitors per year the Reserve receives.	
	Visitor facilities and services are inappropriate for current levels of visitation	1			
	Visitor facilities and services are adequate for current levels of visitation but could be improved	2	✓		
	Visitor facilities and services are excellent for current levels of visitation	3			
28. Commercial tourism operators Do commercial tour	There is little or no contact between managers and tourism operators using the protected area	0			
	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	1			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
operators contribute to protected area management? <i>Process</i>	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values	2	✓		
	There is good co-operation between managers and tourism operators to enhance visitor experiences, and maintain protected area values	3			
29. Fees If fees (i.e. entry fees or fines) are applied, do they help protected area management? <i>Inputs/Process</i>	Although fees are theoretically applied, they are not collected	0		The reserve is open year-round and requires no entrance fee	
	Fees are collected, but make no contribution to the protected area or its environs	1		The tourism camp collects entrance fees from guests according to the law that allows the <i>soum</i> to assess fees. A formal mechanism is being adopted. Visitation to the park remains low (500 per year estimated), dominated primarily by people from nearby towns, with a few international tourists and research volunteers.	
	Fees are collected, and make some contribution to the protected area and its environs	2	✓		
	Fees are collected and make a substantial contribution to the protected area and its environs	3			
30. Condition of values What is the condition of the important values of the protected area as compared to when it was first designated? <i>Outcomes</i>	Many important biodiversity, ecological or cultural values are being severely degraded	0			
	Some biodiversity, ecological or cultural values are being severely degraded	1			
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	2	✓		
	Biodiversity, ecological and cultural values are predominantly intact	3			
<i>Additional Points: Condition of values</i>					
30a: Condition of values	The assessment of the condition of values is based on research and/or monitoring	+1	✓		
30b: Condition of values	Specific management programmes are being implemented to address threats to biodiversity, ecological and cultural values	+1	✓		
30c: Condition of values	Activities to maintain key biodiversity, ecological and cultural values are a routine part of park management	+1	✓		
TOTAL SCORE			61	60%	

Site: Orkhon Valley National Park

Reporting Progress at Protected Area Sites: Data Sheet 1

Name, affiliation and contact details for person responsible for completing the METT (email etc.)		Bat-Ochir Enkhtsetseg (batochir@gmx.de) Byamba Tsend-Ayush (tsend_ayush2005@yahoo.com) Borkhuu Sarantsetseg (saraa_bor@yahoo.com) Onno van den Heuvel (onno.heuvel@undp.org)		
Date assessment carried out	18 June 2009			
Name of protected area	Orkhon Valley National Park			
WDPA site code (these codes can be found on www.unep-wcmc.org/wdpa/)	= not listed			
Designations	National Park	IUCN Category ✓ (Category II)	International (please also complete sheet overleaf) ✓	
Country	Mongolia			
Location of protected area (province and if possible map reference)	Orkhon Valley National Park covers territory within four <i>soums</i> (Kharkhorin, Bat-Ulziit, Khujirt and Uyanga) of Ovorkhangai <i>Aimag</i> and two <i>Soums</i> (Khotont and Khashaat) of Arkhangai <i>aimag</i> .			
Date of establishment	Established in 2006 (Before establishment, the NP area included to Khangai mountain NP, was established in 1996)			
Ownership details (please tick)	State ✓	Private	Community	Other
Management Authority	Orkhon Valley National Park Administration			
Size of protected area (ha)	375,000 hectares			
Number of staff	Permanent 12		Temporary 7	
Annual budget (US\$) – excluding civil servant salary costs	Recurrent (operational) funds 7.4 mln MNT (2009) (80 mln MNT, 2008)		Project or other supplementary funds -6273 thou.MNT from GTZ as an Investment, 2008 -7000 thou. MNT from MNET as an investment, 2008	
What are the main values for which the area is designated	Orkhon Valley National Park is a Cultural World Heritage Site containing high mountain and river basin ecosystems. It contains important species such as Argali Sheep (<i>Ovis ammon</i>) and Siberian Ibex (<i>Capra sibirica</i>), Snow Leopard (<i>Panthera uncia</i>), and Musk Deer (<i>Moschus moschiferus</i>), – and other Red Book listed species such as Daurian Hedgehog (<i>Erinaceus dauricus</i>), Wild Pig (<i>Sus scrofa</i>), Whooper Swan (<i>Cygnus cygnus</i>), Black Stork (<i>Ciconia nigra</i>), Bar-headed Goose (<i>Anser indicus</i>), Swan Goose (<i>Anser cygnoides</i>), White-tailed Eagle (<i>Haliaeetus albicilla</i>) and Black Woodpecker (<i>Dryocopus martius</i>). While no scientific study or inventory on globally important birds has been done in Orkhon Valley, there are some birds observed in the park such as Himalayan Griffon (<i>Gyps himalayensis</i>), Eurasian Penduline Tit (<i>Remiz pendulinus</i>), and White-naped Crane (<i>Grus vipio</i>).			

