

PROJECT EVALUATION SERIES

**Terminal Evaluation of the Project
“Mainstreaming biodiversity conservation,
Sustainable Forest Management (SFM) and
carbon sink enhancement into Mongolia’s
productive forest landscapes”
(GCP/MON/008/GFF)**

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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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Abbreviations and Acronyms

ADB	Asian Development Bank
Aimag	Provincial government
BD	Biodiversity
BTOR	Back to Office Report
CBD	Convention on Biological Diversity
CTA	Chief Technical Adviser
DFPC	Department of Forest Policy and Coordination
FAO	Food and Agriculture Organization of the United Nations
FF	Field Facilitator
FRA	Forest Resource Assessment
FRDC	Forest Research and Development Centre
FUG	Forest Users Group
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit German Corporation for International Cooperation GmbH
ISFU	Inter Soum Forest Unit
KM	Kilometre
MET	Ministry of Environment and Tourism
MNT	Mongolian Tugrug
MoFALI	Ministry of Agriculture and Light Industries
MTR	Mid Term Review
NDS	National Development Strategy
NRM	Natural Resources Management
NTFPs	Non-Timber Forests Products
OED/OEDD	FAO Office of Evaluation
PCC	Project Coordination Committee
PFM	Participatory Forest Management
PIR	Project Implementation Review
PMO	Project Management Office
REDD+	Reduced Emissions from avoided Deforestation and Degradation
RF	Results Framework
SFM	Sustainable Forest Management
Soum	Local-level government
TE	Terminal Evaluation
ToC	Theory of Change
UNEG	United Nations Evaluation Group
UNREDD	United Nations Reduced Emissions from avoided Deforestation and Degradation
USD	United States Dollar
WB	The World Bank
WWF	The World Wide Fund for Nature

Executive summary

1. The Terminal Evaluation (TE) of the Project 'Mainstreaming biodiversity conservation, Sustainable Forest Management (SFM) and carbon sink enhancement into Mongolia's productive forest landscapes' (GCP/MON/008/GFF) was undertaken to examine the extent and magnitude of project outcomes to date, and to determine the likelihood of future impacts of the intervention, provide an assessment of the project performance and progress of implementation for planned project activities and planned outputs against actual results, and synthesize lessons learned that may help in the design and implementation of future FAO and FAO-GEF initiatives in SFM and PFM.
2. The TE assessed and provided ratings for relevance; achievement of project results (effectiveness); efficiency, project implementation and execution; monitoring and evaluation; sustainability; and stakeholder engagement. Environmental and social safeguards, gender; co-financing; progress to impact; knowledge management and capacity development dimensions of the project were also assessed.

Main findings of the evaluation

Overall rating of the project performance and achievement of outcomes- satisfactory.

3. The project generally managed to achieve the targets set forth and made a substantial difference to knowledge and capacity of government stakeholders and FUGs to promote SFM in Mongolia. While the Project delivered most of the targets and there was important significant progress in promoting SFM, other intended outcomes such as further strengthening policy environment were not achieved.

Relevance: Satisfactory

4. The project overall objectives and interventions were in line with the national sustainable forest management priorities and aligned with Global Environment Fund (GEF), Food and Agriculture Organization of United Nations (FAO) and FAO country office priorities. The project also used innovative ideas to SFM and provided field-tested tools and practices that helped to further scale-up of the SFM practices in Mongolia. The evaluation, however, noted some challenges in the quality of project design especially in the identification of scope, target and indicators.

Achievement of the project results: Satisfactory

5. The project indicators and targets proposed in the Result Framework (RF) were moderately achieved. But it was early to assess and confirm the degree of attainment their contribution on the project objectives (for instance, the flow of multiple ecosystem services and benefits, and climate change resilience) during the project evaluation. It was mainly due to a short time span of the project intervention to yield impact. The evaluation team recognizes a positive contribution to the project objectives but it would take some years to see the viable changes if the project outputs were continued after the project completion.

Effectiveness

Outcome 1: Enabling the institutional, policy and regulatory framework for Sustainable PFM: Moderately satisfactory

6. The project contributed to achievements in improving policy environment, such as (i) support for pre-commercial thinning authorization for FUGs, (ii) compensation for FUGs for forest thinning, (iii) classification criteria of FUGs based on their performance,

(iv) adoption of participatory biodiversity conservation and (v) scaling up of SFM outside the project area. At the same time, there has been relatively less achievement in the influence and improvement of the legal framework towards providing additional user rights to FUGs. This shortcoming was mainly due to evolving - but slow and complicated - forest governance process, inadequate policy dialogues to influence the stakeholders and to some extent 'rigid' attitude by some policymakers on the pretext of the inadequate capacity of FUGs to manage forests properly. There was however some important work carried out at local level with Provincial governments that helped operationalize SFM and generate some valuable knowledge, such as FUGs classification system, providing additional compensation for thinning activities, which could be instrumental assets for future policy improvement process.

Outcome 2: Sustainable PFM is demonstrated leading to improved livelihoods, biodiversity conserved & reduced carbon emissions/increased stocks: Satisfactory

7. In general, the project was successful in demonstrating the SFM approach by integrating biodiversity conservation by improving communities' livelihoods in the Mongolian context. This achievement was exhibited by the adoption and promotion of forest management plans by the government with the support from the project. The indicators and targets used by the project for biodiversity component had, however, some challenges of appropriateness; this risk was partly managed by refocusing some of the project implementation strategies. The project was successful to demonstrate the SFM model and guidelines including participatory biodiversity monitoring by 14 FUGs in collaboration with Provincial governments, and development of 53 forest management plans (FMPs) which helped to generate good lessons and credible evidence for promotion of SFM. In addition, the project also supported forest-based enterprise by creating selling points, charcoal making and pellet production among others.

Outcome 3: Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests: Satisfactory

8. The project supported 10 extension offices, strengthened 6 FUG associations, developed FMPs and provided capacity-building support to the governments both at Federal and Provincial levels. There were adequate capacity, interest and ownership of the government stakeholders [mainly the Ministry of Environment and Tourism (MET)/ Forest Research and Development Centre (FRDC) and Provincial government] to promote and scale-up the SFM practice that encourages to conserve biodiversity, reduce forest degradation and improve carbon sink in Mongolia. For example, FRDC within the MET and ISFU, at Provincial level, started supporting to develop forests management plans and other capacity building supports to FUGs, aiming to promote SFM in other provinces as well.

Outcome 4: M&E and information dissemination: Moderately satisfactory

9. There were various monitoring activities carried out during the project implementation. Considering the complex nature of the project, the monitoring, review and information management systems were however not adequately comprehensive and robust to capture the multi-scale and multi-layer analysis of the project with continuous feedback and improvement mechanisms.

Efficiency: Moderately satisfactory

10. Capacity-building support and collaborative work with local institutions (FUGs and Provincial governments) during project execution helped to achieve greater outputs and outcomes in a relatively short time with reasonable financial support. Most of the activities were carried out on time, and the level of achievement across most of the project components represents a relatively efficient use of funds available to the project management. The project has also a good level of expenditure rate, but the late start of project implementation, inadequate emphasis on comprehensive monitoring, insufficient technical staff and weak knowledge management systems had affected the project efficiency to some extent.

Sustainability: Moderately Likely

11. The project outputs and outcomes were relevant with a reasonably good possibility of continuation of useful learning and practices. The project contributed to strengthening institutional capacity and environmental aspects to a higher degree which helps to sustain and continue the good practices generated by the project. However, it was not sure whether the forest based enterprises would provide adequate economic incentives to FUGs so they keep continue the initiatives. The provision of policy support with additional rights to FUGs - much needed for sustainability-, will depend on the government's catalytic role and level of ownership following the project completion.

Stakeholder engagement: Satisfactory

12. The government agencies at central and Aimag levels had a good level of engagement on the project decision-making process; implementation of project activities and ownership on outputs generated by the project. The FUGs were fully involved in the activities implementation. The engagement and ownership from the government and FUGs active participation were also instrumental in achieving the project outputs and outcomes, but the quality of engagement could have been improved by creating project level feedback mechanisms for improvement.

Summary of the evaluation

Criteria	Rating
Strategic relevance	S
Achievement of project results / outcomes (general)	S
Outcome 1: Enabling institutional, policy and regulatory framework for Sustainable PFM	MS
Outcome 2: Sustainable PFM is demonstrated that leads to improved livelihoods, biodiversity conserved and reduced carbon emissions/increased stocks.	S
Outcome 3: Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests	S
Outcome 4: M&E and information dissemination	MS
Efficiency	MS
Sustainability	ML

Conclusion

13. The Project was successful to generate overall technical approaches related to SFM and helped to address challenges faced by the country while promoting SFM. The project contributed considerably by improving the institutional capacity and developing field-tested SFM tools and practices and their scaling up, while working closely with the federal and provincial governments. The project also managed to receive adequate support from the stakeholders, and provided a foundation to improve the forest management approaches in the country with some field tested models (such as participatory biodiversity management, forest based enterprises) along with improvement in institutional, technical and individual capacity.
14. Despite some good achievement of contributing in policy environment, such as through compensation for forest thinning to FUGs, classification of FUGs, the Project was yet to fully achieve the policy related targets as mentioned in the project logframe. In addition, the Project managed to address some of the implementation challenges but the overall performance of the project could have been improved with the operationalization of result-based comprehensive monitoring and evaluation systems.

Recommendations

15. The Ministry of Environment and Tourism (MET) should invest and scale up the positive results derived from the project by providing institutional leadership, financial resources and policy support. The Provincial government should lead on SFM implementation and develop multi-stakeholder based monitoring and evaluation mechanisms and provide additional financial and capacity support to ISFUs, the Soum authorities and FUGs, whereas the FUGs should strengthen their internal governance systems and raise their operational challenges with the concerned authorities.
16. During the project design stage, analysis of logic and appropriateness of indicators and targets have to be well discussed with the stakeholders. A Theory of Change (ToC) or similar approach during project design should be employed that help to ensure greater consistency in their internal logic and external factors (drivers and barriers) to improve programme logic.
17. For the remaining project period, the project should prepare a more strategic and achievable sustainability plan in consultations with the MET for promoting and scaling up of SFM.
18. The GEF/ FAO project should have more systematic, robust and comprehensive monitoring and evaluation (M&E) mechanisms for all outputs and outcomes ensuring regular reviews and feedback mechanisms.

1. Introduction

19. This evaluation summarizes the findings, conclusions and recommendations of the terminal evaluation of Project GCP/MON/008/GFF - "Mainstreaming biodiversity conservation, SFM and carbon sink enhancement into Mongolia's productive forest landscapes' (hereafter the Project)". This terminal evaluation followed the evaluation guidelines of the Food and Agriculture Organization of the United Nations (FAO) and Global Environment Facility (GEF) and answered all the questions included in the Terms of Reference (TOR, Annex I).
20. The Project approved in February 2012 was a joint effort of the Government of Mongolia, FAO and the GEF. The Project's overall aim was to develop Sustainable Participatory Forest Management (PFM) in the northern forests in Mongolia, thereby improving livelihoods and the ecological status of those forests. Given the Project implementation was about to end, FAO OEDD carried out a Terminal Evaluation (TE) of the Project. This reports documents major findings, lesson learned and recommendation based on the terminal evaluation.

1.1 Purpose of the evaluation

20. As per the policy guidelines of the GEF and FAO, this TE was carried out for both accountability and learning purposes of GEF, FAO and other participating institutions. The TE assesses the overall progress of the Project, documents lessons and provides recommendations to guide future actions, and is aimed to serve as input to improve formulation and implementation of Projects that may use similar approaches.

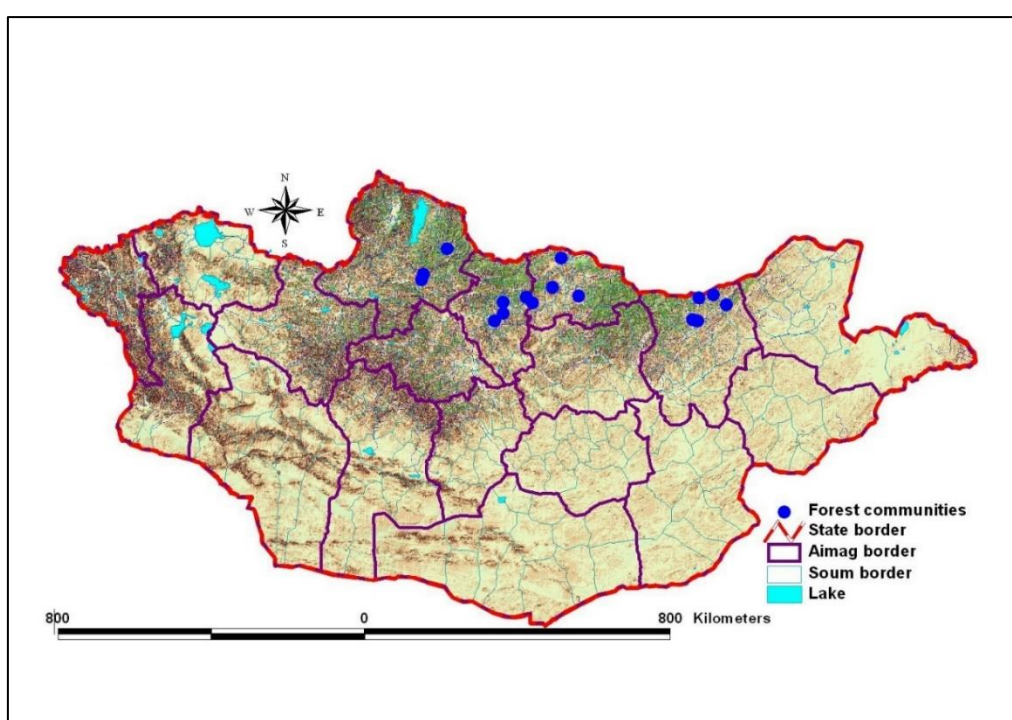
1.2. Intended Users

21. The primary intended users of this evaluation are:
 - i. The FAO Mongolia Country Office, Project Management Team, members of Project Task Force in the FAO Headquarters and Regional Offices who will use the findings and lessons identified in the evaluation to finalize Project activities; plan for sustainability of results achieved; improve formulation and implementation of similar Projects;
 - ii. The GEF and GiZ, who will use the findings to inform strategic investment decisions in the future;
 - iii. The Government of Mongolia, at national, provincial and local levels, who can use the evaluation findings and conclusions to inform future planning;
 - iv. The FUGs and other local organizations working in participatory SFM, who can use the evaluation findings to plan for further development;
 - v. The REDD+ programme in Mongolia including UN-REDD Programme, who can use the results of the piloting of REDD+ activities (linking PFM, national forestry management and the implementation of global conventions and international financial mechanisms) at the subnational level and the collection of data and lessons for future national implementation.

1.3. Objectives and Scope

22. The objectives of this evaluation were to (i) examine the extent and magnitude of Project outcomes to date and determine the likelihood of future impacts of the intervention; (ii) provide an assessment of the Project performance and the implementation of planned Project activities and planned outputs against actual results, and (iii) synthesize lessons learned that may help in the design and implementation of future FAO and FAO-GEF related initiatives in Sustainable Forest Management (SFM).
23. The TE covered the entire Project implementation period, i.e. from May 2015 to October 2019, with particular focus on the period following the MTE, i.e. from October 2016 to October 2019. Likewise, it covered the national level operation along with 5 Aimags where the Project was implemented (Figure 1).

Figure 1: Map showing locations of Project implementation (Source: Project Document).



