



MINISTRY OF ENVIRONMENT
AND TOURISM



BACKGROUND REPORT: POLICIES, LAWS, AND REGULATIONS RELEVANT TO THE CANCUN SAFEGUARDS IN MONGOLIA

Safeguards and Safeguard Information System

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
DPL	Development Policy Loan
FHH	Female Headed Household
FCP	Forest Cleaning Programme
FUG	Forest User Group
GDP	Gross Domestic Product
GoM	Government of Mongolia
MoET	Ministry of Environment and Tourism
NSO	National Statistical Office
LGO	Local Government Office
LPGWSSLF	Law on Procurement of Goods, Work and Services with State and Local Funds
NCGE	National Committee on Gender Equality
NGO	Non-Government Organization
NRM	Natural Resource Management
PaMs	Polices and Measures
PES	Payments for Ecosystem Services
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SIS	Safeguard Information System
SME	Small and Medium Enterprise
TWG	Technical Working Group

1. INTRODUCTION AND BACKGROUND

This report presents the outcomes of detailed work to assess Mongolian policies, laws, and regulations (PLRs) that may be relevant for both promoting the environmental and social benefits of proposed REDD+ implementation actions, and dealing with possible risks. The assessment of these PLRs thus forms an important element in the development of Mongolia's national approach to the REDD+ safeguards.

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

2. THE NEED FOR SAFEGUARD PROCEDURES TO PROMOTE BENEFITS AND GUARD AGAINST RISKS ASSOCIATED WITH REDD+ ACTIONS

It is tempting to assume that any initiative taken to reduce deforestation and reverse forest degradation will lead only to environmental and social benefits. Clearly, this is the overall aim of REDD+ initiatives. However, there are potentially many stakeholders involved in the use, management, and conservation of forests, as well as in activities that have impacts on forests. In Mongolia, these stakeholders include (but are not limited to): pastoralists and nomads; forest-dependent communities; businesses and investors; and, society as a whole. Such a diverse collection of stakeholders will, by definition, possess differing interests, such as: access to forests and their resources; the ability to participate in decision-making; recognition of customary rights and other forms of land tenure; and the ability to receive benefits from REDD+ activities.

Each of these stakeholder groups will perceive the benefits and risks associated with REDD+ initiatives differently. For example, some stakeholders may focus on benefits, such as clarified resources and tenure rights, improved governance, and more sustainable rural livelihoods. On

the other hand, some may focus on perceived risks, such as contested land rights, inequitable sharing of benefits, and the replacement of natural forests with plantations.

Given these different ways of perceiving benefits and risks, there is a clear need to apply a set of safeguards to proposed REDD+ activities that would:

- strengthen the quality and sustainability of REDD+ implementation;
- ensure confidence that REDD+ is delivering benefits and avoiding/minimizing risks; and,
- contribute to broader national development goals.

To address these concerns, Parties at the UNFCCC COP 16 in Cancun, Mexico, agreed on a set of seven safeguards, known as the Cancun Safeguards, which should be promoted and supported during implementation of REDD+ activities to minimize these risks and to enhance benefits¹.

3. A NATIONAL APPROACH TO SAFEGUARDS

There is a recognition that REDD+ safeguards approaches need to be designed to meet the unique needs and circumstances of specific countries². Components of a country approach to safeguards often include three core elements: policies, laws and regulations which address safeguards; institutional mandates, procedures and capacities to ensure that the safeguards are being respected; and, a safeguards information system which makes information available on how REDD+ safeguards are being addressed and respected.

While national circumstances vary greatly, some generic steps in developing a safeguards approach are becoming clear as a result of country experiences to date. Figure 1 presents these tasks in an idealized sequence. The Mongolia REDD+ Programme has already completed the following steps:

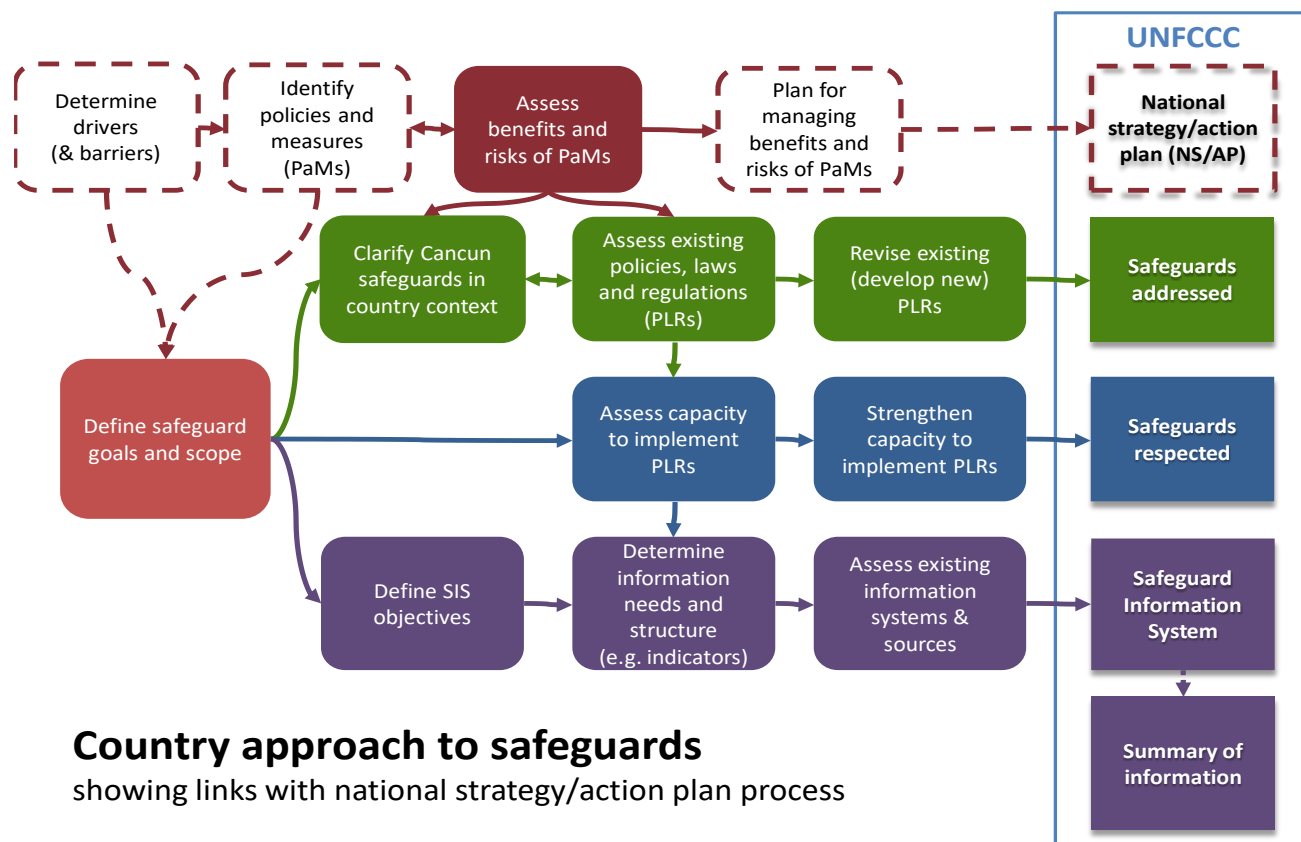
- * Determining drivers of deforestation and forest degradation, and barriers to conservation, enhancement and sustainable management of forests;
- * Identifying policies and measures (PaMs)³ to respond to the drivers, as well as barriers; and
- * Assessing the potential benefits and risks of these PaMs.

¹ The Cancun Safeguards are presented in Annex 1.

² UN REDD Programme (2015), Country Approaches to REDD+ Safeguards: A Global Review of Initial Experiences and Emerging Lessons. Technical Resource Series: Safeguards Edition 2.

³ Otherwise known as “REDD+ Actions”.

Figure 1 Generic Steps for the Development of a Mongolian Approach to Safeguards



This report outlines work undertaken during the 2017 and 2018 to assess PLRs that address risks and enhance the benefits of earlier-identified proposed PaMs, in relation to the topics highlighted in the Cancun Safeguards.

4. BACKGROUND TO THE ASSESSMENT OF PLRs

UNFCCC Decision 12/CP.17 paragraph 3, and Decision 9/CP.19 paragraph 4, require that countries seeking to implement national REDD+ strategies/action plans should provide a summary of information on how all of the Cancun Safeguards are being ‘addressed’ and ‘respected’ throughout the implementation of REDD+ actions. The ‘address’ aspect of such a summary is generally understood to consist of an analysis of existing PLRs, and the extent to which they support safeguard requirements “on paper”, as well as an account of planned steps to close any identified gaps. Analyzing the ‘address’ aspect is a desk-based exercise. Such an exercise does not only provide the basis for reporting on how safeguards are addressed, but it

can also inform the identification of next steps to improve the PLR framework, so that the safeguards can be addressed more effectively in future.

Providing information on the degree to which safeguards are being ‘respected’ requires an assessment of how well the existing PLR framework is being implemented in practice (and, once implementation of REDD+ PaMs has commenced, an ongoing assessment of how implementation of PLRs is affecting environmental and social outcomes on the ground). The assessment of PLR implementation in practice is a more time-consuming exercise, as it involves identifying relevant reports and statistics and assessing institutional capacities, which can only really be determined through consultation with government officers whose responsibility is to implement the relevant PLRs, as well as other stakeholders affected by that implementation (or lack thereof, as the case may be).

5. METHODOLOGY EMPLOYED FOR UNDERTAKING THE PLR ASSESSMENT

The starting point for the PLR assessment in Mongolia was the work already undertaken on the benefits and risks of proposed PaMs. The main purpose of the PLR review process has been to assess how Mongolia’s existing PLRs already address risks or promote benefits, based on the initial risks and benefits identified by stakeholders in 2017. In addition to describing the current status, an important aim has been to identify the gaps, weaknesses, and inconsistencies in the PLR framework that may need to be filled in order to better meet the requirements of the REDD+ safeguards. Table 1 and Table 2 (the “assessment tables”) outline how the PLR assessment has been structured:

Table 1: Structure of PLR Assessment: Risk Example



		Addressing		Respecting	
Column 1	Col. 2	Col. 3	Col.4	Col. 5	Col.6
Relevant Cancun Safeguard (a – f)	Risk	PLRs that address this risk, and how do they cover risk?	Gaps, weakness in existing PLRs on paper	How effectively is the PLR being implemented?	Gaps, weakness in implementation
					

Table 2: Structure of PLR Assessment: Benefit Example

		Addressing		Respecting	
Column 1	Col. 2	Col. 3	Col.4	Col. 5	Col.6
Relevant Cancun Safeguard (a – f)	Benefit	PLRs that enhance this benefit, and how does the PLR cover the benefit?	Gaps, weakness in existing PLRs on paper	How effectively is the PLR being implemented?	Gaps, weakness in implementation
					

The PLR assessment task consisted of four steps:

Step 1: Initial consultation

At a meeting of the Technical Working Group (TWG) on Safeguards and Safeguards Information System on June 19, 2017, the PLR assessment framework, as outlined in Table 1 and Table 2, was presented, discussed, and verified.

Step 2: Assessing how safeguards are currently “addressed”

After verification of the methodology by the TWG, initial population of the assessment tables was undertaken. In the left hand column of the assessment tables, each risk or benefit associated with specific PaM sub-activities was allocated to one of the seven Cancun Safeguard categories.

This second step then focused on determining the existing Mongolian PLRs that “address” each of the benefits and risks, i.e. PLRs that would ensure benefits were achieved and risks avoided if the PaMs were implemented in the current situation. The tasks associated with this were (i) describing the relevant aspects of the legal and policy framework; and, (ii) identifying the gaps and weaknesses of the existing PLR framework “on paper”. This step was a desk-based exercise and resulted in the filling out of columns 3 and 4 of both tables. The assessment identified 12 Policies, 36 Laws, and 3 Regulations/Procedures that could potentially enhance benefits and ameliorate risks associated with proposed PaMs, and thereby meet the requirements of the Cancun safeguards. The full list of 51 identified PLRs is presented in Annex 2. The work was undertaken during the period from the end of June through to the end of October.

Step 3: Assessing how safeguards would currently be “respected”

The third step (assessment of “respecting”) looked at how the country’s existing PLRs are being implemented in practice, through an assessment of existing institutional capacities. The key elements of the institutional review included considering the following questions:

- * Are there one or more institutional agencies responsible for the PLR’s implementation?
- * If they exist, do these institutions have the appropriate mandate to implement the PLR, or to ensure its implementation?
- * Do they have the appropriate procedures to execute their mandate?
- * Do they have the adequate financial (i.e. operational budget), human (i.e. trained personnel), and technological (i.e. the right equipment) resources to perform the procedures properly?

This step resulted in the filling out of column 5 and column 6 in the tables.

Step 4: Consultation on Initial Results and Completion of Report

The final step in the PLR assessment involved presenting the outcomes to a TWG meeting on November 29th, 2017. Participants were asked to rank recommendations for enhancing PLRs, and to make changes and/or additional recommendations if thought necessary. The results of this consultation exercise are presented in Annex 5.

6. OUTCOMES OF THE PLR ASSESSMENT

As indicated in Section 5, the PLR assessment assembled the benefits and risks of PaMs, as already identified by stakeholders in Mongolia, and linked them to one of the seven Cancun Safeguard categories. A detailed assessment was then undertaken, to determine whether there were any current Mongolian PLRs that could adequately deal with identified risks, and support possible benefits.

On the whole, the assessment showed that, with some exceptions, Mongolia already has a comprehensive system of PLRs in place to deal with many potential PaMs risks and to enhance PaMs benefits. Having said this, the analysis did point to where gaps do exist in the written law; where conflicts appear to exist between laws; and, where implementation weaknesses are evident. An important aspect of the assessment has been the development of recommendations for dealing with PLR gaps and conflicts (i.e. “address” issues), and remedying problems associated with implementation (i.e. “respect” issues).

The outcomes of this detailed assessment are presented in summarized form in Annex 3, and in full form in a separate set of Excel tables. The rest of this section is structured as follows: Section 6.1 discusses how well existing PLRs cover benefits and risks, for each of the seven Cancun safeguards. This makes it possible to evaluate how well the safeguards are covered by PLRs⁴. Section 6.2 discusses important issues raised during the assessment, and during stakeholder consultations, that are not necessarily linked to specific PLRs. It is important that these issues be briefly discussed, as they may in the long run influence how REDD+ PaMs are realized and how the safeguards are addressed and respected. Section 6.3 deals with “respect” issues, and so examines how existing PLRs are being implemented in practice. Finally, Section 6.4 presents the outcome of a ranking exercise, where Technical Working Group members prioritized the PLR recommendations that are outlined in this Section.

6.1 “Addressing” the Cancun Safeguards: Relevant PLRs and Recommendations for Reform

6.1.1 Safeguard A:

([REDD+] actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements)

As indicated in Annex 3.1, the main relevant PLRs that potentially cover identified benefits and risks related to Safeguard A are:

- * Forest Cleaning Programme (2014);
- * Law on Forest (2012);
- * State Forest Policy (2015);
- * National Programme on Strictly Protected Areas (1998);
- * Law on Buffer Zones (1997);
- * Law on Environmental Protection (1995);
- * Land Law (2002);
- * The National Action Programme on Climate Change (2011); and,
- * Relevant international conventions and treaties.

The “address” requirements of Safeguard A are generally met by existing PLRs. The main area where there may be a need for legal reform relates to an apparent **conflict between the Law on Forest and the Law on Land** with regard to grazing in forested areas. The former prohibits

⁴ The most significant PLRs are also listed in Annex 4, which presents the recommendations for reform against each of the individual PLRs.

grazing in forested areas where seedlings are being grown, whereas the latter allows for general grazing in forested areas. This situation has implication for the safeguards. For example, the rights of local people with regard to grazing in forests is unclear (linked to the need for consistency with human rights obligations, for example). In addition, uncertainty exists about the implementation of some PaMs, for example those dealing with forest restoration. **A recommendation is therefore made** to amend both laws to make it clear that grazing should not be allowed in immature forested areas.

Annex 3.1 also points to another possible regulatory reform. Safeguard A, e.g. in terms of alignment with national forest programme objectives, can only be properly met if forest restoration can be securely funded. The analysis suggests that this will require **greater private sector involvement**. It is therefore **recommended that the existing regulation on purchasing of planted trees be amended to allow the private sector to have guaranteed buyback from the government of young trees after a set period of time**. This would allow for greater certainty on the part of forest professional entities, and so a hopefully more professional private sector approach to forest restoration.

Finally, to meet the requirements of the safeguard that seeks contribution to natural resource policy objectives, it may be necessary to clarify legal provisions surrounding the Environmental Conservation and Climate Change Fund. The Law on Environmental Protection and the Law on Special Funds provide legal backing for the aforementioned Fund. This Fund has been operating since 1998 and supports conservation projects under 10 million Tugrik (USD 4,000). It obtains its financing through allocations from tourism license fees, water pollution fees, illegal logging confiscation fees, and a proportion of natural resource use fees. It is felt by stakeholders that the Fund could best operate in the interests of environmental conservation and management, and best deal with potential REDD+ PaM benefits and risks, if its financing is separate from local budgets. At present, the Law on Natural Resource Use Fees channels most of its revenue to local consolidated budgets. It is then effectively not directly available for environmental conservation. **The recommendation is that the legal provisions surrounding the Fund should be clarified to ensure that allocations to the Fund are separate from local budgets.**

6.1.2 Safeguard B:

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

As indicated in Annex 3.2, the main relevant PLRs that potentially cover benefits and risks identified under Safeguard B are:

* Law on Forest (2012);

- * Law on Procurement of Goods, Works, and Services with State and Local Funds (2005);
- * Law on Environmental Protection (1995);
- * Law on State Inspection (2003);
- * State Forest Policy (2015);
- * Law on Anti-Corruption (2006);
- * Law on Employment Promotion (2011);
- * Law on Resolution of Petitions and Complaints issued by Citizens to Government Organizations and Officials (1995);
- * Law on Administrative Procedures (2016);
- * Law on the National Human Rights Commission of Mongolia (2000); and,
- * Law on Transparency and Freedom of Information (2011).

Regulatory reforms may be necessary to meet the requirements of four elements⁵ related to Safeguard B. First, for institutional capacity to conduct appropriate data collection and planning for forest management to be improved, it is **recommended that the Law on Forest be amended to allow for local community involvement in patrolling and monitoring**. At this point in time, patrolling and monitoring is undertaken jointly by Forest Units, and by the General Agency for Specialized Inspection. Although the law stipulates that monitoring should be conducted with the involvement of local people and civil society, there are no clear provisions on incentives or on how funding should be sourced. **It is therefore recommended that the law, and/or relevant regulations, be amended to operationalize the incentive provisions. Another proposed amendment would allow for the participation of civil society in monitoring of harvesting.**

Another important element of Safeguard B is corruption risk. Risks related to corruption and mismanagement featured strongly in the benefits and risks assessment, as did discussion of the relevance of existing laws. In combination, the Law on Corruption (2006) and the Law on Procurement of Goods, Work and Services with State and Local Funds (2005) should act to discourage corruption in forestry and environmental management, though consistent implementation is challenging. Recommendations for regulatory improvement focus on making the process of procurement more transparent; in particular, making the evaluation of tenders more transparent. For example, **it is recommended** that the Law on Procurement

⁵ For the purposes of this review, safeguards 'elements' refer to the breakdown of elements for the different Cancun Safeguards developed by the UN-REDD Programme as guidance to countries implementing REDD+. These elements are presented in full in the tables in Annex 3.

should be amended, or regulations written, to require **tender evaluation criteria to be made transparent**, and for development of **bid documents to require the mandatory involvement of local citizens and forest user groups (FUGs)**. It is recommended that a **software programme** be introduced into the tendering process to exclude as much human interference as possible. It is also recommended that corruption could be tackled more effectively by **engaging civil society** in monitoring and reporting of forest regeneration activity. This issue was raised in earlier discussion on proposed amendments to the Law on Forest.

Third, another important issue that presented itself during the addressing safeguards assessment is access to justice and the **need for a grievance redress/dispute settlement** system that can be applied when there are disputes over benefit-sharing, coordination, and resource utilization. There is overlap between safeguards B and C regarding this issue; for the purposes of this report, it is discussed under safeguard B. There are clear general grievance redress mechanisms in place in Mongolia. For example, the Law on Administrative Procedures (2016) outlines the procedures that are required before making any decisions on normative acts. It mandates that prior notice, information disclosure, and avenues for complaints should be in place during the consultation period on new laws and regulations. In addition, the Law on Resolution of Petitions and Complaints issued by Citizens to Government Organizations and Officials (1995) provides an avenue for citizens to lodge complaints regarding government entities. Any type of complaint can be received by any organizations. They are then channeled onwards to the relevant agencies. A Standing Committee on Petitions is also in place to document and analyze petitions and complaints received. The system can also be externally accessed by the public to submit and track their complaints and petitions submitted. Finally, the Law on the National Human Rights Commission of Mongolia (2000) and its institution (the Commission) also has a mandate and rules of procedure to lodge and handle complaints on human rights violations by business entities, organizations and individuals.

While there are **clear grievance mechanisms currently in place**, these may need to be **explored further** to examine how they relate to the forest sector. This is particularly the case, as there are no specific PLRs that deal with conflict resolution in the event of disagreement about forest benefit sharing, coordination and resource utilization.

Another element of Safeguard B that is worthy of note is land tenure. There is a clear relationship between forest policy and how pastureland is managed. One of the most significant environmental issues in Mongolia is pastureland degradation. When pastures decline in quality, then there will always be a tendency for pastoralists/nomads to want to move stock to areas where feed is superior. A new Law on Pastureland Management has been debated for the last 20 years or so. As it seems unlikely that this law will come to pass, **it is recommended**

that Provision 52.3 of the Land Law which stipulates that “forest fund areas can be used for pasture purposes in line with respective laws and regulations” should be terminated. In addition, the Law on Forest should be amended to restrict grazing in forested areas. Any amendment of this kind should require herders to be consulted prior to any restriction in grazing.

Finally, access to government information is provided for by the Law on Transparency and Freedom of Information (2011). Article 11.1 stipulates that a citizen or legal entity is entitled to receive information, except where this is prohibited for the purposes of protecting human rights and freedoms, and national security. While this law provides a good basis for public information access, there is a continued need for the REDD Programme to consider how to share information with relevant stakeholders in a timely manner, given remoteness and sometimes poor internet access.

6.1.3 Safeguard C:

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

As indicated in Annex 3.3, the main relevant PLRs that potentially cover benefits and risks identified under Safeguard C are:

- * Forest Cleaning Programme (2014);
- * Law on Forest (2012);
- * Law on Promotion of Gender Equality (2011);
- * Environment Sector Gender Strategy (2014);
- * Law on Water (2012);
- * Law on Buffer Zones (1997); and
- * Law on Strictly Protected Areas (1994).

Regulatory reforms may be necessary to meet the requirements of two of the elements related to Safeguard C. First, with regard to the right to participate in decision-making, numerous possible benefits and risks could possibly be dealt with more effectively if the **Law on Forest, or relevant regulations, could be amended to allow forest user groups to gain greater access to funds** generated from forest-related activities. This would allow FUGs to directly invest in infrastructure improvement, for example, which they are currently unable to do.

In addition, there are **provisions on stakeholder engagement** in forest management subsumed within a number of different laws and regulations. Bringing these provisions together may be a long-term task, best undertaken in two stages: first, and in the short-term, the National REDD+ Strategy can lay out stakeholder engagement provisions for the purposes of implementing REDD+ actions. A longer-term second stage would consolidate forest-related stakeholder engagement within the Law on Forest, or within a new regulation that would cross natural resource sectors. The second key element of Safeguard C where regulatory reform may be required is in relation to rights to share in benefits. Section 6.1.2 discussed the need for a new regulation that deals with disputes over benefit sharing. There also appears to be a **need to improve the incentive system**. Financing and the related issue of incentives were a predominant theme in stakeholder discussions. Concerns were also expressed about the existing incentive systems that provide inducements for local people to report incidents associated with forest management. It was suggested that incentive funding should be sourced from a percentage of forest use payment revenues, and that payments due to informants should be processed more efficiently. **It is recommended that these reforms be undertaken either within the Forest Law, or within relevant regulations under that law.**

Benefits and risks related to gender equity were not initially prominent in the stakeholder-led assessment of benefits and risks of REDD+ that informed this review. However, it was suggested that REDD+ implementation may risk entrenching gender divisions in employment. As noted in UN-REDD Mongolia National Programme's social inclusion and gender analysis⁶, while female participation in the labour force and education is relatively high, there is still gender bias in the division of labor between men and women, and the labor market is highly segmented by gender. Mongolian women continue to earn less for similar work as men, and often work in typically "female" sectors such as the service and health industries. Women are less represented in leadership and decision making positions in the public and private sector, and dominate the informal economy. Gendered roles and responsibilities and participation in the forest sector are also evident, leading to different impact and outcomes for men and women. For example, although there is a relatively equal level of participation in FUGs, men tend to dominate in decision making positions. Of 109 FUGs covered in the analysis, only 2 had female leaders. **There is a need to ensure gender equality in the forest sector, and to look beyond gender ratios in the workforce to recognize imbalance in opportunities and benefits from participation in forest and other natural resource management.**

⁶ UN-REDD Mongolia National Programme. 2017. Analysis of Social Inclusion and Gender Dynamic for REDD+ in Mongolia.