List the two primary protected area management objectives				
Management objective 1		Conservation and protection of high mountain and river basin ecosystems.		
Management objective 2		Cultural World Heritage Site.		
No. of people involved in completing assessment			11 (including SPAN/UNDP team and PAA staff)	
Including: (tick boxes)	PA manager	PA staff	Other PA agency staff	NGO
	Local community	Donors	External experts	Other
Please note if assessment was carried out in association with a particular project, on behalf of an organization or donor.			The assessment is carried out as part of the preparatory phase of the UNDP/MNET/GEF SPAN Project.	

Information on International Designations			
UNESCO World Heritage site (see: whc.unesco.org/en/list)			
Date listed	Site name	Site area Property : 7537 ha Buffer zone: 143867 ha	Geographical co-ordinates N47 ⁰ 33 24 E102 ⁰ 49 53
2004	Orkhon Valley		
Criteria for designation (i.e. criteria i to x)	<p>(ii)(iii)(iv);</p> <p><i>Criterion (ii):</i> The Orkhon valley clearly demonstrates how a strong and persistent nomadic culture, led to the development of extensive trade networks and the creation of large administrative, commercial, military and religious centres. The empires that these urban centres supported undoubtedly influenced societies across Asia and into Europe and in turn absorbed influence from both east and west in a true interchange of human values.</p> <p><i>Criterion (iii):</i> Underpinning all the development within the Orkhon valley for the past two millennia has been a strong culture of nomadic pastoralism. This culture is still a revered and indeed central part of Mongolian society and is highly respected as a 'noble' way to live in harmony with the landscape.</p> <p><i>Criterion (iv):</i> The Orkhon valley is an outstanding example of a valley that illustrates several significant stages in human history. First and foremost it was the centre of the Mongolian Empire; secondly it reflects a particular Mongolian variation of Turkish power; thirdly, the Tuvkhun hermitage monastery was the setting for the development of a Mongolian form of Buddhism; and fourthly, Khar Balgas, reflects the Uighur urban culture in the capital of the Uighur Empire.</p>		
Statement of Outstanding Universal Value	Ref: 1081rev		

Ramsar site (see: www.wetlands.org/RSDB/) NA

UNESCO Man and Biosphere Reserves (see: www.unesco.org/mab/wnbrs.shtml) NA

Protected Areas Threats: Data Sheet 2

Please tick all relevant existing threats as either of high, medium or low significance. Threats ranked as **high** significance are those which are seriously degrading values; **medium** are those threats having some negative impact and those characterised as **low** are threats which are present but not seriously impacting values or N/A where the threat is not present or not applicable in the protected area.

2. Residential and commercial development within a protected area

Threats from human settlements or other non-agricultural land uses with a substantial footprint

High	Medium	Low	N/A	
✓				1.1 Housing and settlement
			✓	1.2 Commercial and industrial areas
	✓			1.3 Tourism and recreation infrastructure

2. Agriculture and aquaculture within a protected area

Threats from farming and grazing as a result of agricultural expansion and intensification, including silviculture, mariculture and aquaculture

High	Medium	Low	N/A	
	✓			2.1 Annual and perennial non-timber crop cultivation
			✓	2.1a Drug cultivation
			✓	2.2 Wood and pulp plantations
✓				2.3 Livestock farming and grazing
			✓	2.4 Marine and freshwater aquaculture