24. The dimensions examined were the results achieved (effectiveness), the sustainability of Project results and the degree of achievement of long-term results (progress towards impact). Environmental and social safeguards, gender; co-financing; knowledge management; and capacity development were also assessed.
25. The evaluation questions were defined on the Terms of Reference, which provided the overall framework for the evaluation (Table 1). To ensure a comprehensive analysis, additional sub-questions and an evaluation matrix were developed.

Table 1. Evaluation questions

Relevance: Was the Project design appropriate for delivering the expected outcomes? Was the Project design congruent with the GEF focal areas/operational program strategies, country priorities and FAO Mongolia Country Programming Framework? 3. Is the Project still relevant? Were there any contextual changes which may have affected its relevance?

Achievement of Project results (overall): To what extent has the Project objective been achieved, and how effective was the Project in achieving it? Did the Project produce any unintended/ unexpected

outcomes, either positive or negative? Which are key-lessons learned about what works and what does not work which could inform future developments of the Project or similar initiatives?
Achievement of Project results - Outcome 1: To what extent has the Project enabled an institutional, policy and regulatory framework for Sustainable PFM in the national, Soum and Aimag levels and how effective was the Project in achieving this outcome?
Achievement of Project results - Outcome 2: To what extent has the Project been able to demonstrate a Sustainable PFM, leading to improved livelihoods, biodiversity conservation and reduced carbon emissions, and how effective was the Project in achieving this outcome?
Achievement of Project results - Outcome 3: To what extent has the Project enabled Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests, and how effective was the Project in achieving this outcome?
Efficiency, Project implementation and execution: To what extent did FAO deliver on Project identification, concept preparation, appraisal, preparation, approval and start-up, oversight and supervision? How well risks were identified and managed? To what extent did the MET effectively discharge its role and responsibilities? To what extent has the Project been implemented efficiently and cost-effectively? To what extent has the management been able to adapt to changing conditions?
Monitoring and Evaluation - Outcome 4: Did the Project count on a structured and sufficient M&E system?
Sustainability: What is the likelihood that the Project results will continue to be useful or will remain even after the end of the Project? Has the institutional, policy and regulatory framework changed and is it able to support the FGUs in the implementation of Sustainable PFM? What are the key risks which may affect the sustainability of the Project benefits?
Stakeholder engagement: Which stakeholders were involved in Project design and/or implementation? What was the effect of this involvement on the Project results?
Environmental and social safeguards: To what extent were environmental and social concerns taken into consideration in the design and implementation of the Project?
Gender: To what extent were gender considerations taken into account in designing and implementing the Project? Were the recommendations of the gender expert and the MTR regarding gender implemented?
Co-financing: To what extent did the expected co-financing materialize, and how short fall in co-financing, or materialization of greater than expected co-financing affected Project results?
Progress to Impact: To what extent is the Project likely to contribute to the flow of multiple ecosystem services and benefits, including biological diversity, reduced degradation, and carbon storage, and to resilience to climate change?
Knowledge management - (Outcome 4): Were the best practice and lessons learned documents produced by the Project and disseminated as planned?
Capacity development: To what extent has the Project responded to identified capacity needs of the FUG groups, ISFU units, Soum and Aimag governments, on the individual, organizational and enabling environment dimension, and how have they capitalized on existing capacities?

1.4. Evaluation Methodology

1.4.1 Approach

26. The TE undertook a balanced, consultative, transparent and evidence-based review of the Project's activities, outputs and performance to date, drawing upon review of available reports and compiling quantitative and qualitative information from internal and external stakeholders through interviews, focus group discussions and site visits. It also endeavoured to compare the pre-Project baseline conditions to current conditions

where possible. Triangulation of evidence and information gathered was also carried out where possible.

27. The Project's Results Framework (RF) was used as a yardstick to assess progress on the indicators. A set of evaluation criteria along with evaluation questions and methods/tools were used to assess performance. The evaluation adhered to the UNEG Norms & Standards¹ and is in line with the OED Manual and methodological guidelines and practices. It also complied with the GEF and FAO Evaluation Guidance for GEF-Financed Projects. The evaluation used FAO/GEF evaluation criteria (Appendix 1) and rating scheme (Appendix 2).

1.4.2. Methods and tools

28. The evaluation methods included i) **a documentation review** of Project documents, reports and monitoring information and review self-assessment for Project achievements by Project staff, MTR report, as well as other review report carried out with stakeholders; ii) **primary data-collection** in Mongolia, where stakeholders were heard through semi-structured interviews (SII) and focus-group discussions (FGD). FAO/GEF, Project management team and government officials, as well as final beneficiaries (men, women and young people) from the FUGs were interviewed; (iii) all data collected was **analyzed and synthesized** using content and narrative analyses methods for qualitative information, and simple descriptive statistics for quantitative data. Triangulation and corroboration of comments by Project participants regarding implementation processes, the Project results and lessons were also carried out. Based on the ToRs provided and the GEF Terminal Evaluation guidelines², the evaluation team assessed and provided ratings for specific dimensions. This report consolidates the results of this process.

1.4.3. Site selection and sample

29. The Project site covered territories of 5 provinces where 101 Forest User Groups (FUGs) function under the Project's support. Purposeful sampling was applied to select sites and FUGs which could represent the uniqueness of the 101 groups.
30. The sites were selected based on analysis of Project documents and in consultation with the Project team and field facilitators (FF). The criteria considered: representation of all provinces under the Project; representation of the types of forest user groups (FUGs); FUGs differing developmental levels (based on the Project classification) considering institutional maturity, governance, technical ability and operational activities; likely impacts and effectiveness of the FUGs participatory management practices in place, including the size of geographic area covered by the groups; proximity to markets and infrastructure (implying access to markets); and types of value chain activities with business plans for users for sustainability.
31. From 8-17 of November, 2019, the evaluation team visited **Aimags** of **Khovsgol, Bulgan and Khentii**, 3 Soums, and a total of 6 FUGs. A series of national-level interactive meetings and interviews were also carried in UlanBaatar from 18 to 22nd November. A total of 116 people were interviewed, including 66 members from 7 FUGs, as detailed in Table 2 below.

1 <http://www.uneval.org/document/detail/21>

2 <https://www.gefio.org/sites/default/files/ieo/evaluations/files/gef-guidelines-te-fsp-2017.pdf>

Table 2: Sampled Provinces, Soum and FUGs

Name of Aimag & Soum	FUG Title	Forest Management area (ha)	No of members
Province 1. Khovsgol, Tsagaan Uur soum	Ongon Uul	5223	26
	Bayajikh Badar	18000	36
Province 2. Khentii Binder soum	Delger Onon	6427	38
	Buural Sansar	1310	15
Province 3. Bulgan, Khangal Soum	Suvarga Had	2702	26
	Ogooj Buren	2752	34

32. The full list of interviewees can be consulted in Appendix 4.

1.5. Limitations

33. The evaluation faced some limitations in terms of sites selection, their scope and representativeness. They include:

- A satisfaction rating test was applied with beneficiaries and other stakeholders to know to assess successfulness and usefulness of the Project. The evaluation team provided brief objectives of the assessment in the beginning, introduced the major criteria for rating and advised the participants to raise questions when they needed additional information. However, due to the limited time available for discussions with participants, number of participants in some of the FUGs and hesitation³ of some of the FUG members to respond immediately (cultural issue), it is possible that some of these informants were not able to properly convey all the messages they would have liked to. In addition, not always affirmations by one interviewee/FUG member were echoed by others or by other FUG members.
- Some Project reports had information gaps, and sometimes information was not consolidated and synthesized. Some Project reports and knowledge products were not easily available for review by the evaluation team. This might have affected the quality of analysis for some Project related issues.
- Weather conditions (heavy snow) prevented the evaluation team to visit forest and all forest beneficiaries. The ET travelled remote sites (some without roads, crossing frozen rivers); some Project beneficiaries travelled about 60 KM to meet the evaluation team and met the ET early in the morning or late in the evening. Still, there might be some important areas which could have been visited if the weather was not so harsh.

1.6 Structure of the report

34. The structure of this report follows the format established and agreed upon in appendix IV of the Terms of Reference (ToRs). In short, the first introduction chapter includes purpose, scope and objectives of evaluation along with methodology and limitations, Chapter Two provides Project background and context including the theory of change and Chapter Three includes main findings of the evaluation based on the key evaluation questions and the corresponding evaluation questions. These findings are structured into Project relevance, achievements for each outcome, efficiency, sustainability, progress toward impact and stakeholder engagement. Chapter Four presents conclusions and recommendations.

³ In spite of ET's continuous efforts and encouragement.

2. Background and Project Context⁴

Box 1 – Basic Project information

- GEF Project ID Number: 4744
- Recipient country: Mongolia
- Implementing Agency: Food and Agriculture Organization of the United Nations FAO
- Executing Agency: Government of Mongolia (Ministry of Environment and Tourism, MET)
- GEF Focal Area: Multi-Focal Area Project focusing on Biodiversity and Land Degradation, with SFM/REDD Incentive Mechanism
- GEF Strategy/operational program: SO2: Increase and improve the provision of goods and services from agriculture, forestry and fisheries in a sustainable manner. Organizational Outcomes 1 and 2
- GEF Strategic Objectives: BD2 Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors.
LD2 Generate sustainable flows of forest ecosystem services in dry lands, including sustaining livelihoods of forest dependent people.
- SFM/REDD 1 Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services.
- PIF approved: February 16, 2012
- Date of CEO endorsement: 25 February 2014
- Date of PPRC endorsement: 11 March 2014
- Date of Project start: 30 October 2014
- Execution Agreement signed: 10 April 2014
- Execution Agreement amended: none
- Initial date of Project completion (original NTE): 24 October 2019
- Revised Project implementation end date: August 2020
- Date of Mid-Term Evaluation: Oct-Dec 2016

2.1. Background

35. Mongolia has significantly transformed since its transition from socialism to democratic capitalism. Steady economic growth since 2004 was followed by a period of instability (2014-16) and strong recover (2017-18). The annual GDP in 2018 was of 6.9 percent. The economic growth has led to benefits for some of the people of Mongolia. But many were left out. Pervasive poverty – especially in the rural area - is still a huge challenge for sustainable development in Mongolia. Additionally, as a developing country, Mongolia is still highly dependent upon its natural resource base, with populations living in the forested areas of the North of the country being particularly vulnerable.
36. The northern, boreal forests extend over 11.5 million hectares, covering approximately 10% of Mongolia. Forests provide habitat for many endemic and threatened plant and

⁴ Project Document;

animal species⁵ in Mongolia. Along with economic growth, these forests have been suffering enormous pressure. Some of major threats include loss of biodiversity (for instance, the populations of key species of mammals and birds declined by 50-90% from 1992 to 2005) and continuous destruction and degradation of the unique forest ecosystems (Mongolia's northern boreal forests are being lost at an annual rate of 0.74% per year, or just over 80,000 hectares each year⁶). Hence, conservation of the biodiversity within the forest area is critical. FAO estimated that the total Carbon stored in the ecosystems of the Northern forests was close to 3 billion tons, considering carbon stocked in the biomass (20%) and in the soil and litter (80%) but the potential link of carbon sink, carbon-based incentives and forest degradation were not well established.

37. The predominant livelihoods of the population living in rural areas are based on livestock herding systems, which provide a basis for most social and economic activities. Within this context, forestry has always played a minor but important role. Over the last two decades, a unique form of Participatory Forest Management (PFM) has developed, connecting livestock-herders to forest⁷ and integrating livestock raising with forestry. The national policy supported the establishment of Forest User Groups (FUGs). FUGs represent a tool to involve rural communities in forest management, provide income possibilities to rural communities, and can serve as practical management mechanisms for Mongolia's vast forests. National legislation regulates the permitted activities of a FUG, and their activities are overseen and officially supported by local government forestry agencies.
38. In spite of signs of progress over the decades, some barriers still exist for the full development of PFM in Mongolia, such as:
 - Inadequate capacity amongst the Forest User Groups (FUGs).
 - Inadequate capacity for local government agencies to provide extension services.
 - Absence of a complete, comprehensive model of PFM.
 - Poor functioning and incomplete markets for forest products.
 - Gaps remaining in the national enabling environment and persistent resistance to PFM.
39. Taking this into account, the Project "Mainstreaming biodiversity conservation, Sustainable Forest Management (SFM) and carbon sink enhancement into Mongolia's productive forest landscape" was designed to strengthen the PFM process, aiming to overcome these barriers in 5 Aimags in Mongolian Forested Areas. The Project's overall aim was to develop participatory based SFM (PSFM), thereby improving livelihoods and the ecological status of those forests. The Project was implemented for five years and has a total value of USD 23,321,364 of which USD 3,586,364 are GEF resources and USD 19,785,000 are co-financing (from the Government of Mongolia and the German Corporation for International Cooperation - GIZ). The Project was executed by FAO via its Direct Execution modality.

⁵ Mongolia is home to some 558 known species of amphibians, birds, mammals and reptiles. Of these, 1.6% are endemic and 6.3% are threatened. It also has at least 2823 species of vascular plants, of which 8.1% are endemic. Available at <https://rainforests.mongabay.com/deforestation/2000/Mongolia.htm/>. Also see, CBD fifth national report (<https://www.cbd.int/doc/world/mn/mn-nr-05-en.pdf>)

⁶ Project Document;

⁷ PFM is a wide range of processes and mechanisms that enable local forest stakeholders and resource owners to be a part of decision-making in all aspects of forest management

40. The Project Objective is “Sustainable forest management in Mongolia’s forest landscape secures the flow of multiple ecosystem services and benefits, including biological diversity, reduced degradation, and carbon storage while enhancing resilience to climate change”.
41. The Project is structured into three key components, which respond to the above-mentioned challenges:
 - i. Component 1: Strengthened institutional, policy and regulatory framework
 - ii. Component 2: Models for participatory SFM that improve livelihoods, conserve biodiversity and reduce emissions/increase carbon stocks.
 - iii. Component 3: Expanding biodiversity friendly, climate friendly participatory SFM.
42. Additionally, the Project has been structured into four outcomes:
 - iv. Outcome 1: Enabling institutional, policy and regulatory framework for Sustainable PFM.
 - v. Outcome 2: Sustainable PFM is demonstrated that leads to improved livelihood, biodiversity conserved and reduced carbon emissions/increased stocks.
 - vi. Outcome 3: Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests.
 - vii. Outcome 4: Monitoring and Evaluation and Information Dissemination
43. The lead Implementing Partner was the Department of Forest Policy and Coordination (DFPC) under the Ministry of Environment and Tourism (MET) of the Government of Mongolia. The state secretary, as a chair of Project Coordination Committee (PCC), was responsible for steering to the Project, whereas NPC (joint secretary) from the MET was responsible for technical guidance.
44. The Forest Research and Development Centre (FRDC), an operational wing of the ministry, was the host organization for the Project and provided technical inputs regarding the implementation of PSFM. In addition, the Ministry of Food and Agriculture (MFoA, now MoFALI) was involved in the implementation of Project activities, such as working with herder communities and FUGs.
45. A Project Coordination Committee (PCC) was formed at the national level under the chairpersonship of state secretary. The PCC membership comprised of representatives from various organizations and agencies.
46. The Project directly benefits Forest User Groups, FUG Associations, the Government of Mongolia (in different levels) and other stakeholders.
47. Additional details about these stakeholders and their levels of engagement are provided in section 3.6, Stakeholder engagement.