The analysis by the UN-REDD Mongolia National Programme also shows that Mongolia has a relatively strong regulatory framework and international commitments to gender equality, including recognition of international human rights obligations, and active engagement in the sustainable development agenda at global and national levels. For example, Mongolia's "Sustainable Development Vision 2030" recognizes the importance of every person's participation and contributions to sustainable development processes. The Law on Promotion of Gender Equality (2011) aims to ensure gender equalities in all spheres, including labor and employment relations, and a National Programme on Gender Equality was adopted in May 2017. The Law on Promotion of Gender Equality also requires gender mainstreaming by other sectors, such as Environment and Tourism, which has developed an Environmental Sector Gender Strategy 2014-2030. This is considered an important policy document in terms of supporting the green development agenda based on different needs of women and men, social groups and local development by ensuring equal opportunities for participation and equal access to benefits.

Although Mongolia has a comparatively comprehensive legislative framework on gender, implementation still faces challenges such as: weak enforcement; lack of capacity and methods for mainstreaming gender in sector policies and programmes; limited accountability; and, a lack of gender-disaggregated data and/or insufficient use of data. **A set of recommendations is included in the aforementioned analysis, some of which are particularly relevant to this assessment as well. For example: i) Criteria for inclusive participation in the REDD+ programme's development and implementation**, and potentially some targeted measures for women, may help to encourage balanced participation and opportunities to benefit for men, women and various social groups, addressing risks related to gendered bias in employment; ii) **Gender responsive and socially inclusive monitoring tools, reporting and information sharing (including disaggregation of data)** are needed at Aimag and Soum levels, and to feed into a future Safeguard Information System (SIS); iii) **Guidelines for social inclusion and implementation of the Environment Sector Gender Strategy** should be developed and relevant staff should be trained.

6.1.4 Safeguard D:

(The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities [in REDD+ actions])

As indicated in Annex 3.4, the main relevant PLRs that potentially cover benefits and risks identified under Safeguard D are:

- * Forest Cleaning Programme (2014);

- * Law on Forest (2012);
- * State Forest Policy (2015);
- * Law on Procurement of Goods, Works, and Services with State and Local Funds (2005);
- * Law on Administrative Procedures (2016);
- * Law on Buffer Zones (1997); and
- * Law on Exemption of Value Added Tax (2013).

Regulatory reforms may be necessary to meet the requirements of four elements related to Safeguard D. First, with regard to identification of relevant stakeholders, this issue was dealt with in Section 6.1.3 (Safeguard C), i.e. regarding bringing together various provisions on stakeholder engagement. The issue of private sector guaranteed buyback of replanted trees is also relevant to improving the role of the private sector in forest management. This recommendation was covered in Section 6.1.1 (Safeguard A).

The second Safeguard D element that potentially requires regulatory reform relates to the recognition and implementation of procedural rights. This issue was dealt with in Section 6.1.2 with regard to access to grievance redress and dispute settlement. Another issue related to procedural rights, and related to transparency, is the process of forest certification (for example how areas are selected and local people consulted). **It is recommended that relevant regulations under the Forest Law be amended to ensure openness and transparency in the selection of areas for forest certification.** Such an amendment may also be relevant to the selection of sites for other initiatives in the forest sector, such as ‘payments for ecosystem services’ or agroforestry. These amendments should also ensure that entities seeking certification should ensure social benefits for local people.

A third element of Safeguard D that potentially requires attention is the legitimacy and accountability of bodies representing relevant stakeholders. Here the relevant recommendation is the consolidation of provisions for stakeholder engagement. This issues was dealt with in Section 6.1.3 (Safeguard C).

The fourth and final element of Safeguard D that is worthy of attention is “mechanisms or platforms to facilitate participatory processes during design, implementation and monitoring of REDD+ architecture”. Here, a key gap in implementation of the Forest Law and other regulations is a lack of monitoring. At this point in time, patrolling and monitoring is undertaken jointly by Forest Units and the General Agency for Specialized Inspection. Although the law stipulates that monitoring should be conducted with the involvement of local people and civil society, there are no clear provisions on incentives, or on how funding should be sourced, even

though there are cases of civil society involvement in monitoring currently. **It is therefore recommended that the law, or relevant regulations, be amended to operationalize the incentive provisions. Another proposed amendment would allow for the participation of civil society in monitoring of harvesting of forest products.**

6.1.5 Safeguard E:

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

As indicated in Annex 3.5, the main relevant PLRs that potentially cover benefits and risks identified under Safeguard E are:

- * Law on Forest (2012);
- * State Forest Policy (2015);
- * Law on Strictly Protected Areas (1994);
- * Land Law (2002);
- * Law on Buffer Zones (1997);
- * Law on Environmental Impact Assessment (2012);
- * Relevant international conventions, and national programmes associated with these (e.g. UN Convention on Combatting Land Degradation and Desertification, UNCCD)

Regulatory reforms may be necessary to meet the requirements of three of the Safeguard E elements. First, with regard to the element focused on design, prioritization, and implementation of REDD+ actions, a needed reform relates to the **quota system for harvesting of deadwood and thinning**. The assessment concluded that the current quota system is not based on scientific information and does not properly reflect the more rigorous harvesting approaches outlined in forest management plans. **It is therefore recommended that it be replaced with adherence to forest management plans approved at respective levels.** It is also suggested that the quality of management plans should be improved, so that the better address sustainable forest management principles, and incorporate environmental and social criteria.

Second, another important element of Safeguard E is the identification and use of opportunities to incentivize enhanced environmental and social benefits through the way REDD+ actions are designed, located and implemented. Here, three regulatory reforms are recommended. The

first relates to the private sector “buyback” need discussed in Section 6.1.2 (Safeguard A); improved implementation of this mechanism would help to support forest restoration and its expected benefits (e.g. for forest ecosystem service provision). The second is a **recommendation to develop a Law on Payment for Ecosystem Services**, which would properly value the conservation of important natural resources that provide a natural capital foundation for economic development. The third is a **recommendation to develop a regulation and guidelines on the promotion and adoption of international standards for eco-tourism**, in order to reduce potential social and environmental risks from ecotourism development and enhance potential benefits.

Finally, another element of Safeguard E that requires regulatory attention is the design, prioritization and implementation of REDD+ actions in a way that avoids or minimizes adverse social impacts. Here, the potentially required regulatory reforms are related to the avoidance of conflict between the Law on Forest and the Land Law (see Section 6.1.1, Safeguard A), and the issue of forest user groups gaining better access to funds (see Section 6.1.3, Safeguard C).

6.1.6 Safeguard F:

(Actions to address the risk of reversals)

As indicated in Annex 3.6, the relevant PLRs that potentially cover benefits and risks under Safeguard F are:

- * Law on Forest (2012);
- * State Forest Policy (2015);
- * Law on Soil Protection and Prevention from Desertification (2012);
- * Land Law (2002)
- * Regulation on Prevention from Forest and Steppe Fires (2013); and,
- * Law on Environmental Protection (2012).

No regulatory reforms are envisaged with respect to this Safeguard at this stage. However, the previously raised issue related to contradictory provisions between land and forest laws is relevant to Safeguards F and G as well.

6.1.7 Safeguard G: Actions to reduce displacement of emissions

As indicated in Annex 3.7, the relevant PLRs that potentially cover benefits and risks under Safeguard G are:

- * Law on Forest (2012);
- * State Forest Policy (2015);
- * Law on Soil Protection and Prevention from Desertification (2012);
- * Land Law (2002); and,
- * Regulation on Planning, Management, and Financing of Forestation, Forestry Measures, Valuing, Purchasing, and Ownership of Planted Forest (2013).

Regulatory reforms may be necessary to meet two of the requirements of the Safeguard G elements. First, with regard to the safeguard requirement for the preparation, endorsement and continuous updating of a NS/AP, it is **recommended that a new law or regulation be developed to allow allocation of a certain percentage of income from illegal logging to a non-financial reward fund**. In addition a tax exemption could be provided for people who report illegal logging. This would help to ensure that illegal logging drivers are not displaced to new areas.

Second, with regard to the design, prioritization and implementation of actions to reduce displacement of emissions from specific REDD+ actions at the local, sub-national and national scales, taking into account the potential impacts of REDD+ actions on livelihoods, **it may be necessary for amendments to be made to the law or relevant regulations, to allow for FUGs to gain greater access to funds generated from forest-related activities**. This recommendation was dealt with Section 6.1.3 (Safeguard C).

6.2 Important Issues Raised that are not Necessarily linked to PLRs

Clearly, the main purpose of this exercise is to examine the existing system of Mongolian policies, laws, and regulations, and to assess the nature of gaps and weaknesses that may affect how the safeguards are addressed and respected throughout REDD+ implementation. During the course of the assessment, however, a number of issues were raised by workshop participants that are not directly related to either existing PLRs, or the need for new ones. It is important that these issues be briefly discussed, as they may in the long run influence how REDD+ PaMs are realized and how the safeguards are addressed and respected.

The issues raised can be grouped into three categories: (i) improvement of livelihoods for people who live near forests, or depend on them for income; (ii) improving ecological knowledge; and, (iii) financing and incentives.

All of the discussions with stakeholders touched on the issue of how **REDD+ might be able to improve livelihoods**, an issue relevant to **Cancun Safeguard E** in particular. Ideas put forward include:

- * Strengthening technical training centers focused on value-adding in the wood products sector. These centers should focus on training unemployed people from under-represented groups, and should train women entrepreneurs on business development and management, finance and project management and implementation.
- * Local administrations to take measures to promote alternative income generation and reduce dependency on natural resource exploitation.
- * More technical and investment loan support for small enterprises, cooperatives and FUGs to enable them to purchase equipment, facilities, and technology.
- * Developing a strategy on agroforestry.

Stakeholders also often brought up the issue of the need for **improved ecological knowledge**, seen as both necessary to enhance the environmental benefits expected from REDD+ implementation, and as a potential benefit itself. It was suggested that law enforcement organizations, such as the General Agency for Specialized Inspection, should know more about the wildlife trade, and about ecology in general. It was also clear that FUGs need more information about pest management, forest restoration and forest management planning. More generally, it was felt that there needs to be efficient transmission of information to stakeholders (including those in remote areas), especially when information that is being provided through international reporting processes.

Financing and the related issue of incentives were a predominant theme in stakeholder discussions. There was interest in making the financing of local development funds transparent. Concerns were also expressed about the existing incentive systems that provide inducements for local people to report incidents associated with forest management. It was suggested that incentive funding should be sourced from a percentage of forest use payment revenues, that payments due to informants should be processed more efficiently, and that anonymity be preserved. In addition, there are no PLRs that deal with the implementation of microfinance. This could lead to unsustainable outcomes, and even displacement of emissions. **The Programme will need to consider these risks in PaM design, by developing criteria or guidelines for any microfinance or livelihood support.**

6.3 “Respecting” the Cancun Safeguards: Implementation of Existing PLRs

Fifty one PLRs were identified during the assessment as being relevant. These are listed in Annex 2. The analysis undertaken in Section 6.1 shows that nine were considered to be most relevant for dealing with the risks and benefits that may eventuate from the implementation of the ten proposed PaMs. Of these nine, a detailed analysis of implementation was undertaken against the four PLRs that were considered to be of the highest priority.

For each PLR, the assessment also examined weaknesses in implementation. This was a more time consuming activity than was the case with the “address” component, because it required meetings with government officers who have intimate knowledge of the PLRs that they are responsible for.

Two implementation issues stand out above all others, and are common to all of the PLRs examined during the assessment. These are availability of finance and knowledge/capacity. Since the downturn in the commodities markets, there has been a general shortage of funds for the Government of Mongolia. Public budgets have been stretched, and some programmes that are backed by legislation have not been implemented (for example, the Forest Cleaning Programme). The REDD+ programme needs to consider the potential strain of additional activities/mandates for stretched public agencies. It needs to explore options to work within existing mandates and apply innovative financing mechanisms, for example from the private sector, or redirecting existing financial flows (rather than generating new ones).

As an example, technical assistance and concessional loans from donors are usually targeted to specific projects. However, the Government may wish to consider approaching the World Bank to access Development Policy Loans (DPL), which provide budget support to general treasury in return for negotiated sector reforms. Forty percent of the World Bank’s loans are now made up of DPL’s, and there are precedents of green growth and climate change DPLs that the Bank has put in place in Viet Nam and Mozambique.

The other general implementation issue is lack of capacity to manage forests actively and sustainably. This appears to be an issue “across the board”, although there are specific concerns with: lack of training at the level of forest user groups; and the lack of technical forestry knowledge/capacity among government officials. In good part, the capacity problem is also tied to a lack of funding for training.

There are also implementation issues that are specific to individual PLRs.

Law on Forest

The Law on Forest was revised substantially in 2012, with further revisions in 2015. These revisions have focused on shared management and community participation, and they have given specific powers and responsibilities to forest user groups (FUGs). There are now 1282 FUGs, covering 3.5 million hectares of forest. Each FUG is required to have a management plan, which is approved by the Environment and Tourism Departments of Aimags (provinces). To date, 900 FUGs have management plans in place.

FUGs have a right to participate in “forest cleaning”. Under Article 3, Section 3.1.15 defines cleaning as meaning: forest protection activities to improve and restore a natural forest state through collection and removal of dead trees; and, removal of fallen twigs, boughs and trees that are no longer survivable as a result of forest fire, defoliating insects, diseases, strong winds, and snow.

While FUGs have a role in the management of forests, they are not allowed by law to grow or cut living trees. Apparently, for some FUGs this causes conflicts with forest professional entities, which are contracted by Soums (districts) to harvest trees. According to some interviewees, the **relative roles of FUGs and forest professional entities are not entirely clear in the law**, and this hampers implementation and affects the ability of FUGs to benefit from forests. In addition, professional entities are required to have their own management plans, and these are approved by Aimags. **These different management plans (i.e. FUG and forest professional entity)** often do not fit together well, and this can also affect forest management.

This tension between FUGs and professional entities is not universal. Some FUGs are more business-focused than others, and so effectively want to become like professional entities. For these FUGs, the forest cleaning incentive system that exists in law should be implemented when funding becomes available. The Government should also consider **amending the law to establish two different types of FUG**: those dominated by pastoralists/nomads, and in protected areas, where the current restrictive rights for FUGs are probably still acceptable; and, another more business-focused type where rights could be extended to allow for limited growing and cutting. This could facilitate a better access to benefits from forests by FUGs while also considering their capacity to manage forests sustainably. This recommendation is most relevant to **Cancun Safeguard B**.

Another area of uncertainty relates to how harvesting rates are decided. Currently, local Citizen Representative Meetings decide on annual rates of cut, based on quota levels provided by Aimags. As was indicated in Section 6.1.5 (Safeguard E), these volumes often conflict with

professional entity and FUG management plans. This suggests that **rates of cut should be submitted to the Citizens' Representative meetings by relevant Forest Units for reconciliation and approval, without exceeding limits stated in Soum Forest Management Plans**. Rates of cut and deadwood removal also need to be based on evidence, i.e. an accurate assessment of the forest condition in the respective areas. This recommendation is most relevant to **Cancun Safeguard B**.

Finally, the Law on Forests contains provisions that require funds confiscated **from illegal logging activities to be channeled to the central State treasury**. The law also states that these funds should then be allocated to environmental activities. However, it appears that this does not always happen. If this allocation took place consistently and was effectively monitored, it would be a source of funding for FUGs, and for 'forest cleaning' initiatives (see following section).

Forest Cleaning Programme

The Forest Cleaning Programme⁷ (FCP) has three purposes: (i) to improve the condition of forests; (ii) to improve the capacity of FUGs and professional entities; and (iii) to provide training in forest management techniques. The FCP defines four categories of forest, based on age, and this determines the amount of tax that the Government can extract from entities that operate in forest areas. The FCP states that 64 million cubic meters of dead wood can be cleaned under the scope of the programme.

The most significant problem associated with the FCP is the ongoing inability of the Government to **allocate sufficient funds** from the State budget. It is estimated that 14 billion Tugrik is required to implement the Programme in total. Except during times of economic crisis, the FCP is provided with between 300 million and 400 million Tugrik every year. Once funded, FUGs can earn income from forest cleaning, and purchase other timber at low cost. The lack of implementation of the FCP has implications for the feasibility of PaMs linked to this Programme; in addition, from a safeguards perspective, it would affect the ability of FUGs and others to benefit from forest products. At the same time, the REDD+ programme in Mongolia should be cognizant of the risks to carbon and non-carbon benefits associated with scaling up the removal of deadwood and harvesting of forest products.

Such risks and possible mitigation measures were discussed in more detail in recommendations emerging from the assessment of benefits and risks. To summarize, there would a potential increase in the extraction of deadwood and other wood products and it is recommended to

⁷ "Cleaning" refers to thinning, pruning, and removal of dead wood

compile/present evidence help present a clear case for these PAMs (or to carry out assessments if this information is not currently available). This would help to ensure that the nature of the proposed extraction is comprehensively understood, as well as the implications for expected carbon and non-carbon benefits and potential risks, and to develop measures appropriate to Mongolian forests. Information gathering or studies should assess the projected increase in extraction, the potential positive and negative impacts on the expected carbon benefit over the long-term, the potential positive and negative impacts for biodiversity and ecosystem services, and options to ensure a balance between utilization and conservation.

Law on Strictly Protected Areas, the Law on Buffer Zones, and Management Planning

The Protected Areas law was originally promulgated in 1994, and revised in 2010. It is due to be revised again in 2018, and will be amalgamated with the Law on Buffer Zones. The new law will focus predominantly on sustainable financing of protected areas, and will shift more management responsibility to NGOs. There are 102 protected areas in Mongolia, covering 27.9 million hectares. There are four different categories of protected area, all of which have management plans. Two categories are locally protected, and this will change when the new law is enacted, with all management being initiated from the national level.

One issue that was raised on a number of occasions during interviews and workshops is that **different resource management plans tend to be developed separately**, and without proper inter-connections or coordination of implementation. In particular, these are watershed/water basin management plans, land use plans, and forest management plans. There may be a need to **form an overarching natural resources management agency** to ensure that these plans are either amalgamated, or better coordinated.

7. FINAL COMMENTS AND NEXT STEPS

This PLR assessment has shown that Mongolia has an extensive PLR system in place, but gaps exist in the regulatory system that would need to be addressed before REDD+ PaMs could be considered to be adequately safeguarded. Of additional importance and concern is the ability to implement PLRs, particularly in the current economic environment.

7.1 Regulatory reforms

Section 6 presented a series of recommendations for addressing gaps and dealing with weaknesses. A question remains as to the most appropriate “entry points” for enacting these recommended reforms. In most countries, required reforms will need to take place in a piecemeal fashion, as and when specific laws and regulations are amended. Fortuitously,

Mongolia has an unusual opportunity to undertake a comprehensive reform of the REDD+-relevant PLRs identified in this assessment. This is because the Ministry of Justice is nearing the end of a 10-year GIZ-funded project to examine and update all natural resource management and environmental laws. The two-phase project has examined 19 laws in total, and has prepared amendments to each. An overall amendment bill will be prepared in early 2018, and it is hoped that this will be presented to the State Great Khural in its spring session. This appears to be an excellent entry point for the suggested REDD+ PLR reforms, and it is recommended that the Programme Management Unit initiates discussions with the legal unit of the Ministry of Environment and Tourism to ensure that the PLR reform recommendations are included in the proposed amendment bill.

Given that the Law on Strictly Protected Areas is also due to be revised in 2018, and will subsume the Law on Buffer Zones, this is also an opportunity to incorporate PLR reforms that were identified in the full assessment as being relevant to these two laws.

7.2 Further development of the national approach to safeguards

The take-up of PLR reforms is clearly a crucial activity. There are also three other “next steps” that are worthy of comment related to Mongolia’s safeguards approach. First, and referring back to Figure 1, the completion of the PLR assessment is an important element in the development of the Mongolian national approach to safeguards. The next step in this process is the clarification of the seven Cancun safeguards as they relate to Mongolia. This step was initiated in late 2017, including at the Technical Working Group meeting on November 29th, 2017, when participants were presented with a template for each of the Cancun safeguards. The template headings are shown in Table 6. The fundamental elements of each safeguards were listed, and linked to earlier identified benefits and risks. Relevant PLRs were also entered into the tables, and participants were asked to fill out the final column, which will then represent the national safeguard clarification.

Table 6: National Safeguards Clarification Template

Element of the safeguard, i.e. key component or element of the safeguard for clarification in the national context	→ Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	→ Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	→ Explanation of safeguard in the Mongolian context
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The outcome of the national clarification process is presented in a separate report.

The second “next step” relates to the use of the PLR assessment in the development of the required Safeguard Information System (SIS). A SIS is a framework in which different information sources and existing systems are identified and coordinated for the provision of information on how the REDD+ safeguards are being addressed and respected through national communications to the UNFCCC and REDD Web Platform. PLRs are a fundamental aspect of a SIS. Finally, and in turn, the SIS is a core part of the National Strategy or Action Plan, which is a formal UNFCCC requirement for parties to the Convention.

7.3 Other steps to ensure safeguards and addressed and respected

Regulatory reform, and improving the implementation of PLRs, is often a long-term process. This review has also raised a number of recommendations for the Mongolia REDD+ programme that may be initiative without the need for regulatory reform, or that may complement such reforms. These recommendations can also help to ensure that the safeguards are being addressed and respected throughout REDD+ implementation, and could be built into future national REDD+ programme development and implementation. Rather than repeat all of these recommendations here, some key examples include:

- The development (or sourcing/adapting) of **guidelines** for implementing key PLRs or to guide specific REDD+ PaMs, such as guidelines on the implementation of the environment sector gender strategy, criteria for inclusive participation in REDD+ and guidelines for socially and environmentally sustainable microfinance/livelihood support measures.
- The promotion of the **role of civil society organizations and actors** in REDD+ implementation and monitoring, within the scope of the current PLR framework, including in further development of the SIS;
- The promotion of software and/or other tools to **ensure transparency in tender evaluation**, and consideration of how tendering processes will operate for REDD+ implementation; and
- Ensuring appropriate **knowledge strengthening and capacity building measures** are part of REDD+ PaMs and the national programme, such as strengthening technical training centers, targeting vulnerable and under-represented groups, and working with national and local partners to strengthen ecological knowledge.

ANNEX 1: THE CANCUN SAFEGUARDS

The UNFCCC ('Cancun') safeguards for REDD+

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

- (a) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- (b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
- (c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- (d) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities;
- (e) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the [REDD+] actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits¹;
- (f) Actions to address the risks of reversals;
- (g) Actions to reduce displacement of emissions.”

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

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

ANNEX 2: PLRS REVIEWED IN THIS ASSESSMENT

Policies

1. State Forest Policy (2015)
2. Forest Cleaning Programme (2014)
3. Mongolian Livestock Programme (2010)
4. National Programme on Water (2010)
5. State Policy on Employment Promotion (2016)
6. Green Development Policy (2014)
7. National Programme on Biodiversity (2015)
8. National Programme on Combating Desertification (2010)
9. National Programme on Tourism Development (2015)
10. National Programme on Strictly Protected Areas (1998)
11. National Programme on Climate Change (2011)
12. New Development Works Med-term Programme (2010)

Laws

1. Law on Environmental Protection (1995)
2. Law on Forest (2012)
3. Law on Strictly Protected Areas (1994)
4. Law on Buffer Zones of Protected Areas (1997)
5. Law on Water (2012)
6. Law on Promotion of Employment (2011)
7. Law on SMEs (2007)
8. Law on Land (2002)
9. Law on Budget (2011)
10. Law to Prohibit Mineral Exploration and Mining Operations at Headwaters of Rivers, Protected Zones of Water Reservoirs (2009)
11. Law on Natural Use Fees (2012)
12. Law on Natural Flora (1995)
13. Law on EIA (2012)
14. Criminal Law (2015)

15. Law on Plant Protection (2007)
16. Law on Tourism (2000)
17. Law on Genetically Modified Organisms (2007)
18. Law on Labour Safety and Hygiene (2008)
19. Law Against Alcoholism (2000)
20. Law on Energy (2001)
21. Anti-Corruption Law (2016)
22. Law on Budget Transparency (2014)
23. Law on Protection Genetic Pool and Health of Mongolian Livestock (2001)
24. Law on Soil Protection and Prevention from Desertification (2012)
25. Law on Transparency and Freedom of Information (2011)
26. Law on Tax (2008)
27. Law on Administration and Administrative Units and their Governance (2006)
28. Law on Procurement of Goods, Works, and Services with State and Local Funds (2005)
29. Law on Glass Accounts (2014)
30. Law on Regulating Public and Private Interests in Public Service and Preventing Conflicts of Interest (2012)
31. Law on State Inspection (2003)
32. Law on Special Funds (2006)
33. Law on Promotion of Gender Equality (2011)
34. Law on Administrative Procedures (2016)
35. Law on Resolution of Petitions and Complaints issued by Citizens to Government Organizations and Officials (1995)
36. The Law on the National Human Rights Commission of Mongolia (2000)

Regulations/Procedures

1. Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees (Approved by Joint Decree made by Minister of Environment and Tourism and Minister of Finance, No. A-96\71).
2. Regulation on Harvesting from Forests (Approved by Minister of Environment and Tourism. 2016, A\133)

3. Generation, Expenditure and Reporting on Budget for Environment Protection, from Natural Use Fees (Decree No.14 by the Government, 2014)

The following policy and 8 laws were the most relevant for dealing with the risks and benefits that may eventuate from the implementation of the 10 proposed PaMs:

- * State Forest Policy (2015)
- * Law on Forest (2012)
- * Law on Land (2002)
- * Law on Environmental Protection (1995)
- * Law on Anti-Corruption (2006)
- * Law on Budget Transparency (2014)
- * Law on Promotion of Employment (2011)
- * Law on Natural Resource Use Fees (2012)
- * Law on Strictly Protected Areas (1994)

ANNEX 3: POLICIES, LAWS, AND REGULATIONS ASSESSMENT⁸

These tables are summaries of ongoing work to assess relevant PLRS and identify gaps/areas for improvement as part of Mongolia's national safeguards clarification. They are a working document, and those presented here are current for April 2018.