3. Energy production and mining within a protected area

Threats from production of non-biological resources

High	Medium	Low	N/A	
			✓	3.1 Oil and gas drilling
✓				3.2 Mining and quarrying
			✓	3.3 Energy generation, including from hydropower dams

4. Transportation and service corridors within a protected area

Threats from long narrow transport corridors and the vehicles that use them including associated wildlife mortality

High	Medium	Low	N/A	
	✓			4.1 Roads and railroads (include road-killed animals)
		✓		4.2 Utility and service lines (e.g. electricity cables, telephone lines,)
			✓	4.3 Shipping lanes and canals
			✓	4.4 Flight paths

5. Biological resource use and harm within a protected area

Threats from consumptive use of "wild" biological resources including both deliberate and unintentional harvesting effects; also persecution or control of specific species (note this includes hunting and killing of animals)

High	Medium	Low	N/A	
	✓			5.1 Hunting, killing and collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)
			✓	5.2 Gathering terrestrial plants or plant products (non-timber)
✓				5.3 Logging and wood harvesting

	✓			5.4 Fishing, killing and harvesting aquatic resources
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6. Human intrusions and disturbance within a protected area

Threats from human activities that alter, destroy or disturb habitats and species associated with non-consumptive uses of biological resources

High	Medium	Low	N/A	
✓				6.1 Recreational activities and tourism
			✓	6.2 War, civil unrest and military exercises
		✓		6.3 Research, education and other work-related activities in protected areas
		✓		6.4 Activities of protected area managers (e.g. construction or vehicle use, artificial watering points and dams)
		✓		6.5 Deliberate vandalism, destructive activities or threats to protected area staff and visitors

7. Natural system modifications

Threats from other actions that convert or degrade habitat or change the way the ecosystem functions

High	Medium	Low	N/A	
	✓			7.1 Fire and fire suppression (including arson)
		✓		7.2 Dams, hydrological modification and water management/use
	✓			7.3a Increased fragmentation within protected area
		✓		7.3b Isolation from other natural habitat (e.g. deforestation, dams without effective aquatic wildlife passages)
✓				7.3c Other 'edge effects' on park values
✓				7.3d Loss of keystone species (e.g. top predators, pollinators etc)

8. Invasive and other problematic species and genes

Threats from terrestrial and aquatic non-native and native plants, animals, pathogens/microbes or genetic materials that have or are predicted to have harmful effects on biodiversity following introduction, spread and/or increase

High	Medium	Low	N/A	
			✓	8.1 Invasive non-native/alien plants (weeds)
	✓			8.1a Invasive non-native/alien animals
	✓			8.1b Pathogens (non-native or native but creating new/increased problems)
			✓	8.2 Introduced genetic material (e.g. genetically modified organisms)

9. Pollution entering or generated within protected area

Threats from introduction of exotic and/or excess materials or energy from point and non-point sources

High	Medium	Low	N/A	
		✓		9.1 Household sewage and urban waste water
		✓		9.1a Sewage and waste water from protected area facilities (e.g. toilets, hotels etc)
✓				9.2 Industrial, mining and military effluents and discharges (e.g. poor water quality discharge from dams, e.g. unnatural temperatures, de-oxygenated, other pollution)
			✓	9.3 Agricultural and forestry effluents (e.g. excess fertilizers or pesticides)
✓				9.4 Garbage and solid waste

		✓		9.5 Air-borne pollutants
	✓			9.6 Excess energy (e.g. heat pollution, lights etc)

10. Geological events

Geological events may be part of natural disturbance regimes in many ecosystems. But they can be a threat if a species or habitat is damaged and has lost its resilience and is vulnerable to disturbance. Management capacity to respond to some of these changes may be limited.