2.2 Theory of Change

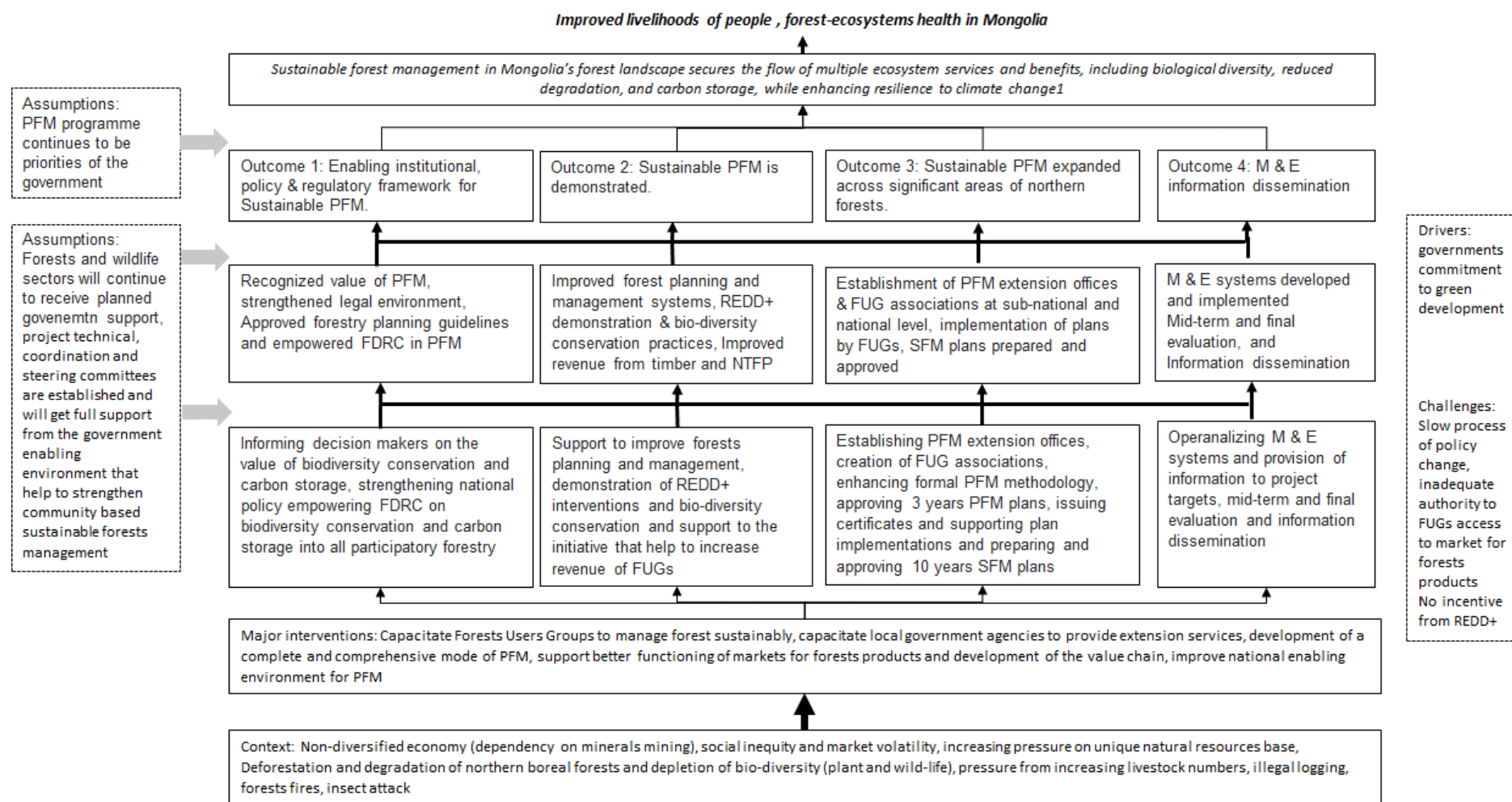
48. The Project’s Theory of Change (ToC) and its narrative were developed by the evaluation team, based on the Project document, the post-MTR review and other documents.

49. The Project's ToC is explicit in four inter-linked Project outcomes: enabling institutional, policy and regulatory framework for Sustainable PFM (Outcome 1); sustainable PFM is demonstrated that leads to improved livelihood, biodiversity conserved and reduced carbon emissions/increased stocks (Outcome 2), sustainable PFM expanded across significant areas of northern forests (Outcome 3) and M&E and information dissemination (Outcome 4).
50. FAO Project and the government of Mongolia play a pivotal role by facilitating policy/legal, technical and financial aspects of improvement of SFM and improvement of livelihoods of forest users groups. This would be achieved through various activities including developing and endorsing legal framework, informing decisions and guidance to sub-national governments, piloting of SFM tools and process and demonstration (related to biodiversity, REDD+ and forest based enterprises), support to SFM extension systems and support to FUGs to prepare Forest Management Plans (FMPs) and finally share learning to wider stakeholders.
51. The Project's *interventions* were expected to be an interface between the communities and external entities such as market and government institutions, where necessary, to make the existing forest management systems sustainable and provide an incentive for the local users. The participatory based community-managed forest were also expected to involve in better forest management and use of forest products sustainably to improve biodiversity, carbon storage and livelihoods of people thereby contributing on the overall objectives and goal of the Project.
52. Some of the *assumptions* behind the intervention's logic were hold true. For example, the Project assumed that the PFM program would continue to be prioritized despite possible changes in the government and that forest/ wildlife management sectors would continue to receive the planned government support. However *the assumption of getting full support from the government – especially from other ministries such as the Ministry of Finance and the Ministry of Justice - by developing appropriate enabling environment to strengthen community-based sustainable forest management - was not fully held true.*
53. Based on the discussion with beneficiaries and the stakeholders, the ET found that the proposed sub-components are mostly logical, relevant and valid in the local context, support FAO/GEF's mandate and represent the need of the local communities and stakeholders. However, the plan of simultaneously working on these sub-components within the existing political economy and limited Project period was ambitious, especially within the existing Mongolian realities. The change process at policy level took a long time.
54. Additionally, processes to change the legal framework in Mongolia proved to be slow, rigid and bureaucratic. The level of financial support and geographic coverage (number of FUGs and its members) were not enough to drive the initiative at national level within the Project period to ensure the objective of the Project. In some cases, although the logic seems valid, weak feedback mechanisms within the Project, unrealistic activities/outputs in the local context (i.e. REDD+ incentives, legal provisions) and late action (support on forest based enterprises development and their connection to the market), were not helpful to contribute the overall logic of the Project. Interviews with beneficiaries and local stakeholders revealed that they expected that the government support to strengthen FUGs (by providing additional rights to them, help them to

establish forest based enterprises and connect them in the market) would in effect contribute in the full achievement of Project outcomes.

55. Figure 2 below shows the reconstructed ToC.

Figure 2: Reconstructed Theory of Change



3. Evaluation Questions: Key Findings

3.1 Relevance

EQ 1: Was the Project design appropriate for delivering the expected outcomes?

EQ 2. Was the Project design congruent with the GEF focal areas/operational program strategies, country priorities and FAO Mongolia Country Programing Framework?

EQ 3. Is the Project still relevant? Were there any contextual changes which may have affected its relevance?

Finding 1. Relevance. In the moment of its design, the Project was relevant and appropriate to meet the needs of the stakeholders involved in SFM, was aligned to support the government, FAO/GEF development priorities and was also in line to contribute to the Project objective of securing the flow of multiple ecosystem services and benefits'. The Project's interventions were timely and highly relevant to the on-going process of decentralization of the forest management in Mongolia.

56. There has been continuous destruction and degradation of the forest ecosystem in Mongolia. The 2015 Forest Resource Assessment (FRA) of the FAO for Mongolia estimates that Mongolia's northern boreal forest were lost at an annual rate of 0.8% per year from 2010 to 2015⁸. Boreal forests were affected primarily by legal and illegal logging (for timber for construction, private use and fuel-wood), forest fires, insect attack and disease, and unsustainable harvesting.
57. Current National policies support the establishment of Forest User Groups (FUGs) and SFM. There was, however, a significant gap of innovative ideas and demonstration of various SFM practices in the Mongolian context before this Project with proven practices for silviculture operations, i.e. cleaning, thinning, and nursery management. In addition, economic development opportunities from timber and NTFPs in the Mongolian context were largely missing in the forest management processes.
58. The Project was designed to address specific barriers to SFM in Mongolia by devising interconnected outcomes with a clear focus on improving the enabling environment, piloting and demonstration of best practices of SFM and its scaling up. These interventions were timely and highly relevant to the on-going process of decentralization of the forest management in Mongolia.
59. The Project was fully aligned with the existing government's forest policies such as State Policy on Forestry (2015), Law on Forest (2015), Environment act (1995), Government Programme for 2016 – 2020 and national and subnational documents⁹ and initiatives to support FUGs engagement in SFM. It also contributed to the National Development Strategy (NDS) priorities to alleviate ecosystem and environmental degradation through conservation and sustainable use of

⁸ Global Forest Resources Assessment 2015 Desk reference 2015, page 12

⁹ National programme on Biodiversity – objective 2.8; Aimag Governor Program: Selenge 1.2.1, 1.3.5; Bulgan 2.4.3; Khuvsgul 2.11.1-3 and Khentii 1.1.6, 2.11, Sustainable Green Development Strategy of Khentii - Objective 1-4.

forest resources and support low-income households in rural areas by enhancing their capacity and supporting them in income generation.

Finding 2. Design and coherence. The Project design included appropriate strategies, such as the capacity building of sub-national governments and FUGs to promote SFM. The design, however, was ambitious in attempting to achieve some of the outcomes and objectives within the planned timeframe. For instance, the legislative process usually takes a longer time than it was expected and some targets established were not achievable within the implementation period.

60. Overall, the Project design was logical and included appropriate strategies to achieve the proposed goals. However, it could have been improved. For example, inspite of specific recommendations by the M & E consultant and MTRs to review and revision of the log frame and indicators considering the changed context, the updated Result Framework (RF¹⁰) had no indicators at output level and did not fully integrate the log frame indicators for the Project outcomes and objectives as suggested to make them appropriate and realistic (see MTR recommendation # 9).
61. Outcome 1 indicator 'issuance of legal or regulatory instruments on participatory management' was ambitious, as policy issuance would generally take longer time due to long bureaucratic and legislative processes which are out of control of the Project team. In addition, the issuance of the legal instrument is a responsibility of the government to which the Project can only contribute with technical assistance.
62. The Project document has mentioned that the national level Project stakeholders were consulted while preparing the Pro Doc. The discussion with stakeholders, however, revealed that there was room to improve active participation of the stakeholders while designing the Project, developing programme logic and identification of appropriate indicators and targets. For example, the Project committed to increasing the population of Musk deer and Saker Falcon (flagship biodiversity species) (Outcome 2), but the Project sites covered only a small habitat area of Musk deer; also, the planned increase in the total populations of Musk deer (10%) and Saker falcon (30%) within the Project period was not realistic.
63. The primary concerns of Project beneficiaries, in many cases, were to manage their livestock, pasture and water keeping, leaving the forest management as a secondary priority. The Project coordinated with other initiatives working on livestock management and livelihoods improvement (for example in Bulgan aimag). The Project also collaborated with the initiative to 'support to implementation of the voluntary Guidelines on the responsible Governance of Tenure of Land, and Fisheries and Forest on the context of National Food Security in Mongolia (2015-2019)'. In addition, the FMP supported by the Project also integrated biodiversity and carbon storage rated activities. Since the Project focused in the SFM, ecosystems services along with people's livelihoods in the complex natural management context, the evaluation team noted that there was no solid integrated strategy adopted by the Project during the Project design phase

¹⁰ Project Result Framework was revised once after the MTR

considering the ecosystems approach¹¹ for management of other important natural resources such as land and water that promotes conservation and sustainable use of those resources in an equitable way.

64. The Project's objectives and outcomes are fully aligned with FAO's Global Strategic Objectives 2 (SO2) i.e. increase and improve the provision of goods and services from agriculture, forestry and fisheries in a sustainable manner. In particular, the Project contributed to improving an enabling environment for PSFM work in Mongolia by demonstrating various feasible practices and tools that can be utilized in the Mongolian context.
65. The design has been consistent with the GEF biodiversity and land degradation focal areas and also contribute to the objectives of the sustainable forest management. It has enhanced national and local policies and legal frameworks related to the decentralization of roles and responsibilities of forest conservation and sustainable management including biodiversity to FUGs by (e.g.) supporting the restoration of wildlife habitat and increasing population of wild animals. In addition, it provided opportunities to create economic incentives by supporting local level forest-product based value chain. Hence, it also contributes to BD – 2, 'mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors'.
66. Based on the contribution to Mongolia's development priorities, people's need and development objectives of the GEF and FAO, regarding the relevance dimension, the Project was rated as *satisfactory*.

3.2 Achievement of Project results

EQ. 4. To what extent has the Project objective been achieved, and how effective was the Project in achieving it? Which factors and actors have contributed for the results achieved and to what extent can the achievement of such results be attributed to GEF and to FAO?

EQ. 5. Did the Project produce any unintended/ unexpected outcomes, either positive or negative? If so, to what extent has the Project contributed to these outcomes? Which were other contributing factors/ actors, and how did they contribute?

EQ. 6. Which are key-lessons learned about what works and what does not work which could inform future developments of the Project or similar initiatives?

Finding 3: The Project was able to build a basis to contribute to the Project objective of "Sustainable forest management in Mongolia's forest landscape secures the flow of multiple ecosystem services and benefits, including biological diversity, reduced degradation, and carbon storage while enhancing resilience to climate change". Anecdotal evidence suggests that sighting of flagship species has increased, rate of availability of the forest products has improved and forest fire has decreased, among others. Weak baseline data and a short period of Project intervention do not allow to recognize the changes in the ecosystems services and climate resilience.

¹¹ The ecosystem approach is a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way (Convention on Biological Diversity COP 5)". We take this lens while analyzing the project's planned activities and deliverables.

67. In line with the Project objectives, the Project's main thrust was to promote sustainable forest management (SFM). SFM is considered as "the process of managing forest to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment¹²".
68. The Project has *supported directly and indirectly on forest regeneration, growth, composition, health, and quality of forest to support people's needs*. This has been partly done by supporting forest cleaning, thinning, forest fire control with integrating biodiversity conservation and carbon storage. The Project also *helped to promote SFM at the national level through policy influence, and promotion of SFM practices at Aimag and Soum levels through capacity building, piloting and demonstration of SFM practices*, among others.
69. Discussions with the Project team and review of progress reports revealed that until November 2019 the *Project had contributed to increasing the area under PFM with a biodiversity conservation in about 2 million ha in 5 Aimags, and it would contribute an additional 0.5 million ha of land under SFM within the Project period (March 2020)*.
70. In the earlier forest management regimes, biodiversity conservation was not part of the systems in Mongolia. The Project *fully integrated biodiversity conservation within the PFM systems by adopting the SFM approach*. Flagship species i.e. Musk deer (mammal) and Saker Falcon (bird) were identified as ecosystem health indicators, but while there is anecdotal evidence of change in these indicators, it is not possible to affirm that the Project has achieved an increase in the habitat area or of the population of these species.
71. *Fourteen FUGs were involved in carrying out participatory biodiversity monitoring* in different parts of the Project sites. By November 2019, the data from the participatory biodiversity monitoring was being compiled at field level to send to the Institute of Biology of Mongolian Academy of Science for further analysis. Discussions with the FUG members involved in the regular biodiversity monitoring revealed that the wildlife sightings increased for certain species (e.g. musk deer) in the last two years. However, the evaluation team did not have access to synthesize and consolidated records at the Project level to verify the reliability of these information (see Outcome 2, ahead).
72. The increasing level of biodiversity in the forested areas indicates improvement in forest or ecosystem's health. The discussion with the Project team and some FUGs members revealed that *activities such as cleaning, thinning, reforestation and forest fire control* (supported by the Project) *have positively contributed in the generation of forest services and products (such as firewood, NFTP, fruits/berries)*. However, there was no comparable quantitative data available to measure the changes over the years and confirm this argument.
73. *Value chain activities* in 2018 and 2019 (supported by the Project) helped to *generate additional income for FUGs, but proper market analysis and support mechanisms (e.g. policy provision, technologies, finance) are still needed*. However, inadequate consideration was given on complete value chain (i.e. production, collection, processing and marketing) and social inclusion aspects (such as those who are not directly involved in the enterprises but are part of the FUGs) while developing business plans for FUGs (see Outcome 2).