ANNEX 3.1

Safeguard A: [REDD+] actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Consistency with international commitments on the environment; contribution to national biodiversity conservation policies (including National Biodiversity Strategies and Action Plans), other environmental and natural resource management policy objectives.	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - May lead to improved forest ecosystem service provision, increased habitat and helping with movement of biodiversity - Water resources/supply may be improved, for people, business activities and ecosystems - Natural resources tax collection and expenditures may improve, with benefits for conservation and environmental management - May reduce soil degradation and desertification, and improve soil fertility and moisture - Opportunities to improve cooperation with neighboring countries on wider forest and environmental issues <p><u>Risks:</u></p> <ul style="list-style-type: none"> - PES scheme could lead to illegal/unsustainable water consumption, e.g. 	<p>The Ramsar Convention; and the Law on Water (Article 22.1) allows for the establishment of water source protection zones. The National Programme on Water /Appendix to Parliament Resolution 24 of 2010/, under its Provision 3, Section 3.4.2 sets an aim to promote and encourage initiatives on water conservation, water collection and recycling waste water. Convention on Biological Diversity; and National Programme on Biodiversity (2015), Article 4.4, Provision 4.4.5. "Increase forest indicator of Mongolia up to 9% through improved forest management, and to protect biodiversity in forest areas". National Programme on Protected Areas.</p> <p>UNCCD; and Mongolia's National Programme on Combatting Desertification.</p>	<p>The legal provisions surrounding the Environmental Conservation and Climate Change Fund should be clarified to ensure that allocations to the Fund are separate from local budgets. This may require amendments to the Law on Environmental Protection and the Law on Special Funds.</p>

⁸ Note: The full set of assessment tables is presented in a separate Excel file.

	<p>use of groundwater, incentive to increase hydropower plants</p> <ul style="list-style-type: none"> - Increase in harvesting of timber/fuelwood/NTFPs may have negative impacts on forests over the long-term, including impacts on carbon, biodiversity and ecosystem services - Increase in harvesting of timber/fuelwood/NTFPs may have negative impacts on forests over the long-term, including impacts on carbon, biodiversity and ecosystem services 	<p>Saint Petersburg Declaration on Ensuring Forest Law Enforcement and Fighting Illegal Logging, in 1996.</p>	
<p>Consistency and complementarities with the objectives of the national forest programme.</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Outbreak of forest pest insects and fire risk will decrease, e.g. due to reduced amount of deadwood in forest - Growth and productivity of forest may be increased, along with improved natural regeneration and increased reforestation efforts - Other crime associated with illegal logging may also be reduced - Understanding and capacity of stakeholders and officers in terms of sustainable forest management will be improved - May improve implementation and monitoring of key programmes, e.g. Forest Cleaning Programme, pest control, regeneration, and improve transparency - May increase production and supply of wood products, including value-added products, encourage more efficient utilization of wood raw materials; overseas imports of wood may decrease <p><u>Risks:</u></p>	<p>Provision 3.5.3 of the State Forest Policy: "provide government support for establishing entities, incubator centers and small and medium-sized enterprises with advanced technologies that develop, introduce and transfer advanced techniques for afforestation, restoration, forest conservation and timber use alongside research organizations, universities and higher education institutes". This relates to expected benefits for improving capacity of stakeholders and industry.</p> <p>Forest Cleaning Programme (2014), Article 2, Provision 2.1 states that: "The aim of the Programme is to clean and improve health status of forest of Mongolia, prevent from fire and pest insects, restore forest, meet certain part of demand of household fuel needs with dead wood collected from forest cleaning, provide wood panel, wood pellet fuel and construction material factories and production units with wood raw materials, improve wood utilization level, to strengthen capacity of forest</p>	<p>The Government should ensure the implementation of the Forest Cleaning Programme by allocating sufficient funds in the state budget and assessing potential environmental and social impacts of full implementation. This is so that FUGs can earn funds from forest cleaning and purchase other timber at low cost. It is estimated that 14billion Tugrik is required to implement the Forest Cleaning Programme. (To promote benefits such as reduced pest outbreaks linked to deadwood, increased growth/productivity of forests, and address national safeguard on REDD+ support to key state forest policies and programmes).</p> <p>However, some proposed REDD+</p>

	<ul style="list-style-type: none"> - Conflict may occur between commercial entities and forest user groups over harvesting/cleaning - Ineffective pest control measures may be implemented and strong interests from government and private sector in increasing budget allocation for pest control measures - Illegal/unsustainable logging and use of other forest resources may increase due to increased access to the forest for harvesting and from new forest roads 	<p>units, forest user groups and forest professional organizations” (linked to REDD+ benefit of reduced pest outbreaks).</p> <p>The Law on Forest (17 May 2012), Article 28 outlines measures related to pre-commercial thinning and its financing to increase forest growth and productivity (linked to expected benefit of increased growth and productivity of forests)</p>	<p>PaMs, and full implementation of the Forest Cleaning Programme, may pose risks to long-term carbon and non-carbon benefits from forests (e.g. impact of increased deadwood and other removal on biodiversity/ ecosystem services). As recommended in the assessment of benefits & risks, Govt should compile/present evidence help present a clear case for further extraction (or carry out assessments if this information is not currently available). This would help to ensure that the nature of the proposed extraction is comprehensively understood, as well as the implications for expected carbon and non-carbon benefits and potential risks, and to develop measures appropriate to Mongolian forests.</p>
<p>Consistency with the achievement of the Sustainable Development Goals; contribution to national poverty reduction strategies.</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Income and livelihoods of local communities and economic entities in/around protected areas will improve (from tourism, non-timber forest products) - Material resources of cooperatives may increase, which may contribute to local development funds - Forest-based eco-tourism may develop, with benefits for livelihoods of local communities and for local budgets. 	<p>National Poverty Reduction Programme; Mongolia Sustainable Development Vision 2030</p> <p>Other PLRs are also relevant to this safeguard:</p> <ul style="list-style-type: none"> - Provision 3.5.3 of the National Programme on Protected Areas (Parliament Resolution 29, 1998) aims to develop buffer zones as ecologically healthy and sustainable development model areas. The Law on Buffer Zones (23 October 1997), Article 7.1 of the law states that “The Council may establish a Buffer 	<p>Support for cooperative management buffer zone councils should be extended, with increased capital funds that can assist with the development of alternative income sources (agro forestry, agriculture etc.) (for local communities and economic entities, in support of Sustainable Development Vision and other programmes)</p>

	<ul style="list-style-type: none"> - Job opportunities, income and livelihoods of local communities, forest user groups and economic entities may improve in forestry, processing, NTFPs, tourism, etc. - Improved/intensified livestock farming may develop, with better food security and livestock products - Investment in local areas may increase, encouraging growth in livelihoods, other economic sectors, services, infrastructure, etc. - May improve fuelwood consumption approach, including use of alternative fuel sources and promotion of energy saving <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Improved pasture management and dryland PAMs could lead to less land available for grazing - Consumption of energy and other resources for wood processing would increase - Dependency on use of fuelwood can increase, rather than shift to new types of energy 	<p>Zone Fund for the purposes of developing the Buffer Zone and providing support for local people's livelihood.""; and Article 7.4.2 states that the Buffer Zone Fund shall be used to provide support for local people's livelihood, small scale production, services and project implementation. This is linked to expected benefits for livelihoods of communities and economic entities in/around protected areas.</p> <ul style="list-style-type: none"> - The Environment Protection Law (1995) under Article 51, states that: 1). Cooperatives may establish shared fund with an aim to finance their activities or support their members. 4). The fund shall be used for carrying out activities to protect and restore natural resources, creating jobs, supporting livelihood of cooperative members, mitigating damages caused by natural disaster, and for financing other activities decided by meeting of the cooperative members. This is relevant to expected benefits for material resources of cooperatives and local development funds. - Benefits and risks related to grazing land and potential conflict represent a gap in the PLR framework. The Law on Forest (2012) prohibits livestock grazing in forested areas and in areas with growing seedlings or areas designed for such activity. The Land Law (2002), Article 52, Section 52.3 states that forest resource areas may be used for grazing purposes in compliance with respective laws. Thus the risk of conflict over areas designated for restoration and restriction of grazing is not addressed. 	<p>Possible conflict between the Forest Law and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p> <p>Amendments should be made to the relevant regulation under the Law on Forest to allow FUGs to engage in eco-tourism ventures.</p>
Consistency with international	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Diversification of livelihoods and improved 	The National Action Programme on Climate Change (Appendix to Parliament Resolution	There should be legal backing for a programme of soft loans to

<p>commitments on climate; contribution to national climate policy objectives, including those of mitigation and adaptation strategies.</p>	<p>ecosystem service provision from agroforestry may increase climate change resilience of local communities</p> <ul style="list-style-type: none"> - May reduce soil degradation and desertification, and improve soil fertility and moisture <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Climate change impacts can retard natural regeneration process, affecting the ability of PAM (drylands) to contribute to adaptation - Increase in harvesting of timber/fuelwood/NTFPs may have negative impacts on forests over the long-term, including impacts on carbon, biodiversity and ecosystem services 	<p>No.02, 2011) under Section 3 sets out a series of policy objectives that focus on adaptation responses associated with forests and other vegetation. This is relevant to expected benefits for climate resilience and land degradation, as well as risks on climate impacts on forests and harvesting on carbon stocks.</p> <p>Mongolia's NDC (2016).</p> <p>Two other PLRs are also relevant to benefits & risks identified for this safeguard element. The Law on Forest (2012) Article 30, Section 30.3 states that the projects and programmes on afforestation of steppe, semi-desert and desert areas, and establishment of green belts to protect rivers, creeks and spring heads, as well as pastures and crop lands shall be funded through state and other funding sources. The State Forest Policy (2015), Provision 3.2.4 includes the aim to lay the foundation for agroforestry development in Mongolia. This is linked to expected benefits for livelihoods and ecosystem services from agroforestry, and contribution to climate change resilience of communities.</p>	<p>support agroforestry businesses.</p>
<p>Consistency with the State's human rights obligations under international law, including the core international human rights treaties and ILO 169, where applicable.</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Job opportunities, income and livelihoods of local communities, forest user groups and economic entities may improve in forestry, processing, NTFPs, tourism, etc. - Income and livelihood of herders and farmers may improve with better livestock value chain - Jobs may increase in forest road construction; and roads can provide economic benefits to 	<p>Constitution of Mongolia; Universal Declaration on Human Rights; Law on National Human Rights Commission of Mongolia.</p> <p>Other relevant conventions:</p> <ul style="list-style-type: none"> - the International Covenant on Economic, Social and Cultural Rights 1966 - International Covenant on Civil and Political 	<p>Support for cooperative management buffer zone councils should be extended, with increased capital funds that can assist with the development of alternative income sources (agro forestry, agriculture etc.)</p>

	<p>traders, service providers and other people, and better access to social services</p> <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Traditional nomadic culture may be lost due to people shifting from herding to new livelihoods - Expansion of protected areas could contradict with other development policies and may cause pressure on traditional way of life, and cultural traditions - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Livelihood of local communities can decline, e.g. if agroforestry is less profitable than previous livelihoods such as grazing - A new burden of taxes (e.g. to pay for ecosystem services) will affect citizens 	<p>Rights 1966</p> <ul style="list-style-type: none"> - Convention on the Rights of the Child 1989 International Convention on Employment; State Policy on Employment Promotion, and Law on Employment Promotion; Noting that there is a set of requirements on organizations providing employment services (Mongolia National Standard: 6620). <p>Two other national PLRs are relevant to this safeguard element. The Law on Buffer Zones (1997) was adopted to prevent from pressure on traditional lifestyle and to preserve traditions. This is linked to addressing risk of expanded protected areas affecting cultural traditions. However, the Law on Special Protected Areas legalizes plenary rights of the Parliament in the Article 25 as follows: (Section 25.2) "At the request of the Government of Mongolia, making decisions on taking territory under state special protection and including the territory in one of state special protected area classifications, and approving or changing strictly protected area and national conservation park boundaries."</p>	
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ANNEX 3.2

Safeguard B: Transparent and effective national forest governance structures, taking into account national legislation and sovereignty

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Enforcement of the rule of law	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Standards and regulations on environment, labor protection, health and safety in forest and processing sectors may be improved - Law enforcement and inspection may be enhanced; other crime associated with illegal logging may also be reduced (e.g. tax fraud, wildlife trade, drug trade) - Opportunity to improve regulations on harvesting and processing of non-timber forest products - May improve implementation and monitoring of key programmes, e.g. Forest Cleaning Programme, pest control, regeneration, and improve transparency <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Increased costs for monitoring, enforcement, protection and building capacity of forest user groups - Conflict may occur over access to areas designated for forest protection and/or regeneration, and reduced access to grazing - PES scheme could lead to illegal/unsustainable water consumption, e.g. use of groundwater, incentive to increase hydropower plants - Risk of illegal activities, e.g. setting fire 	<p>General Administrative Law (2015): a new procedure which requires the governmental agents and agencies to conduct a hearing on a new decision and the hear opinion from the affected population. Mandatory, with some exceptions, however government agencies not required to modify their proposed plans to reflect the input received. Enables government agents or agencies to seek professional expert assistance from each another in a written form, will improve the communications between governmental agencies. The law regulates legal relations between the government and the public by specifying time limits for submitting petitions and requests, addressing regulations, the settlement of issues, the role of the state and ordinary people in decision making, and methods for announcing decisions.</p> <p>Law on Violations/Offences.</p> <p>Law on State Inspection (2003), Article 9, Provision 9.3.1. "State Specialized Inspection Agency shall exercise control and inspection on enforcement of laws and other legislative acts that are adhered commonly, as specified by the law".</p>	<p>Law on State Inspection and Law on Violations provide for control and inspection by State Specialized Inspection agency, i.e. they can also impose sanctions. CSOs may have right to monitor only (?)</p>

	<p>intentionally to create deadwood, increased illegal logging/hunting be enforcement officers, to supply tourism areas</p> <ul style="list-style-type: none"> - Insufficient sustainability/placements of professional public servants to maintain initiatives 	<p>Article 26 of the Environmental Protection Law states that: "inspectors exercising the control of State borders, customs, veterinary hygienic and disease services and mining and other officials required by law to exercise that control may be authorized to exercise the powers of State environmental inspectors and shall carry out inspection duties".</p> <p>Also relevant here is Provision 26.2 of the Law on Environment Protection (1995), which states that "Inspectors exercising the control of State borders, customs, veterinary, hygienic and disease services and mining or other officials required by law to exercise that control may be authorized to fulfil the duties of State environmental inspectors and shall carry out inspection duties."</p>	
Resource allocation/capacity to meet institutional mandate	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Local budget revenues may increase through taxes from economic entities, revenues from wood harvesting, permits from fuelwood harvesting - Due to investment, material resources of cooperatives will increase, and may contribute to local development funds - More revenue from eco-tourism and PES may be available to fund forest/ecosystem management - Natural resources tax collection and expenditures may improve, with benefits for conservation and environmental management - Improved cooperation between sectors (e.g. govt, private sector, communities) and 	<p>The Law on Natural Resource Use Fees (2012, Article 13) states that the budget to be spent for environmental conservation and restoration measures is a capital fund that is equal to a certain percentage of the revenues collected from natural resource use, and is dedicated to generate financial resources for a given year.</p> <p>13.4: Province, capital city and soum Citizens' Representatives' Presidium shall approve action plan on implementing environment protection and natural resources restoration measures to be funded by income from fees specified in the Section 13.1 of this law, as submitted by Governor.</p> <p>Various provisions of the Law on Forest (2012) relate to implementation and financing:</p>	<p>The legal provisions surrounding the Environmental Conservation and Climate Change Fund should be clarified to ensure that allocations to the Fund are separate from local budgets. This may require amendments to the Law on Environmental Protection and the Law on Special Funds. Amendments should be made under the Law on Natural Resource Use Fees to impose penalties on governors and other relevant officials who fail to spend collected revenues for environmental conservation.</p>

	<p>government agencies (e.g. forest, agriculture and land management units, enforcement agencies)</p> <ul style="list-style-type: none"> - Increased forest cleaning, management and sustainable use may reduce fire and pest risk, and roads can support fire management/fire fighting and pest control activities <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Increased costs for monitoring, enforcement, protection and building capacity of forest user groups - Increased burden/costs for state and local budgets, e.g. for eco-pest control, regeneration, roads, patrolling and equipment - Costs of some PAMs may be high because need to invest in improving infrastructure in remote areas - Insufficient sustainability/placements of professional public servants to maintain initiatives 	<p>Provision 30.3 of the Article 30 of the Law on Forest (2012) states "...projects and programmes on afforestation of steppe, semidesert and desert areas, and establishment of green belts to protect rivers, creeks and spring heads, as well as pastures and crop lands, shall be implemented through state and other funding sources." Article 28 outlines measures related to pre-commercial thinning and its financing to increase forest growth and productivity; Article 4.2 and Article 39.4 outline regeneration and financing. Two current options are (i) forest user groups and others that plant trees on their own land can own the resulting forest, (ii) the government can buy trees planted by forest user groups and others. However, provisions to encourage large-scale private sector involvement in regeneration are lacking.</p> <p>Law on Public Service (2002), Article 4, Provision 4.2.5 "Public service shall be specialized and sustainable"; Provision 4.2.6 "Government shall provide guarantee or condition where public servants can exercise their full mandates." This is relevant to the potential risks of insufficient terms/placements of professional staff.</p> <p>Two existing PLRs can assist with the provision of funds associated with protected areas. The Law on Buffer Zones (1997), Article 7, Provision 7.1 states that Buffer Zone can have a fund: "The Council may establish a Buffer Zone Fund for the purposes of developing the Buffer Zone and providing support for local people's</p>	<p>The following regulation should be amended to allow the private sector to have guaranteed buyback of young trees from all different forest types, after a set period of time: ""Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees" (Approved by Joint Decree made by Minister of Environment and Tourism and Minister of Finance, No. A-96\71). In addition, a new regulation or guideline should be developed to allow for prioritization of areas where natural regeneration is more feasible, so as to reduce budget burden.</p>
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<p>Institutional capacity to conduct appropriate data collection and planning for forest management</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved - Capacity for sustainable forest management and regeneration (including for saxaul forests) may be improved, e.g. techniques, technologies and skills of cooperatives and forest units - May improve implementation and monitoring of key programs, e.g. Forest Cleaning Programme, pest control, regeneration, and improve transparency - Governance, monitoring and transparency of forest sector activities (e.g. pest control, regeneration, patrolling, PA management) may improve, due to increased revenues and stakeholder participation. Improper spending 	<p>The power to develop management plans, and to specify the powers that FUGs have, is laid out in Provision 13.1.27 of Article 13, of the Law on Forests (2012). 3.1.6. "Forest management plan" means a document that systematically and phase-by-phase specifies the forestry management activities towards protection, sustainable use and restoration of forest tenure in a given territorial and administrative unit. According to Forest Law, there are 5 different variations of plans such as 1. State forest management plan 2. Aimag and capital city's forest management plan 3. Soum and district forest management plan 4. Forest management plan of entities that possess tenure forest under contract and 5. Forest user groups forest management plan. The plans are developed by respective level organizations (i.e. for the 5 different plans) with support of authorized organizations and are approved in</p>	<p>A national standard for certification of forest organizations should be established by regulation. The recommendation on FUG participation in forest management/resources is also relevant here.</p> <p>The Law on Forest should be amended to allow for local community involvement in patrolling and monitoring. The following provisions should be considered: (a) Improve local community based monitoring and establish incentives system for provision of information; (b) Monitoring on harvesting to be conducted with participation of civil society, but also other</p>

	<p>of revenues can be more quickly identified and stopped</p> <ul style="list-style-type: none"> - Database on forest certification and certification parameters can be established - Forest seeds regions will be determined, as a result of this forest restoration activities may be more effective - Financing and capital for environmental management conservation can be increased <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Over-harvesting of forest resources may occur (e.g. due to excess thinning, harvesting of timber, fuelwood, NTFPs) leading to forest degradation, with negative impacts on carbon, ecosystem services and biodiversity. Logging camps and roads may also have negative impacts on biodiversity - Risk of unsustainable/illegal hunting of wildlife, unsustainable/illegal collection of non-timber forest products, due to increased access - Poor monitoring/maintenance may see funds wasted on ineffective measures, e.g. Ineffective pest control measures, poor maintenance of saxaul regeneration sites - Agroforestry models may not suit well to all areas or forest types, resulting in uneven coverage/implementation and/or lack of sustainability 	<p>different ways, depending on the type of plan.</p> <p>The State Forest Policy (2015), Section 3.3.1 states that one of the objectives of the SFP is to conduct a detailed assessment of the state of Mongolian forests and establish sustainable forest management for forest conservation, restoration and appropriate use. This provides a basis for expected benefits for sustainable use of forests, including based on assessment and evidence, and improved capacity in sustainable forest management. Section 3.3.7 of the State Forest Policy also sets an objective ""to establish a national standard for certification of forest organizations in line with international standards, by 2020, to transit into a system in which only certified companies and organizations are authorized to use forest resources"". This is relevant to the concept of sufficient capacity for sustainable forest management, though it also points to potential barriers for FUGs and other non-economic entities or professional organizations being able to share in forest management activities and resources.</p> <p>Several PLRs include provisions related to capacity building and training in the forest sector. Those relevant to capacity building for FUGs and local people in particular are discussed in greater detail under Safeguard D. In section 3.5 of the State Policy on Forest (2015), Provision 3.5.4 states that "Provide all necessary support in equipping forest focused professional higher education institutes, colleges and vocational education and training</p>	<p>stakeholders (e.g. researchers);</p> <p>(iii) Conduct inspection with participation of civil society.</p>
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		centers and in improving the capacity of the teaching staff, thereby establishing a tiered system for training forest experts, professional staff and forest workers". Forest Cleaning Programme (2014), Section 3.3.3 allows for the re-training and preparation of managers and professional employees who are to execute Forest Cleaning. Section 5.7 states that the Forest Research and Development Center shall organize training activities including for heads of local administrations.	
Corruption risks	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Improved cooperation between different Mongolian government agencies, e.g. forest, land and agriculture - Role of forest in supporting the private sector will improve, with new opportunities for logging, and increased collaboration between communities, authorities and private sector - Citizens and civil society knowledge on government income and expenditure will be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Corruption at different levels of government (e.g. in tender processes, selection of sites, abuse of power, mismanagement of funds) - Risk of overuse of forest resources, e.g. by local people, government issuing permits without consideration of appropriate level for sustainable harvesting, misuse of household permits - Corruption may increase among army and police organizations of Mongolia and neighbor countries 	<p>Law on Anti-Corruption (2006), Article 27, Provision 27.1: "In order to ensure active public involvement in combating corruption, a non-staff Public Council shall be established under the supervision of The Anti-Corruption Agency".</p> <p>Law on Procurement of Goods, Work and Services with State and Local Funds (2005) (LPGWSSLF) Article 6, Provision 6.1 states that the principles of transparency, equal opportunity for competition, efficiency, cost-saving and accountability shall be adhered to in procurement procedures. Provision 28.3. states that tender price shall be the basic criteria for evaluating the tenders satisfying requirements. Provision 28.4. states customer may, taking into consideration the specific nature of the goods, works or services to be procured other than consulting services, select the appropriate ones from the following factors affecting the economic benefit, express them in monetary terms and add to tender price:</p> <p>28.4.1. Timeframe for completing works or services or delivering goods;</p>	<p>(i) The LPGWSSLF should have a provision that requires tender criteria to be made transparent.</p> <p>(ii) A software programme should be introduced into the tendering process in order to exclude as much human interference as possible.</p> <p>(iii) Corruption could be tackled by engaging civil society in monitoring and reporting of forest regeneration activity. This may require a regulation under the Law on Forest.</p> <p>(iv) Regulations under the Law on Procurement should be amended to stipulate that bid documents should require the mandatory involvement of local citizens and FUGs.</p>