High	Medium	Low	N/A	
			✓	10.1 Volcanoes
			✓	10.2 Earthquakes/Tsunamis
			✓	10.3 Avalanches/ Landslides
		✓		10.4 Erosion and siltation/ deposition (e.g. shoreline or riverbed changes)

11. Climate change and severe weather

Threats from long-term climatic changes which may be linked to global warming and other severe climatic/weather events outside of the natural range of variation

High	Medium	Low	N/A	
	✓			11.1 Habitat shifting and alteration
✓				11.2 Droughts
	✓			11.3 Temperature extremes
✓				11.4 Storms and flooding

12. Specific cultural and social threats

High	Medium	Low	N/A	
✓				12.1 Loss of cultural links, traditional knowledge and/or management practices
		✓		12.2 Natural deterioration of important cultural site values
		✓		12.3 Destruction of cultural heritage buildings, gardens, sites etc

Assessment Form

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
1. Legal status Does the protected area have legal status (or in the case of private reserves is covered by a covenant or similar)? <i>Context</i>	The protected area is not gazetted/covenanted	0		In 2006, established as a National Park.	“Next Steps” To be completed during SPAN project initiation by SPAN Team and PA staff and stakeholders.
	There is agreement that the protected area should be gazetted/covenanted but the process has not yet begun	1			
	The protected area is in the process of being gazetted/covenanted but the process is still incomplete (includes sites designated under international conventions, such as Ramsar, or local/traditional law such as community conserved areas, which do not yet have national legal status or covenant)	2			
	The protected area has been formally gazetted/covenanted	3	✓		
2. Protected area regulations Are appropriate regulations in place to control land use and activities (e.g. hunting)? <i>Planning</i>	There are no regulations for controlling land use and activities in the protected area	0		The Kharkhorin <i>soum</i> Governor Board does not agree with the implementation of Decree on establishment and use of Land Use and Land Fee contracts (Decree #218) originally issued by the Minister of Nature and Environment and is an obstacle to proper implementation of regulations.	
	Some regulations for controlling land use and activities in the protected area exist but these are major weaknesses	1			
	Regulations for controlling land use and activities in the protected area exist but there are some weaknesses or gaps	2	✓		
	Regulations for controlling inappropriate land use and activities in the protected area exist and provide an excellent basis for management	3			
3. Law enforcement Can staff (i.e. those with responsibility for managing the site) enforce protected area rules well enough? <i>Input</i>	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0		- 5 Environmental State Inspectors: Director, monitoring and Controlling specialist and 3 rangers	
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget, lack of institutional support)	1			
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	2	✓		
	The staff have excellent capacity/resources to enforce protected area legislation and regulations	3			
4. Protected area objectives Is management undertaken according to agreed objectives? <i>Planning</i>	No firm objectives have been agreed for the protected area	0		- Staff developed NP objective. But need to add some objectives on World heritage site	
	The protected area has agreed objectives, but is not managed according to these objectives	1	✓		
	The protected area has agreed objectives, but is only partially managed according to these objectives	2			
	The protected area has agreed objectives and is managed to meet these objectives	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
5. Protected area design Is the protected area the right size and shape to protect species, habitats, ecological processes and water catchments of key conservation concern? <i>Planning</i>	Inadequacies in protected area design mean achieving the major objectives of the protected area is very difficult	0			
	Inadequacies in protected area design mean that achievement of major objectives is difficult but some mitigating actions are being taken (e.g. agreements with adjacent land owners for wildlife corridors or introduction of appropriate catchment management)	1			
	Protected area design is not significantly constraining achievement of objectives, but could be improved (e.g. with respect to larger scale ecological processes)	2	✓		
	Protected area design helps achievement of objectives; it is appropriate for species and habitat conservation; and maintains ecological processes such as surface and groundwater flows at a catchment scale, natural disturbance patterns etc	3			
6. Protected area boundary demarcation Is the boundary known and demarcated? <i>Process</i>	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0		- In 2008, set up 8 sign boards. - In 2009, will set up 7 sign boards and 15 demarcation poles.	
	The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users	1	✓		
	The boundary of the protected area is known by both the management authority and local residents/neighbouring land users but is not appropriately demarcated	2			
	The boundary of the protected area is known by the management authority and local residents/neighbouring land users and is appropriately demarcated	3			
7. Management plan Is there a management plan and is it being implemented? <i>Planning</i>	There is no management plan for the protected area	0	✓	- Developed only draft of management plan and will discuss with GTZ project staff and other Khangai mountain Pas staff during a meeting in June 2009	
