ADB ASIAN DEVELOPMENT BANK

# Mongolia: Strategic Planning for Peatlands

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| Project Name | Strategic Planning for Peatlands |
| Project Number | 48062-002 |
| Country | Mongolia |
| Project Status | Active |
| Project Type / Modality of Assistance | Technical Assistance |
| Source of Funding / Amount | **TA 8802-MON: Strategic Planning for Peatlands**<br>Japan Fund for Poverty Reduction — US$ 400,000.00 |
| Strategic Agendas | Environmentally sustainable growth<br>Inclusive economic growth<br>Regional integration |
| Drivers of Change | Governance and capacity development<br>Knowledge solutions<br>Partnerships |
| Sector / Subsector | **Agriculture, natural resources and rural development** - Forestry - Land-based natural resources management - Water-based natural resources management |
| Gender Equity and Mainstreaming | No gender elements |
| Description | The TA supports the Interim Country Partnership Strategy (ICPS) for Mongolia, 2014_2016 as part of the core sector on agriculture, natural resources, and rural development. The ICPS indicates that, in order to prevent natural resource degradation and environmental pollution, ADB will support sustainable management of natural resources (i.e. water, land, forests, and peatlands), water security and information management, and protected area management. The TA directly responds to the priorities identified in the National Action Program on Climate Change (NAPCC, ratified by parliament in 2010) in Mongolia. The TA responds to NAPCC Strategic Objective 1, on supporting the establishment of the institutional framework on climate change; Strategic Objective 2, on strengthening national adaptation capacity; Strategic Objective 4, on capacity building related to climate change monitoring; and Strategic Objective 5, on community participation and livelihood support in relation to climate change. Specific measures outlined in the NAPCC that this TA will support includes the need to (i) develop action programs for climate change adaptation in vulnerable sectors (e.g. livestock, agriculture, and water resources); (ii) enhance management systems forest conservation and key ecological restoration programs in response to climate change; and (iii) reduce land degradation and desertification, and increase the carbon sequestration potential of pasture and soils. The proposed TA also supports Mongolia's commitments to the Convention on Biological Diversity and the Ramsar Convention on Wetlands. The TA has been included in ADB's Country Operations Business Plan for Mongolia, 2014-2016.<br>The expected impact of the TA will be sustainable management of peatlands in Mongolia. It is expected that by 2020, MEGD will achieve its targets for sustainable management of peatlands and associated water resources as set out in the approved strategic plan, in accordance with the prescribed timelines. The outcome will be an increased capacity of MEGD, and a clear guiding framework will be in place to address the peatland restoration and management issues. The TA will contribute to improved environmental management and sustainable development in Mongolia by supporting GOM's efforts in developing a strategic plan for peatland restoration and management. Through capacity building and development of priorities for peatland management and restoration, the proposed TA will address climate change, ecosystem, and water management issues, and develop opportunities for improved livelihoods for communities dependent or associated with peatlands. |