	<ul style="list-style-type: none"> - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources - Conflict may occur with herders over access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing; - Due to failure of private entities to ensure participation of local residents, future opportunities for income for local people will decrease. - Monopoly may arise and local area businesses, small enterprises could be pushed out. Depending on cost of technology smaller producers (home production) will be constrained 	<p>28.4.2. Calculations of current expenses or of expenses and profit;</p> <p>28.4.3. After-sale service and technical assistance;</p> <p>28.4.4. Guarantees to be given for supply of spare parts and with respect to price; 28.4.5. Quality and technical data of the goods, works or services; 28.4.6. Other criteria conforming this Law.</p> <p>Other PLRs may also be relevant under this safeguard element. For example, the Law on State Inspection (2003), Article 9, Provision 9.3.1. ""State Specialized Inspection Agency shall exercise control and inspection on enforcement of laws and other legislative acts that are adhered commonly, as specified by the law.</p> <p>Law on Mongolian officials. The law applies to: Political, and administrative officials; State or locally-owned legal entity's management; The Chairperson of the National Council; The General Director of public radio and television; Management of NGOs performing work on behalf of the government; and Electoral candidates.</p> <p>These officials are prohibited from engaging in the following activities:</p> <ul style="list-style-type: none"> - Exerting pressure on, intervening in or influencing civil servants in the course of duty; - Giving or offering to give rewards to others or to intermediaries; - Illegally granting or promising to grant preferences to any individual or to a legal entity; 	
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Coherency of national/subnational legal, policy and regulatory framework for transparent and effective forest governance	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Planning and legal framework for sustainable forest management, and implementation of management plans, will be improved - Improved cooperation between different Mongolian government agencies, e.g. forest, land and agriculture - Could improve implementation of energy policy and improve cooperation between forest sector and energy sector <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Increase in harvesting of timber/fuelwood/NTFPs and forest roads may have negative impacts on forests over the long-term, including impacts on carbon, biodiversity and ecosystem services - Conflict may occur over access to areas designated for forest protection and/or regeneration, and reduced access to grazing - Higher costs associated with forest regeneration and infrastructure may stress national budget - Potentially high costs and burden on state 	<p>General Administrative Law (2015): Appears to have some relevant provisions: a new procedure which requires the governmental agents and agencies to conduct a hearing on a new decision and the hear opinion from the affected population. Mandatory, with some exceptions, however government agencies not required to modify their proposed plans to reflect the input received. Enables government agents or agencies to seek professional expert assistance from each another in a written form, will improve the communications between governmental agencies.</p> <p>Law on Forest 3.1.6. "Forest management plan" means a document that systematically and phase-by-phase specifies the forestry management activities towards protection, sustainable use and restoration of forest tenure in a given territorial and administrative unit.</p> <p>The current PLR framework poses some challenges related to cross-sector collaboration</p>	<p>Possible conflict between the Forest Law and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p>

	<p>budget in remote/rural areas, and from increased cross-sector coordination</p> <ul style="list-style-type: none"> - Insufficient sustainability/placements of professional public servants to maintain initiatives 	<p>and policy coherence. In particular, coherence between forest and pasture management is hampered by conflicting provisions under the Forest Law and Lan Law. The Law on Forest (2012) prohibits livestock grazing in forested areas and in areas with growing seedlings or areas designed for such activity. The Land Law (2002), Article 52, Section 52.3 states that forest resource areas may be used for grazing purposes in compliance with respective laws.</p>	
Accountability	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - FUG participation in fire and pest control activities may be enhanced - Jobs and income generation in harvesting/processing for local citizens may be increased (local citizens, herders, commercial entities, forest user groups) - Opportunity to increase participation of stakeholders in decision-making on certification/forest management - Living conditions for local people may improve, e.g. from improved water sources, NTFPs, etc. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Permits may be issued by local government without consideration of the amount appropriate for sustainable harvesting - Unfair distribution of incentives/PES payments may arise; income from use of natural resources may only benefit limited groups of people and authorities, and some areas may not benefit due to lack of natural resources. - Conflict may occur between commercial entities and forest user groups over 	<p>From the State Forest Policy: 2.2. The Following principles shall be adhered to when formulating and implementing the State Policy on Forest:</p> <ul style="list-style-type: none"> 2.2.1. Expand forest area by way of increasing forest regeneration and afforestation 2.2.2. Conserve and protect forest biodiversity; 2.2.3. Increase forest health, vitality and productivity; 2.2.4. Increase ecological and socio-economic benefits of forest 2.2.5. Establish 'good forest governance' by improving forest policy, legislation and institutional framework, and ensuring involvement of parties 2.2.6. Set up scientifically founded, adequate and sustainable use of forest resources consistent with forest conservation and restoration measures; 2.2.7. Establish national capacity to prevent forest and steppe fires, forest pests and diseases and mitigate losses from thereof; 2.2.8. The owner and the user of forest resources shall bear the responsibility for protection and be the implementing entity of sustainable management. 	<p>Recommendation about FUGs ability to harvest and benefit from forest resources is likely also relevant here.</p>

	<p>access/harvesting, and with local people over access/use of forest resources</p>	<p>The Law on Forest (2012) makes it clear that FUGs and forest professional organizations have considerable powers and responsibilities over forest protection. Provision 21.12.2 of the Article 21 of the Law on Forest (2012) on rights and obligations of FUGs states that "FUGs shall have a right to use timber and non-timber forest products from forest tenure in accordance with the forest management plan and ownership license, and market excess timber and non-timber resources.</p> <p>The Provision 42.1 of the Article 42 of the Law on Forest (2012) states that "Citizens, forest user groups, entities and organizations shall be liable to compensate for the direct damages caused to forests and forest resources in consequence of their illegal activities as follows:</p> <p>(42.1.1) Operated prohibited activities; (42.1.2) Illegally logged timber;</p> <p>(42.1.3) Illegally collected and harvested non-timber forest product without a permit;</p> <p>(42.1.4) Caused damages and adverse impacts to forest resource;</p> <p>(42.1.5) Destroyed forest during production, services and economic activities including extraction of mineral resources;</p> <p>(42.1.6) Engaged in other illegal activities.</p> <p>The Provision 42.2 stipulates that "State inspector in charge of nature and environment shall impose the compensation payments for the direct damages and amounts necessary to restore forest as specified in the Article 42.1 of</p>	
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		this Law, and control the payment of such compensation.	
Gender equality	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Jobs and income generation in harvesting/processing for local citizens may be increased (local citizens, herders, commercial entities, forest user groups); jobs may also increase in forest road construction - Opportunity to increase participation of stakeholders in decision-making on certification/forest management - Knowledge and skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved. - Improve governance and engagement by bringing more stakeholders into protected area management <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Risk of loss of proper gender ratio. Job opportunities for men may increase and gender ratio will be lost - May have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed. - Local people (not in FUGs) may not equally benefit from forest thinning - Risk of increase in alcohol, drugs, social problems related to logging camps 	<p>Several high-level policy statement support full participation of different social groups in sustainable development initiatives. For e.g., Mongolia's Sustainable Development Vision 2030 recognizes the importance of every person's participation and contributions to sustainable development processes.</p> <p>The Law on Promotion of Gender Equality (2011) aims to ensure gender equalities in all spheres, including labor and employment relations, and a National Programme on Gender Equality was adopted in May 2017. The Law on Promotion of Gender Equality also requires gender mainstreaming by other sectors.</p> <p>MET has developed an Environmental Sector Gender Strategy 2014-2030. This is considered an important policy document in terms of supporting the green development agenda based on different needs of women and men, social groups and local development by ensuring equal opportunities for participation and equal access to benefits.</p> <p>Constitution, Art. 14:</p> <ol style="list-style-type: none"> 1. All persons lawfully residing within Mongolia are equal before the law and the court. 2. No person shall be discriminated against on the basis of ethnic origin, language, race, age, sex, social origin and status, property, occupation and post, religion, opinion or education. Everyone shall have the right to act 	<p>A set of recommendations is included the Programme's social inclusion analysis, some of which are also relevant here. For example: i) Criteria for inclusive participation in the REDD+ programme's development and implementation, and potentially some targeted measures for women, may help to encourage balanced participation and opportunities to benefit for men, women and various social groups, addressing risks related to gendered bias in employment; ii) Gender responsive and socially inclusive monitoring tools, reporting and information sharing (including disaggregation of data) are needed at Aimag and Soum levels, and to feed into a future Safeguard Information system (SIS); iii) Guidelines for social inclusion and implementation of the Environment Sector Gender Strategy should be developed and relevant staff should be trained .</p>

	<ul style="list-style-type: none"> - Some local people/households, e.g. with more livestock or more start-up capital or resources, may benefit more from pasture/agroforestry PAMs - Poor/disadvantaged people will have less opportunity to attend training, due to fees and no time spare for training - Information may be provided and disseminated by unsuitable approaches, and may not reach target groups. 	<p>as a legal person.</p> <p>Mongolia also has international commitments relevant to gender, including CEDAW and other human rights commitments (see SG A):</p> <ul style="list-style-type: none"> - Convention on the Elimination of All Forms of Discrimination against Women 1980 (CEDAW). 	
Access to information	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - With application of new techniques and technologies, capacity for sustainable forest management may be improved, including collective skills of forest owning cooperatives and forest units will improve, improving proficiency of human resources - Capacity of forest professional organizations specialized in saxaul regeneration may be enhanced - Transparency of information on illegal logging and combatting illegal logging may be improved - Citizens and civil society knowledge on government income and expenditure will be improved - Knowledge and skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved. - Local people, government and forest professional organization will gain more knowledge and experience on sustainable use 	<p>The Law on Transparency and Freedom to Information (2011) under Article 11.1 stipulates that a citizen and a legal entity shall be entitled to receive the following information, except for the information that is prohibited to be released for the purposes of protecting human rights and freedoms, national security, and lawful interests of organizations, from the state bodies listed in the section 3.1 of the present law. Article 11.2 also states that "Respective officials of the bodies listed in the section 3.1 of the law, shall not demand anything from the citizen unless otherwise required by the law".</p> <p>Section 3.5.5 of the State Policy on Forest (2015) sets an objective to increase measures for informing and raising awareness of the public, organize mass events for demonstrating the ecological values of forests, provide support from the state in establishing a professional magazine and a studio for distributing information of the forest sector.</p> <p>One of the risks identified is inappropriate information dissemination that misses target</p>	<p>While this law provides a good basis for public information access, there is a continued need for the REDD Programme to consider how to share information with relevant stakeholders in a timely manner, given remoteness and sometimes poor internet access.</p>

	<p>of saxaul forest and regeneration</p> <ul style="list-style-type: none"> - Capacity of local herder groups in pasture management may improve; participation of local stakeholders in pasture management may improve. - Opportunity to increase participation of stakeholders in decision-making on certification/forest management <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Poor/disadvantaged people will have less opportunity to attend training, due to fees and no time spare for training - Information may be provided and disseminated by unsuitable approaches, and may not reach target groups - Competition/conflict may occur between local citizens, FUGs, over areas for harvesting, unfair distribution of resources, uncertainty of coordination and utilization of resources - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources - Conflict may occur with herders over access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing; 	<p>groups. The National Programme on Implementation of Human Rights, Section 2.4.3.5, asserts that “The State shall ensure the right of ethnic minorities to receive education in their mother tongue,” but is executed in a manner that leaves non-Mongolian-speaking minorities disadvantaged - lack of sufficiently trained minority-language educators, shortage of minority-language textbooks and resources, absence of an effective minority-centered education policy. The Public Broadcasting Law of Mongolia includes a section on the necessity of editorial programs targeting ethnic minority populations, but implementation of this law is insufficient.</p> <p>Mongolia is not a signatory to the International Labour Organization’s Convention 169 (ILO 169), which recognizes the status of “Indigenous and Tribal Peoples.” As such, ethnic minorities who fully qualify under international guidelines as Indigenous or Tribal groups are provided no special rights or protections. This is particularly applicable to the Dukha reindeer-herding minority, whose subsistence reliance on hunted wild game for food is threatened by aggressive hunting laws that make no concessions for subsistence use of natural resources by minority groups. Ethnic minorities’ land access and ownership rights are not adequately protected, which infringes upon their “right to own property, alone, as well as in association with others,” as stated in Article 17 in the Universal Declaration of Human Rights (UDHR).</p>	
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<p>Participation in decision-making processes (overlaps with Safeguards (c) and (d))</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Improve governance and engagement by bringing more stakeholders into protected area management - Opportunity to increase participation of stakeholders in decision-making on certification/ forest management - Role of forest in supporting the private sector will improve, with new opportunities for logging, and increased collaboration between communities, authorities and private sector - FUG participation in fire and pest control activities may be enhanced - Jobs and income generation in harvesting/processing for local citizens may be increased (local citizens, herders, commercial entities, forest user groups); jobs may also increase in forest road construction - Making agreements with communities and FUGs will enhance public knowledge and awareness on tree planting <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Due to failure of private entities to ensure participation of local residents, future opportunities for income for local people will 	<p>Regarding evidence based decision-making, State Forest Policy (2015) has some relevant provisions:</p> <ul style="list-style-type: none"> - Section 2.2.6. Set up scientifically founded, adequate and sustainable use of forest resources consistent with forest conservation and restoration measures; - Section 3.3.1 states that one of the objectives of the SFP is to conduct a detailed assessment of the state of Mongolian forests and establish sustainable forest management for forest conservation, restoration and appropriate use. <p>Several PLRs and associated processes are relevant to open discussion/consultation among stakeholders:</p> <ul style="list-style-type: none"> - General Administrative Law (2015): - Citizen's Representative Meetings: The Provision 32.1 of the Article 32 of the Law on Forest (2012) states that "The Central State Administrative Body shall determine the maximum logging volume for a given year for every Aimag and Capital City, based on their proposals, forest management documents and plans."; the Provision 32.2 states "Aimag and Capital City Citizen's Representative Khurals 	

	<p>decrease.</p> <ul style="list-style-type: none"> - Monopoly may arise and local area businesses, small enterprises could be pushed out. Depending on cost of technology smaller producers (home production) will be constrained - Risk of inadequate involvement of and benefits to local citizens, e.g. because focus of some PAMs is on enterprises - Lack of uptake/use of new energy types by local people; insufficient access among target groups to cutting-edge techniques, technology - Income from use of natural & forest resources, i.e. PES, harvesting, tourism, may benefit only limited groups of individuals, companies and authorities - PAMs may contribute to dependence on protected areas; enforcement PAMs to address illegal logging may also weaken community participation, as emphasis is on enforcement agencies - Competition/conflict may occur between local citizens, FUGs, over areas for harvesting, unfair distribution of resources, uncertainty of coordination and utilization of resources 	<p>shall establish the annual maximum logging volumes for each Soum and District within the volumes set forth in the Article 32.1 of this Law."</p> <p>Law on Forest (2012) Article 21, Provision 21.9 states that "The Soum or District Citizen's Representative Khural shall discuss the proposal and make a decision based on which the Soum and District Governor shall conclude a forest possession contract and issue a license thereof, provided the documentation fulfils requirements prescribed in Articles 21.7 and 21.8 of this Law.</p> <p>Law on Buffer Zones (1997), Article 6, Provision 6.1 "There shall be a volunteer Buffer Zone Council (hereinafter referred to as Council) 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."</p> <p>The power to develop management plans, and to specify the powers that FUGs have, is laid out in Provision 13.1.27 of Article 13, of the Law on Forests (2012). This is relevant to the expected benefits from participation for FUGs, as well as their role as a key stakeholder in decision making and implementation of forest activities.</p>	
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ANNEX 3.3

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

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Definition/determination of indigenous peoples and local communities	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Opportunity to increase participation of stakeholders in decision-making on certification/forest management - Knowledge on conservation and traditional attitudes to nature of local communities may be encouraged - Local people, government and forest professional organization will gain more knowledge and experience on sustainable use of saxaul forest and regeneration - Capacity of local herder groups in pasture management may improve; participation of local stakeholders in pasture management may improve. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Potential for conflict between local administrations, protected areas, local people and resource users over livelihoods measures, spending of revenue for conservation, access to forest resources - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources 	<p>Law on Administrative Procedures (2016) is partly supportive of the principle of self-determination, as it outlines the procedures that are required before making any decisions on normative acts - noting that it is limited to normative acts. It mandates that prior notice, information disclosure, and avenues for complaints should be in place during the consultation period on new laws and regulations.</p> <p>Constitution, 2013:</p> <ul style="list-style-type: none"> - Article 3: 1. State power shall be vested in the people of Mongolia. The people shall exercise state power through their direct participation in State affairs as well as through the representative bodies of State power elected by them. - Article 62: 1. Local self-governing bodies besides making independent decisions on matters of socioeconomic life of the respective Aimag, the capital city, Soum, district, Bagh and Horoo shall organize the participation of the population in solving problems of national scale and that of larger territorial divisions. 2. The 	<p>The Law on Strictly Protected Areas should be amended with provisions on establishing anthropogenic protected sites to ensure rights of reindeer people</p> <p>Mongolia has no specific law related to ethnic minority concerns and issues. The rights of ethnic minorities are guaranteed by the Constitution of Mongolia which states: "no person may be discriminated on the basis of ethnic origin, language, race, age, sex, social origin or status, poverty, occupation or post, religion, opinion or education" (Article 14.2). A few laws of Mongolia such as Labor Law (Article 7.1), Criminal Code (Article 5.1), for example, guarantee equality among ethnic groups. The government has given special attention and support to the Tsaatan people</p>

	<ul style="list-style-type: none"> - Conflict may occur with herders over access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing; - Expansion of protected areas, watershed management could contradict with other development policies, and cause pressure on traditional ways of life - May have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed. - Changes in land use type may lead to more migration & movement in local areas as livelihood opportunities are reduced 	<p>authority of higher instance shall not take decision on matters coming under the jurisdiction of local self-governing bodies. If law and decisions of respective superior State organs do not specifically deal with definite local matters, local self- governing bodies can decide upon them independently in conformity with the Constitution. 3. If the State Ikh Khural and Government deem it necessary they may delegate some matters within their competence to the Aimag and capital city Khurals Governors for their solution.</p> <p>The National Programme on Implementation of Human Rights, Section 2.4.3.5, asserts that “The State shall ensure the right of ethnic minorities to receive education in their mother tongue,” but is executed in a manner that leaves non-Mongolian-speaking minorities disadvantaged - lack of sufficiently trained minority-language educators, shortage of minority-language textbooks and resources, absence of an effective minority-centered education policy.</p> <p>The Public Broadcasting Law of Mongolia includes a section on the necessity of editorial programs targeting ethnic minority populations, but implementation of this law is insufficient. Mongolia is not a signatory to the International Labour Organization’s Convention 169 (ILO 169), which recognizes the status of “Indigenous and Tribal Peoples.” As such, ethnic minorities who fully qualify under international guidelines as Indigenous or Tribal groups are provided no special rights or</p>	<p>because they are small and vulnerable group that maintains traditional customs. (ADB. 2015. Indigenous Peoples Planning Framework: Ethnic Minorities Planning Framework.</p>
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		<p>protections. This is particularly applicable to the Dukha reindeer herding minority, whose subsistence reliance on hunted wild game for food is threatened by aggressive hunting laws that make no concessions for subsistence use of natural resources by minority groups. Ethnic minorities' land access and ownership rights are not adequately protected, which infringes upon their "right to own property, alone, as well as in association with others," as stated in Article 17 in the Universal Declaration of Human Rights (UDHR).</p>	
<p>Right to share in benefits when appropriate</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Including incentives for communities in agreements (e.g. purchase of planted trees by Government) will increase interest among citizens in planting trees and provide economic benefit. Increase in number of green jobs; income of citizens, economic entities and forest user groups that carried out reforestation may increase - Opportunity to leverage funds to support community livelihoods from other livelihood projects/programmes - New opportunities for the private sector in forestry; financial capacity of forestry economic entities will improve, with benefits for job security and stability - Local budgets will be increased with revenues from wood, NTFPs and fuelwood harvesting permits, ecotourism, processing etc. - Reforestation sites will increase, as harvesters are required to replant trees at own cost - Jobs and income may increase for local 	<p>The Law on Forest (2012), Article 39, Provision 39.5 provides a mandate for "Government Members in charge of finance, nature and environment shall jointly approve guidelines for incentives set forth in Articles 39.2-39.4 of this Law." However, incentive procedures have not yet been adopted by the Ministry.</p> <p>The Law on Forest (2012) includes several provisions allowing user groups, entities and others to access and benefit from forest resources. Provision 21.12.2 of the Article 21 of the Law on Forest on rights and obligations of FUGs states that "FUGs shall have a right to use timber and non-timber forest products from forest tenure in accordance with the forest management plan and ownership license, and market excess timber and non-timber resources. Law on Forest (2012), Article 35, Provision 35.2 states that "Timber logging can be conducted through forest cleaning as set forth in Article 3.1.15 of this Law by individuals, having obtained relevant permits for household purpose and by forest user groups, entities and</p>	<p>A new regulation should be developed under the Forest Law that specifically deals with disputes over benefit sharing, coordination and resource utilization. This should ensure that FUG management plans reflect provisions for local participation and benefit sharing based on consultation.</p> <p>Improve the incentive system. Increase the amount of incentives (e.g. for patrolling, reporting incidents), and create a mechanism where people can receive their incentives immediately. Incentive funding should be sourced from certain percent of revenues collected from forest use payment.</p> <p>The Government should ensure the implementation of the Forest</p>

	<p>citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc.</p> <ul style="list-style-type: none"> - Income and livelihood of herders and farmers may improve with better livestock value chain - Fuelwood supply will be increased; prices for fuel wood may decrease - Diversification of livelihoods and improved ecosystem service provision may increase climate change resilience of local communities - Non-timber forest products, e.g. medicinal plants, fuelwood supply, can be increased. Opportunity to improve regulations on harvesting and processing NTFPs and medicinal plants. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - Local people (not in FUGs) may not equally benefit from forest thinning - Workload and responsibilities of local citizens will be increased - Potential for conflict between local administrations, protected areas, local people and resource users over livelihoods measures, spending of revenue for conservation, access to forest resources - If fuelwood collection measures decrease supply, then fuel price may increase - Risk of a new burden of taxes (e.g. to pay for ecosystem services) for citizens 	<p>organizations on their forest tenure, transferred under their ownership through contracts."</p> <p>The Forest Cleaning Programme is relevant to the provision of benefits/incentives and employment in the forests sector. Forest Cleaning Programme, Section 5, Provision 5.4. "Forest cleaning activities shall be carried out by forest professional entities, FUGs possessing forest on contract with involvement of unemployed people." However, the FCP has not been fully implemented. In addition, while the FCP (2014), Article 6 allows for the "provision of permanent jobs for unemployed residents", there is no other legal mechanism that allows non-FUG members to benefit from forest cleaning (linking to an identified risk on inequitable benefit sharing beyond FUG members).</p> <p>In terms of incentives for forest restoration, various provisions of the Forest Law (2012) outline how restoration can be funded (i.e. Article 4.2 and Article 39.4). Two current options are (i) forest user groups and others that plant trees on their own land can own the resulting forest, (ii) the government can buy trees planted by forest user groups and others. However, provisions to encourage large-scale private sector involvement in regeneration are lacking.</p> <p>Law on Budget (2011), Article 63, Provision 63.1. "Bagh and Khoroo Governor shall organize open public referendum among Bagh</p>	<p>Cleaning Programme by allocating sufficient funds in the state budget, so that FUGs can earn funds from forest cleaning and purchase other timber at low cost. It is estimated that 14 billion Tugrik is required to implement the Forest Cleaning Programme. A full understanding of potential carbon and non-carbon benefits and risks of increased implementation is also needed.</p> <p>The Government should ensure the implementation of the Forest Cleaning Programme by allocating sufficient funds in the state budget, so that FUGs can earn funds from forest cleaning and purchase other timber at low cost. It is estimated that 14 billion Tugrik is required to implement the Forest Cleaning Programme.</p> <p>The following regulation should be amended to allow the private sector to have guaranteed buyback of young trees from all different forest types, after a set period of time: "Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees" (Approved by Joint Decree made</p>
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	<p>- Risk of loss of proper gender ratio. Job opportunities for men may increase and gender ratio will be lost.</p>	<p>and Khoroo members on investment, programmes, projects, events to be funded by Local Development Fund, their sequence of financing and ways to implement them".</p> <p>Regarding user groups/cooperatives, the Environment Protection Law (1995) under Article 51, states that: 1). Cooperatives may establish shared fund with an aim to finance their activities or support their members. 4). The fund shall be used for carrying out activities to protect and restore natural resources, creating jobs, supporting livelihood of cooperative members, mitigating damages caused by natural disaster, and for financing other activities decided by meeting of the cooperative members.</p> <p>In addition to local development funds, the Law on Buffer Zones (23 October 1997), Article 7.1 of the law states that "The Council may establish a Buffer Zone Fund for the purposes of developing the Buffer Zone and providing support for local people's livelihood."; and Article 7.4.2 states that the Buffer Zone Fund shall be used to provide support for local people's livelihood, small scale production, services and project implementation. The Law on Promotion of Gender Equality (2011), Article 11, Provision 11.1 makes gender discrimination in employment illegal. However, this does not deal with the issue of skewed gender ratio.</p>	<p>by Minister of Environment and Tourism and Minister of Finance, No. A-96\71). In addition, a new regulation or guideline should be developed to allow for prioritization of areas where natural regeneration is more feasible, so as to reduce budget burden.</p> <p>Support for cooperative management buffer zone councils should be extended, with increased capital funds that can assist with the development of alternative income sources (agro forestry, agriculture etc.) Guidelines should be developed to allow line Ministries to introduce social inclusion and gender equality into sectoral policies and programmes. An appropriate model may be the Environment Sector Gender Strategy.</p>
Recognition of rights to lands, territories and resources	<p><u>Benefits:</u></p> <p>- Jobs and income may increase for local citizens, commercial entities, forest user</p>	<p>Article 6 of the Constitution sets out provisions related to land and resources, and rights to these, which are vested in the State:</p>	<p>Possible conflict between the Forest Law and the Land Law with regard to grazing in forested</p>