	A management plan is being prepared or has been prepared but is not being implemented	1			
	A management plan exists but it is only being partially implemented because of funding constraints or other problems	2			
	A management plan exists and is being implemented	3			
Additional points: <i>Planning</i>					
7a. Planning process	The planning process allows adequate opportunity for key stakeholders to influence the management plan	+1			
7b. Planning process	There is an established schedule and process for periodic review and updating of the management plan	+1			
7c. Planning process	The results of monitoring, research and evaluation are routinely incorporated into planning	+1			
8. Regular work plan	No regular work plan exists	0			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
Is there a regular work plan and is it being implemented <i>Planning/Outputs</i>	A regular work plan exists but few of the activities are implemented	1			
	A regular work plan exists and many activities are implemented	2	✓		
	A regular work plan exists and all activities are implemented	3			
9. Resource inventory Do you have enough information to manage the area? <i>Input</i>	There is little or no information available on the critical habitats, species and cultural values of the protected area	0	✓		
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is not sufficient to support planning and decision making	1			
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient for most key areas of planning and decision making	2			
	Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient to support all areas of planning and decision making	3			
10. Protection systems Are systems in place to control access/resource use in the protected area? <i>Process/Outcome</i>	Protection systems (patrols, permits etc) do not exist or are not effective in controlling access/resource use	0		<ul style="list-style-type: none"> - There is a permanent working plan for patrolling and monitoring - Rangers make patrolling 3 times a year - provide information to local people - Joint patrolling with Governor Board and police of <i>soums</i> 	
	Protection systems are only partially effective in controlling access/resource use	1			
	Protection systems are moderately effective in controlling access/resource use	2	✓		
	Protection systems are largely or wholly effective in controlling access/resource use	3			
11. Research Is there a programme of management-orientated survey and research work? <i>Process</i>	There is no survey or research work taking place in the protected area	0		<ul style="list-style-type: none"> - In 2006, conducted survey on musk deer, - In 2007, survey on historical and cultural monuments - In 2008, survey on – red deer <ul style="list-style-type: none"> - marmots - roebuck - forest 	
	There is a small amount of survey and research work but it is not directed towards the needs of protected area management	1	✓		
	There is considerable survey and research work but it is not directed towards the needs of protected area management	2			
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	3			
12. Resource management	Active resource management is not being undertaken	0	✓	<ul style="list-style-type: none"> - There are pasture management plan every <i>soum</i>. - but there is not pasture 	
	Very few of the requirements for active management of critical habitats, species, ecological processes and cultural values are being implemented	1			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
Is active resource management being undertaken? <i>Process</i>	Many of the requirements for active management of critical habitats, species, ecological processes and, cultural values are being implemented but some key issues are not being addressed	2		management plan for NP	
	Requirements for active management of critical habitats, species, ecological processes and, cultural values are being substantially or fully implemented	3			
13. Staff numbers Are there enough people employed to manage the protected area? <i>Inputs</i>	There are no staff	0		- MNET provides salary for 12 staff, but now 21 staff (with temporary staff) are working for NP - 3 staff has higher (university) education	
	Staff numbers are inadequate for critical management activities	1			
	Staff numbers are below optimum level for critical management activities	2	✓		
	Staff numbers are adequate for the management needs of the protected area	3			
14. Staff training Are staff adequately trained to fulfil management objectives? <i>Inputs/Process</i>	Staff lack the skills needed for protected area management	0		- 3 rangers, 1 specialist and 1 head of info centre are studying at the “Eco-Asia” institute by 3.5 years through without attending - 1 head of info centre will graduate in 2009 and others in 2011. - GTZ project supports their university fees	
	Staff training and skills are low relative to the needs of the protected area	1	✓		
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	2			
	Staff training and skills are aligned with the management needs of the protected area	3			
15. Current budget Is the current budget sufficient? <i>Inputs</i>	There is no budget for management of the protected area	0			
	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1	✓		
	The available budget is acceptable but could be further improved to fully achieve effective management	2			