¹² Mongolia Forest Information and Data, from ITTO

74. The Project supported awareness raising activities on potential benefits of carbon sink and forest carbon measurement; assisted in reforestation and facilitated natural regeneration (by providing, e.g., forest fire control training to FUGs). Baseline (2017) and endline (2019) studies of forest carbon measurement show *that there has been an improvement of the quantity of carbon stored in soil and bio-mass by 1.35 tCO₂e in 101 FUGs*. More details are provided in Outcome 2, ahead.
75. SFM enhances environmental products such as firewood, food, drinking water, recreation, conservation watersheds - directly or indirectly to households, and communities at a larger scale. Better and sustainable forest management at larger scale also contributes to regional climatic regulation, air purification, increased biodiversity, carbon storage and regular flow of ecological processes. All these services in combination help in improving the adaptive capacity of people and the forest, enhancing livelihood resilience¹³ and improving the ability to withstand external pressures, and the capacity to 'bounce back' to their pre-disturbance state. The SFM, therefore, provides a compelling rationale for forest-based climate change mitigation and adaptation efforts. In this Project, however, *it was not possible to see notable changes in the ecosystem, as this type of intervention requires a longer period to produce visible changes*. Additionally, the Project did not have an adequate baseline nor has monitoring systems to assess this logic (now or in future). More details are provided in section "Monitoring and Evaluation".

Finding 4: The support to the government's development and sectoral priority, and new ideas on SFM brought by the partner organizations significantly contributed to demonstrating SFM practices, facilitating FUGs to get their user rights and piloting forest-based enterprises. Participatory work processes with local governments, while enhancing their technical capacity were instrumental to execute the Project. FAO provided technical leadership to test the SFM tools and practices, but it could have done better in influencing policy aspects, monitoring and knowledge management.

76. Key-factors that contributing to demonstrating SFM practices, facilitating FUGs to get their user rights and piloting forest-based enterprises were the support to the government's priorities of promoting the SFM concept and the contribution of partner organizations with appropriate ideas and international learnings on SFM. Other contributing factors include i) good collaboration and coordination of the Project/PMO with government agencies and capacity building on SFM to the key national stakeholders such as MET, FRDC, Aimag, and Inter- Soum forest units (ISFU); ii) capacity-building support to FUGs on SFM; iii) technical support in piloting and demonstration of the SFM approach and practices based on the government needs – especially at MET and Aimags; and iv) support to the value chain activities, which have improved the FUG members' livelihoods. Integration of biodiversity conservation and carbon storage in 10-year FMP that helped in reduction on carbon emission and their positive impact on the environment have also played a positive role in achieving the Project results. Adaptive management strategies adopted during implementation avoided significant failure in achieving policy/legal provisions (see Outcome 1, ahead).
77. No significant untended or unexpected outcomes from the Project intervention were identified.

¹³ Resilience is the capacity of a forest to withstand (absorb) external pressures and return, over time, to its pre-disturbance state. Forest Resilience, Biodiversity, and Climate Change A Synthesis of the Biodiversity/Resilience/Stability Relationship in Forest Ecosystems (<https://www.cbd.int/doc/publications/cbd-ts-43-en.pdf>)

Outcome 1: Enabling institutional, policy and regulatory framework for Sustainable PFM (including increased revenue to local communities; reduced carbon emissions/increased carbon stocks, and biodiversity conservation).

EQ.7. To what extent has the Project enabled an institutional, policy and regulatory framework for Sustainable PFM in the national, Soum and Almag levels and how effective was the Project in achieving this outcome?

Finding 5: There was a moderate increase in awareness of policymakers on the importance of SFM promoting biodiversity conservation, carbon storage and livelihoods enhancement, but the expected outcome of improving the policy and legal framework was not achieved. This was partly due to the existing lengthy policy-making process and diverse perspectives among some policymakers on granting additional rights to FUGs, but is also related with the lack of adequate policy dialogues and discussions among the stakeholders including the Ministry of Finance and Ministry of Justice, which could have informed the policymakers and further contributed to achieving the outcome.

78. The Government of Mongolia has enacted a variety of laws and policies in an effort to curb the loss of forest cover. There has been a shift in the natural resources management approach from a centralized approach during the socialist period to a more private sector-focused management from the mid-1990s. From the mid-2000s, the government adopted a middle path of collaborative forest management. For this, the Law on Environmental Protection was amended in 2005 to allow for the creation of FUGs as voluntary organizations¹⁴ of local citizens that are tasked with the appropriate utilization and rehabilitation of local forest. Furthermore, Forest Law was amended twice (in 2007 and 2015) to shift from state forest management to private and community-based forest management¹⁵.
79. There were two schools of thoughts on forest management in Mongolia. Some think that there was high risk from FUGs to sustainably manage forest as they were not technically qualified, able to follow the safety measures, adequately mature and institutionally stable to conserve the forest. This perspective can be partly attributed to the legacy from the centralized mindset to manage the forest resources. Forest decentralization process should be considered with caution and the FUGs should first fulfil their responsibilities before asking for additional rights. The group was resisting a rapid change in the governance process and was seen as a major barrier for improving the policy frameworks. Another school of thought suggests that FUGs are taking a lot of burden of conservation work and unless they get economic or other types of incentives from forest management, they would not be interested in investing further in forest management. There have been some positive behavioural changes of government officials such as moving from law 'enforcement' to organizing interactive meetings with local governments/beneficiaries to amend the laws (Output 1.1).

¹⁴ According to the Forest Act (2015), the FUGs are voluntary formations at community levels. As such, they are limited with their legal status to bid and participate in the economic activities for forest maintenance. Only the private forestry entities would be entitled to bid on forest maintenance work.

¹⁵ As of 2019, total 1639 communities on natural resource management are registered at national level, where 1281 are Forest User Groups which possess 3.3 million forest area.

A FUG members in Bulgan province said, 'We are no longer interested in using our own resources for only forest conservation purpose, if this is not going to provide us further incentives. If the same situation remains, probably we need to stop working on this'.

80. From the reviews of existing policies related to forest carried out by the Project and consultations with stakeholders, there were two types of policy issues noted: i) more obligation or responsibility given to FUGs than providing rights on the use of forest resources; and ii) weak implementation of the existing policy provisions that support FUGs in forest management (policy-practice gap). According to the existing policy frameworks, FUGs are given more responsibilities for forest protection with limited rights for utilization of forest and thinning. Most of the FUGs and some government officials mentioned that most of the expenses for forest conservation were covered by FUG members. This could be one major barrier to SFM.
81. Current legal provisions assure reimbursing of conservation-related costs from the fees collected for Natural Resource Usage. As per the policy, there were some incentives (e.g. fire control) for the forest protection work, but the FUGs did not get the compensation as provisioned by the policy. One of the reasons for not getting support from the government and creating barriers for income-generating activities was the 'volunteer' status of the FUGs. This implies that they are not legally registered bodies and therefore do not have full permission for financial transactions. This status also prevented the FUGs from bidding in Government announced tenders for reforestation Projects (Output 1.2)¹⁶.
82. Given this scenario, and considering inadequate readiness and the slow process of the key stakeholders on granting the additional rights to FUGs (which could be attributed to traditional conservation approach of forest management within the government systems), along with other implementation challenges (such as rapid political change, national election and frequent staff transfer), the Project paid additional focus on its strategy to collaborate with subnational (Aimags and Soums) governments so that they have a strong footprint of action at the local level. The Project worked with Aimags on institutional capacity building for government agencies by *creating an additional position of dedicated technical staff¹⁷ to work SFM*. According to the stakeholders at the province level, *the position would continue even after the completion of the Project*. In addition, some innovative piloting was carried out in mature FUGs (such as compensation for FUGs for forest thinning, classification of FUGs, FUG based bio-diversity monitoring, business plan or value chain) which helped to *create evidence for policy advocacy*. The Project also worked with Soum governments on capacity building and promotional activities in SFM. Discussions with Aimag and Soum authorities and forest units revealed that the Soum governments were not fully aware of the existing national policy provisions and the additional interventions made through the Project support related to SFM (Output 1.4).
83. *The draft proposal supported by the Project with a list of improvement measures to be integrated into the ministerial decree was forwarded by the MET in 2018 to the relevant Ministries for their consent (Output 1.3.) However, it has been rejected by the Ministry of Finance (as it claimed that*

¹⁶ The status was recorded during the evaluation mission but it was noted that ,in January 2020, the government has endorsed an amendment to the Taxation Law for SMEs

¹⁷ LoA between FAO and Aimag government (undated)

local budget could not be re-disbursed for this kind of activities) *and by the Ministry of Justice* (regarding current lack of legal status of the FUGs). The MET explored an option to register the FUGs as a legal entity, but this option has also some “pros and cons”, including legal liabilities of the taxpaying and the need for regular reporting. This might also be difficult for FUGs to fulfil, as most were comprised of nomadic livestock herders. In addition, the Project, based on classification for FUGs, advocated for institutionally ‘strong’ FUGs to be given more rights as they have the capacity to manage the tasks as per the FMPs. Although, it was difficult to endorse the comprehensive user rights through a legislative process, the Project managed to get users’ right of the 1st and the 2nd category of forest thinning by FUGs.

84. Given the above-mentioned divergencies and issues, the process has been relatively slow. The government may need to proactively engage in monitoring of FUGs capacity and performance; based on that, the FUGs should receive additional support and rights. *The field-based learning from the FAO Project provided some practical cases and good lessons which could be an important asset towards improving the enabling policy or regulatory environment and managing the forest resources sustainably in Mongolia.*
85. Additionally, the primary concerns of Project beneficiaries, in many cases, were to manage their livestock, pasture and water keeping, leaving the forest management as a secondary priority. The Project focused on the SFM but did not consider integrated management of these key-natural resources and inter-linkages considering the ecosystems approach (see chapter 46). To address this integrated approach considering forest-water- land –forage – livestock relations along with capacity development, it would have been useful to work across disciplines and at landscape scales. This also would require supportive legislation considering the specific socio-economic backgrounds of the target regions and local communities.
86. Based on the analysis of the country context and efforts made by the Project, it is possible to affirm that the proposed targets were relatively over-ambitious within the Project period where there exists friction between the centralized mindset and the liberals for forest management through FUGs. While it was possible to generate field-tested evidence, these were not enough to change the existing legal provisions as per the plan. Hence, the Outcome 1 performance is rated as *moderately satisfactory*.

Output 1.1 National policy and decision-makers recognize the importance of carbon storage and biodiversity conservation in PFM

87. Discussions with stakeholders revealed that some of *the national policy and decision-makers were aware and recognized the importance of biodiversity conservation and carbon sequestration in SFM after participating in a series of consultation meetings organized by the Project*. Based on the piloting within the Project areas and learning from other countries (such as from Nepal), the policymakers at the national and the provincial level were supportive to promote the SFM approach through the internal government resources. In addition, *local level authorities in all visited Provinces and Soums expressed full support on biodiversity conservation through approving FMPs and also spoke of their intention to continue this activity even after completion of the Project.*
88. This was achieved through preparation of policy-related documents and communication tools capturing economic, social and environmental benefits of SFM, organization of high-level visits

(national and international) to observe the benefits of SFM, and establishment of FUG level biodiversity conservation mechanisms and bio-mass/carbon monitoring plots, among other activities implemented by the Project. Stakeholders who participated in the international exposure visit affirmed that learning from the visit to the wood industry in Finland (e.g.) was useful in Mongolia, as both countries have a similar type of boreal forests and the advanced wood processing technologies (such as making furniture) available in Finland could be easily transferred and adopted in Mongolia.

Output 1.2 Improved national (Sub) Decree/ Procedure on PFM

89. In order to facilitate the national (sub) decree on PFM, the Project helped to establish an inter-sectoral technical group on FUG economic activities to analyse existing barriers and identify some possible options to increase FUG involvement in pre-commercial thinning and harvesting activities.
90. The Project supported a study on 're-interpreting' common (mis)understandings on the existing laws and regulations concerning FUGs (Article 18.3, Forest Act) by hiring a consultant. The analysis helped to secure support from the MET for pre-commercial thinning authorization for FUGs (by using hand-tools only) through LoAs with the Inter-Soum Forest Units. *The pre-commercial thinning helped the FUGs to earn some income while contributing to sustainable forest management.* Currently, the Project subsidizes the fee for MNT 25,000 (circa 9.25 USD¹⁸) per ha to be paid by FUGs to ISFUs for their demarcation service while carrying out forest thinning activities.
91. A study to determine the actual cost for forest pre-commercial thinning was also conducted by the Project (in Summer 2019). The aim of the study was to calculate the actual cost for conducting the first two-levels of the forest thinning and revising the tariff for forest cleaning work. The existing government approved cost was 120,000 MNT (circa 45 USD) per ha whereas the study identified that the minimum cost for first two levels of thinning should be 300,000 MNT (circa 111 USD) per ha. Based on this finding, *the MET has agreed to increase the cost for thinning.* In order to formalize this increment from the government side, a joint decree from two Ministries (MET and Ministry of Finance) was required. During the evaluation, it was noted that *the MET was preparing to formalize it.*
92. The Project developed a *classification (rating) protocol*¹⁹ for the FUGs based on their performance and applied it to 101 FUGs in all Aimags during 2016-2019. Based on the learning and subsequent revision, the classification protocol was submitted to the MET for their consideration. *The senior officials and the Project jointly worked on the potential introduction of the classification protocol for all non-Project 1180 FUGs nationwide and granting additional user rights to better perform and institutionalized FUGs, but it is not clear whether it will be integrated in the national systems as there was no strong commitment from the senior government officials.*

18 1 USD = 2700 MNT

19 Classification of FUGs: a process to categorize the more mature FUGs based on technical and institutional capacity, among others that can manage and sustainably use of forest resources by following the government act, rules and regulations

93. The Project also supported ISFUs in (i) providing technical assistance and support to FUGs in implementation of FMPs following the participatory FMP, (ii) fundraising with international organizations and (iii) making the FUGs legal entities. There was an expectation that working with the ISFUs on PFM would influence national-level policymakers to take some positive actions. In practice, while this did not directly contribute the approval process of the national decree, *positive results derived, such as better management of forests, reduced forest fire, and increase carbon storage, would influence policy makers even after the completion of the Project* (check Outcomes 2 and 3).