	<p>groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc.</p> <ul style="list-style-type: none"> - Opportunity to increase participation of stakeholders in decision-making on certification/forest management - Improved pasture management and intensified livestock farming may develop; meat quality and food security may improve - Knowledge and attitude of citizens towards the environment, conservation and forest protection may be improved; traditional attitude to nature of local community will be encouraged <p><u>Risks:</u></p> <ul style="list-style-type: none"> - If there is more protection of water sources, land use will be restricted and lack of water sources will bring challenges to herders - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources - Conflict may occur with herders over access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing; - Expansion of protected areas, watershed management could contradict with other development policies, and cause pressure on traditional ways of life - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) 	<p>"1. The land, its subsoil, forests, water, fauna and flora and other natural resources in Mongolia shall belong exclusively to the people and be under the State protection.</p> <p>2. The land, except those given to the citizen of Mongolia for private possession, as well as the subsoil with its mineral wealth, forest, water resources and game shall be the property of the State.</p> <p>3. The State may give for private ownership plots of land, except pastures and areas under public utilization and special use, only to the citizens of Mongolia. This provision shall not apply to the ownership of the subsoil thereof. Citizens shall be prohibited to transfer the land in their possession to foreign nationals and stateless persons by way of selling, bartering, donating or pledging as well as transferring to others for exploitation without permission from competent State authorities.</p> <p>4. The State shall have the right to hold responsible the land owners in connection with the manner the land is used, 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 and national security.</p> <p>From Social Inclusion report: The Constitution (1992), Land Law (2002), Law on Forest (2012), State Policy on Forestr (2015), and Law on Environmental Protection (1995) do not give legal recognition to informal tenure rights of residents on forests/forest products, except for the Forest Law (2012, provision 4.6) that allows</p>	<p>areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas</p> <p>From Social Inclusion report: Although equal access to land and property rights are guaranteed by the Constitution, the civil code and the Law on Allocation of Land to Mongolian Citizens for Ownership, women do not control and possess an equal share of assets or property. In rural areas, most household property (58.5%) is registered under husband's name, 10.7% under the name of both spouses, and only 8.5% under the name of wives.⁶³ A survey with 8,000 urban and rural respondents shows that 30% of land titles are under women's names, while female share in land inheritance is 27.2%. Traditional perceptions of gender roles as well as women's low awareness about their ownership rights are key barriers to gender equality.</p> <p>The Law on Strictly Protected Areas should be amended with provisions on establishing anthropogenic protected sites to ensure rights of reindeer people.</p>
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	<ul style="list-style-type: none"> - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Price of raw materials will increase due to increased demand for wood; reduced supply of fuelwood could cause price increases too - Fire risk may increase as people may set fires to create/access dead wood; increased access via roads may increase fire risk (anthropogenic); controlled fire (active burning) can get out of control 	<p>possession of a portion of forest land by a group of residents (FUG). Land Law (2002, provision 52.1) recognizes customary use of grazing areas (forest grazing lands included) by local herders and permits their use for collection of hay, however, the rights are not formalized. Recent studies show function of power, wealth, political connections to access better pastures and resources in rural Mongolia.</p> <p>Although Mongolia does not have its pasture law in place, there are a number of relevant provisions in the Land Law, in addition to customary practices mentioned above. Provision 52.2 of the Law on Land (2002) states "Summer and autumn settlements and rangelands shall be allocated to Baghs and hot ails and shall be used collectively. Soum and district Governor shall establish the timeframe for freeing winter and spring pastures land from livestock and using those land for livestock grazing on the basis of pasture growth of give year and feedback of local residents, and timeframe work schedule shall be adhered by Bagh and Khoroo governors and residents. Soum Governors, with an aim to protect winter and spring settlement areas from being overgrazed, and to restore the pasture areas, may allocate those areas to herder groups on the basis of proposal from Bagh Citizens` Representatives` Meeting, certain conditions and agreement, taking into account unique characteristics of the areas, land use traditions, pasture capacity.</p>	<p>The provision 20.1.4 of the Law on Forest should be more detailed and improved (SH recommendation).</p>
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		<p>timber and non-timber forest products from forest tenure in accordance with the forest management plan and ownership license, and market excess timber and non-timber resources. Law on Forest (2012), Article 35, Provision 35.2 states that "Timber logging can be conducted through forest cleaning as set forth in Article 3.1.15 of this Law by individuals, having obtained relevant permits for household purpose and by forest user groups, entities and organizations on their forest tenure, transferred under their ownership through contracts."</p> <p>Article 3.2 of the Law on Environment Protection states that "Unless otherwise provided by law, citizens, business 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."</p>	
<p>Recognition and protection of indigenous peoples' and local communities' traditional knowledge, cultural heritage, intellectual property</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Knowledge on conservation and traditional attitudes to nature of local communities may be encouraged - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc. - Ecotourism may develop in some areas, with benefits for local livelihoods and increased revenues for local area budgets - Diversification of livelihoods and improved ecosystem service provision may increase climate change resilience of local communities 	<p>Article 7 of the Constitution (2013):</p> <p>"1. Historical, cultural, scientific and intellectual heritages of the Mongolian people shall be under State protection.</p> <p>2. Intellectual values produced by the citizens are the property of their authors and the national wealth of Mongolia."</p> <p>Law on Cultural Heritage.</p> <p>The Ministry of Environment and Tourism is undertaking concept development of Law on Genetic resources and currently is organizing consultative meeting with public. This draft is not yet available; it should be examined at a</p>	

	<ul style="list-style-type: none"> - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved - Non-timber forest products, e.g. medicinal plants, fuelwood supply, can be increased. Opportunity to improve regulations on harvesting and processing NTFPs and medicinal plants. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - May cause pressure on traditional way of life, and expanded protected areas may also conflict with regulation on preserving traditions - Risk of increase in alcohol, drugs, social problems related to logging camps - Genetic modification and mutation could occur (in breeding new seed varieties) - Risk of increased disturbance in forests/other natural areas from tourists, or extraction of natural resources to support tourism (e.g. timber for building, NTFPs) - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Changes in land use type may lead to more migration & movement in local areas as livelihood opportunities are reduced 	<p>later stage as may be relevant to REDD+ PaMs and to addressing/respecting this safeguard element.</p> <p>Several provisions of the Law on Special Protected Areas (1994) and Law on Buffer Zones are relevant to traditional lifestyles in and around protected areas. Article 17, Provision 17.2 of the Law on Protected Areas: "Traditional animal husbandry may be conducted in limited use zones." The Law on Buffer Zones (23 October 1997) aims to prevent from pressure on traditional lifestyle and to preserve traditions (linked to addressing risk of expanded protected areas affecting cultural traditions).</p> <p>Regarding the use of genetic resources, this is provided for by the PLR framework. Law on Natural Flora (1995), Article 13, Provision 13.2 "Economic entities engaged in pharmaceutical production and services may use Rare and Common Flora for the purposes of producing medicine."; Provision 13.4 "In case more than 50 percent of the root stalk and bulb of a plant is to be used for production purposes, the plant shall be re-planted."</p> <p>National Action Plan on Climate Change (2011), Section 2.4.3. "Introduce increasingly advanced scientific and environmentally sound techniques and technologies in GHG mitigation and climate change adaptation actions, and also synchronize these with traditional practices and culture".</p>	
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<p>Right to compensation and/or other remedies in the case of involuntary resettlement and/or economic displacement</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Knowledge on conservation and traditional attitudes to nature of local communities may be encouraged - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc. - Improved pasture management and intensified livestock farming may develop; meat quality and food security may improve <p><u>Risks:</u></p> <ul style="list-style-type: none"> - May have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed. - Changes in land use type may lead to more migration & movement in local areas as livelihood opportunities are reduced - May cause pressure on traditional way of life, and expanded protected areas may also conflict with regulation on preserving traditions - Health and safety risks for people implementing pest control (e.g. allergic reactions, climbing, etc.). 	<p>There appear to be no existing PLRs that specifically deal with compensation and procedures related to negative impacts on access to land and other resources. Further checking of EIA Law and Mining Law needed.</p> <p>However, as noted under other safeguard elements, there are requirements for requirement for consultation with affected populations re: new laws & regulations (General Administration Law), b) procedures in place for complaints/grievances.</p> <p>The lack of clarity between the Law on Forest and Land Law may affect the identification of rights to land and resources and negotiation/compensation. Land Law (2002), Provision 52.3. "Land with forest resources may be used as a pasture in accordance with relevant legislation." The Law on Forest (2012) prohibits livestock grazing in forested areas and in areas with growing seedlings or areas designed for such activity.</p> <p>Several provisions of the Law on Special Protected Areas (1994) and Law on Buffer Zones are relevant to traditional lifestyles in and around protected areas. Article 17, Provision 17.2 of the Law on Protected Areas: "Traditional animal husbandry may be conducted in limited use zones." The Law on Buffer Zones (23 October 1997) aims to prevent from pressure on traditional lifestyle and to preserve traditions (linked to addressing risk of expanded protected areas affecting cultural traditions)</p>	<p>NRS should consider developing and applying procedures adequate to address and respect this safeguard</p> <p>A legal provision that is prohibiting forced transfer of citizens in cold season, is still valid and effective. The law should be improved in relation to providing compensation and other service to those who are forced to move to another places in cold season.</p> <p>Possible conflict between the Forest Law and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p>
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ANNEX 3.4

Safeguard D: The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities [in REDD+ actions]

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Identification of relevant stakeholders - those who may affect, or be affected by, specific REDD+ actions	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Role of forest in supporting the private sector will improve, with new opportunities for logging, and increased collaboration between communities, authorities and private sector - FUG participation in fire and pest control activities may be enhanced - Jobs and income generation in harvesting/processing for local citizens may be increased (local citizens, herders, commercial entities, forest user groups); jobs may also increase in forest road construction - Knowledge and skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved. - Local people, government and forest professional organization will gain more knowledge and experience on sustainable use of saxaul forest and regeneration - Capacity of local herder groups in pasture management may improve; participation of 	<p>A number of PLRs make provision to promote/allow participation of different stakeholders in the forest sector, and provide indications on who these key groups of stakeholders are. State Policy on Forest (2015), Section 3.4.2 states: "Establish instruments and mechanisms to promote investments by individuals, private entities and organizations in afforestation and forestry measures."</p> <p>Law on Forest (2012), Article 4, Provision 4.4.2 states that "Soum and District Citizen's Representatives Khurals, based on a proposal of Bag or Khoroo Citizen's Public Meetings, shall grant possession of a parcel of forest resource to a forest user group, enterprise and organization on a contractual basis indicating specific duration and conditions". Article 18 on role of the forestry unit, Provision 18.3.6 states that "Provide professional and methodological recommendations to the forest user groups, entities and organizations possessing the parcel of forests".</p> <p>Some PLRs are specific about the participation of stakeholders in particular activities. The Forest Cleaning Programme (2014), Section 5.4 states</p>	<p>Consolidate existing provisions on stakeholder engagement in forest management into a specific regulation.</p> <p>The following regulation should be amended to allow the private sector to have guaranteed buyback of young trees from all different forest types, after a set period of time: "Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees" (Approved by Joint Decree made by Minister of Environment and Tourism and Minister of Finance, No. A-96\71). In addition, a new regulation or guideline should be developed to allow for prioritization of areas where</p>

	<p>local stakeholders in pasture management may improve.</p> <ul style="list-style-type: none"> - Improved protection and management of forests with local participation will help to improve ecosystem health and ecosystem services - Improve governance and engagement by bringing more stakeholders into protected area management - Opportunity to increase participation of stakeholders in decision-making on certification/forest management <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Due to failure of private entities to ensure participation of local residents, future opportunities for income for local people will decrease. - Monopoly may arise and local area businesses, small enterprises could be pushed out. Depending on cost of technology smaller producers (home production) will be constrained - Risk of inadequate involvement of and benefits to local citizens, e.g. because focus of some PAMs is on enterprises - Not all forest user groups or communities may get new roads or access to roads. - Some local people/households, e.g. with more livestock or more start-up capital or resources, may benefit more from pasture/agroforestry PAMs - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources - Conflict may occur with herders over 	<p>that forest cleaning activities shall be executed by forest professional organizations, entities and forest user groups using forest fund on contractual basis, and unemployed people. This would appear to provide some opportunities for stakeholders, such as FUGs and small businesses (linking to the identified benefits and risks). The Law on Forest (2012), Article 27, Provision 27.3 states that: "Forest user groups, entities and organizations shall self-finance the measures to protect areas in their tenure from defoliating insects and diseases".</p> <p>The Law on Buffer Zone of Special Protected Areas defines the legal status of the Buffer zone council and requires that its composition will be of multi-stakeholders.</p> <p>A number of other types of participation are also mandated: The Law on Procurement of Goods, Works and Services with State and Local Funds (2005), Article 7, Provision 7.1.2 states that: "The procurement of goods, works and services in framework of Soum, district's budget up to twenty million Tugrugs, can be arranged with public participation".</p> <p>The Law on Exemption from Value Added Tax (2013), Article 1: "Forestation, gardening and forestry activities shall be exempted from ...value added taxes". This is linked to improving the capacity/benefit for small business and FUGs to participate in forestry activities.</p>	<p>natural regeneration is more feasible, so as to reduce budget burden (and to improve private sector participation).</p> <p>Various Articles of the Law on Forest (2012) allow for participation of different forest stakeholders in different aspects of forest management. It may help to consolidate these provisions into a specific regulation. Consolidate existing provisions on stakeholder engagement in forest management into a specific regulation.</p> <p>Government should support concessional loans for advancement of material resources of private entities.</p> <p>Local administration to take measure to promote alternate income generation and reduce dependency on natural resource exploitation.</p> <p>Improve FUG knowledge on forest pest management and support FUGs to monitor pests.</p>
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	access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing		
Recognition and implementation of procedural rights, such as access to information, consultation and participation (including FPIC) and provision of justice	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Planting can be carried out by communities, with outcomes of planting work will be more transparent to the public and monitoring improved through community participation - FUG participation in fire and pest control activities may be enhanced - Improve governance and engagement by bringing more stakeholders into protected area management - Opportunity to increase participation of stakeholders in decision-making on certification/forest management - Transparency of information on illegal logging and combatting illegal logging may be improved - Citizens and civil society knowledge on government income and expenditure will be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Information may be provided and disseminated by unsuitable approaches, and may not reach target groups - Competition/conflict may occur between local citizens, FUGs, over areas for harvesting, unfair distribution of resources, uncertainty of coordination and utilization of resources - Risk of inadequate involvement of and 	<p>Article 11 of the Law on Information Transparency and the Right to Information (2011) specifies the rights that citizens and legal entities have with respect to receiving information. See safeguard B, element B8.</p> <p>From stakeholders: The Law on Freedom and Right to Information legalizes that all information shall be delivered freely, transparently, independently and effectively, except for the information that is categorized as confidential according to the Law to respect interest of legal bodies and citizens. Any policy documents that are under development and/or resolutions affecting or establishing public norms shall be made available in an easily accessible manner on the website and/or information board of the organization in its draft form for no less than 30 days to facilitate feedback and opinion from state bodies, non-governmental organizations, experts, academics and citizens with the view of reflecting them in the draft if found to be grounded.</p> <p>Some PLR provisions related grievance redress mechanisms are also relevant to this safeguard element. For example, the Law on Administrative Procedures (2016) outlines the procedures that are required before making any decisions on normative acts. It mandates that</p>	<p>A new regulation should be developed under the Forest Law that specifically deals with disputes over benefit sharing, coordination and resource utilization. This should ensure that FUG management plans reflect provisions for local participation and benefit sharing based on consultation. Relevant regulations under the Forest Law should be amended to ensure openness and transparency in the selection of areas for forest certification. These amendments should also ensure that entities seeking certification should ensure social benefits for local people. Create an environment that enables efficient transmission of information to stakeholders. For example, provision of information to international reporting processes</p>

	<p>benefits to local citizens, e.g. because focus of some PAMs is on enterprises</p> <ul style="list-style-type: none"> - Lack of uptake/use of new energy types by local people; insufficient access among target groups to cutting-edge techniques, technology 	<p>prior notice, information disclosure, and avenues for complaints should be in place during the consultation period on new laws and regulations.</p> <p>Environmental Impact Assessment Law: inform local communities and reflect their intervention at the evaluation stage, implementation is conducted.</p>	
<p>Mechanisms or platforms to facilitate participatory processes during design, implementation and monitoring of REDD+ architecture, particularly NS/APs, and associated social and environmental safeguard measures</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Role of forest in supporting the private sector will improve, with new opportunities for logging, and increased collaboration between communities, authorities and private sector - FUG participation in fire and pest control activities may be enhanced - Knowledge and skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved. - Local people, government and forest professional organization will gain more knowledge and experience on sustainable use of saxaul forest and regeneration - Capacity of local herder groups in pasture management may improve; participation of local stakeholders in pasture management may improve. - Improve governance and engagement by bringing more stakeholders into protected area management - Opportunity to increase participation of stakeholders in decision-making on 	<p>There are a number of existing mechanisms for multi-stakeholder participation in natural resource management. These include:</p> <ul style="list-style-type: none"> - Citizen Representative Meetings. - Protected Area Administrations. - Buffer Zone Councils: Law on Buffer Zones (1997) defines the legal status of the Buffer zone council and requires that its composition will be of multi-stakeholders. Article 6, Provision 6.1 "There shall be a volunteer Buffer Zone Council (hereinafter referred to as Council) 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." - Watershed Administrations. <p>FUGs and forest professional organizations have powers and responsibilities over forest protection. Provision 21.12.2 on rights and obligations of FUGs states that ""FUGs shall have a right to use timber and non-timber forest products from forest tenure in accordance with the forest management plan and ownership license, and market excess timber and non-timber resources.</p> <ul style="list-style-type: none"> - Article 31, Provision 31.2. states that Soum, 	<p>From stakeholders: the Government should develop a new regulation to regulate inter-sectoral coordination, in the scope of the Law on Development Policies.</p> <p>A key gap in implementation of the Forest Law and other regulations is lack of monitoring. Responsibilities and financing of monitoring should be specified in a new regulation or guideline, and should include the involvement of FUGs and local communities.</p>

	<p>certification/forest management</p> <ul style="list-style-type: none"> - Planting can be carried out by communities, with outcomes of planting work will be more transparent to the public and monitoring improved through community participation - Transparency of information on illegal logging and combatting illegal logging may be improved - Citizens and civil society knowledge on government income and expenditure will be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Due to failure of private entities to ensure participation of local residents, future opportunities for income for local people will decrease. - Monopoly may arise and local area businesses, small enterprises could be pushed out. Depending on cost of technology smaller producers (home production) will be constrained - Risk of inadequate involvement of and benefits to local citizens, e.g. because focus of some PAMs is on enterprises - Conflict may occur between commercial entities and forest user groups over access/harvesting, and with local people over access/use of forest resources - Conflict may occur with herders over access to water resources and areas designated for forest protection and/or regeneration; improved pasture management and dryland PAMs could lead to less land available for grazing - PAMs may contribute to dependence on 	<p>District, Bag, and Khoroo Governors shall select tree planting sites, cultivate soil, supply seedlings, water and maintain the planted seedlings jointly with professional forest organizations, and engage public in these activities.</p> <p>Various aspects of the Law on Forest (2012) also outline responsibilities for monitoring. Provision 25.1.1 of Article 25 states that non-government organizations shall "Monitor, on behalf of the public, the implementation of forest legislation, conduct inspections, demand redress of breaches, submit issues to respective organizations for resolution, and sue the offender to court for compensation of damages caused to forest resource."</p> <p>Section 3.1.5 of the Forest Cleaning Programme also refers to monitoring; this can be carried out by NGOs and local citizens.</p>	
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	<p>protected areas; enforcement PAMs to address illegal logging may also weaken community participation, as emphasis is on enforcement agencies</p> <ul style="list-style-type: none"> - Penalties for non-survival of seedlings or poor results could make people lose trust, become less active in PAMs. 		
<p>Functional feedback and grievance redress mechanisms</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Improve governance and engagement by bringing more stakeholders into protected area management - Opportunity to increase participation of stakeholders in decision-making on certification/forest management <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Potential for conflicts between different stakeholders over benefit sharing, coordination and resource utilization - Potential for conflict between local administrations, protected areas, local people and resource users over livelihoods measures, spending of revenue for conservation, access to forest resources - Conflict may occur between commercial entities and forest user groups over harvesting/cleaning - May cause pressure on traditional way of life, and expanded protected areas may also conflict with regulation on preserving traditions - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) 	<p>There are no specific PLRs in the forest sector that deal with conflict resolution in the event of disagreement about benefit sharing, coordination and resource utilization (related to risks identified on conflict over access to resources/benefits sharing). However, there are PLRs and mechanisms in place for general complaints and redress.</p> <p>The Law on Administrative Procedures (2016) outlines the procedures that are required before making any decisions on normative acts. It mandates that prior notice, information disclosure, and avenues for complaints should be in place during the consultation period on new laws and regulations.</p> <p>The Law on Resolution of Petitions and Complaints issued by Citizens to Government Organizations and Officials (1995) provides an avenue for citizens to lodge complaints regarding government entities. Any type of complaint can be received by any organizations. They are then channeled onwards to the relevant agencies. A Standing Committee on Petitions is also in place to document and analyze petitions and complaints received. The system can also be externally accessed by the public to submit and</p>	<p>While there are clear grievance mechanisms currently in place, these may need to be explored further to examine how they relate to the forest sector. This is particularly the case, as there are no specific PLRs that deal with conflict resolution in the event of disagreement about benefit sharing, coordination and resource utilization. How these mechanisms operate in some situations identified as potentially difficult from a REDD+ perspective - such as how they would approach conflicting provisions on grazing in the Land Law and Forest Law - may need further investigation.</p> <p>A new regulation could be considered under the Forest Law that specifically deals with disputes over benefit sharing, coordination and resource utilization related to forests. This should ensure that FUG</p>

		<p>track their complaints and petitions submitted.</p> <p>The Law on the National Human Rights Commission of Mongolia (2000) and its institution (the Commission) also has a mandate and rules of procedure to lodge and handle complaints on human rights violations by business entities, organizations and individuals.</p>	<p>management plans reflect provisions for local participation and benefit sharing based on consultation.</p>
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ANNEX 3.5

Safeguard E: [REDD+] actions are consistent with the conservation of natural forests and biological diversity, ensuring that REDD+ actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Definition of natural forest (consistent across legal framework, forest reference emission level/forest reference level, NS/AP) and understanding of the spatial distribution of natural forest	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Non-timber forest products, e.g. medicinal plants, fuelwood supply, can be increased. Opportunity to improve regulations on harvesting and processing NTFPs and medicinal plants. - Growth and productivity of forest may be increased, along with improved natural regeneration and increased reforestation efforts - May lead to improved forest ecosystem service provision, increased habitat and helping with movement of biodiversity <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - Genetic modification and mutation could occur (in breeding new seed varieties) 	<p>Law on Forest (2012) (?) 3.1. Terms used in this Law are to be interpreted as follows: 3.1.1. "Forest" means a complex environment specific to ecological and geographical conditions (in- situ), where trees, bushes, shrubs, and other plants, lichen, moss, wildlife and micro-organisms naturally co-exist".</p> <p>In the guidance for the Forest Inventory, natural forest is defined as forest with a density of up to 0.3.</p>	<p>Initial examination suggests that Mongolia does not have a consistently applied definition of natural forest. This may partly relate to the nature of Mongolia forests, which are not extensively planted, and the definition in the inventory guideline reinforces this: a natural forest is a forest which has reached/returned to a certain level of quality, measured in stocking density.</p>
Design, prioritization and implementation of REDD+	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - May lead to improved forest ecosystem 	<p>The Law on Environment Impact Assessment (2012), Article 7, Provision 7.2 states that:</p>	<p>If EIA provisions are not able to address risks related the</p>