	The available budget is sufficient and meets the full management needs of the protected area	3			
16. Security of budget Is the budget secure? <i>Inputs</i>	There is no secure budget for the protected area and management is wholly reliant on outside or highly variable funding	0		Operational budget is 16 million Tugrik or approximately \$11,500 USD. - 240,000 MNT -petrol - 40,000 MNT- DSA - 40,000 MNT – clerk cost	
	There is very little secure budget and the protected area could not function adequately without outside funding	1	✓		
	There is a reasonably secure core budget for regular operation of the protected area but many innovations and initiatives are reliant on outside funding	2			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
	There is a secure budget for the protected area and its management needs	3		- 40,000 MNT –post cost - 41,300 MNT – Environmental awareness and etc.	
17. Management of budget	Budget management is very poor and significantly undermines effectiveness (e.g. late release of budget in financial year)	0	✓	- Lack of budget - Need to work at least 1 officer, is responsible for Pas financial issue.	
Is the budget managed to meet critical management needs?	Budget management is poor and constrains effectiveness	1			
	Budget management is adequate but could be improved	2			
<i>Process</i>	Budget management is excellent and meets management needs	3			
18. Equipment	There are little or no equipment and facilities for management needs	0		NP administration has 5 air guns without bullet, 1 GPS, and 7 binoculars - PAA needs at least 2 PC or Laptops for specialist and 2 rangers, 1 “night” binocular and 3 digital cameras	
Is equipment sufficient for management needs?	There are some equipment and facilities but these are inadequate for most management needs	1			
	There are equipment and facilities, but still some gaps that constrain management	2	✓		
<i>Input</i>	There are adequate equipment and facilities	3			
19. Maintenance of equipment	There is little or no maintenance of equipment and facilities	0	✓	There is only 206,000 MNT for maintenance of car spares.	
Is equipment adequately maintained?	There is some <i>ad hoc</i> maintenance of equipment and facilities	1			
	There is basic maintenance of equipment and facilities	2			
<i>Process</i>	Equipment and facilities are well maintained	3			
20. Education and awareness	There is no education and awareness programme	0		- Annual work plan	
Is there a planned education programme linked to the objectives and needs?	There is a limited and <i>ad hoc</i> education and awareness programme	1	✓		
	There is an education and awareness programme but it only partly meets needs and could be improved	2			
<i>Process</i>	There is an appropriate and fully implemented education and awareness programme	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
21. Planning for land and water use Does land and water use planning recognise the protected area and aid the achievement of objectives? <i>Planning</i>	Adjacent land and water use planning does not take into account the needs of the protected area and activities/policies are detrimental to the survival of the area	0		- NP agreed to develop Tourist camps only in 3 sites: - in Khujirt <i>soum</i> - in Bat-Ulzii <i>soum</i> - Khar khorin <i>soum</i>	
	Adjacent land and water use planning does not takes into account the long term needs of the protected area, but activities are not detrimental the area	1			
	Adjacent land and water use planning partially takes into account the long term needs of the protected area	2			
	Adjacent land and water use planning fully takes into account the long term needs of the protected area	3			
Additional points: Land and water planning					
21a: Land and water planning for habitat conservation	Planning and management in the catchment or landscape containing the protected area incorporates provision for adequate environmental conditions (e.g. volume, quality and timing of water flow, air pollution levels etc) to sustain relevant habitats.	+1			
21b: Land and water planning for connectivity	Management of corridors linking the protected area provides for wildlife passage to key habitats outside the protected area (e.g. to allow migratory fish to travel between freshwater spawning sites and the sea, or to allow animal migration).	+1	✓		
21c: Land and water planning for ecosystem services & species conservation	"Planning addresses ecosystem-specific needs and/or the needs of particular species of concern at an ecosystem scale (e.g. volume, quality and timing of freshwater flow to sustain particular species, fire management to maintain savannah habitats etc.)"	+1	✓		
22. State and commercial neighbours Is there co-operation with adjacent land and water users? <i>Process</i>	There is no contact between managers and neighbouring official or corporate land and water users	0		Made 17 contracts with tourist camps - some tourist camps made demarcation boards	
	There is contact between managers and neighbouring official or corporate land and water users but little or no cooperation	1			
	There is contact between managers and neighbouring official or corporate land and water users, but only some co-operation	2	✓		
	There is regular contact between managers and neighbouring official or corporate land and water users, and substantial co-operation on management	3			
23. Indigenous people Do indigenous and traditional peoples resident or regularly using the protected area	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0			