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| Project Rationale and Linkage to Country/Regional Strategy | In Mongolia, peatlands constitute the last wet habitats in a major part of the country. The peatlands maintain wet habitats and pastures, feed rivers, prevent soil erosion, maintain levels of groundwater necessary for forest and crop growth and keep wells full of water. During dry periods, which may continue for years, the moisture preserved in peatlands is a source of life and a barrier to desertification (Minayeva et al., 2005).<br>Preliminary research findings indicate that almost 27,000 square kilometers (or almost 2% of Mongolia) is covered by peat. They are mainly used for grazing and sometimes as arable land, and belong to the most productive pasture areas in the country. Private cattle husbandry and the consequent overgrazing in recent years are threatening peatlands. For example, overgrazing and human-induced fires, combined with recent climate change, have led to the loss of thousands of hectares of peatlands in the Orkhon and Ider valleys and the Darkhat Intermontane basin. The hydrological and climate mitigation functions of these critical peatlands in Mongolia are now being compromised for two reasons: (i) the expansion of pastures in peatland areas which has been a consequence of long term drought; and (ii) the development of extractive industries (gold, wolfram, and molybdenum).<br>The knowledge on distribution, natural functions, threats and status of peatlands in Mongolia is insufficient and poor. This is why peatlands are not sufficiently addressed in national development plans. The consequence of peatland degradation in Mongolia is not only loss of biodiversity and carbon stores, but especially also the loss of important and sometimes the last source of water in the middle range mountains. These peatlands protect permafrost lenses which fulfill the role of glacial water reserves in high mountains. Highland peatlands themselves accumulate a lot of precipitation serving further as water storage basins. This hydrological role of peatlands has not been recognized and addressed in land use planning to date in Mongolia. The GOM now recognizes the urgent need to address this issue and capacity building for peatland management in a systematic way, and thus requested this TA.<br>The second national communications of Mongolia (2010) notes that in 2006, Mongolia's total net (sources, sinks) greenhouse gas (GHG) emissions were reported as only 15.6 million tons of carbon dioxide equivalent. It clearly identified that the faster growth in emissions in the future will be from the energy sector, 12% per annum between 2006-2030, as opposed to only 0.2% for the agriculture sector for the same period. In 2008, estimated emissions up to 45 million tons per annum put Mongolia as the seventh largest global emitter of carbon dioxide from degrading peatlands. From these figures, it is clear that the enormous amount of emissions from the degrading peatlands in Mongolia has not yet been captured. There is also insufficient policy to prevent further deterioration and facilitate restoration. It is urgent that an up to date overview is made of the distribution and status of the peatlands in Mongolia in order to estimate GHG emissions better and formulate priority actions.<br>From the global perspective, better insight in emissions from peatlands is also necessary because the United Nations Framework Convention on Climate Change (UNFCCC) has started the discussion on the position of land use in the future post 2020 GHG accounting within the new global climate treaty. For that purpose, better data on the distribution and status of peatlands is necessary. Countries are also being urged to consider the inclusion of peatlands in their nationally appropriate mitigation action (NAMA).<br>In 2003, Mongolia participated in the Dutch financed Global Peatland Initiative (GPI). In 2007, an additional expedition to cover eastern part of Mongolia (Onon river basin) took place and included field surveys and paleoecological studies. Preliminary work on the distribution of peatlands in Mongolia was conducted during these past scientific surveys. Apart from these surveys, almost no other work has been done on peatlands in Mongolia. This TA builds on both these past work in Mongolia and current global and national initiatives in peatland management, restoration and sustainable use. |
| Impact | Improved management of peatlands in Mongolia. |

## Project Outcome

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| Description of Outcome | Increased capacity of key stakeholders and an improved planning and implementation framework for peatland restoration and management in Mongolia. |
| Progress Toward Outcome | |
| **Implementation Progress** | |
| Description of Project Outputs | A review and assessment of the distribution and current status of peatlands in Mongolia.<br>Enhanced awareness and capacity of key stakeholders at the national and local level in relation to sustainable management of peatlands.<br>A draft action plan with priorities for sustainable peatland management in Mongolia prepared. |

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| Status of Implementation Progress (Outputs, Activities, and Issues) | A TA interim workshop and review mission was held during 19-20 May 2016. The TA interim report was discussed in detail and received input from members of the technical working group and other relevant agencies and representatives from the Aimags. A brief overview of implementation progress against the TA intended outputs is summarized below.<br>Output 1. Progress: The findings from the field surveys conducted end 2015 are reflected in the draft Assessment Report (Appendix 9 of the draft interim report). The current draft of the Assessment Report includes information on how data is collected, processed and presented for the priority areas. It also includes an extended plan of the characteristics of the priority areas, and preliminary information on the Orkhon area social-development study.<br>Output 2. Progress: An additional capacity building workshop was held in July 2016 focusing on testing peatland conservation and wise use strategies. in Kharkarin, Arkangai Aimag.<br>Policy brief. Progress: A preliminary draft of a policy brief was prepared for discussion and included as an Annex to the interim report. The brief draws on material from the Assessment Report and discussions with government stakeholders. The policy brief was presented and discussed during the interim workshop, and will be further revised based on comments.<br>Output 3. Progress: A draft strategy and action plan with priorities for sustainable peatland management in Mongolia. The consultants presented a revised draft outline of the proposed peatland action plan that had been revised based on further input from the technical working group. It is intended that the action plan will draw on the content of the Assessment Report to provide background information, formulate key strategies, identify priority actions, and implementation approaches.<br>The project final workshop is currently scheduled for May 2017. |
| Geographical Location | |