<p>actions in a way that avoids or minimizes adverse impacts, including through indirect land-use change, on natural forests, carbon stocks, biodiversity and other ecosystem services, both within and outside forests, and that instead promotes their conservation</p>	<p>service provision, increased habitat and helping with movement of biodiversity</p> <ul style="list-style-type: none"> - Including incentives for communities in agreements (e.g. purchase of planted trees by Government) will increase interest among citizens in planting trees and provide economic benefit. Increase in number of green jobs; income of citizens, economic entities and forest user groups that carried out reforestation may increase - Financing and capital for environmental management conservation can be increased - More efficient utilization of wood raw materials; waste management may also improve due to better logistics and cooperation in industrial centers - Can improve fuelwood harvesting and consumption approach, e.g. alternative fuel sources and promotion of energy saving <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Over-harvesting of forest resources may occur (e.g. due to excess thinning, harvesting of timber, fuelwood, NTFPs) leading to forest degradation, with negative impacts on carbon, ecosystem services and biodiversity. Logging camps and roads may also have negative impacts on biodiversity - Risk of unsustainable/illegal hunting of wildlife, unsustainable/illegal collection of non-timber forest products, due to increased access - Construction of new roads will lead to 	<p>"Applications for a license for the use of natural resources, extraction of petroleum and minerals, and possession and use of land for business purposes and an approval for any other projects are subject to a prior general environmental impact assessment." Annex C of this law lists the types of projects that are subject to general environmental impact assessment before construction approval is granted. These include virtually all infrastructure projects, and all forestry projects. The application of EIA may assist with the over-harvesting risk, but only if the original afforestation project were to be triggered.</p> <p>A number of other PLRs are relevant to considering the benefits and risks identified under this safeguard, e.g. related to promoting sustainable and rational use of forest products, and reducing over-extraction/forest degradation:</p> <ul style="list-style-type: none"> - State Policy on Forest (2015), Section 3.3 states that "Within the policy framework of establishing sustainable forest management, increasing the number of products from forests and in improving the social benefits of forests, following objectives shall be realized..." Section 3.3.7 states that "Establish a national standard for certification of forest organizations in line with international standards, by 2020, transition into a system in which only certified companies and organizations are authorized to use forest resources". - Forest Cleaning Programme (2014), Section 	<p>potential impacts of increased extraction from forests, then relevant regulations should be amended to terminate the quota system on harvesting of deadwood and thinning and replace it with adherence to forest management plans approved at respective levels.</p> <p>Forest management plans should be evidence-based and developed in a participatory manner, allowing examination of the potential benefits and risks of the interventions proposed.</p> <p>Proposed REDD+ PaMs, and full implementation of the Forest Cleaning Programme, may pose risks to long-term carbon and non-carbon benefits from forests (e.g. impact of increased deadwood and other removal on biodiversity/ecosystem services). As recommended in the assessment of benefits & risks, Govt should compile/present evidence help present a clear case for further extraction (or carry out assessments if this information is not currently available). This would help to ensure that the nature of the proposed extraction is comprehensively understood, as</p>
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	<p>damage of trees in the construction site, as well as risk of forest degradation from increased access</p> <ul style="list-style-type: none"> - PES scheme could lead to illegal/unsustainable water consumption, e.g. use of groundwater, incentive to increase hydropower plants. - Risk to ecological balance from removing pests from foodchain. Unclear level of risk for wildlife/other species from collection and biocontrol methods - Risk of increased disturbance in forests/other natural areas from tourists, or extraction of natural resources to support tourism (e.g. timber for building, NTFPs). - Wildlife habitat will change, and fences for protecting regenerated areas may restrict wildlife movement - Power consumption for wood processing will increase. - Negative impact on environment of unprotected areas may increase (i.e. displacement of pressures). Ecosystems other than forest may be left out/be lower priority - If livestock becomes more valuable, numbers may still increase. Wherever water resources are poor, pastureland degradation will occur 	<p>3.2 "Meet demand for wood by supplies harvested through forest cleaning, promote production of import-substitute end products by processing certain part of wood and raw materials through advanced technique and technologies, and to improve wood utilization level".</p>	<p>well as the implications for expected carbon and non-carbon benefits and potential risks, and to develop measures appropriate to Mongolian forests.</p>
<p>Where significant deforestation and forest degradation is ongoing, prioritization of REDD+ actions that incentivize the</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Including incentives for communities in agreements (e.g. purchase of planted trees by Government) will increase interest among citizens in planting trees 	<p>Some overlap with element C2 on benefit sharing. A number of PLRs in the forest sector provide a basis for incentives for natural forest conservation. Section 3.2.4 of the State policy on Forest (2015) "Establish instruments</p>	<p>Develop a regulation and guidelines on the promotion and adoption of international standards for eco-tourism.</p>

<p>protection and conservation of natural forests and avoid or minimize degradation of natural forest, over other types of REDD+ actions</p>	<p>and provide economic benefit. Increase in number of green jobs; income of citizens, economic entities and forest user groups that carried out reforestation may increase</p> <ul style="list-style-type: none"> - Opportunity to leverage funds to support community livelihoods from other livelihood projects/programmes - New opportunities for the private sector in forestry; financial capacity of forestry economic entities will improve, with benefits for job security and stability - Local budgets will be increased with revenues from wood, NTFPs and fuelwood harvesting permits, ecotourism, processing etc - Reforestation sites will increase, as harvesters are required to replant trees at own cost - Financing and capital for environmental management conservation can be increased - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc - Improved pasture management and intensified livestock farming may develop; meat quality and food security may improve - Diversification of livelihoods and improved ecosystem service provision may increase climate change resilience of local communities <p><u>Risks:</u></p>	<p>and mechanisms to promote investments by individuals, private entities and organizations in afforestation and forestry measures".</p> <p>Mongolia does not have an operational PES scheme (?). However, there are policies calling for the establishment of such a scheme. Green Development Policy of Mongolia (2014), Section 3.4.7 states that "Creation of incentives such as payment for ecosystem service for herders with initiatives directed to preventing pasture degradation by managing livestock farming adapted to grazing capacity in remote areas and caring over watershed protection and spring water". State Policy on Forest(2015), In frame of the policy on increase funding sources to implement forest sustainable management reflected in section 3.4, section 3.4.4 states that "Establish and enforce payment for ecosystem services that value ecological benefits provided by the forest such as greenhouse gas sequestration, oxygen generation, conservation of soil, water and biodiversity".</p> <p>The Law on Forest (2012), Article 20, Provision 20.1.2 states that "Organize activities to possess, protect, sustainably use and restore the forest within the territory of residence by forming forest user groups". And article 39, Provision 39.10 states that "Individuals, forest user groups and organizations taking measures to fight against forest and steppe fire, defoliating insects and diseases on their expense shall be rewarded</p>	<p>Stakeholders have recommended the Govt to develop a Law on Payment for Ecosystem Services.</p> <p>The following regulation should be amended to allow the private sector to have guaranteed buyback of young trees from all different forest types, after a set period of time: "Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees" (Approved by Joint Decree made by Minister of Environment and Tourism and Minister of Finance, No. A-96\71). In addition, a new regulation or guideline should be developed to allow for prioritization of areas where natural regeneration is more feasible, so as to reduce budget burden.</p> <p>Criminal Law (2015), Article 24, Provision 24.7 on intended forest and steppe fire related crime: "An individual who is who has set forest and steppe fire intentionally, shall be a subject to 2-8 years of imprisonment sentence."</p>
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	<ul style="list-style-type: none"> - May have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed. - Fire risk may increase as people may set fires to create/access dead wood; increased access via roads may increase fire risk (anthropogenic); controlled fire (active burning) can get out of control - If more saxaul growth, more feed for pests; gerbils and damaging insects may increase - Dependency on use of fuelwood may increase - Local people (not in FUGs) may not equally benefit from forest thinning - PES scheme could lead to illegal/unsustainable water consumption, e.g. use of groundwater, incentive to increase hydropower plants - PAMs may contribute to dependence on protected areas 	<p>in accordance with relevant procedures".</p> <p>The Forest Cleaning Programme (2014), Section 3.2.1. "Organize actions to meet certain part of fuelwood and household wood use demand of the residential urban areas and provinces having no forest or lack of forest resources with wood collected through forest cleaning". This also relates to risks identified regarding access to forest resources.</p> <p>Regarding incentives for reforestation, the Regulation on Planning, Management and Financing of Forestation, Forestry measures, Valuing, Purchasing and Ownership of Planted Forest (Joint Decree of Minister of Environment and Green Development and Minister of Finance, 2013), Section 5 outlines the procedure on valuing, purchasing and transferring planted trees to state forest fund.</p> <p>Regarding minimizing degradation of natural forest, Law on Plant Protection (2007), Article 1, Provision 1.1. "The purpose of this law is to protect pasture and planted vegetation from, and fight against plant diseases, pest insects, rodents, weedy plants, and to regulate relations between the state, citizens and legal bodies in terms of establishing quarantine and conducting inspection."</p> <p>Two existing PLRs can assist with the provision of funds associated with protected areas. The Law on Buffer Zones (1997), Article</p>	
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		reward citizens, business entities and organizations for the introduction of modern non-polluting and non-waste technology, progressive methods for environmental protection, the use and restoration of natural resources, and the reduction of adverse environmental impacts. The Article 54.4 of the Law on Environment Protection (1995) states citizens who discover “breaches of the environmental protection legislation” can be given an award equivalent to 15% of the fine imposed on the violator.	
REDD+ actions are not used for the conversion of natural forest, including conversion from natural to planted forest	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Growth and productivity of forest may be increased, along with improved natural regeneration and increased reforestation efforts - May lead to improved forest ecosystem service provision, increased habitat and helping with movement of biodiversity - Forest seeds regions will be determined, as a result of this forest restoration activities will be more effective. Higher quality seeds are more productive and can improve quality of forest products - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc., of forest user-groups, economic entities, communities and local officials may be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Genetic modification and mutation could occur (in breeding new seed varieties) - Improving adaptive capacity, livelihood support activities and microfinance may 	<p>See E1 on definition of natural forest. As there is little distinction between natural and planted forests in Mongolia, with an emphasis on forest restoration, it may be simpler to report on the non-conversion of forests to other kind uses, rather than from natural to planted forests. This latter type of conversion was not identified as a significant risk by stakeholders. The risk of conversion of un-/less utilized forests to more intensively utilized forests is addressed under E6.</p> <p>Regarding the use of forestland for grazing, the Law on Forest (2012), Article 29, Provision 29.1.5, states that "Logging or grazing is prohibited in forested areas, plantations with grown seedlings or areas designed for such activity". However, the Land Law (07 June 2002), Article 52, Section 52.3 states that forest resource areas may be used for grazing purposes in compliance with respective laws.</p> <p>The Law on Forest (2012) sets out classes of forest land and what activities may take place</p>	Possible conflict between the Forest Law and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.

	<p>be used for activities that are unsustainable or contradict with goals of nature conservation (e.g. for increasing livestock numbers)</p> <ul style="list-style-type: none"> - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - It may become more difficult to meet demand for wood and wooden products in Mongolia, increasing pressure on domestic forests 	<p>within them. Article 5. Classifications of Forest Resource and Forest Land sets these out, based upon the protection, utilization types, ecological and economic values, the forest resource are classified as follows:</p> <p>5.1.1. Protected forest zones and</p> <p>5.1.2. Commercial forest use zone/or forest utilization zone/</p> <p>Article 8 deals with Protected Forest Zone and its Regimes:</p> <p>8.1. Protected forest zone shall comprise sub-tundra forests, forests in special protected areas, and those designated for training and research, green belts, prohibited forest strips, Saxaul and oasis forests, groves and bush stands of up to 100 hectares of area, and forests on slopes greater than 30 degrees.</p> <p>8.2. Prohibited strip forests shall comprise forests within a radius of 1,000 meters around lakes, mineral and other water springs, riverbanks and areas within 100 meters on both sides of national roads and railroads.</p> <p>8.3. Boundaries of sub-tundra forest shall be defined by the Central State Administrative Body for the purpose of preserving ecological equilibrium and preventing soil erosion in watershed areas.</p> <p>8.4. Protection regimes for forests in special protected areas shall be regulated by the Law on Special Protected Areas.</p> <p>Law on Modified Organisms (2007), Article 1, Provision 1.1. "The aim of this law is to regulate relations associated with production, use, transborder transportation, and</p>	
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		ensurance of biosafety within the country."	
Design, prioritization and implementation of REDD+ actions in a way that avoids or minimizes adverse social impacts and that promotes and enhances economic and social well-being, with special attention to the most vulnerable and marginalized groups	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc. - Ecotourism may develop in some areas, with benefits for local livelihoods and increased revenues for local area budgets - Can produce more wood products, including value-added products; may improve credibility and quality of wood products, and lead to price premium - Income and livelihood of herders and farmers may improve with better livestock value chain - Jobs may increase in forest road construction; and roads can provide economic benefits to traders, service providers and other people, and better access to social services - Water resources/supply may be improved, for people, business activities and ecosystems - Improved pasture management and intensified livestock farming may develop; meat quality and food security may improve - More reliable/sustainable supply of wood; price for raw materials and products (including fuelwood) may stabilize or decrease - Outbreak of pest insects and fire risk may decrease, owing to reduced amount 	<p>Some overlap with element A3 on poverty reduction and C5 on economic displacement/resettlement.</p> <p>Several PLRs provide an overarching framework for improving socio-economic outcomes from forest and climate change activities. The National Action Plan on Climate Change (2011), Section 2.4.3. "Introduce increasingly advanced scientific and environmentally sound techniques and technologies in GHG mitigation and climate change adaptation actions, and also synchronize these with traditional practices and culture"; Section 3.1.2. "Pass new laws supporting coordinated pasture utilization, soil protection, energy saving measures, improvement of energy efficiency, green development, and measures combating climate change".</p> <p>Within forest sector PLRs, there are a number of provisions related to increasing the economic value of forests and meeting livelihood needs:</p> <ul style="list-style-type: none"> - Section 3.3.5 of the State Policy on Forest (2015) sets an objective to process dried wood harvested through forest cleaning, fallen trees and other forest residual products and promote industries with advanced techniques for production of various wooden panels, pellets and bio fuels and increase the economic benefit of forests. - Forest Cleaning Programme (2014), Article 	<p>Possible conflict between the Forest Law and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p> <p>The law, or relevant regulations, may need to be amended to allow for FUGs to gain greater access to funds generated from forest-related activities. Revenues from forests to be channeled towards forest management, and FUGs to be allowed to directly invest in infrastructure improvement. Improve the incentive system. Increase the amount of incentives (e.g. for patrolling, reporting incidents), and create a mechanism where people can receive their incentives immediately. Incentive funding should be sourced from certain percent of revenues collected from forest use payment.</p> <p>Support for cooperative management buffer zone councils should be extended, with increased capital funds that can assist with the development</p>

	<p>of deadwood; loss and damage of human life, health and assets from fires will decreased</p> <ul style="list-style-type: none"> - Diversification of livelihoods and improved ecosystem service provision may increase climate change resilience of local communities - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc, of forest user-groups, economic entities, communities and local officials may be improved - Non-timber forest products, e.g. medicinal plants, fuelwood supply, can be increased. Opportunity to improve regulations on harvesting and processing NTFPs and medicinal plants. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Livelihood of local communities can decline, e.g. if agroforestry is less profitable than previous livelihoods such as grazing - A new burden of taxes (e.g. to pay for ecosystem services) will affect citizens - Consumption of chemical fertilizers may increase, e.g. for agroforestry 	<p>2, Provision 2.1 states that: "The aim of the Programme is to clean and improve health status of forest of Mongolia, prevent from fire and pest insects, restore forest, meet certain part of demand of household fuel needs with dead wood collected from forest cleaning, provide wood panel, wood pellet fuel and construction material factories and production units with wood raw materials, improve wood utilization level, to strengthen capacity of forest units, forest user groups and forest professional organizations". The</p> <p>FCP is relevant for promoting benefits such as reduced pest outbreaks linked to deadwood, improving the supply of forest products, and providing income generation opportunities, especially for FUGs.</p> <p>Further, Green Development Policy of Mongolia, (2014), Section 3.4.1, relates to improving public-private partnerships and employment. It calls for "Create an environment for secured income by decent employment for at least 80% of working age population has thought continuously increased jobs within the framework of public-private partnerships".</p> <p>Provisions of the State Policy on Forests (2015) and the Forest Cleaning Programme (2014) outline how value-adding can be improved:</p> <ul style="list-style-type: none"> - State Policy on Forest (2015), Section 3.3 states that "Within the policy framework of establishing sustainable forest management, 	<p>of alternative income sources (agro forestry, agriculture etc.)</p> <p>A strategy on agroforestry should be developed, with full consideration of measures to enhance benefits and reduce risks.</p>
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	<ul style="list-style-type: none"> - Health and safety risks for people implementing pest control (e.g. allergic reactions, climbing, etc.) - Risk of increase in alcohol, drugs, and social problems related to logging camps, tourism, etc. - Traditional nomadic culture may be lost due to people shifting from herding to new livelihoods - Price of raw materials will increase due to increased demand for wood; reduced supply of fuelwood could cause price increases too - Changes in land use type may lead to more migration & movement in local areas as livelihood opportunities are reduced 	<p>increasing the number of products from forests and in improving the social benefits of forests, following objectives shall be realized".</p> <p>- Forest Cleaning Programme (2014), Section 3.2 "Meet demand for wood by supplies harvested through forest cleaning, promote production of import-substitute end products by processing certain part of wood and raw materials through advanced technique and technologies, and to improve wood utilization level".</p> <p>Related to expected benefits for employment and capacity building, the Forest Cleaning Programme (2014), Article 6 defines the outcomes to be achieved through the programme as follows: Provisions 6.1.6. "forest units, forest user groups, forest professional entities and organizations will have strengthened capacity, unemployed residents will have been provided with permanent green jobs, income to local budget is increased, and local livelihood is supported realistically." Provision 21.12.4 of the Article 21 of the Law on Forest (2012) states that FUGs shall be involved in forest management training, seminars and vocational trainings.</p> <p>Law on Employment Promotion (2011), Article 6, Provision 6.3.2., legalizes employment promotion measure as "conduction of job training"; Provision 11.4 states that cost per trainee referred in provision 11.2 of this law shall be fully or</p>	
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		<p>partially reimbursed from the Employment Promotion Fund; Provision 11.5. states that Citizens other than those, specified in the provision 11.2 of this law, can be engaged in the employment trainings, bearing costs themselves or from their organizations funds, or from the Employment insurance fund, as specified in the Law on Payment of Unemployment Benefit from the Social Insurance Fund; and Article 12, Provision 12.8.1 "conduct entrepreneurial training, provide assistance, advice and information needed for project proposal for citizens who have business ideas."</p> <p>Two existing PLRs related to protected areas also address the promotion of livelihoods and income generation, as well as maintenance of cultural traditions. The Law on Special Protected Areas (1994), Article 6, Provision 6.2. states that funding for the protection of special protected areas may be obtained from income from tourism and other activities and services. The Law on Buffer Zones (1997), Article 7, Provision 7.1 states that Buffer Zone can have a fund: "The Council may establish a Buffer Zone Fund for the purposes of developing the Buffer Zone and providing support for local people's livelihood." The Law on Buffer Zones (1997) also aims to prevent from pressure on traditional lifestyle and to preserve traditions.</p> <p>Several PLRs support the development of tourism opportunities, and some of the identified risks related to the impacts of</p>	
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		<p>tourism. Law on Tourism (2000), Article 8 on rights and obligations of tourism organizations, Provision 8.2. "Develop tourism forms that can contribute to socio-economic development of Mongolia, have no harmful impact on environment, health and traditional practices of the local people."</p> <p>The National Programme on Tourism Development (2015) under Provision 2.2.2 sets priorities as to develop tourism on regional basis, develop local community based and protected area based tourism products and services; the Provision 2.3.2. also states that tourism activities shall be organized in a way that support conservation of original natural landscapes, reduction of environment pollution, ecological balance, human health, safety travelling conditions, and shall avoid from causing negative impact on living habitat of local people".</p> <p>Regarding expected benefits and risks from agroforestry development, there is a lack of PLRs dealing with agroforestry. The State Policy on Forest (2015), Section 3.2.4 states that: "Lay the foundation for agroforestry development in Mongolia".</p> <p>Stakeholders also identified potential benefits related to infrastructure development, e.g. from forest road PaMs as well as possible increases in local development. Forest Cleaning Programme (2014), Section 3.1.3. "Exploration and drawing for road shall be made and forest road shall be constructed in</p>	
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		<p>the areas where forest cleaning is required." The Law on Forest (2012), Article 12, Provision 12.1.4 states that Government shall reflect in annual budgets expenditures for forest resource protection, restoration and afforestation, as well as road exploration studies, development of design drawings and the construction of main roads within the commercial forest use zones. However there are no specific PLRs that direct income from forest use towards improving forest infrastructure.</p> <p>A number of expected benefits relate to improved pasture management, water resources and livestock quality. These issues are not well addressed in the PLR framework, noting the lack of a final pasture management law, and challenges related to veterinary standards and meat exports. The National Mongolian Livestock Program (2010), Section 2 aims at "Improving animal breeding services based on social need/demand, increasing the productivity and production of high quality, bio-clean livestock products and raw materials and increasing market competitiveness". Institutions such as pasture user groups and pasture management plans are highly relevant to interactions between forest and grazing sectors.</p> <p>Risks identified related to displacement of herders, as well as for the sustainability of forest restoration areas are not addressed in the PLR framework. The Law on Forest (2012), Article 29, Provision 29.1.5 states that</p>	
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<p>Promotion of actions that involve the management of planted and natural forests to maintain or restore biodiversity and ecosystem services</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Growth and productivity of forest may be increased, along with improved natural regeneration and increased reforestation efforts - May lead to improved forest ecosystem service provision, increased habitat and helping with movement of biodiversity - Can contribute to developing healthy and climate change resilient forest ecosystem (e.g. as focuses on degraded areas where resilience has declined) 	<p>Mongolia does not use the concept of high conservation value forest explicitly in its current PLR framework. However, forests with certain ecological characteristics are referred to in the definition of forest (see E1) and the classifications of forests (see below).</p> <p>The Law on Forest (2012) sets out classes of forest land and what activities may take place within them. Article 5. Classifications of Forest Resource and Forest Land sets these out, based upon the protection, utilization</p>	

	<ul style="list-style-type: none"> - May improve ecosystem services related to land degradation, such as preventing loss of soil moisture, permafrost melting, soil erosion/sand movement and desertification - Water resources/supply may be improved, for people, business activities and ecosystems - Including incentives for communities in agreements (e.g. purchase of planted trees by Government) will increase interest among citizens in planting trees and provide economic benefit. Increase in number of green jobs; income of citizens, economic entities and forest user groups that carried out reforestation may increase - Reforestation sites will increase, as harvesters are required to replant trees at own cost - Provides opportunity to improve cooperation with neighboring countries on wider forest and environmental issues (as well as on combatting illegal logging) - Financing and capital for environmental management conservation can be increased <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - Negative impact on environment of unprotected areas may increase (i.e. 	<p>types, ecological and economic values, the forest resource are classified as follows:</p> <p>5.1.1. Protected forest zones and</p> <p>5.1.2. Commercial forest use zone/or forest utilization zone/</p> <p>Article 8 deals with Protected Forest Zone and its Regimes:</p> <p>8.1. Protected forest zone shall comprise sub-tundra forests, forests in special protected areas, and those designated for training and research, green belts, prohibited forest strips, Saxaul and oasis forests, groves and bush stands of up to 100 hectares of area, and forests on slopes greater than 30 degrees.</p> <p>8.2. Prohibited strip forests shall comprise forests within a radius of 1,000 meters around lakes, mineral and other water springs, riverbanks and areas within 100 meters on both sides of national roads and railroads.</p> <p>8.3. Boundaries of sub-tundra forest shall be defined by the Central State Administrative Body for the purpose of preserving ecological equilibrium and preventing soil erosion in watershed areas.</p> <p>8.4. Protection regimes for forests in special protected areas shall be regulated by the Law on Special Protected Areas.</p> <p>"The Law on Special Protected Area (1994) also refers to zoning, Article 14 states that National conservation parks may be divided into the following zones in consideration of their natural features, the location of flora and fauna, the conservation requirements of their historical and cultural monuments, and</p>	
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	<p>displacement of pressures). Ecosystems other than forest may be left out/be lower priority</p> <ul style="list-style-type: none"> - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Negative impacts on environment of unprotected areas may increase (exceeding carrying capacity of pasture and decline in size etc.). I.e. displacement of pressures 	<p>the conditions for developing travel and tourism:</p> <ol style="list-style-type: none"> 1) Special zones ("ongoi бүс"); 2) Travel and tourism zones ("ayalal zhuulchlalyn бүс"); 3) Limited use zones ("xyazgaarlaltyn бүс")." <p>State Policy on Forest (2015), Section 3.3.7 states that "Establish a national standard for certification of forest organizations in line with international standards, by 2020, transition into a system in which only certified companies and organizations are authorized to use forest resources".</p> <p>State Policy on Forest (2015) includes targets for increasing forest cover, Section 3.2.3 states that "Increase the area covered by forests up to 8.3% in 2020 and to 9% in 2030". Law on Forest (2012), Article 30, Provision 30.2 states that "Citizens, forest user groups, entities and organizations shall plant 10 or more seedlings and saplings for each harvested tree, and deliver them to the state forest resource". Article 31, Provision 31.1 states that "Aimag and Capital City Governors shall organize annual public tree planting campaigns during which every citizen above 16 years old shall plant and take care of one tree, and every organization shall plant and take care of not less than five trees, or make an appropriate financial donation if unable to perform the duty."</p>	
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ANNEX 3.6

Safeguard F: Actions to address the risk of reversals

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Analysis of the risk of reversals of emissions reductions, also referred to as 'non-permanence'	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Role of forest in supporting local livelihoods as well as the private sector may improve - Investment in local areas may increase, encouraging growth in livelihoods, services, infrastructure, other sectors, etc - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc, of forest user-groups, economic entities, communities and local officials may be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Over-harvesting of timber, fuelwood, NTFPs, may increase, leading to forest degradation - Risk that increased area of forest (i.e. new areas) comes under extractive management, decreasing forest carbon stocks - Road building risk to forests, biodiversity (from direct disturbance, increased access, 	<p>Measures related to promoting benefits from forests under safeguard E also relevant here.</p> <p>One key risk identified in Mongolia relates to the risk of increased extraction impacting negatively on carbon and non-carbon benefits. There are some provisions related to ensuring sustainable use of forests. State Policy on Forest (2015), Section 3.3.1 also calls for "Conduct a detailed assessment of the state of Mongolian forests and establish a sustainable forest management for forest conservation, restoration and appropriate use". 25.1.1 of Article 25 of the Law on Forest (2012) states that non-government organizations shall "Monitor, on behalf of the public, the implementation of forest legislation, conduct inspections, demand redress of breaches, submit issues to respective organizations for resolution, and sue the offender to court for compensation of damages caused to forest resource."</p> <p>A number of PLRs call for improved capacity and technical standards for forest management/utilization (and thus risks of poor management/over-extraction). Green Development Policy of Mongolia (2014), Section 3.5.2 states that "Promoting the introduction of</p>	<p>The Forest Law should be amended to allow for local community involvement in patrolling and monitoring. The following provisions should be considered: (a) Improve local community based monitoring and establish incentives system for provision of information; (b) Monitoring on harvesting to be conducted with participation of civil society, but also other stakeholders (e.g. researchers); (iii) Conduct inspection with participation of civil society.</p> <p>Government to commit to undertaking the proposed detailed assessment of the state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the SPF.</p> <p>Improve ecological knowledge and knowledge on wildlife trade for all law enforcement</p>

