



Mongolia: Sustainable Forest Management to Improve Livelihood of Local Communities

Project Name	Sustainable Forest Management to Improve Livelihood of Local Communities
Project Number	48061-002
Country	Mongolia
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8874-MON: Sustainable Forest Management to Improve Livelihood of Local Communities Japan Fund for Poverty Reduction US\$ 2.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Agriculture and Natural Resources - Agriculture, natural resources and rural development
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	<p>The proposed TA is in line with ADB's Interim Country Partnership Strategy for Mongolia, 2014_2016 to support the government's overarching strategic goal of inclusive and environmentally sustainable growth, and in particular to help Mongolia adapt to the impacts of climate change by supporting the efficient use and sustainable management of natural resources. Additionally, it will contribute to ADB's Strategy 2020's drivers of change, private sector development, gender equity, and partnerships including cooperation with civil society. The proposed TA is included in the country operations business plan, 2014_2016.</p> <p>The expected impact of the TA will be sustainable livelihood and increased resilience of forest ecosystems. The outcome will be sustainable forest management practices developed and implemented in five northeastern soums.</p> <p>The TA will demonstrate implementation of sound approaches following internationally accepted standards in geographically and socially comparable environments. The TA will improve the capacity of forestry line agencies in protecting and developing the forest in the target area by managing together with local stakeholders to reduce hazards to forests. Through involvement in FUGs established prior to the TA, capacity building, and formal and informal employment opportunities, around 2,300 people, including as much as possible low-income households and women, will be directly involved in the TA. The TA will target its support to communities and around 100 existing FUGs in rural areas with high forest cover of boreal forests. Those communities are mostly consisting of herders with little access to non-herding income. The poverty in those areas is generally high _ for 2011, according to World Bank assessments, more than 46% of the rural population was considered poor following national standards.</p>

Project Rationale and Linkage to Country/Regional Strategy

The TA is expected to improve sustainable livelihood for local communities through sustainable forest management (SFM). Mongolia is one of the world's coldest countries. The livelihood opportunities for local communities are limited by the short growing season and low yields for agricultural products. Mongolia currently has around 10.8 million hectare (ha) of forest cover, with approximately 60,000 ha loss per year, driven mostly by logging and fires. The forest consists of a natural monoculture of larch, birch and poplar. The project area is situated in Mongolia's northeastern region, where most of the remaining forest cover is located.

Mongolia is one of the world's coldest countries. In the Daurian forest steppe ecoregion located in North-Eastern Mongolia (the project location) night temperatures drop to -40_C, and families heat their houses over 250 days. The growing season for agricultural products is quite short, and yields are low. Rural communities are highly dependent on agricultural products, and the TA will provide training in adapting to climate change impacts in this sector, as well as improving value chains.

Mongolia is already seeing impacts of climate change, with average mean temperature increases of more than 2 degrees Celsius. Average annual precipitation in northern Mongolia is around 220 millimeters. The main climate change impact is decreasing forest cover mostly due to forest fires. Projected increases in temperatures increase risks of forest fires. Forest currently contains large amounts of deadfalls, debris and slash. Such high fuel loads further increase fire risks and may lead to devastating fires.

The MEGD estimates that nationwide around 16 million cubic meter dead wood (slashed and salvaged timber) need to be sustainably cleared out of the forest to reduce fuel loads. Dead wood poses a challenge for forest management and forest fires have a high climate change impact. Dead wood, on the other side, can be used as source for livelihood by communities, such as raw material for production of wood furniture, or as an alternative fuel to decrease the use of coal.

The 2006 Forest By-Laws enacted in 2009 allow local communities to form community-based FUGs to manage forest areas based on forest management plans approved by regional governments. 1,180 FUGs with around 26,000 members have been established, managing more than 3 million ha of forest land. Currently, FUGs lack (i) the knowledge to establish forest inventories and management plans, (ii) knowledge on how to efficiently clean (harvest deadfalls, debris and slash) and maintain forest in a sustainable manner, (iii) access to technology and technical skills to use wood cleaned from forest, and (iv) business skills and marketing knowledge to derive livelihoods from the use of wood cleaned out of the forest. FUGs have shown to be successful in SFM in tropical and subtropical countries, but these efforts have not yet been transplanted to Mongolia. The TA will support local communities, organized into around 100 FUGs. Other local stakeholders are forest units under MEGD, and forest enterprises.

Impact

Sustainable livelihood and increased resilience of forest ecosystems

Project Outcome

Description of Outcome

SFM practices developed and implemented in five northeastern rural soums selected in aimags (provinces) with high levels of coverage by boreal forests and having functioning FUGs

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Capacity of forest management line agencies in SFM strengthened
Forest product value-chains and FUG capacity improved
Technology for wood processing systems demonstrated

Status of Implementation Progress (Outputs, Activities, and Issues)

The consulting firm was mobilized in October 2015, inception mission fielded in November 2015 and inception report approved in January 2016. Implementation progress to be updated at interim when more substantial progress is expected.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

The TA will be implemented over a period of 24 months. The MEGD, represented by its Policy Coordination Department (PCD), will be the executing agency of the proposed TA. The Forest Research and Development Center (FRDC) under the executing agency will be the implementing agency. A project implementation unit (PIU) will be established to ensure day-to-day implementation and management of the TA. MEGD will assign counterpart staff to work closely with the TA consultants. It is tentatively planned that the TA will be managed by a national NGO. Extensive consultations have been conducted with Forest User Groups, the field-level target organisations of the TA. MEGD was extensively consulted, and other donors and actors in forest management have been informed and their comments integrated into the project design.

During Project Implementation It is tentatively planned that the TA will be managed by a national NGO. Forest User Groups, MEGD units such as FRDC and forest units on district and province level, will be consulted and their capacity strengthened.

Business Opportunities

Consulting Services	A consulting entity will be engaged for the TA following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), using quality- and cost-based selection method with a quality_cost ratio of 90:10. The successful consulting entity will have prior experience and demonstrated expertise in working with capacity building for government agencies in Mongolia, in the forest sector, and with community-based forest management and community-based livelihood improvement projects. Experience working in Mongolia is highly preferred. The consulting entity will be responsible for procuring the TA equipment under the supervision of the executing agency in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The executing agency will retain the equipment upon TA completion.
Procurement	Procurement under the TA will be conducted in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). A project steering committee, comprising of representatives of the relevant key government agencies, will be established under the MEGD to guide TA implementation. The steering committee will meet at the inception, interim, and final stages of TA implementation, and as necessary.

Responsible Staff

Responsible ADB Officer	Robertson, Suzanne Kay
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
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Timetable

Concept Clearance	08 Sep 2014
Fact Finding	10 Sep 2014 to 12 Sep 2014
MRM	-
Approval	13 Jan 2015
Last Review Mission	-
Last PDS Update	17 Mar 2017

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Jan 2015	28 Jan 2015	28 Jan 2015	31 Aug 2017	31 Aug 2018	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	13 Jan 2015	717,602.90

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