## Summary of Environmental and Social Aspects

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| Environmental Aspects | |
| Involuntary Resettlement | |
| Indigenous Peoples | |
| **Stakeholder Communication, Participation, and Consultation** | |
| During Project Design | There are currently no organizations/agencies working on peatlands in Mongolia. During the reconnaissance, the mission consulted with the Climate Change Coordination Office (CCCO) of the MEGD, the Japanese International Cooperation Agency (JICA), and the Embassy of Japan in Mongolia, the United Nations Development Program, and the Institute of Botany of the Mongolian Academy of Sciences. Additional consultations via email and phone were made with various International NGOs and academics who have worked in the past on peatlands in Mongolia. It was agreed that a multi-sectoral TA steering committee be established during project implementation to ensure coordination and input from all stakeholders are captured. The TA steering committee will consist of members from relevant sectors, research institutes and civil society organizations. It was agreed that the following organizations will be members of the steering committee _ (i) MEGD (including the focal points of the convention on biological diversity, Ramsar and the United Nations Framework Convention on Climate Change), (ii) Department of Forestry, Ministry of Industry and Agriculture, (iii) National Emergency Management Agency, (iv) Institute of Botany, (v) School of Energy Engineering at University of Sciences and Technology, (vi) Institute of Hydrology and Meteorology, and (vii) the Mongolian Environment Civil Council. |
| During Project Implementation | |

## Business Opportunities

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| Consulting Services | A consulting firm will be engaged by ADB following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) using the quality- and cost-based selection method, with a quality_cost weighing ratio of 80:20. The simplified technical proposal method will be used. Operational expenses for translation and printing will be included in the consultant's contract whilst the MEGD will be responsible for organizing the three main workshops (inception, interim and final). |
| Procurement | Equipment will be procured following ADB's Procurement Guidelines (2013, as amended from time to time), and will be handed over to MEGD upon completion of the proposed TA. |

## Responsible Staff

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| Responsible ADB Officer | Lopez, Alvin |
| Responsible ADB Department | East Asia Department |
| Responsible ADB Division | Environment, Natural Resources & Agriculture Division, EARD |

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| Executing Agencies | *Ministry of Environment and Tourism*<br>*Government Building II, United Nation's*<br>*Street 5/2, Chingeltei District,*<br>*Ulaanbaatar 15160, Mongolia* |

## Timetable

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| Concept Clearance | 29 Aug 2014 |
| Fact Finding | - |
| MRM | - |
| Approval | 12 Dec 2014 |
| Last Review Mission | - |
| Last PDS Update | 24 Mar 2017 |

## TA 8802-MON

| Milestones | | | | | |
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| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 12 Dec 2014 | 28 Jan 2015 | 28 Jan 2015 | 30 Jun 2016 | 31 Oct 2017 | - |

| Financing Plan/TA Utilization | | | | | | | Cumulative Disbursements | |
|---|---|---|---|---|---|---|---|---|
| ADB | Cofinancing | Counterpart | | | | Total | Date | Amount |
| | | Gov | Beneficiaries | Project Sponsor | Others | | | |
| 0.00 | 400,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 400,000.00 | 12 Dec 2014 | 237,175.07 |

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| Project Page | https://www.adb.org/projects/48062-002/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=48062-002 |
| Date Generated | 06 July 2017 |