	<p>fragmentation) and resilience of permafrost, and resulting emissions from peatland areas</p> <ul style="list-style-type: none"> - Controlled fire (from active burning measures) can get out of control - If more saxaul growth, gerbils and damaging insects that feed on saxaul may increase - Frequent changes in policies and unsustainability/frequent turn-over of public servants may cause negative impact (on sustainability of REDD+) - Penalties for non-survival of seedlings or bad results could make people can lose their trust and become less active in the PAM. - Risk that microfinance or livelihood support could be used for unsustainable practices, e.g. increasing livestock numbers - If livestock becomes more valuable, numbers may still increase. Wherever water resources are poor, pastureland degradation will occur. - In areas where water sources improve, agriculture and small businesses may expand, leading to land degradation 	<p>environmental standards "MNS ISO14000" in legal entities and introduction of good practices of efficient production and consumption".</p> <p>Addressing this risk of reversals, like displacement, also requires PLRs that regulate use of pastureland. There is no PLR that is dedicated to pastureland management. The following two PLRs deal with pastureland management to some extent:</p> <ul style="list-style-type: none"> - The Law on Soil Protection and Prevention from Desertification (2012), Article 7, Provision 7.1.4 states that: ""Pasture shall be used in coordination with the number of the livestock living the given areas, in seasonal scheduling pattern." - The Law on Land (2002), Article 52, Provision 52.2 states that: ""Summer and autumn settlements and rangelands shall be allocated to baghs and /neighboring families/ and shall be used collectively. Terms for letting or prohibiting animals graze in winter and spring pastures shall be set forth by soum and district Governor taking into account citizens' proposals. In addition, institutions like pasture user groups and pasture management plans are also relevant. <p>Regarding risks to forests from the development of roads, Annex C of the Law on Environmental Impact Assessment (2012) requires that "local roads" be subject to general environmental impact assessment before construction approval is granted. The State Policy on Forest (2015), Section 3.3.3, encourages forest road building: "Restore and expand the road networks in areas of industrial forest use and promote thorough,</p>	<p>organizations.</p> <p>Given that a proposed Law on Pastureland Management has been debated for 20 years, but with no effect, the next best approach is to terminate Provision 52.3 of the Land Law ... which stipulates that "forest fund areas can be used for pasture purposes in line with respective laws and regulations". In addition, more informal (non-PLR) approaches can be explored, such as collaboration with PUGs and coordination with pasture management plans.</p>
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		<p>appropriate and sustainable industrial use".</p> <p>Regarding the risk posed by the high turnover of staff and political appointees, the Law on Public Service (2002), Article 27, Provision 27.2.2. "Termination or term expiration of the full power of Parliament, President, Government, Head Jury of Highest Court, State General Prosecutor, Citizens' Representatives' Presidiums of any administrative units or Governors of all level, or turnover of any political official specified in this law shall not be a basis to replace public servants". However, in practice, there are significant challenges posed by high turnover and use of political appointees</p> <p>Regarding the potential for finance/micro-finance to be used for unsustainable activities that contribute to forest degradation in the long-term, there are PLRs that allow for monitoring and enforcing financing agreements. Regulation on Allocating Small Loans from Employment Promotion Fund, Issuing credential and Re-Imbursement of Interest, and Providing Financial Support (2016), Article 6, "6.4. Aimag and district employment support organizations, and soum officers in charge of employment issues shall conduct monitoring among all loan recipients to check whether allocated loans are used for the original purposes"; Article 6, "6.8. In case, through inspection and monitoring, it is established that the funding was not used for initial purposes and contractual obligations were failed to meet, the funding shall be re-imbursed by faulty body."</p>	
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		<p>services, including forest water containment, carbon absorption, floodplain water collection and treatment and environmental protection and restoration"".</p> <p>There is already a PLR that outlines responsibility for seedling planting and care of seedlings by professional forest organizations and the public, i.e. related to risk of poor maintenance. Law on Forest (2012), Article 31, Provision 31.2. states that Soum, District, Bag, and Khoroo Governors shall select tree planting sites, cultivate soil, supply seedlings, water and maintain the planted seedlings jointly with professional forest organizations, and engage public in these activities.</p> <p>National Programme on Fighting Desertification (2010), Section 14.3.1. "Shall pursue a policy to support and facilitate agricultural activities in forest strip areas which have less harmful impact on soil erosion or damage".</p> <p>Green Development Policy (2014), Section 3.1.5. states a strategic objective as "Reduction of soil erosion and eradication due to crop production and increase production of wheat, potatoes and vegetables to meet local demand through improved soil fertility, introduction of soil maintenance agro equipment, water efficient and effective advanced technologies and creation of forest zones."</p>	
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<p>Design, prioritization and implementation of REDD+ actions that address the underlying and indirect drivers of deforestation and forest degradation, and barriers to sustainable management, conservation, enhancement of forest carbon stocks and land use change rather than only addressing direct drivers at specific locations</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Knowledge and attitude of citizens towards the environment, conservation and forest protection may be improved; traditional attitude to nature of local community will be encouraged - Fire incidence may decrease, due to deadwood removal/thinning - Legal and planning framework for sustainable forest management may be improved - Financing and capital for environmental management conservation can be increased - Investment in local areas may increase, encouraging growth in livelihoods, services, infrastructure, other sectors, etc - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc, of forest user-groups, economic entities, communities and local officials may be improved - Associated crime may also be reduced (e.g. tax fraud, wildlife trade, drug trade). <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Wood and wooden materials consumption will increase - Investments may be wasted/unsustainable, e.g. if regeneration sites are not maintained, if climate change impacts are too severe - People will be encouraged to use 	<p>Overlap with F1 re: drivers of these risks.</p> <p>Addressing this risk of reversals, like displacement, requires PLRs that regulate use of pastureland. There is no PLR that is dedicated to pastureland management. The following two PLRs deal with pastureland management to some extent.</p> <ul style="list-style-type: none"> - The Law on Soil Protection and Prevention from Desertification (2012), Article 7, Provision 7.1.4 states that: ""Pasture shall be used in coordination with the number of the livestock living the given areas, in seasonal scheduling pattern."" - The Law on Land (2002), Article 52, Provision 52.2 states that: ""Summer and autumn settlements and rangelands shall be allocated to baghs and /neighboring families/ and shall be used collectively. Terms for letting or prohibiting animals graze in winter and spring pastures shall be set forth by soum and district Governor taking into account citizens' proposals. In addition, institutions like pasture user groups and pasture management plans are also relevant. <p>Mongolia has PLRs aimed at addressing illegal logging, both through enforcement and ensuring sufficient supply. The State Policy on Forest (2015), Section 3.1.4 states: "Halt illegal logging by taking adequate measures on demand and supply of wood and wooden materials and through the implementation of mechanisms such as improving legal accountability and providing incentives for people's participation". Law on Forest (2012), Article 37, Provision 37.3 states that "Individuals and entities operating activities,</p>	<p>Given that a proposed Law on Pastureland Management has been debated for 20 years, but with no effect, the next best approach is to terminate Provision 52.3 of the Land Law ... which stipulates that "forest fund areas can be used for pasture purposes in line with respective laws and regulations". In addition, more informal (non-PLR) approaches can be explored, such as collaboration with PUGs and coordination with pasture management plans.</p> <p>The Law on Forest should be amended to allow for local community involvement in patrolling and monitoring. The following provisions should be considered: (a) Improve local community based monitoring and establish incentives system for provision of information; (b) Monitoring on harvesting to be conducted with participation of civil society, but also other stakeholders (e.g. researchers); (iii) Conduct inspection with participation of civil society.</p> <p>Government to commit to undertaking the proposed detailed assessment of the</p>
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	<p>fuelwood, rather than shifting to new types of energy</p> <ul style="list-style-type: none"> - Inadequate wood, livestock and other product quality - Over-harvesting of timber, fuelwood, NTFPs, may increase, leading to forest degradation - Risk that increased area of forest (i.e. new areas) comes under extractive management, decreasing forest carbon stocks - Road building risk to forests, biodiversity (from direct disturbance, increased access, fragmentation) and resilience of permafrost, and resulting emissions from peatland areas - Controlled fire (from active burning measures) can get out of control - If more saxaul growth, gerbils and damaging insects that feed on saxaul may increase - Frequent changes in policies and unsustainability/frequent turn-over of public servants may cause negative impact (on sustainability of REDD+) - Penalties for non-survival of seedlings or bad results could make people can lose their trust and become less active in the PAM. - Risk that microfinance or livelihood support could be used for unsustainable practices, e.g. increasing livestock numbers - If livestock becomes more valuable, numbers may still increase. Wherever water resources are poor, pastureland degradation will occur. 	<p>stated in the Article 37.1 of this Law, shall monitor their tenants' activities and take precautionary measures to prevent from illegal processing and trade of timber, harvested without licenses and certificates of origin"</p> <p>There are some provisions related to ensuring sustainable use of forests. 25.1.1 of Article 25 of the Law on Forest (2012) states that non-government organizations shall "Monitor, on behalf of the public, the implementation of forest legislation, conduct inspections, demand redress of breaches, submit issues to respective organizations for resolution, and sue the offender to court for compensation of damages caused to forest resource." Law on Forest (2012), Article 28, Provision 28.1 states that "28.1.Forest maintenance activities set forth in the Article 28.2.1 of this Law shall only be conducted by professional forest organizations to improve forest growth and productivity, prevent from fire, defoliating insects and diseases, and to ensure ecological balance while the forest cleaning can be conducted by forest user groups, entities and individuals on a contract basis in addition to the professional forest organizations"".</p> <p>State Policy on Forest (2015), Section 3.3.1 also calls for "Conduct a detailed assessment of the state of Mongolian forests and establish a sustainable forest management for forest conservation, restoration and appropriate use".</p> <p>Regarding energy use in particular: The State Policy on Forest (2015), Section 3.3.8 states that "Integrate state organizations in soums and</p>	<p>state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the SPF.</p> <p>For REDD+ PaMs related to increased utilization of forests, evidence should be collected and presented regarding the long-term impacts on carbon and non-carbon benefits. Will need to balance PaMs seeking to increase use of wood materials/waste as fuel and these PLRs/goals.</p> <p>Improve ecological knowledge and knowledge on wildlife trade for all law enforcement organizations.</p>
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	<p>- In areas where water sources improve, agriculture and small businesses may expand, leading to land degradation</p>	<p>settlements in central heating system; reduce the consumption of fuel wood by promoting and providing incentives for production of wood substituting fuels"; National Programme on Combating Desertification (2010), Section 9.5.1.6. "Increase alternative energy sources and household gas consumption, link soum and residential areas to central power grid to limit the utilization of bushes, shrubs and trees for household fuel purpose in dry regions." Limits on fuelwood consumption are regulated by the Law on Forest in Articles 13.1.6, 17.1.4, 18.1.2, and 20.1.4.</p> <p>Law on Plant Protection (2007) also mentions a number of drivers of degradation: Article 1, Provision 1.1. "The purpose of this law is to protect pasture and planted vegetations from, and fight against plant diseases, pest insects, rodents, weedy plants, and to regulate relations between the state, citizens and legal bodies in terms of establishing quarantine and conducting inspection."</p> <p>The State Policy on Forest (2015), Section 3.1.3 states that "Organize patrols during increased fire risk periods, use satellite information in detecting fires, establish digital communication and network and rapidly detect and extinguish fires".</p>	
National Forest Monitoring System (NFMS) - including satellite land monitoring	<i>Consider a combined element on detecting reversals and displacement.</i>		

<p>system, national forest inventory, greenhouse gas inventory designed, maintained and implemented with the appropriate frequency to detect and provide information on reversals and to perform the functions of monitoring, measuring and reporting results of REDD+ policies and measures, with human resources and technical capacities institutionalized</p>	
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ANNEX 3.7

Safeguard G: Actions to reduce displacement of emissions

Element of the safeguard	Main benefits/risks covered, based on the benefits and risks identified for Mongolia's proposed REDD+ actions	Relevant PLR used to address and respect, based on the review of Mongolian safeguards-relevant PLRs	Areas for improvement, i.e. to improve how the safeguards are addressed and respected through the country's PLR framework
Preparation, endorsement and continuous updating of a NS/AP covering the entire national territory / Plan to move towards national scale REDD+ implementation, including all significant REDD+ activities	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Growth and productivity of forest may be increased, along with improved natural regeneration and increased reforestation efforts - May lead to improved forest ecosystem service provision, increased habitat and helping with movement of biodiversity - May improve ecosystem services related to land degradation, such as preventing loss of soil moisture, permafrost melting, soil erosion/sand movement and desertification - Water resources/supply may be improved, for people, business activities and ecosystems - Improved pasture management and intensified livestock farming may develop; meat quality and food security may improve <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Illegal logging can be displaced to other forest areas and potentially other countries. - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources 	<p>NRS will be relevant here, as will FRL.</p> <p>Cross sector participation - see element B5</p> <p>Addressing this risk of displacement, and coverage of REDD+ PaMs, also relates to management of pastureland. There is no PLR that is dedicated to pastureland management. The following two PLRs deal with pastureland management to some extent.</p> <ul style="list-style-type: none"> - The Law on Soil Protection and Prevention from Desertification (2012), Article 7, Provision 7.1.4 states that: "Pasture shall be used in coordination with the number of the livestock living the given areas, in seasonal scheduling pattern". - The Law on Land (2002), Article 52, Provision 52.2 states that: "Summer and autumn settlements and rangelands shall be allocated to baghs and /neighboring families/ and shall be used collectively. Terms for letting or prohibiting animals graze in winter and spring pastures shall be set forth by soum and district Governor taking into account citizens' proposals. In addition, institutions like pasture user groups and pasture management plans are also relevant. <p>State Policy on Forest (2015), Section 3.3.1 also</p>	<p>Government to commit to undertaking the proposed detailed assessment of the state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the SPF.</p> <p>Given that a proposed Law on Pastureland Management has been debated for 20 years, but with no effect, the next best approach is to terminate Provision 52.3 of the Land Law ... which stipulates that "forest fund areas can be used for pasture purposes in line with respective laws and regulations". In addition, more informal (non-PLR) approaches can be explored, such as collaboration with PUGs and coordination with pasture management plans.</p>

	<p>(e.g. legal & illegal logging, hunting, NTFPs)</p> <ul style="list-style-type: none"> - Negative impact on environment of unprotected areas may increase (i.e. displacement of pressures). Ecosystems other than forest may be left out/be lower priority - The size of land for public use/pastureland for grazing may decrease, affecting herder livelihoods - Negative impacts on environment of unprotected areas may increase (exceeding carrying capacity of pasture and decline in size etc). I.e. displacement of pressures 	calls for "Conduct a detailed assessment of the state of Mongolian forests and establish a sustainable forest management for forest conservation, restoration and appropriate use".	
NFMS designed, maintained and implemented with the appropriate frequency to detect and provide information on displacement (i.e. to detect land use changes) at national, subnational and local levels, and human resources and technical capacities institutionalized	<i>Consider a combined element on detecting reversals and displacement.</i>	Relevant information related to this element is documentation on NFMS (and potentially FREL).	<p>Need to ensure that NFMS documentation is available to meet this information need.</p> <p>From stakeholders: Accuracy of the data in NFMS should be monitored by professional organizations.</p>
Design, prioritization and implementation of REDD+ actions that address the underlying and indirect drivers of deforestation and forest degradation, and	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Imports of wood will be reduced - Legal and planning framework for sustainable forest management may be improved - Financing and capital for environmental 	<p>Overlap with element F2</p> <p>There are some provisions related to ensuring sustainable use of forests. 25.1.1 of Article 25 of the Law on Forest (2012) states that non-government organizations shall "Monitor, on</p>	The Law on Forest should be amended to allow for local community involvement in patrolling and monitoring. The following provisions should be considered: (a) Improve local

<p>barriers to the conservation, enhancement, and sustainable management of forests, as well as other land-use changes, rather than only addressing direct drivers at specific locations</p>	<p>management conservation can be increased</p> <ul style="list-style-type: none"> - Knowledge and attitude of citizens towards the environment, conservation and forest protection may be improved; traditional attitude to nature of local community will be encouraged - Fire incidence may decrease, due to deadwood removal/thinning - Investment in local areas may increase, encouraging growth in livelihoods, services, infrastructure, other sectors, etc - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc, of forest user-groups, economic entities, communities and local officials may be improved <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Outside of implementation area, forest fuelwood consumption will increase (risk for displacement). People will be encouraged to use fuelwood, rather than shifting to new types of energy - It may become more difficult to meet demand for wood and wooden products in Mongolia, increasing pressure on domestic forests - Anthropogenic forest fire can be displaced to other areas, where there is less patrolling, less awareness 	<p>behalf of the public, the implementation of forest legislation, conduct inspections, demand redress of breaches, submit issues to respective organizations for resolution, and sue the offender to court for compensation of damages caused to forest resource." Law on Forest (2012), Article 28, Provision 28.1 states that "28.1.Forest maintenance activities set forth in the Article 28.2.1 of this Law shall only be conducted by professional forest organizations to improve forest growth and productivity, prevent from fire, defoliating insects and diseases, and to ensure ecological balance while the forest cleaning can be conducted by forest user groups, entities and individuals on a contract basis in addition to the professional forest organizations".</p> <p>State Policy on Forest (2015), Section 3.3.1 also calls for "Conduct a detailed assessment of the state of Mongolian forests and establish a sustainable forest management for forest conservation, restoration and appropriate use". "Mongolia has PLRs aimed at addressing illegal logging, both through enforcement and ensuring sufficient supply. The State Policy on Forest (2015), Section 3.1.4 states: "Halt illegal logging by taking adequate measures on demand and supply of wood and wooden materials and through the implementation of mechanisms such as improving legal accountability and providing incentives for people's participation". Law on Forest (2012), Article 37, Provision 37.3 states that "Individuals and entities operating activities, stated in the Article 37.1 of this Law, shall monitor their tenants' activities and take precautionary measures to prevent from illegal</p>	<p>community based monitoring and establish incentives system for provision of information; (b) Monitoring on harvesting to be conducted with participation of civil society, but also other stakeholders (e.g. researchers); (iii) Conduct inspection with participation of civil society.</p> <p>Government to commit to undertaking the proposed detailed assessment of the state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the SPF. For REDD+ PaMs related to increased utilization of forests, evidence should be collected and presented regarding the long-term impacts on carbon and non-carbon benefits.</p> <p>A new law or regulation is required to allow allocation of a certain percentage of income from illegal logging to a non-financial reward fund. In addition, a tax exemption could be provided for people who report illegal logging.</p> <p>Will need to balance PaMs seeking to increase use of wood materials/waste as fuel and these PLRs/goals.</p>
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	<ul style="list-style-type: none"> - Wood and wooden materials consumption will increase - Inadequate wood, livestock and other product quality - Over-harvesting of timber, fuelwood, NTFPs, may increase, leading to forest degradation - Risk that increased area of forest (i.e. new areas) comes under extractive management, decreasing forest carbon stocks - Road building risk to forests, biodiversity (from direct disturbance, increased access, fragmentation) and resilience of permafrost, and resulting emissions from peatland areas - If more saxaul growth, gerbils and damaging insects that feed on saxaul may increase - Risk that microfinance or livelihood support could be used for unsustainable practices, e.g. increasing livestock numbers - If livestock becomes more valuable, numbers may still increase. Wherever water resources are poor, pastureland degradation will occur. - In areas where water sources improve, agriculture and small businesses may expand, leading to land degradation. 	<p>processing and trade of timber, harvested without licenses and certificates of origin".</p> <p>St Petersburg Declaration (2005).</p> <p>Regarding energy use in particular: The State Policy on Forest (2015), Section 3.3.8 states that "Integrate state organizations in soums and settlements in central heating system; reduce the consumption of fuel wood by promoting and providing incentives for production of wood substituting fuels"; National Programme on Combating Desertification (2010), Section 9.5.1.6. "Increase alternative energy sources and household gas consumption, link soum and residential areas to central power grid to limit the utilization of bushes, shrubs and trees for household fuel purpose in dry regions."</p> <p>Regarding reducing fire, the State Policy on Forest (2015), Section 3.1.3 states that "Organize patrols during increased fire risk periods, use satellite information in detecting fires, establish digital communication and network and rapidly detect and extinguish fires". Legal situation with regard to fire setting is regulated by the Law on Forest in Article 26.</p> <p>Law on Plant Protection (2007) also mentions a number of drivers of degradation: Article 1, Provision 1.1. "The purpose of this law is to protect pasture and planted vegetations from, and fight against plant diseases, pest insects, rodents, weedy plants, and to regulate relations between the state, citizens and legal bodies in terms of establishing quarantine and conducting</p>	<p>Given that a proposed Law on Pastureland Management has been debated for 20 years, but with no effect, the next best approach is to terminate Provision 52.3 of the Land Law ... which stipulates that "forest fund areas can be used for pasture purposes in line with respective laws and regulations". In addition, more informal (non-PLR) approaches can be explored, such as collaboration with PUGs and coordination with pasture management plans.</p>
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		<p>inspection."</p> <p>Addressing this risk requires PLRs that regulate use of pastureland. There is no PLR that is dedicated to pastureland management. The following two PLRs deal with pastureland management to some extent.</p> <ul style="list-style-type: none"> - The Law on Soil Protection and Prevention from Desertification (2012), Article 7, Provision 7.1.4 states that: ""Pasture shall be used in coordination with the number of the livestock living the given areas, in seasonal scheduling pattern."" - The Law on Land (2002), Article 52, Provision 52.2 states that: ""Summer and autumn settlements and rangelands shall be allocated to baghs and /neighboring families/ and shall be used collectively. Terms for letting or prohibiting animals graze in winter and spring pastures shall be set forth by soum and district Governor taking into account citizens' proposals. In addition, institutions like pasture user groups and pasture management plans are also relevant." 	
<p>Design, prioritization and implementation of actions to reduce displacement of emissions from specific REDD+ actions at the local, sub-national and national scales, taking into account the potential impacts of REDD+ actions on livelihoods, as well as the demand for and supply of</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - Forest user groups being responsible for parts of forest fund area will result in improved patrolling, protection and reduced fire risk. - Role of forest in supporting local livelihoods as well as the private sector may improve - Investment in local areas may increase, encouraging growth in livelihoods, services, infrastructure, other sectors, etc 	<p>Overlap with element F1</p> <p>There are a number of PLRs that deal with the role and responsibilities of FUGs, forest management plans and forestry organizations/entities (see safeguards b, c). For example, Law on Environmental Protection (1995), Article 6, Provision 6.2 states that "Unless otherwise provided by law, citizens, business entities, organizations, foreign citizens and legal persons may use natural resources upon the</p>	<p>The law, or relevant regulations, may need to be amended to allow for FUGs to gain greater access to funds generated from forest-related activities. Revenues from forests to be channeled towards forest management, and FUGs to be allowed to directly invest in infrastructure improvement.</p> <p>A new law or regulation is required</p>