Output 1.3 Ministerial approved Forestry Planning Guidelines to Soum and Aimag governments (that promote sustainable PFM)

94. The Project reviewed the current forestry guidelines at both national and local government levels and *based on the learnings from Outcome 2, forestry planning guidelines for Soum and Aimag levels were approved by the provincial government promoting the PFM*. While the expected comprehensive policy improvement as described in Output 1.2 was not possible, the Project tried to influence on specific issues on a case by case basis. One of them was the provision of users' right on forest silviculture operation. For instance, with the Project assistance, *a Ministerial Orders were issued in 2018 and 2019 to authorize FUGs with undertaking the 1st and 2nd category thinning in 2017²⁰*. In addition, to aid with the planning process, a compendium for forest-related laws was compiled and published in collaboration with the government.
95. FRDC prepared the first draft of the FMP guideline. The Mongolian Sustainable Forest Management (NGO) was then assigned to review and finalize the guideline integrating the non-government perspectives in the guideline. *The FMP Guideline (content and structure) was expected to be applied at the national level and the result has been submitted for review and approval the MET.*
96. According to existing forest management provisions, the government professional forest entities had the exclusive rights to cut standing trees, as this activity requires technical skills and safety standards for enforcement. The Project and the government provided, respectively, *technical and financial support for vocational training institutes to provide professional forest training modules to non-professionals*. For instance, in consultation with the Ministry and Professional training center, the Project developed 5-day training module which included both theoretical knowledge and practical experience, as well as a full day module on legislation issues. Due to intensive training organized for FUGs during 2016-2018 (such as on forest pest identification, thinning, fire management) capacity of FUGs has been increased, This arguably brought FUGs at the same level with forest unit in terms of technical skills to FUGs, but to confirm this claim it's still necessary to assess the capacity of the FUGs.

In response to capacity gap of FUGs to promote SFM, the GoM is financially supporting the local communities and FUGs to acquire Sustainable Forest Management (SFM) related vocational skills by creating specially designed courses of varying lengths (1 year to 2.5 years) with Aimag level vocational training schools.

²⁰ Order A/153, from 31 May), 2018 (Order A/85, from 5 April) and 2019 (Order A/155, from 1 May) Total area was 1500 ha of forest or 500 ha per year.

The training course offers on 1) nursery management and reforestation/restoration; 2) Chain saw operation and 3) Forest specialists, with government subsidized monthly stipends now raising from 70,000 MNT (circa 26) to 200,000 MNT (circa 74 USD). This serves as additional support from the government to enhance FUGs capacity to manage forest (An official from MET: 11/11/2019)

Output 1.4 Additional FRDC staff positions to integrate biodiversity conservation and carbon storage into all participatory forestry in Mongolia

97. Major progress under this output included (i) capacitating a unit in FRDC to integrate biodiversity conservation and carbon storage into all FMPs, and (ii) trained FRDC specialists working regularly on training and promotion of SFM issues and working with FRDC officials on FMPs, pest control and thinning training²¹. There has also been *increased capacity at local levels. Participatory forest management officers* in four Aimags governments (Darkhan Uul, Khentii, Khuvsgul and Bulgan) and FRDC, with temporary 3 junior and two senior staff, *provided training and promotion of SFM supported by the Project outside the Project sites*.
98. The provision of permanent staff positions requires authorization from the office of the prime-minister's office, as envisioned by the Project. The Project provided partial support (finance, logistic and capacity building) to these new staff during the Project period and government officials informed that they would be retained after the completion of the Project.

Outcome 2: Sustainable PFM is demonstrated that leads to improved livelihoods, biodiversity conserved and reduced carbon emissions/increased stocks.

EQ.8. To what extent has the Project been able to demonstrate a Sustainable PFM, leading to improved livelihoods, biodiversity conservation and reduced carbon emissions/increased stocks, and how effective was the Project in achieving this outcome?

Finding 6: The SFM approaches piloted have provided evidence to the government for FUG friendly policy provisions, for strengthening the PFM process through 10-years FMP and scaling up in other parts of the country. The pilot SFM practices generated good lessons and were used as credible evidence for legal or regulatory framework improvements (Outcome 1) and also utilized on scaling up of these practices within the second-generation FUGs within the Project areas as well as outside the Project (Outcome 3). Studies indicate that there has been increased storage for carbon in the FAO supported forest. Overall, the Project provided strong thematic support and a comprehensive SFM model to the government in the adoption of SFM. However, some of the target indicators planned under this outcome were not achieved.

99. *The Project supported 14 FUGs for conducting wildlife monitoring and incorporating their data into the national biodiversity database (BioSan) through the Institute of General and Experimental Biology and local department for Environment and Tourism of Aimags (Output 2.3). According to the preliminary monitoring data and report from the Institute, the number of some species, including musk deer (Khuvsgul Aimag) and wild boar (Khentii Aimag) were increased. However, these cannot be considered conclusive evidence that the Project intervention has increased the population of*

²¹ A LOA between the project and FRDC

- Musk deer and Saker falcon by 10% and 30% respectively, as there has been no census of wildlife carried out since 2010. Moreover, only 5% of the Project target area was in fact overlapping with habitat area of Musk deer and the main habitat of the Saker falcon has been in the steppe.
100. The Project trained government officials to develop FMPs incorporating biodiversity conservation aspects in 16 FUGs. With financial support from the Project, *FRDC and ISFU have been providing this support for 16 FUGs with 80,000 ha forested areas (Output 2.1)*. The Project, with the support from the Institute of General and Experimental Biology, *assisted all 14 targeted FUGs in monitoring and incorporating biodiversity conservation enhancement activities in their FMPs*. Carbon stock enhancing activities such as pest control, fire prevention and forest stand enhancement (in 500 ha) were also carried out, and *there is evidence that the carbon storage in the forest area was increased (Output 2.2)*.
 101. *The Project supported value chain related activities and provided financial management and business plan development-related support through 34 small grants (Output 2.4)*. The Project supported to enhance market access by creating selling points, charcoal making (in collaboration with GiZ), pellet production, and exploration of value added products (jointly with the Mongolian Forests and Wood Production Entrepreneurs Association). But systematic value chain analysis considering production, processing and marketing at project level was only carried out very late in Project implementation. The 'outcomes' of participatory forestry policy (legitimizing entitlements, regulating forest access and improvement of forest conditions) and their proper implementation can lead to 'greater livelihood impacts' as well as 'social capital' for collective planning and actions. Devising economic incentives is the crux of sustainability for the Project interventions. However, the piloted value chain activities were inadequate considering its value to contribute to the people's livelihoods. Appropriate technologies and their availability to FUGs could have been improved a lot during the Project implementation. The discussions with FUGs also noted that, considering the scale of operation and market distance, it would have been better to adopt the aggregator model for sales distribution for their products or work with other larger initiatives (such as MoFALI) to minimize the market risks.
 102. As informed by interviewees, *the SFM approaches piloted in some FUGs have provided evidence to the government for FUG friendly policy provisions, to strengthen the PFM process through a 10 years FMP and to scale up in other parts of the country*. There is good ownership and readiness of the MET to scale up the SFM in Mongolia through training ISFU and FUGs to prepare SFM based forest plans. Although it was not possible to confirm achievement of all the indicators in this outcome, the Project, overall, provided strong thematic support and a comprehensive SFM model to the government in the adoption of SFM. Hence, the Outcome 2 overall performance is rated as *satisfactory*.

Output 2.1: Continually improving forest planning and management in the 16 lead FUGs

103. For the piloting and demonstration of SFM best practices, this Project intended to involve the 16 FUGs engaged in the previous FAO forestry Project (GCP/MON/002/NET) which were considered as mature by 2013. However, the FUGs capacity assessment study carried out in

2015²² revealed that all those prior FUGs were no longer institutionally mature²³. Hence, the Project distinguished activities (training and piloting) with 16 FUGs based on their comparative advantages and/or strength; they received training and carried out piloting of SFM practices. The piloting included forest thinning, economic analysis for forest operation activities, creating and operationalizing FUG revolving funds, value addition for forest products and biodiversity monitoring. *These pilot SFM practices generated good lessons and were used as credible evidence for legal or regulatory framework improvements (Outcome 1) and also utilized on scaling up of these practices within the second-generation FUGs within the Project areas as well as outside the Project (Outcome 3).* Table 3 describes some piloted activities in the 16 mature FUGs.

Table 3: Piloting activities for mature 16 FUGs

SN	Piloted demonstrated practices	and SFM Products generated	Year
1	Piloting Forest thinning (in two FUGs)	Training curriculum for the first two categories of thinning	2016
2	Forest thinning	Conducted thinning in 500 ha forest	2017
3	Biodiversity monitoring	Capacity enhanced for select FUGs through series of trainings in 2017 and since 2018, 12 FUGs conduct wildlife monitoring and share their data	2018
4	10-year Forest Management Plan	12 FUGs received their Management plan (from the mature groups)	2018
		41 FUGs received 10-year management plans (based on the learning from 12 FUGs supported in 2018)	2019
5	Medicinal plant identification and conservation	Initially, 18 FUGs received trainings in 2018 and more FUGs in 2019	2018

104. Refresher training and training on emerging issues (such as forest cleaning and thinning techniques, other silvicultural practices, sustainable grazing, improved forest management, and wildlife management) were also provided. The Project also helped FUGs in implementation of FMPs such as managing silvicultural practices, forest patrolling, controlling for illegal logging and poaching, and forest fire controls, all of which helped improving an overall forest health. FUGs/ISFUs were also supported on advancing participatory planning (e.g. resources sketch mapping) and on the development of 10-year FMPs for SFM by integrating biodiversity and carbon storage aspects and their implementation.

²² The classification study the project carried out used 6 appraisal items (FUG governance & structure; FUG activities; Forest Management plan implementation processes; FUGs capacity, skills and partnership and independent assessment) and 16 criteria.

²³ Only 2 out of 16 were found institutionally mature. It was mainly due to migration of FUG members to urban areas, discontinued support from the government & other projects.

105. Supported by the Project (in particular regarding mainstreaming biodiversity into the management plans), *the Forest Research and Development Centre (FRDC) prepared FMPs for, initially 12 FUGs*²⁴. The process used multiple rounds of consultative processes and have integrated approaches and introduced the “systems thinking” by incorporating ecosystem management approach.

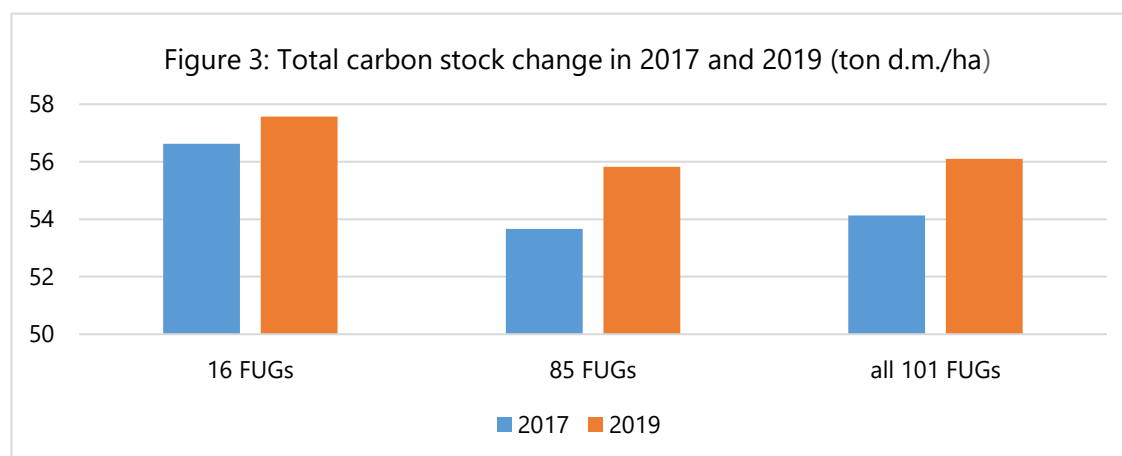
Output 2.2: Simple REDD+-type incentives demonstrated in 16 advanced FUGs.

106. The carbon storage was a new concept in Mongolia, and its implementation includes a lot of technical and management complexities. The government had prepared a REDD+ readiness road map and GIZ had supported national forest inventory before the Project started. During the Project period, GIZ, UNREDD and FAO collaborated in the process (GIZ on remaining in forest inventory, UNREDD in policy formulation and FAO on field-level piloting) to promote REDD+ in Mongolia. These 3 organizations created a joint communication group to manage the expectations (such as REDD+ incentives to communities) related to carbon direct payments to communities in the beginning of the REDD+ Project. It was also informed that the Project NPC, as a member of UNREDD steering committee (since 2018) proposed joint activities on piloting of payment mechanisms, however, this proposal did not yield anything.
107. The Project supported the carbon sink approach by promoting natural regeneration and reducing forest degradation from the forest fire, over-grazing and illegal forest cutting. The original plan was to develop mechanisms to distribute incentives derived from carbon trade. Some of the stakeholders felt that the plan generated unnecessary expectations among the stakeholders in the beginning, since the incentives were never actually distributed.
108. Based on the previous work implemented by UNREDD from Jan 2016 to July 2019 (REDD readiness roadmap and a national programme on REDD+), the Project supported developing the forest reference level, the development of national forest monitoring systems and the environmental and social safeguard mechanisms. Through a collaboration between FAO and GIZ (approved in Sept 2019), the Project also supported the development of a national strategy and action plan through i) providing knowledge in drivers of forest degradation and deforestation based on its working experience with FUGs and communities; ii) revision of information related to possible involvement of FUGs, types of compensation measures for forest monitoring systems; and iii) provided additional support in the FAO Project implementation areas for creating an inventory of degraded forest for updating the revised forest reference level in Mongolia.
109. The Project also supported various activities for carbon storage through forest regeneration, reforestation, forest management – cleaning and thinning activities and forest fire controls. Government stakeholders at central and provincial levels were engaged in awareness-raising on carbon storage and the relationship of carbon storage and SFM.
110. A 2011 baseline study of carbon storage levels in the FUGs managed forest had been conducted (by the previous FAO Project). The method was updated according to the recent IPCC approach and another baseline study was carried out in 2017, followed by an endline in 2019. The summary

²⁴ The 12 FUGs with the FMPs for managing forested area of 88,000 ha (2017) included Altansumber and Khishig Undur from Selenge, Eleet Ondor from Darkhan Uul, Buht, Monostoi, and Dundat Urguu from Bulgan, Delger Onon and Amirlungui from Khentii, Bayanbulag, Bayankhangai, and Khan Uul from Khuvsgul.

of the findings are provided below in Figure 3 and the details of the calculation are provided in Annex 4.

111. *The results from the studies in 2017 and 2019 indicate that there has been increased storage for carbon in the FAO managed forest. Considering the **101 FUGs**, the total carbon stock of forest has increased from 915,320,393 tonnes [54.1 tonnes d.m. /ha] in 2017 to 15,876,496 tonnes (65 tonnes d.m. /ha) in 2019 in a total of 283,027 ha.*



112. Between 2017 and 2019, in the **16 mature FUGs** the average carbon storage increased from 1.7 to 2.5 (increased by 0.75); for **85 FUGs**, it was from 1.4 to 2.7 (increased by 1.3); and in the **101 FUGs**, it increased from 1.35 to 2.7 (increased by 1.35) tCO₂e per hectare per year (see Annex 4). There are different standards in literature to assess increment of carbon storage in boreal forests. The "State of the world's forests 2001"²⁵ indicates that typical sequestration rates (from afforestation/reforestation), in tonnes of carbon per ha per year range from 0.8 to 2.4 tonnes/ha/yr, whereas McGuire (2010)²⁶, from which the Project design took the reference, used average carbon sequestration rate of 2.4 +/- 0.8 tC/ha/yr. In comparison with these estimates, the rate of the carbon storage achieved by the end of the Project may be seen as low. But this results could be due to the limited number of years of work on forest management.
113. Being a highly technical issue, it was difficult for FUG members/local level stakeholders to understand carbon sink. Most of the FUG members and many government officials consulted during the field visits mentioned that they heard about it or had some knowledge on this, but they were not fully aware how this would really add value²⁷ for local-level forest management and provision of incentives to communities. There was, however, a relatively good understanding of carbon sequestration at the central level. Some government officials stated that *this study helped them to provide existing carbon stock and share the findings of carbon storage from Mongolian forests as a part of the national commitment (such as the NDC of UNFCCC) at international fora.*

²⁵ <http://www.fao.org/3/y0900e/y0900e06.htm>

²⁶ McGuire, C. J. (2010). A Case Study of Carbon Sequestration Potential of Land Use Policies Favoring Re-growth and Long-term Protection of Temperate Forests.