	Indigenous and traditional peoples have some input into discussions relating to management but no direct role in management	1	✓		
	Indigenous and traditional peoples directly contribute to some relevant decisions relating to management but their involvement could be improved	2			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
have input to management decisions? <i>Process</i>	Indigenous and traditional peoples directly participate in all relevant decisions relating to management, e.g. co-management	3			
24. Local communities Do local communities resident or near the protected area have input to management decisions? <i>Process</i>	Local communities have no input into decisions relating to the management of the protected area	0		- Cooperation with 13 communities in Bat-Ulziit <i>soum</i> , 1 NGO in Khar Khorin <i>soum</i> , 3 community groups in Khujirt <i>soum</i> and 1 community group in Khotont <i>soum</i> - in 2008, organized trainings among community groups	
	Local communities have some input into discussions relating to management but no direct role in management	1	✓		
	Local communities directly contribute to some relevant decisions relating to management but their involvement could be improved	2			
	Local communities directly participate in all relevant decisions relating to management, e.g. co-management	3			
<i>Additional points Local communities/indigenous people</i>					
24 a. Impact on communities	There is open communication and trust between local and/or indigenous people, stakeholders and protected area managers	+1			
24b. Impact on communities	Programmes to enhance community welfare, while conserving protected area resources, are being implemented	+1			
24c. Impact on communities	Local and/or indigenous people actively support the protected area	+1	✓		
25. Economic benefit Is the protected area providing economic benefits to local communities, e.g. income, employment, payment for environmental services? <i>Outcomes</i>	The protected area does not deliver any economic benefits to local communities	0			
	Potential economic benefits are recognised and plans to realise these are being developed	1	✓		
	There is some flow of economic benefits to local communities	2			
	There is a major flow of economic benefits to local communities from activities associated with the protected area	3			
26. Monitoring and evaluation Are management activities monitored against performance?	There is no monitoring and evaluation in the protected area	0	✓		
	There is some <i>ad hoc</i> monitoring and evaluation, but no overall strategy and/or no regular collection of results	1			
	There is an agreed and implemented monitoring and evaluation system but results do not feed back into management	2			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
<i>Planning/Process</i>	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	3			
27. Visitor facilities	There are no visitor facilities and services despite an identified need	0		- Deliver related information by 10 eco-gers and 3 entrance positions. - NP administration put forward a suggestion on Environmental awareness movement car	
Are visitor facilities adequate?	Visitor facilities and services are inappropriate for current levels of visitation	1	✓		
<i>Outputs</i>	Visitor facilities and services are adequate for current levels of visitation but could be improved	2			
	Visitor facilities and services are excellent for current levels of visitation	3			
28. Commercial tourism operators	There is little or no contact between managers and tourism operators using the protected area	0	✓		
Do commercial tour operators contribute to protected area management?	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	1			
	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values	2			
	There is good co-operation between managers and tourism operators to enhance visitor experiences, and maintain protected area values	3			
<i>Process</i>					
29. Fees	Although fees are theoretically applied, they are not collected	0		- entrance fee	
If fees (i.e. entry fees or fines) are applied, do they help protected area management?	Fees are collected, but make no contribution to the protected area or its environs	1			
	Fees are collected, and make some contribution to the protected area and its environs	2	✓		
	Fees are collected and make a substantial contribution to the protected area and its environs	3			
<i>Inputs/Process</i>					
30. Condition of values	Many important biodiversity, ecological or cultural values are being severely degraded	0		- Increased Forest fire and disease - drought water of river and spring	
What is the condition of the important values of the protected area as compared to when it was first designated?	Some biodiversity, ecological or cultural values are being severely degraded	1			
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	2	✓		
	Biodiversity, ecological and cultural values are predominantly intact	3			
<i>Outcomes</i>					

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
<i>Additional Points: Condition of values</i>					
30a: Condition of values	The assessment of the condition of values is based on research and/or monitoring	+1	✓		
30b: Condition of values	Specific management programmes are being implemented to address threats to biodiversity, ecological and cultural values	+1			
30c: Condition of values	Activities to maintain key biodiversity, ecological and cultural values are a routine part of park management	+1	✓		
TOTAL SCORE			38	37%	