<p>forest and agricultural products / Selection and design of REDD+ actions taking into consideration the risk of emissions displacement; displacement risk analysis for the selected REDD+ actions, including risk of emissions displacement to other ecosystems, e.g. through draining of peatlands for agricultural use or displacement of pressures on forests to another region or area</p>	<ul style="list-style-type: none"> - Jobs and income may increase for local citizens, commercial entities, forest user groups, in harvesting and processing wood products, as well as NTFPs, agroforestry, etc - Knowledge/skills in forest management, wood processing, sustainable use, regeneration, conservation, NTFPs, etc, of forest user-groups, economic entities, communities and local officials may be improved - Provides opportunity to improve cooperation with neighboring countries on wider forest and environmental issues. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Agroforestry models may not suit well to all areas or forest types, resulting in uneven coverage/implementation and/or lack of sustainability - Migration, movement in local areas may increase (due to changes in land use and decreased livelihood opportunities) - Risk that microfinance or livelihood support could be used for unsustainable practices, e.g. increasing livestock numbers - If linked to natural resources, risk of unequal access to PAM/interventions (e.g. some areas have more natural resources than others) - Negative impacts on environment of unprotected areas may increase (exceeding carrying capacity of pasture and decline in size etc). I.e. displacement of pressures - Some ecosystems may be prioritized for 	<p>payment and collection of relevant fees in accordance with any contract, special permit, or license". Law on Forest (2012), In Article 21, identifies rights and obligations of FUG and Provision 21.4 states that "Forest user groups shall implement forest and steppe fire prevention activities by its funding within the parcel of forest resource transferred to its possession under the contract".</p> <p>The risks of displacement of pressures on forests may depend on the coverage of the forest fund by effective/sustainable management processes, including by FUGs. There do not appear to be PLRs that deal with the coverage of forest management (?), and recommendations have already been put forward to develop a nationwide sustainable forest management plan.</p> <p>Mongolia has PLRs aimed at addressing illegal logging, both through enforcement and ensuring sufficient supply (see above and F1); these do not address risks of displacement from increased enforcement.</p> <p>There are a number of PLRs calling for improved/diversified livelihoods (e.g. see element A3), such as: Law on Buffer Zones (23 October 1997), Article 7.1 of the law states that "The Council may establish a Buffer Zone Fund for the purposes of developing the Buffer Zone and providing support for local people's livelihood."; and Article 7.4.2 states that the Buffer Zone Fund shall be used to provide support for local people's livelihood, small scale production, services and project implementation.</p>	<p>to allow allocation of a certain percentage of income from illegal logging to a non-financial reward fund. In addition, a tax exemption could be provided for people who report illegal logging</p> <p>Create alternate income sources to support the livelihood of herders. Link with intensified livestock and agriculture planting (planting forage plants)</p> <p>There should be legal backing for a programme of soft loans to support agroforestry businesses. A strategy on agroforestry should be developed, with full consideration of measures to enhance benefits and reduce risks.</p> <p>Given that a proposed Law on Pastureland Management has been debated for 20 years, but with no effect, the next best approach is to terminate Provision 52.3 of the Land Law ... which stipulates that "forest fund areas can be used for pasture purposes in line with respective laws and regulations.</p> <p>A legal provision that is prohibiting forced transfer of citizens in cold season, is still valid and effective. The law should be improved in relation to providing compensation and other service to those who are</p>
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	<p>protection, while others receive more pressure; e.g. non-forest ecosystems may be left out/be lower priority</p> <ul style="list-style-type: none"> - If livestock becomes more valuable, numbers may still increase. Wherever water resources is poor, pastureland degradation will occur - In areas where water sources improve, agriculture and small businesses may expand, leading to land degradation - Illegal logging can be displaced to other forest areas and potentially other countries. - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - Negative impact on environment of unprotected areas may increase (i.e. displacement of pressures). Ecosystems other than forest may be left out/be lower priority. - Corruption may increase among army and police organizations of Mongolia and neighboring countries. 	<p>Regarding improved livelihoods for climate change resilience, Green Development Policy of Mongolia (2014), Section 3.4.6 states that "Strengthening capacity of resilience to negative impacts of climate change by implementing projects and programs aimed to increasing livelihood of citizens dependent on biodiversity and natural resources". Green Development Policy of Mongolia (2014), Section 3.4.7 states that "Creation of incentives such as payment for ecosystem service for herders with initiatives directed to preventing pasture degradation by managing livestock farming adapted to grazing capacity in remote areas and caring over watershed protection and spring water". Regarding expected benefits for livelihoods from agroforestry, and economic risks associated with it, Mongolia does not have PLRs specifically dealing with agroforestry. The State Policy on Forest (2015), Section 3.2.4 states calls for "Lay the foundation for agroforestry development in Mongolia".</p> <p>Regarding the potential for finance/micro-finance to be used for unsustainable activities that contribute to forest degradation in other areas, there are PLRs that allow for monitoring and enforcing financing agreements. Regulation on Allocating Small Loans from Employment Promotion Fund, Issuing credential and Re-Imbursement of Interest, and Providing Financial Support (2016), Article 6, "6.4. Aimag and district employment support organizations, and soum officers in charge of employment issues shall conduct monitoring among all loan recipients to check whether allocated loans are used for the</p>	<p>forced to move to another places in cold season.</p>
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		<p>original purposes"; Article 6, "6.8. In case, through inspection and monitoring, it is established that the funding was not used for initial purposes and contractual obligations were failed to meet, the funding shall be re-imbursed by faulty body."</p> <p>This risk of displacement requires PLRs that regulate use of pastureland. See above for PLRs linked to pasture management.</p> <p>There are a number of identified risks related to increased land degradation (e.g. via displacement of herders to new/more concentrated areas). In addition to pasture management, PLRs on combating land degradation/desertification are relevant here. However, these are general policy statements/goals, as opposed to clear regulation of land use.</p> <ul style="list-style-type: none"> - Green Development Policy of Mongolia (2015), Section 3.2.12 states that "Reduction of impacts from desertification, land degradation and drought by creating conditions to minimize human impacts on environment in climate change conditions and through rapid economic growth". Section 3.6.1 states that "Creation of comfortable working and living environment through prevention from excessive concentration of population and developing self-sufficient "green" and "smart" small cities and villages consistent with future trends of climate change and natural resource carrying capacity/load". - National Programme on Fighting Desertification (2010), Section 9.5.2.1. "...shall establish liability and responsibility system to be adhered by pasture user groups with an aim to ensure 	
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		<p>pasture is used optimally in line with pasture capacity" ; 9.5.2.3. Create additional income sources for local herders and people who used to have livestock to reduce potential pressure on nature</p> <p>See element C5 regarding resettlement/economic displacement, and E on social/economic benefits and risks. There are PLRs related to consultation and protecting traditional livelihoods, and movement between grazing areas. However, there do not appear to be regulations setting out compensation measures or actions in the case of resettlement (?)</p> <p>The Law on Strictly Protected Areas and the National Programme on Strictly Protected Areas specify ecosystem balances in the following Articles/sections: The Law on Protected Areas, Article 1. "Purpose of the law. The purpose of this law is to regulate relations concerning utilization of and taking areas under special protection, preservation and protection of natural landscape in order to keep particular features of natural zones and belts, their peculiar formation, forms of rare and rarest fauna and flora, historical and cultural sites and natural sightseeing as well as studying and identifying their evolution". Article 7. "Strictly Protected Areas are territories taken under state special protection, upon consideration of the state of conservation of the original conditions and features of their natural zones, in order to represent specific traits of the zones and scientific importance, and to ensure</p>	
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		environmental balance". Article 7-26 has provisions about ensuring ecosystem sustainability.	
Analysis of possible reasons for displacement of emissions, such as ineffective implementation of REDD+ actions, or REDD+ actions that are not designed to address underlying (local, subnational, national) drivers of deforestation and forest degradation, and the barriers to sustainable management, conservation and enhancement of forest carbon stocks	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> - May improve implementation and monitoring of key programs, e.g. Forest Cleaning Programme, pest control, regeneration, and improve transparency - Governance, monitoring and transparency of forest sector activities (e.g. pest control, regeneration, patrolling, PA management) may improve, due to increased revenues and stakeholder participation. Improper spending of revenues can be more quickly identified and stopped - Provides opportunity to improve cooperation with neighboring countries on wider forest and environmental issues. <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Illegal logging can be displaced to other forest areas and potentially other countries. - Reduced access or unequal access to forests/natural resources may have negative impact on some people's livelihoods who rely on forest resources (e.g. legal & illegal logging, hunting, NTFPs) - Negative impact on environment of unprotected areas may increase (i.e. displacement of pressures). Ecosystems other than forest may be left out/be lower priority - Corruption may increase among army 	<p>Law on State Inspection (2003), Article 9, Provision 9.3.1. "State Specialized Inspection Agency shall exercise control and inspection on enforcement of laws and other legislative acts that are adhered commonly, as specified by the law".</p> <p>Main relevant document here will be the M&E framework; some overlap with NFMS operation/protocols.</p>	<p>By the Law on Violations, provincial environment departments' right to implement supervision has been limited; they are no longer able to impose penalties for violations. Only specialized inspection agency shall impose penalties and liabilities. Law on State Inspection and Law on Violations provide for control and inspection by State Specialized Inspection Agency, i.e. they can also impose sanctions. CSOs may have right to monitor only</p>

	and police organizations of Mongolia and neighbor countries.		
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ANNEX 4: SIGNIFICANT POLICIES, LAWS, AND REGULATIONS FOR REDD+ SAFEGUARDS IN MONGOLIA AND POTENTIAL AREAS FOR IMPROVEMENT

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
Law on Forests (2012)	<p>Risks</p> <p>Conflict may occur over access to areas designated for forest protection and/or regeneration, and reduced access to grazing</p> <p>Higher costs associated with forest regeneration and infrastructure may stress national budget</p> <p>Increased costs for monitoring, enforcement, protection and building capacity of forest user groups</p> <p>Overuse of forest resources by local people</p> <p>Conflicts between different stakeholders over benefit sharing, coordination and resource utilization</p> <p>Permits may be issued by local government without consideration of the amount appropriate for sustainable harvesting</p> <p>Benefits</p> <p>Growth and productivity of forest may be increased</p> <p>Implementation of forest sustainable management plans (including sexual plans) may improve, because FUGs will benefit more and are more highly motivated to</p>	<p>(i) Possible conflict between the Law on Forest and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p> <p>(ii) The following regulation should be amended to allow the private sector to have guaranteed buyback of young trees from all different forest types, after a set period of time: "Regulation on Planning, Organizing, Financing Forestation Activities, Estimating and Purchasing Planted Trees for State Forest Fund, and Ownership Arrangement of Planted Trees" (Approved by Joint Decree made by Minister of Environment and Tourism and Minister of Finance, No. A-96\71). In addition, a new regulation or guideline should be developed to allow for prioritization of areas where natural regeneration is more feasible, so as to reduce budget burden.</p> <p>(iii) Current legal environment does not reflect any economic incentives to support pre-commercial thinning and supplying wood collected from pre-commercial thinning to market.</p> <p>(iv) The Law on Forest should be amended to allow for local community involvement in patrolling and monitoring. The following provisions should be considered: (a) Improve local community based monitoring and establish incentives system for provision of information; (b) Monitoring on harvesting to be conducted with participation of civil society, but also other stakeholders (e.g. researchers); (iii) Conduct inspection with participation of civil society.</p> <p>(v) Relevant regulations under the Law on Forest should be amended to ensure openness and transparency in the selection of areas for forest certification. These amendments should also ensure that entities seeking certification should ensure social benefits for local people.</p> <p>(vi) A key gap in implementation of the Law on Forest and other regulations is lack of</p>

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
	<p>follow the plan, and will have more funds</p> <p>Fuelwood supply will be increased; prices for fuel wood may decrease</p> <p>Can produce more wood products, types of products and value added products; may improve credibility and quality of wood products, and may result in price premium</p>	<p>monitoring. Responsibilities and financing of monitoring should be specified in a new regulation or guideline, and should include the involvement of FUGs and local communities.</p> <p>(vii) The law, or relevant regulations, may need to be amended to allow for FUGs to gain greater access to funds generated from forest-related activities. Revenues from forests to be channeled towards forest management, and FUGs to be allowed to directly invest in infrastructure improvement.</p> <p>(viii) Relevant regulations should be amended to terminate the quota system on harvesting of deadwood and thinning and replace it with adherence to forest management plans approved at respective levels.</p> <p>(ix) The Mongolian national wood product certification standard needs to be improved to be accepted internationally, for example to meet the requirements of the Forest Stewardship Council.</p>
Forest Cleaning Programme (2014)	<p>Benefits</p> <p>Production and supply of wooden may increase</p> <p>Natural regeneration and forest productivity may increase, due to deadwood removal and more active management</p> <p>Risks</p> <p>Conflicts between different stakeholders over benefit sharing, coordination and resource utilization</p> <p>Local people (not in FUGs) may not equally benefit from forest thinning.</p> <p>Increased thinning and harvesting may have negative impacts on forest health and</p>	<p>(i) The Government should ensure the implementation of the Forest Cleaning Programme by allocating sufficient funds in the state budget, so that FUGs can earn funds from forest cleaning and purchase other timber at low cost. It is estimated that 14billion Tugrik is required to implement the Forest Cleaning Programme.</p> <p>(ii) Implement flexible tax policies to support small wood processing enterprises. (There is a lack of regulation on tax exemption for wood processing industry).</p> <p>(iii) As recommended in the assessment of benefits & risks, compile/present evidence help present a clear case for further extraction (or carry out assessments if this information is not currently available). This would help to ensure that the nature of the proposed extraction is comprehensively understood, as well as the implications for expected carbon and non-carbon benefits and potential risks, and to develop measures appropriate to Mongolian forests.</p>

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
	biodiversity	
State Policy on Forests (2015)	<p>Benefits</p> <p>Knowledge and skills in forest management, sustainable use, may be improved.</p> <p>Capacity of forest professional organizations specialized in sexual regeneration may be enhanced</p> <p>Jobs and income generation may be increased for local citizens, commercial entities, forest user groups, in harvesting and processing</p> <p>May lead to increase in infrastructure in forest areas</p> <p>Forest outcomes and monitoring may be improved with more public/ stakeholder participation</p> <p>Risks</p> <p>Interests from government and private sector in increasing budget allocation for pest control measures</p> <p>Increased harvesting and use of forest resources may have negative impacts on forest health and biodiversity</p>	<p>(i) Guidelines should be drafted to implement the National Standard for Certification of forest organizations.</p> <p>(ii) Government to commit to undertaking the proposed detailed assessment of the state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the SPF.</p>
Land Law (2002)	<p>Benefits</p> <p>REDD+ PAMs may help to reduce land degradation and desertification</p>	<p>(i) Possible conflict between the Law on Forest and the Land Law with regard to grazing in forested areas. Both laws should be amended to make it clear that grazing is not allowed in immature forest areas.</p>

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
	<p>Risks</p> <p>Conflict may occur over access to areas designated for forest protection and/or regeneration, and reduced access to grazing</p> <p>REDD+ PAMs may conflict with pastureland management arrangements</p>	
Law on Environmental Protection	<p>Benefits</p> <p>Knowledge and attitudes to conservation may be supported and reinvigoration of traditional attitudes to nature</p> <p>Law implementation, enforcement and coordination may be enhanced.</p> <p>Risks</p> <p>Workload and responsibilities of local citizens will be increased (e.g. for co-management, patrolling)</p> <p>Over-use of natural resources may increase in some areas (to generate revenues)</p>	(i) The legal provisions surrounding the Environment Fund should ensure that allocations to the Fund are separate from local budgets
Law on Buffer Zones (1997)	<p>Benefits</p> <p>Income and livelihoods of local communities and economic entities in/around protected areas may improve (e.g. from tourism, non-timber forest products)</p> <p>Increased participation of communities and/or FUGs can improve conservation in</p>	(i) Support for cooperative management buffer zone councils should be extended, with increased capital funds that can assist with the development of alternative income sources (agro forestry, agriculture etc.)

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
	<p>PAs / buffer zones</p> <p>Risks</p> <p>PAMs, may have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed</p> <p>Conflicts may arise among PA administrations, citizens and FUGs on use of forest resources</p>	
Law on Strictly Protected Areas	<p>Benefits</p> <p>Ecotourism may develop in some areas, with benefits for local livelihoods and increased revenues for local area budgets</p> <p>Formal expansion of the protected area may stimulate public engagement, by bringing more stakeholders into protected area management</p> <p>Risks</p> <p>Expansion of protected areas could contradict with other development policies and/or cause conflict over land</p>	(i) Develop a regulation and guidelines on the promotion and management of international standards for eco-tourism. These can encourage new tourism products.
Recommendations not specific to PLRs	<p>Benefits</p> <p>Knowledge and skills in forest management, sustainable use, may be</p>	(i) Strengthening of technical training centers focused on value-adding in the wood products sector. These centers should focus on training unemployed people from under-represented groups, and should train women entrepreneurs on business

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
	<p>improved</p> <p>Law implementation, enforcement and coordination may be enhanced.</p> <p>Forest outcomes and monitoring may be improved with more public/ stakeholder participation</p> <p>Risks</p> <p>Conflicts between different stakeholders over benefit sharing, coordination and resource utilization</p> <p>PAMs, may have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed</p> <p>Increased costs for monitoring, enforcement, protection and building capacity of forest user groups</p> <p>Risk of corruption and abuse of power at different levels of government</p>	<p>development and management, finance and project management and implementation</p> <p>(ii) Improve ecological knowledge and knowledge on wildlife trade for all law enforcement organizations.</p> <p>(iii) Make financing of and expenditure of local development funds transparent.</p> <p>(iv) Support projects on improving livelihoods for cooperatives/FUGs.</p> <p>(v) Improve FUG knowledge on forest pest management and support FUGs to monitor pests.</p> <p>(vi) Improve the incentive system. Increase the amount of incentives (e.g. for patrolling, reporting incidents), and create a mechanism where people can receive their incentives immediately. Incentive funding should be sourced from certain percent of revenues collected from forest use payment.</p> <p>(vii) Government should support concessional loans for advancement of material resources of private entities.</p> <p>(viii) Create an environment that enables efficient transmission of information to stakeholders. For example, provision of information to international reporting processes.</p> <p>(ix) Improve monitoring activity by local citizens and civil society.</p> <p>(x) Local administration to take measure to promote alternate income generation and reduce dependency on natural resource exploitation.</p> <p>(xi) Guidelines should be developed to allow line Ministries to introduce social inclusion and gender equality into sectoral policies and programmes. An appropriate model may be the Environment Sector Gender Strategy</p>
<p>Law on Corruption (2006) and the Law on Procurement of Goods, Work and Services with State and Local Funds</p>	<p>Risks</p> <p>Risk of corruption and abuse of power at different levels of government</p> <p>Due to failure of private entities to ensure participation of local residents, future</p>	<p>(i) The LPGWSSLF should have a provision that requires tender criteria to be made transparent.</p> <p>(ii) A software programme should be introduced into the tendering process in order to exclude as much human interference as possible.</p> <p>(iii) Corruption could be tackled by engaging civil society in monitoring and reporting of</p>

Priority PLR	Examples of key Benefits/Risks related to this PLR	Possible Areas of Improvement to ensure PLR support the safeguards
(2005)	opportunities for income for local people will decrease	forest regeneration activity. This may require a regulation under the Law on Forest. (iv) Regulations under the Law on Procurement should be amended to stipulate that bid documents should require the mandatory involvement of local citizens and FUGs.
Possible new PLRs required	<p>Risks</p> <p>PAMs, may have negative impact on some people's livelihoods, e.g. those who set fires for hunting/deadwood; those who use NTFPs; those involved in logging/wood sales; those using water resources. Problems of poverty and poor living conditions may increase. Effects may be inequitably distributed.</p> <p>Increased costs for monitoring, enforcement, protection and building capacity of forest user groups</p> <p>Benefits</p> <p>Opportunity to increase participation of stakeholders in decision-making on certification/ forest management</p>	<p>(i) Develop a Law on Payment for Ecosystem Services</p> <p>(ii) A new law or regulation is required to allow allocation of a certain percentage of income from illegal logging to a non-financial reward fund. In addition, a tax exemption could be provided for people who report illegal logging.</p> <p>(iii) Consolidate existing provisions on stakeholder engagement in forest management into a specific regulation.</p>

ANNEX 5: PRIORITIZING OF RECOMMENDATIONS

At a TWG meeting on November 29th, 2017 the PLR recommendations were discussed at length. Participants were organized into the following groups to examine recommendations only for prioritized PLRs:

- * Group 1: Law on Forest
- * Group 2: Forest Cleaning Programme and State Policy on Forests
- * Group 3: Law on Land and Law on Environmental Protection
- * Group 4: Law on Buffer Zones and Law on Strictly Protected Areas
- * Group 5: Recommendations not specific to PLRs
- * Group 6: Law on Corruption and Law on Procurement of Goods, Works and Services with State and Local Funds

Each group was asked to address the following questions:

- (i) Is it possible to prioritize the recommendations?
- (ii) Do you agree with the recommendations or have any suggestions for how they can be improved?
- (iii) Do you think that there are any more recommendations that should be made for your group's PLRs to ensure that REDD+ benefits are enhanced and risks reduced?

Group 1 (Law on Forest)

Priorities

Table A5.1 presents the outcomes of Group 1's prioritizing of proposed PLR reforms. It shows the possible conflict between the Law on Forest and the Law on Land over grazing of stock within forested areas is highest priority issue to be dealt with. It also indicates that the next four highest ranked priorities focus on financing and improving conditions for private sector involvement.

Table A5.1: Listing of Priority Recommendations for Gap Filling: Law on Forest

Priority	Issue	Additional Comments/Recommendations
1	Conflict between Law on Forest and Law on Land	
2	Termination of the quota system on harvesting of deadwood and thinning and replace it with adherence to forest management plans approved at respective levels	Develop realistic forest management plans
3	Guaranteed private sector buyback of trees from the government at a set period of time	Develop a procedure on planning measures to support natural regeneration, financing and receiving regenerated trees.
4	Amended law or regulations to allow for FUGs to gain greater access to funds generated from forest-related activities. Revenues from forests to be channeled towards forest management, and FUGs to be allowed to directly invest in infrastructure improvement.	
5	Responsibilities and financing of monitoring should be specified in a new regulation or guideline, and should include the involvement of FUGs and local communities.	
6	The Forest Law should be amended to allow for local community involvement in patrolling and monitoring	
7	The national wood product certification standard needs to be improved to be accepted internationally, for example to meet the requirements of the Forest Stewardship Council.	
8	Relevant regulations under the Forest Law should be amended to ensure openness and transparency in the certification of forest professional entities	Amend the Law on Forest with provisions on accreditation and reflect this into other respective regulations and procedures accordingly.
9	Regulation to provide economic incentives to support pre-commercial thinning and supplying wood collected from pre-commercial thinning to market	

Group 2 (Forest Cleaning Programme and State Policy on Forest)

Group 2 focused on the gap-filling recommendations linked to the State Policy on Forest, and the Forest Cleaning Programme. As Table A5.2 indicates, with regard to the former, the group members decided that the highest priority within the State Policy on Forests is to commit to undertaking a detailed assessment of the state of Mongolian forests. This is already required by Section 3.3.1 of the Policy.

Table A5.2: Listing of Priority Recommendations for Gap Filling: State Policy on Forest and Forest Cleaning Programme

State Policy on Forests		
Priority	Issue	Additional Comments/Recommendations
1	Government should commit to undertaking the proposed detailed assessment of the state of Mongolian forests and establish a sustainable forest management system as outlined in Section 3.3.1 of the State Policy on Forests	
2	Guidelines should be drafted to implement the National Standard for Certification of forest organizations.	
Forest Cleaning Programme		
1	Implement flexible tax policies to support small wood processing enterprises.	
2	The Government should ensure the implementation of the Forest Cleaning Programme by allocating sufficient funds in the state budget, so that FUGs can earn funds from forest cleaning and purchase other timber at low cost. It is estimated that 14billion Tugrik is required to implement the Forest Cleaning Programme.	Create conditions where equal participation of stakeholders can be assured.

With regard to the Forest Cleaning Programme, participants indicated that implementing new tax policies to support small wood processors was more important than ensuring that the cleaning programme is allocated sufficient funds from the state budget.

Group 3 (Law on Land and Law on Environmental Protection)

The Law on Land had only one recommendation against it (the issue of conflict between the Land Law and the Law on Forest), and the Law on Environmental Protection had one recommendation relating to allocation to the Environment Fund. As a consequence, there was clearly no prioritization that needed to be done. However, three extra recommendations were made, as follows:

- (i) Provision 29 of the Law on Forest should be implemented, as it relates to the installation of protective fencing in areas of natural regeneration.
- (ii) Tourism should be developed in areas where there are rare tree species.
- (iii) Legal cross-referencing should be ensured between laws such as the Law on Budget, and the Law on Use of Natural Resources Use Fees.

Group 4 (Law on Buffer Zones and Law on Strictly Protected Areas)

As was the case for Group 3, the participants focused on the Law on Buffer Zones and the Law on Strictly Protected Areas only had one recommendation per law to examine. However, they made a number of other suggestions. First, the Councils already established to manage buffer zones should be improved, activated, and supported. The way in which they are financed should be transparent, and training should be delivered in cooperation with FUGs to raise awareness within local communities about the role of buffer zone councils. Second, Article 9 of the Law on Buffer Zones, which relates to environmental impact assessment, should be properly implemented. Third, greater efforts should be expended to generate eco-tourism development in buffer zones.

Group 5 (Recommendations not Specific to PLRs)

Rather than prioritize each of the ten recommendations that are not specific to PLRs, the participants ordered them in to three priority groups, as shown in Table A5.3.

Table A5.3: Listing of Priority Recommendations not Specific to PLRs

Priority I
Ensure transparency of financing and expenditure of Local Development Fund. Should be reported twice per year, separately.
Local government to implement measures to create alternative income sources and reduce the dependency on natural resources
Improve incentive system. Increase the amount of incentives and create a mechanism that allocate incentives without delay. Certain percent of the revenues from forest recourses use should be used to generate funding for this incentives.
Improve knowledge of FUGs on fire and pest insects and involve local user groups in pest controlling activities.
Priority II
Create a condition where stakeholders and respective parties are informed immediately.
Knowledge of employees from law enforcement organizations of fire, harvesting, ecology, wildlife and plants trade should be improved.
Strengthening of technical training centers focused on value-adding in the wood products sector. These centers should focus on training unemployed people from under-represented groups, and should train women entrepreneurs on business development and management, finance and project management and implementation
Promote projects to improve livelihood of the members of the cooperatives and FUGs
Government to promote soft loans dedicated to enhancing capacity and equipment supply of entities.
Priority III
Improve monitoring by local people and civil society

This group also suggested additions to the list of ten recommendations. For recommendation (ii) (“improving ecological knowledge on wildlife trade for law enforcement organizations”), the group suggested that issues related to fire and harvesting should also be included. With regard to recommendation (iii) (“making financing of local development funds transparent”), the group suggested that the system of financial reporting should also be made more transparent. Finally with regard to recommendation (vi) (“improving the incentive system”), the suggestion was that the gist of the recommendation be incorporated into law.

Group 6 (Law on Corruption, Law on Procurement of Goods and Services, & new PLRs)

Of the four recommendations listed in Annex 4, the group ranked the following as having highest priority:

- i) The procurement law should have a provision that requires tender criteria to be made transparent.
- (ii) A software programme should be introduced into the tendering process in order to exclude as much human interference as possible.

The group clearly focused on transparency as the main route to combatting corruption. They also suggested that recommendation (iv) (“bid documents should require the mandatory involvement of local citizens and FUGs”) be extended require that local feedback be formally incorporated into bid documents. With regard to possible new PLRs, the participants affirmed that there is a new for a law on Payments for Ecosystem Services, and that the current disparate provisions on stakeholder engagement be consolidated into one new regulation.



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