²⁷ REDD+ payments would be quite small since the main difference between forest and steppe is the above ground value. Given the current level of transaction costs for REDD+ payments, cost-effectiveness will need to be very carefully appraised, from Report on Initial Visit to Mongolia 18 to 28 November 2015 GCP/MON/008/GFF (Patrick Hardcastle)

114. The discussions with various stakeholders on REDD+ initiative revealed some challenges. At international level, the REDD initiative was suffering from 'sustained funding' for establishing institutional arrangements and providing the performance-based payment for REDD+. In addition, due to country level weak forest-land tenure issues (owned by the government) and forest management institutions were also in challenging stage for effective implementation of REDD+ as envisioned in the project document. Besides, the Project did not have full-time human resources to deal with these technical issues (i.e. additional awareness at sub-national level about carbon sequestration and its role in forests management, climate change) and documentation of local level prospects, constraints and challenges of the REDD+ in Mongolian context.. A national consultant was hired for a limited period of time, but this was not enough to bring the required technical backstopping during the Project implementation. Although the Project management reduced its scope of work on REDD+, these changes were not reflected in subsequent logframe or any officially endorsed documents. Considering the significant emphasis given on REDD+ during project design stage and the weak potential benefit from carbon sink/trade while implementing the Project, some stakeholders view that this component raised unmet expectations that the country would get benefits from international REDD+ mechanisms.

Output 2.3: Biodiversity conservation practices demonstrated in 10 priority, advanced FUGs.

115. The Project trained government personnel, Project staff and FUG members in SFM focusing on the role of biodiversity in SFM. The training and exposure visits have created *a good level of awareness and strengthened the capacity of the stakeholders to integrate biodiversity conservation aspects in the forests management plan and implementation.*
116. By considering the value of biodiversity conservation, *the Project promoted 10-year FMPs which integrated biodiversity conservation in planning and management (see box 2).* The FUGs earlier used to have 1-3 years (as per the law - only a few plans were with 5 years) FMPs that predominantly focused on conservation aspects for forest. *With 10-year plans, there were opportunities for FUGs and forest units to have longer-term planning horizons* for forest management with appropriate silvicultural operations, biodiversity conservation, ecosystem-level management and sustainable use of forest resources for generating economic incentives. In specific to biodiversity conservation, the FMP guidelines included vegetation and its type and wildlife under introduction (section 1.3) and wildlife conservation and NTFPs, illegal hunting, pasture conservation, wild management and plan utilization under forest management activities (section 3.2).
117. There was also good support from the government side. The government had a programme of incentives up to 2 million MNT (circa 740 USD) and compensation for horse-back patrolling for fire prevention (e.g. in Bulgan Province); allocate land for tree nursery (Soum level) and provide up to 60% discount for wood chips/briquette production (e.g. in Khovsgol Province). The Project has worked very closely with FRDC²⁸ and ISFU staff to support in the preparation of 10-year FMPs for FUGs. The discussion with the FRDC as well as ISFU staff revealed that *the process was fully owned by the department and the plan was considered as an important instrument to encourage FUG members for longer-term collaboration by integrating biodiversity aspects.*

28 LoA between FAO and FRDC

118. As above-reported, there were two indicators related to biodiversity: increase the population and habitat area of musk deer (*Moschus moschiferus*) by 10% and population of Saker falcon (*Falco cherrug*) by 30%. The Project report revealed that *only 5% the habitat of the Musk deer in Mongolia was overlapped with Project sites* (northern side of Khovsgol and Khentii provinces). In the case of Saker falcon, the national bird of Mongolia²⁹, the FUG monitoring area covered only 11.38 sq. km. area and it is mainly found in the steppe, not in the forest³⁰. After a government baseline study in 2010, no census was carried out which could be used to assess the change in population size during the Project intervention. Additionally, some of the experts working in the biodiversity sector viewed that *the targets of increasing by 10% (for Musk deer) and 30% (Saker falcon) were ambitious*. Interviewed stakeholders mentioned that these indicators may have been proposed to make the Project proposal more attractive without considering the local context.
119. Nevertheless, the Project initiated community-based biodiversity monitoring systems to monitor these indicators. This was preceded by consultation meetings with the government stakeholders to obtain their consent. The monitoring protocol was jointly developed with the government, and government staff (province, ISFU, environmental rangers and state inspectors) and 14 FUGs³¹ were trained by the Project in late 2018 (10 from Khentii, and 1 FUG from each of the four remaining Aimags). For example, in Khentii province, the monitoring work was conducted for prairie dogs-Mongolian marmots; roe deer and moose. The result of the wildlife monitoring helped to establish Tenuun hunting zone in 2018 and in 2019. It was also noted that the FUGs have developed a management plan based on the detailed wildlife inventory and submitted to the Ministry for formal approval.
120. The Institute of Biology of Mongolian Academy of Science developed the monitoring format and had plans to analyse the data provided by FUGs and authenticate the results of the biodiversity monitoring by FUGs within March 2020. Discussions revealed that the main motivation for biodiversity monitoring by FUGs were related to personal interests, incentives provided by the Project (USD 12 per patrolling trip), increasing understanding of biodiversity value at FUG level and potential financial value it may fetch afterwards (such as creating community hunting management places combined with community-based tourism).
121. There was also a demand for equipment - such as wildlife trap cameras - to ease the added workload to FUG members involved in monitoring, but due to poor performance and lack of professional expertise, this was not materialized. For example in the Delger Onon FUG, Binder, Khentii province, 14 respondents out of 18 responded that they needed cameras and this would enable them for effective wildlife monitoring, mitigation of illegal logging and poaching activities.
122. WWF, an international conservation organization working on biodiversity issues in protected areas of Mongolia, was also carrying out similar community-based biodiversity monitoring activities and they viewed that the process would help to enhance awareness and value of biodiversity at the local level. Despite some local level interest in monitoring, it was not clear how the monitoring would be continued when the Project would be over.

29 CBD fifth national report by the government of Mongolia

30 Biodiversity consultant report (ND) and WWF consultation

³¹ Khentii 8 FUGs (Khumul Balj, Seruun Bayalag, Buural Yudeg, Tenuun, Bayantsagaan, Bayan Uul, Sogoot, Berkh), Bulgan 2 FUGs (Tsonkhlon and Monostoi), Khuvsgul 2 FUGs (Tsakhir and Badar) and Darkhan and Selenge 2 FUGs (Unagan Turkh and Altansymbor) – Source project report

123. Overall, the Project provided training and institutional support to the government (such as FRDC and forest units) and FUGs to integrate biodiversity conservation issues into the FMPs and there has been a good level of ownership and increasing capacity of the government to lead this component.

Box 2: Analysis for 10 Year Forest Management Plans – A case of Tsahir FUG from Tsagaan Uul soum, Khovsgol province

The FMP formulation process for the FUG has been an interactive process under the lead of ISFU for Tsahir FUG members. After 4 rounds of consultative processes with communities, the FMP document draft was finalized and handed over to the communities (August 2019). The FMP contains 5 chapters (73 pages) with extensive annexes supported by GIS data/visuals. It describes an in-house capacity for the FUG for forest management by stock-taking the member capacities along with vocational trainings received, types of machineries and equipment owned by the FUG. It also has a list of trainings the FUG members received and equipment (49 pieces of 13 different equipment).

Based on their prior experience for manpower and technical capacity, the ISFU recommends the volume and scale for management work to be undertaken by the FUG. In this case, they include: cleaning activities and thinning work for 10 hectares of forest and some game management activities.

The FUG management activities are phased in 3+4+3 year intervals for a duration of 10 years in total, with the initial 3 years envisaged to be spent for preparatory activities; the next 4 years for stabilization and last 3 years for sustaining forest management activities. There are workplans for all 3 sub-phases.. Each category for forest management activities has its action plan.

The plans were prepared with visuals making it user friendly; scientific terms described in local language such as identification of forest pests and pest's evolutionary stages. When the NTFPs are described, their full values and ecological functions have also been described additionally.

The FUG is also provided with a template for the financial transaction recordings. With this and other arrays of templates/work-plan integrated into the FMP, it provides a very useful and full range of reference materials and guidance for the FUG members for undertaking their planned activities and milestones to reach.

Some important features for FMPs:

- Officials from the MET consider this as *a good step for extending the stewardship term for resources in comparison to the prior short term 3 to 5-year management plans.*
- *The FMPs integrate many new processes such as consultative process with communities, joint ground truthing trips for FUG boundary demarcation and documentation for land-use changes; addressing biodiversity considerations and assisting communities with the socio-economic and ecological values for their forest resources. The Forest Units sit with communities and ground-truth jointly area to be managed, and verify and confirm with the FUGs on final data to be entered into the document. As a result of this interactive process, the plan is more realistic and down to the earth.*
- The new 10-year FMPs also advocate for a more holistic and integrated approach to SFM by incorporating water, soil, flora and fauna in the forest vicinity area and capture socio-economic and ecological values for forest resources. It integrates a whole new section on species conservation and NTFPs inclusive of the sections on illegal hunting for wildlife; plants and pasture conservation; and sustainable use and management options for these resources.

The initiative of making 10 years plan is a welcoming step that provides a long term horizon to FUGs and the government to plan and manage the forest resources, but it requires proper analysis, planning, management and monitoring to avoid capacity gaps.

Output 2.4 Increased revenue from timber and non-timber forest products at the 16 advanced FUGs.

124. Timber selling, value-added activities and tourism are some of the types of livelihood incentives that FUG members can get from forest products for household use and income generation. The review of this Project showed that support was mainly limited to getting fire-woods during forest cleaning and compensation provided by the government during thinning activities. Towards the end of the Project, *some FUGs received income from forest-based value-added activities such as wood pallets, furniture and Souvenirs* (Table 4). The Project supported 32 out of 54 small grant proposals³² submitted by FUGs. The evaluation team visited a Carpentry workshop (established in October 2016) in Binder, Khentii province (image 1) for creating local level jobs. The enterprise received financial support, but they lacked a special wood drying unit which affected its regular operation. In addition, they also informed that *value chain training was provided late and there was no adequate market assessment before the support was provided.*

Table 4: FUG economic activities in 2019³³ (1 USD = 2700 MNT)

FUGs	FUG Income	Household Income	Comments
	(MNT)	(MNT)	
BULGAN PROVINCE			
Jargalant FUG	24'860'000	1'553'750	Totally 16 households in FUG. Main income sources from Ger (traditional house), furniture and souvenir production. Income from forest thinning in 20 ha
Bayan Ulaan FUG	2'550'000	318'750	8 households. Income from producing furniture for kindergarten small wooden souvenirs and forest thinning
Dundat Urguu	7'200'000	600'000	The main income of 12 households are from forest thinning supported from the Project and sales of the poles from the thinning
Uguuj Buren FUG	11'368'000	592'400	20 households, income in 2019 was from forest thinning, cleaning and collaboration with Aimag Department of Labor and Welfare (paid work)
SELENGE PROVINCE			
Zulzgan tugul FUG	4'500'000	750'000	Income-based in 2018 as final figures for 2019 will be determined after the trade fair. Income compromises from thinning and sales of wooden souvenirs
KHENTII PROVINCE			

³² Some common nature of the grant included- grant for procuring primary equipment and tools (such as cutting, carving, polishing tools) for establishing small scale carpentry unit; activities that supports natural regeneration of forest (making forest stirps, removing dead and fallen threes), and improving ecosystem services (fencing forest spring), and support in producing birch charcoal by procuring a kiln for charcoal burning.

³³ The income of 2019 are not final figures as there is an additional income and profits are foreseen from "Environmentally Friendly Products 2019" fair trade planned during last week of November 2019. Moreover, income from sales of dairy products, wool and cashmere sales, which is also main income of households are not included here. Only forestry related income is referred.

FUGs	FUG Income	Household Income	Comments
	(MNT)	(MNT)	
Khamtiin khuch FUG	11'960'000	498'000	22 households. The main income is from honey production (200 l), forest thinning and sales of berries
Delger Onon FUG	9'220'000	419'000	Income from honey production, thinning and sale of three seedlings. In addition, the FUG has received a grant from the Local Government as an award for best FUG which is placed in the common fund (the amount is 3'200'000) which is not included in the calculation.
KHUVSGUL PROVINCE			
Badar FUG	6'200'000	563'000	11 households. In addition, the FUG has received a grant from an Asian Development Bank (ADB) supported Project in the amount of 5 mln MNT (not included here) and sales of pickled vegetables 100'000 MNT per household (not included here)

Source: Project records

125. A study on the value chain in the Project area was carried out with the scope of exploring the current status and potential barriers in Sept 2019, and it has provided some strategic direction and recommendations which could be useful for future action. The draft report noted that the *FUGs were voluntary organizations with no access to a bank account and loans, and cannot formally enter into any contract with the second party and work collectively*. Formal collective marketing was, therefore, not possible. The study suggested to register as cooperative or as a business entity, and turn it into clusters to reach a volume; for the short term, focus on handicrafts & furniture products to increase the income of FUG members; adopt the aggregator model for sales distribution for the handicrafts and furniture; create avenues of credit for FUG members based on business they are involved in; and create a thorough process of the importance of scalability & quality of products, marketing, and sales.
126. There were some other opportunities for the FUGs for earning income from other forest-related sources without changing their legal status. Government agencies such as the MOFALI opened up broader cooperation avenues with qualified FUGs and their members, regardless of their status (meeting certain thresholds for qualifying to be a legal and economic entity, e.g., MNT 3 million (circa 1111 USD) annual income required for qualifying to the rank of a Small

Image 1: Value added products from forests resources



Medium Enterprise-SME). The example of a cluster of 19 leading cosmetics industry producers with the MOFALI, outsourcing their ingredients and natural raw materials from the trained FUGs, demonstrates for other existing potentials with sustainable use of forest resources including the NTFPs.

127. The baseline for household income from forest resource use was set up at MNT 300,000 (circa 111 USD) as of 2016, taking into account the following categories of income sources from forest resource use under the Project area: i) income from pre-commercial thinning activities; ii) income from trading forest products at trade fairs; iii) income from post-project conducted training follow up activities, and iv) economic gains from Small Grants.
128. The Project carried an endline assessment in 2019. *Table 5 provides the changing income of FUG members over the years, which showed that the Project has achieved the expected target.*

"Value addition or economic incentive is key to sustainability. Activities such as bee-keeping require the markets and exploring market potential should go hand in hand with the product development"
Delger Onon FUG member, Nov 09, 2019, Shalz, Binder Soum, Khentii

Table 5: Household-level income from forest resources (1 USD = 2700 MNT)

Particular	Income / FUG member (2015)	Income / FUG member (2019)
The income of 16 FUGs	Average 100K-300K MNT per	300-1.500K
The income of 85 FUGs	Ranged between 50K-300K MNT	300-1.500K

Source: *Project records*

129. There are still barriers related to policy provisions regarding economic incentives for the FUGs, such as the above-mentioned volunteer status of the groups. A study carried out by the Asian Development Bank (ADB)³⁴ in Mongolia highlighted similar challenges for FUGs for initiating economic activities based on forest resources. The study report mentioned that it was difficult for FUGs to compete with Ulaan Baatar market for fuel-wood where conventional traders had their prior experience and big transaction with good financial ability.

Outcome 3: Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests

EQ. 9. To what extent has the Project enabled Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests, and how effective was the Project in achieving this outcome?

Finding 7: The Project provided essential support to develop Aimag and national level standards for FMPs along with institutional and technical capacity-building support to government officials, FUGs and FUG associations for scaling up the SFM approaches within and beyond the Project sites. The

³⁴ Sustainable Forest Management to Improve the Livelihood of local Communities, TA 8874 MON MARKET SURVEY FUELWOOD, NTFPS AND SAWN TIMBER

trained staff from ISFUs supported other FUGs both within FAO Project sites which was mainly financed by the government resources. There was also a good level of ownership from the MET, FRDC, Aimag and Soum Forest units to expand the SFM approach (at provincial levels, the standard for FMP content has been approved and endorsed by provincial environmental departments), but they still need financial and technical support to reach out to other Aimags. In addition, the SFM approaches developed by the Project has been scaled up in 7 Aimags (about 2 million ha).

130. In consultation with the government (at the provincial level), in 2015 the Project selected 85 FUGs for the scaling up phase. The capacity assessment criteria included capacity and ability to act, commitment to PFM including biodiversity conservation, and committed support from the local government.
131. The Project supported the establishment of 10 extension units (Output 3.1) and the development of FMPs standards for Provincial and national level governments, as well as provided capacity building support to ISFU, Provincial governments and FRDC. The Project also supported 6 FUG associations to establish which could help to raise voices of FUGs and expand the area under SFM (Output 3.2). Both *Provincial government and FRDC jointly started training to the ISFUs and FUGs in other provinces as a part of scaling up of the SFM practices*. The Project also facilitated the approval process for 84 by-laws, prepared simple forest management plans and assisted in the implementation of management plans (Output 3.3 and 3.4). There was *a good level of ownership from the Aimag and Soum Forest units to expand the SFM approach but they still need financial and technical support to reach out to wider areas*. It was also noted that *other Projects such as ADB, UNDP followed the forest thinning training materials developed by the Project*. The evaluation team, therefore, finds a good level of progress and rates the outcome achievement as *satisfactory*.

Output 3.1: Eight PFM Extension Offices (established in inter-soum Forestry Units);

132. The Project helped to establish 8 PFM extension offices (ISFU) and, following the recommendation from PCC, the Project supported an additional two ISFUs in 2017 and one ISFU in 2018. The Project provided initial training to the PFM officers with additional technical assistance and capacity building support, inclusive of basic office/field equipment and training materials. Further advanced training (PFM modules; income generation activities, integration of biodiversity and forest carbon management aspects) and capacity building support including advocacy materials were provided. The capacity assessment carried out in November 2019 demonstrated an increase in capacity of ISFU compare to baseline data.
133. The Project helped to strengthen the FDRC capacity by supporting its 3 staff members (on contract) who led the PFM practices on behalf of the FRDC. Since it was not possible to create a special unit on PFM with the FRDC, the Project had an LoA with Aimag environmental departments in 4 provinces to have a designated staff for PFM and the Project supported their cost until the end of 2018, whilst the Aimag departments for environment and tourism were supposed to take over these staff after 1st January 2019 from their own funding. So far, *only one province, namely Khovsgol Province, was successful for having a permanent staff funded by the local government*.
134. *The provincial governments have already started working on the extension of PFM and used ISFU as resource units to train other new ISFUs and FUGs in new areas*. Some of the officials, however, mentioned that *they still need additional support to build their confidence and also to include new*

ideas and practices. Additionally, not all the provinces will be able to support the position of the dedicated PFM officer funded from the local budget in future, due to their financial constraints.

Output 3.2: FUG Associations at Soum, Aimag and National Level;

135. The Project has supported 6 Aimag and Soum level FUG associations and financially supported 4 FUG associations³⁵. The FUG Associations governing boards were formed by members from FUGs, the Project staff and government institutions (forest unit level) and an independent person. They received basic training on office management (such as planning and book-keeping) and *started basic functions* such as stakeholders facilitation, awareness raising on legal provisions, act as bridges between the forest units and the provincial MET branches and FUGs. But they were *still at an early stage of development* and raising the interest of FUGs at the national level (see a case from Khuvsgul province - Box 3).
136. Most of the stakeholders, however, agreed that the *associations can contribute to raise concerns by FUGs in advancing their agenda, reduce policy and practice gaps and also raising FUG roles in managing the forest sustainably.* Hence, additional institutional support is still needed, which could include enhancing their capacity to manage the association, develop funding proposals, provide financial support and help in promoting value chain activities in collaboration with FUGs and forest units.

Output 3.3: Results plan implemented by FUGs.

137. Two series of FUGs level plots were established to provide evidence to enhance PFM methodology, provided training, procurement of value-adding machine, expansion of thinning area (for instance 1000 ha in 2018) in the FUG managed areas.

Output 3.4: 84 10-year SFM Plans prepared and approved.

138. The Project provided initial training and awareness-raising to ISFUs and all FUGs. At province level, the Project also negotiated and facilitated the approval process for 84 by-laws, prepared simple

Box 3: Interview with the Chair, Association of FUGs, Moron, Khovsgol Province

The FUGs, the project and ISFU created an Association. The board is comprised of 11 members (6 from FUG members, 3 forest unit (ISFU), FF from project and chair).

Current status: Does not have specific financial income, the project support is of 100 USD/ per month for the running cost of the chair, weak membership-based funding (out of 30 FUGs in the area, only 4 paid their fee of 4\$ per year, whereas as per the constitution they were supposed to pay to the association).

Mainly the Chair was active.

Major activities: Visited all 23 FUGs so far, documented FUG challenges, tried to bridge the stakeholders – FUGs-ISFU and provinces and share the challenges faced by FUGs

Proposed incentives to FUGs: Help to link with professional services, share the information from central to FUGs level, assist FUGs on technical and legal awareness, compile FUG data and share good cases such as revolving fund among the FUGs

What supports are needed: Capacity building, proposal development, financial support to perform its proposed activities, capacity building on value chain analysis, human resources and equipment.

³⁵ The project and the associations had contract (LoA) with clear role and responsibilities.

forest management plans and assisted in the implementation of management plans (harvesting and selling dead-wood and NTFP, forest patrolling to protect from fire, illegal logging and poaching). In addition, the Project also supported the implementation of priority biodiversity actions in 10 FUGs.

139. *At provincial levels, the standard for FMP content has been approved and endorsed by provincial environmental departments. The trained staff from ISFUs used the training content and methods developed by the Project to support the other FUGs both within FAO Project sites which was mainly financed by the government resources.*
140. As to the national standard, the Project first worked with FRDC to prepare the FMP guidelines, which were further revised by Mongolian Sustainable Forest Management (NGO) by considering the non-state actors' perspectives. *This was expected to serve as the national-level guidelines for standardized structure and content for the FMPs, integrating important aspects of biodiversity and local development context.* It was also noted that *FRDC staff provided training based on this guideline to other Aimags/Soums (outside FAO Project sites) and their forest units from their own resources which helped in scaling up the intervention to larger areas.*
141. As a result of these activities with the revised/updated technical content and methods, the Project in close collaboration with government forest units has been working on capacitating the most of FUGs and also help in scaling up in other areas by integrating biodiversity and forest carbon storage aspects in the FMPs. *With these, 10-year FM Plans were approved for 53 FUGs.*
142. Discussions with the Project staff and the progress reports also indicated that the *SFM would be implemented with clear and planned biodiversity conservation orientations in the national level in more than 2.5 million ha of 7 Aimags.*

Outcome 4: M&E and information dissemination

EQ. 10. Did the Project count on a structured and sufficient M&E system? Was the information systematically gathered and used to make timely decisions and foster learning during Project implementation? Were the recommendations provided by the MTR implemented and what were the repercussions of the implementation (or lack of it) in the Project implementation?

EQ. 11. Were the best practice and lessons learned documents produced by the Project and disseminated as planned?

Finding 8: An M & E plan was proposed during Project design and Project reports were regularly produced. With the evolving context, the Project also changed in its operational strategies (adaptive management). However, the data collection was fragmented and focused only on fulfilling specific requirements rather than systematically capturing the whole picture (multi-tier/multi-scale), which would have served the purpose of continuous feedback and improvement of implementation. The PCC met regularly and provided strategic directions.

Finding 9: The Project shared information generated during implementation and lessons learned through various kinds of publications (such as guidebooks and a law compendium), organizing workshops and exposure visits and operationalization of the Project web-site. There was no full time staff to work on communication and knowledge management to effectively produce policy briefs and

initiate national level dialogues for effective policy influence. In addition, the Project has also supported various events at the national level (for instance FUGs national event in the last week of Nov 2019) and local level and also organized a few at the local level. But, there was room for more focused and interactive meetings and dialogues with stakeholders for achievement of the Project outcomes – especially the outcome 1.

143. The Project has prepared an M & E plan, produced the Project reports regularly and also changed in its operation strategies (adaptive) considering the context. But data-collection was fragmented and focused on specific Project reporting requirements, rather than systematic and capturing the whole picture of the Project, which would serve the purpose of continuous feedback and improvement of the Project. The PCC met regularly based on the need. The committee used to review the overall performance of the Project and provided some strategic directions for the Project management (Output 4.1). The Project also carried out mid and final evaluations as planned (Output 4.2). Most of the MTR recommendations were integrated during the Project implementation process. Information dissemination was also carried out through various publications workshops and inter-action meetings, although there was room to improve, which could have been helped in achieving better results.
144. Opportunities to devising a robust M & E systems (Output 4.1) and to document and share the information (Output 4.3) were missed by Project management. For example, the Project has carried out the piloting and gathered some good learning out of it (Outcome 2) and developed some knowledge products³⁶ but they were not adequately processed in the form of effective policy briefs and issue based dialogues for policy influence and scaling up beyond the Project areas and duration. Hence, this outcome is rated as *moderately satisfactory*.

Output 4.1 M&E system operating and providing systematic information about meeting Project outcome and output targets

Monitoring and Evaluation systems

145. The Project's RF included indicators, baseline, end of Project target, source of information and assumptions for the Project objectives and outcomes. The monitoring plan proposed during the Project design included types of M & E activities, responsible parties, time-frame and budget. The M&E plan included day to day monitoring for the Project activities, technical monitoring for indicators, monitoring of FUGs capacity and the mid-term review.
146. An M&E consultant hired by the Project provided recommendations for the review of indicators and targets. The MTR also reviewed the original RF and recommended revising some indicators and targets. Based on these, the Project team submitted for the necessary amendment. But *only a part of the proposed amendment was agreed by the senior management*. Some of the informants mentioned that, despite their best efforts, the proposed revision was not successful. They also viewed that it was due to inadequate appetite from GEF and FAO to change the indicators amidst

³⁶ Documentary "Voice of Communities" especially dedicated for policy makers to take actions, and broadcasted during 2nd community forum (2017), training guidebook and documentary on "1st and 2nd level of forest thinning" dedicated for the FUGs and ISFUs (2017-2018), guidebook on identification of pest insects and combating methods (2017), guidebook on preventing forest fire (2017, 2019); discovering Forest" learning book for kids (2019) and identification of forest useful plants (2017)

- of the Project implementation along with dropping the major indicators and targets on which premises the Project received the fund.
147. *Most of the indicators set out in the RF were relevant and quantifiable, but a few of them did not match well with Project context.* Besides, delivering and monitoring those indicators/targets were beyond the scope and capacity of the Project (see Relevance section). The MTR also mentioned that the M & E was one of the weakest part of the Project, but no significant changes or improvements were made to integrate the MTR recommendations on this topic.
 148. *The quality and coverage of Project monitoring considering the RF was at a moderate level.* Although there was regular reporting as per the organizational plan, the reports were not detailed with explanations of why the changes happened or did not happen, what were the reasons and what enabled or act as barriers. The project was also supposed to ensure systematic data collection for M & E, monitor risk, design and operation of M & E systems based on result based management (Pro Doc chapter # 183) and to include full monitoring of ecological, social and economic variables, to develop and implement the monitoring of environmental impacts and biodiversity and fed up to national stakeholder to inform decisions (Pro Doc chapter # 184). The evaluation team also noted no M&E specific activities were identified in the Pro Doc (compared to other outcomes). The reports also, in some cases, failed to provide updated information against some indicators (e.g. musk deer habitat area), and no sufficient justifications and learning were provided when there was inadequate progress. Apart from the consultant (hired for a specific task), *there was no permanent strong M & E capacity within the Project team other than the PM, who was already overburdened by other management and technical tasks.*
 149. The annual and bi-annual progress reports mainly served the purpose of organizational requirements rather than critiquing and capturing the performance and challenges through in-depth discussions with stakeholders and carry out proper review bringing multi-scale analysis approach which would allow to identify the enabling factors and Project barriers to generate feedback for the improvement.
 150. *There were some monitoring mechanisms for FUG levels (such as capacity assessment, biodiversity monitoring including FUGs baseline by FFs) but in some cases, no data was collected for field activities* For example, the Project claimed that the forest fires have been reduced from the Project interventions, but there was no such data collection system to generate evidence and show the progress. Monitoring activities were treated as individual standalone actions and reported accordingly without having comprehensive (multi-tier / multi-scale) analysis on output and outcome linkages by considering the full picture of the Project scope. Similarly, the Project aimed to contribute to enhancing ecosystem services and benefits from SFM and enhancing resilience to climate change, but there is no evidence of baseline studies and monitoring along these lines.
 151. To address the monitoring of Musk deer and Saker falcon, the Project initiated participatory biodiversity monitoring through FUGs in association with the Institute of Biology. Although there were some challenges in reliable data collection, the approach helped in generating field-level data and demonstrate the change of species – if any.
 152. *The Project managed to improve some operational strategies based on emerging and complex situations (especially in policy improvement outcomes), but they were not recorded and documented in the reporting systems regarding why and how those changes were made.*

153. **PCC meetings:** Based on the Minister's decree³⁷, a 17 member PCC was established with the chairing by the State Secretary, MET, with other members comprising representatives from all participating Aimags, the government ministries, Association of Mongolian Forest, Wood Production Entrepreneurs and FAO. The PCC sat for 6 times during the Project life. The review of the PCC minutes suggests that *there used to be a good level of discussions and inputs were provided for operational level activities*. For example, the 4th PCC meeting (Dec 2017) advised working on providing evidence on FUGs operation with chips/chops compressing machines to produce wood pellets and support stronger FUGs to become professional organizations by getting a license for tree felling, among others. At the same time, there were fewer critical discussions on policy issues, which was a major barrier to Project implementation and achieving results, and on ensuring inter-sectoral coordination between government ministries. Thus, *despite a good level of the interactions, the PCC missed a good opportunity to discuss major policy issues and key barriers related to regulatory reforms within the Project time frame*.
154. **Response to MTR recommendations:** The Project started its operation from mid-2015³⁸, and the MTR was carried out in October 2016. This timing did not allow to get in-depth Project progress and identify the Project operational challenges.
155. The review provided 28 recommendations for the improvement of Project implementation and performance, of which 9 were partially accepted 9 and 19 fully accepted³⁹. *The recommendations were discussed in the PCC meeting and most of them were integrated into the subsequent Project management process*. For example, the MTR recommended for re-direction of resources to Outcome 1 and this has been done by increasing additional resources of about 240,000 USD in Outcome 1.
156. In some cases, the Project response to the MTR recommendations was late and a few of them were not fully integrated. For example, the MTR suggested to 'strengthen business case analysis immediately' but the Project took action on this just a few months before the Project completion. Similarly, the MTR also recommended formal partnerships with relevant projects and, where possible, a joint action plan. Despite attempts to enhance the partnerships (i.e with UNREDD Project and Finish Governemnt support), no formal agreement was developed during the Project implementation. Nevertheless, *overall, the Project management integrated and responded to most of the recommendations satisfactorily*.
157. **Information dissemination:** The Project shared information generated during Project implementation and lessons learned through various kinds of publications, organizing workshops and exposure visits and operationalization of the Project web-site. The Project website was hosted within the FRDC website (Project.forestry.gov.mn). During the evaluation mission and data-analysis, the website was not in operation due to maintenance work. The Project organized some

³⁷ The project PCC formed with the EGDT Minister's Decree -"PCC Establishment", number A-129 (issued in 2015) to provide policy guidance, review results-based Annual Work Plans and Budgets and provide recommendations for resolving any constraints faced by the project, establish linkages between the Project and other ongoing projects and programmes relevant to the project; coordination the project activities with state policy, programs and synchronize at the local level, provide oversight role on sustainability of key Project outcomes, including up-scaling and replication; and provide effective coordination of Government partner work under this project.

³⁸ PCC meeting minutes: The first meeting of Project Coordination Committee (PCC) is held on 22 June 2015,

³⁹ Source: management response document.

awareness raising activities on topics such as Mongolian forest sector legislation and regulatory framework and possible improvement measures for FUGs and ISFUs, such as in Khetii province. Similarly, the Project facilitated discussions related to two draft regulations (supposed to be submitted to the Ministry of Finance) where the additional role of the FUGs were recognized (i.e. in Khosgol province).

158. Given the nature of Project (policy influence and scaling up of the SFM), there was no adequate staff to work on communication and knowledge management as planned in the Project document. The major publications and dissemination materials produced by the Project include guidebooks for communities on prevention of forest fires (2017 and 2019); a compendium of laws for Soum Governors (2018); guidebook on main forest pest insect and combating methods (2018); and guidebook on forest thinning (2019). *Some of these publications were referred to as very useful reference material by government officials.* In addition, the Project has also supported various events at the national (such as the FUGs national event in late November 2019) and local level and has also organized a few at the local level. A detailed list of the communication and dissemination materials is provided in Annex 2.
159. *Featuring the Project information within the Ministry's website was a good strategy to continue the Project related initiative after the completion of the Project. Although the Project planned to disseminate through the website, better assessment and presentation of the materials considering the needs of the different audiences were needed. There are various stakeholders (politicians, government ministries, international organizations, NGOs and local communities/FUGs) of SFM in Mongolia and they need different approaches and media channels, hence requiring different types of tailored communication materials. The evaluation team noted that that local level beneficiaries wanted adequate number of posters with simplified language (reducing the heavy technical words) whereas other Soum and Aimag level stakeholders wanted info-graphics⁴⁰ which can be easily used in training and knowledge dissemination. This aspect was not adequately considered in the present information dissemination actions.*

3.3 Efficiency

EQ. 12. To what extent did FAO deliver on Project identification, concept preparation, appraisal, preparation, approval and start-up, oversight and supervision? How well risks were identified and managed?

EQ. 13. To what extent did the MET effectively discharge its role and responsibilities related to the management and administration of the Project?

EQ. 14. To what extent has the Project been implemented efficiently and cost-effectively?

EQ. 15 . To what extent has the management been able to adapt to changing conditions to improve the efficiency of Project implementation?

⁴⁰ An infographic is a collection of imagery, charts, and minimal text that gives an easy-to-understand overview of a topic.

Finding 10: FAO provided good support in identifying appropriate interventions to promote SFM, used the resources judiciously and maintained the flexibility of resources allocation within the Project, and adopted an adaptive management approach while working with partners and other stakeholders. The MET and local governments provided technical support, were directly involved in Project management activities and owned the process and outputs that are vital to scaling up of SFM. FAO has contributed more strongly to the achievement of outcomes 2 and 3.

160. **Role of FAO/ GEF:** As one of the GEF executing agencies, FAO provided the technical steering and managed the Project, while working closely with the MET. In particular, *the guidance on the SFM related tools and practices was found very useful for the facilitation of Project activities*. FAO also served as the budget holder to ensure the Project implementation adheres to the GEF policies that the Project met its objectives efficiently and effectively, and that expected outcomes and outputs were achieved. *FAO provided timely operational, administrative and financial management support, as well as oversight and monitoring support*. In consultation with the Project NPD, FAO also reviewed and cleared annual work plans and budgets, and monitored them once approved by the PCC; reviewed procurement and subcontracting materials and supporting documentation and obtained internal approvals; scheduled technical backstopping and monitoring missions, and participated in the Project supervision missions, among other activities.
161. A senior forestry officer based in the FAO HQ, served as the Lead Technical Officer (LTO)⁴¹ for the Project. In the Project implementation period, the LTO had four in-country visits (about a week each). The LTO reviewed and provided technical assistance to the Project team, reviewed technical reports and knowledge products, and monitored technical implementation. Additionally, FAO Mongolia Country Office did six field monitoring visits by the, which provided management inputs and were less involved in in-depth technical matters. In the view of stakeholders, the duration of these visits did not allow to have an in-depth understanding of the local context and for sufficient interactions with stakeholders such as country-level senior officials (in the case of the LTO) and were not adequate to provide the technical and policy feedback required for the Project (in the case of Country Office).
162. Similarly, FAO-GEF coordination unit also provided technical guidance, monitoring support and oversight. Some of the major activities included reviewing and providing approval of PPR, annual PIRs and financial reports and budget revisions. The unit also undertook three supervision missions and provided technical feedback, helped to assess the Project risk and adjust the Project implementation strategies for the timely and effective implementation of the Project.
163. Based on the discussions with stakeholders and review of reports (BTOR and PIR), it is possible to affirm that FAO was in general responsive to the national context and needs of the Project, and that FAO and GEF provided a good technical steer. As described in the outcome related chapters above, there was relatively less contribution of FAO in achieving outcomes 1 (for instance, the less achievement of targets/indicators as planned) and 4 (for instance, the monitoring and data management systems were not robust as required to manage the complex Project), whereas

⁴¹ In the beginning of the Project, the LTO was based in FAO's Asia and Pacific Regional Office, Bangkok.

stronger support was provided in achieving outcomes 2 and 3 (new ideas were related to SFM were piloted, knowledge generated and the approaches were scaled up)..

164. **Role of the government (MET) and other government agencies:** The Ministry of Environment and Tourism (MET) was the focal entity for the Project work and operation, led the government counterparts and the Project executing partner, and assumed the main technical responsibility along with the provision of office space. A National Project Director (NPD) was responsible for Project execution, and was involved in policy level steering and provided leadership in promoting SFM at Aimag and Soum levels through FRDC and forest units.
165. Overall, the MET provided good technical and management support and took a good level of ownership on the Project outputs. However, turn-over in NPD and technical staff (following changes in the government leadership) could not be avoided in spite of the MET's best efforts. This meant also a change in the MET's approach regarding some key-focuses of the Project (such as FUG 's rights). Thus, while the current leadership has expressed their willingness to address this and other challenges, the desired policy change was not achieved in the duration of the Project. This is also related with challenges in coordination and in establishment of sharing mechanisms with other Ministries, as earlier reported in section "Achievement of Project results".

Project implementation – efficiency and cost-effectiveness

166. The Project suffered from a prolonged inception phase and a delayed start. The PIF was approved in Feb 2012, endorsed in Feb 2014 and the Project officially started in October 2014. But actual field level implementation was initiated in mid-2015 only.
167. A budget revision was done as recommended in the MTR (in early 2017), but it was only approved in November 2019. Outcome 1 budget was increased in 239,623 USD, whereas deduction was mainly carried out from Outcome 2 (about 372,500 USD) and Outcome 3 (about 72,000 USD).
168. The overall Project delivery rate was 83% by the end of October 2019 (check Annex 6 for additional details) and by the time of this TE the Project still had about 5 months to spend the remaining funds with (about 157,000 USD proposed for the year 2020). The FAO country office adopted a standard financial procedure and control system for expenditure management and this was followed as per the FAO standard. The external auditor did not appoint issues on Project expenditure and no any major issues concerning financial management were identified by the evaluation team.
169. Letter of Agreement (LoA) with Aimags were used to deliver various activities (e.g. training). Most of the people met during the TE agreed that the contract awards, contracting and payment procedures were relatively smooth.
170. The level of achievement of outputs and outcomes at the aggregate level was good considering the financial resources and it is unlikely that additional outputs and outcomes could have been achieved with the same resources. However, the level of certain outputs could have been achieved more easily. For example, having systematic data collection systems at the Project level with a database created on SFM practices could have contributed more to Outputs 1.2 and 1.3. Despite the resources being diverted from Outcomes 2 and 3 to Outcome 1, no substantive progress was achieved as expected.

171. **Human resources:** Project was directly implemented (Direct implementation Modality) by FAO. The Project had a Chief Technical Advisor (CTA) until the end of 2017, a Project Manager (PM), 4 field facilitators (FF), a finance and administrative assistant and a driver. After the CTA left in 2017, the PM coordinated both technical and management matters and there was no adequate technical staff with the Project at Project Management Office (PMO). The Project also hired short term national and international consultants for specific purposes such as M & E, gender, legal provisions and value chain. The Field Facilitators (FFs) shared that they were overburdened with the implementation of Project activities as they were managing, planning and executing FUGs activities, along with other Project activities at Aimag level, with huge geographic coverage. For example, one FF used to serve 4 FUGs in the first phase of the FAO Project, whereas in this phase she had to serve 26 FUGs. Due to lack of adequate staff and big geographical coverage, they faced challenges on managing logistics, provision of training, carrying out monitoring exercises and provisioning of adequate technical services to FUGs. These challenges affected the easy delivery of services and the efficiency of Project management. High staff turnover both in the Project and FAO (country office and technical services), also affected coordination, the achievement of the results and addressing barriers in different phases of the Project.
172. **Adaptive management:** The Project team was able to adapt and respond positively to some of the challenging situations emerged while implementing the Project. E.g., to deal with policy inertia challenges at the beginning of the Project implementation, the Project management took a pragmatic approach of working on SFM practices and other issues (thinning operations by FUGs, piloted FUGs classification criteria, costing of silviculture operation etc.) at the local level. This helped to generate interest from decision-makers. Besides, the Project also worked with Aimags by entering into LoAs to pilot and demonstrate the usefulness of the SFM practices and tools. These demonstrations of good practices and engaging Aimags helped to reduce certain risks for the Project implementation, respond to contextual challenges, strengthen local governance processes, to increase the transparency of Project operations, and to carry out activities more efficiently. These changes in strategies and working procedures considering the Project context were very useful in smooth and efficient Project implementation

3.4 Sustainability

EQ. 16. What is the likelihood that the Project results will continue to be useful or will remain even after the end of the Project? (for example: will the FUGs and other beneficiaries of the Project be able to fully implement the participatory forest management? and will the FUGs be able to sustainably improve their livelihoods as a consequence of the implementation of the PFM?

EQ 17. Has the institutional, policy and regulatory framework changed and is it able to support the FGUs in the implementation of Sustainable PFM?

EQ 18. What are the key risks which may affect the sustainability of the Project benefits?

Finding 12: The achieved outputs have the possibility of generating benefits to FUGs with the increasing flow of ecosystem services and products. The institutional capacity building support and positive environmental elements contribute towards sustainability to a great degree. However, the sustainability of results achieved depend on a comprehensive strategy, including the government plans (at national and aimag level) on technical and financial support (such as to pilot forest-based enterprises and linking with the market) and improvement of policy provisions (including the provision of additional rights on the use of forest resources). There are commitments from the MET to continue to implement the activities developed by the Project, but no concrete strategy has been developed yet.

173. **Social sustainability:** Organizations, governance, leadership, social inclusion & cohesion, and status of knowledge of the SFM are important aspects of social sustainability. The Project supported the *creation and improvement of the governance of FUGs (organization)*. Stakeholders report improvements on the FUG governance (such carrying out regular meetings, record keeping of FUG meeting, financial transaction and management); and increased support to vulnerable FUG members (such as single women in the provision of forest wood to build their house). FUG members have also reported that they started raising their voice (Outcome 3) with ISFUs, the Projects and government agencies, thus indicating an enhancement in their leadership skills.
174. The degree of the improvements in governance, ability and impact varies among the FUGs. There were some FUGs with relatively strong internal governance processes, whereas other FUGs showed weak governance, in spite of training. In addition, the level of knowledge on the policy issues and technical aspects of the SFM was skewed among the FUG members. If further support is not provided after the Project it might be difficult to expect that they would continue with fulfilling the basic standard of FUGs governance.
175. **Sustainability of institutional framework and capacity:** The Project helped to improve technical capacity - which translated into institutional capacity - primarily at Provincial level. The FRDC and ISFUs were able to develop 10-years FMPs and provide technical assistance to FUGs without support from the Project. At the national level, though it was not possible to endorse the new legal provisions, the MET has integrated some of the good practices generated from the Project, such as increased compensation for thinning and FUGs classification. According to MET officials interviewed, these measures were planned to propose for formal approval by the government in the near future, which could contribute to getting additional user rights and further scaling up the SFM approaches. Potential barriers such as existing ambiguous policy frameworks⁴² and policy-practice gaps have been described above (Outcome 1). The MET has proposed to create a separate agency (such as forest agency) to address various policy and practice issues on PSFM approach that the Project and other stakeholders were facing. These issues need to be addressed to guarantee continuation of SFM practices.
176. Discussions with the MET officials revealed that they were positive to integrate the technical and management guidelines developed for FUGs, and to provide additional incentives to strong FUGs in

⁴² According to the Forest Act (2015), the Article # 21 clause 21.8 on Forest Law stipulates that the FUGs have priority rights to claim possession of a parcel of forests resources, however, clause # 28.1 in the same Law indicates that only professional forestry institutions would have access to forest standing (growing) trees (for logging and thinning purposes and even cutting standing dead trees).

coming days so that they continue actively involving and implementing FMP (check Outcome 1, above). For sustainability, it is vital to instituting a strong monitoring mechanism of FUGs, so that the better FUGs receive incentives, and good SFM practices are continued. Adequate financial resources are required to continue and update the capacity of stakeholders and monitoring of activities related to SFM in the future. In the absence of this support, there is a significant risk of eroding the existing institutional capacity and, thus, a moderate chance of sustaining the initiatives.

177. **Environmental sustainability:** One of the main rationales of the Project was to contribute to environmental benefits. Discussions with a wide range of stakeholders confirm that the Project interventions (such as capacity building for SFM and its contribution to ecosystem services) help to improve goods and services from forest, improve sustainable forest management, ecosystem health and resilience through biodiversity conservation and reduction of carbon emission (Outcomes 2 and 3). But, with the increasing impact of climate change (for instance increased temperature and change in precipitation pattern), there are increasing risks on forest management, such as negative impacts of Siberian moth and forest fires. With the increasingly complex climate phenomenon and uncertainty in forest ecosystems, there will be increasing risk for the sustainability of what has been achieved.
178. **Economic sustainability:** *Regarding the income generation from SFM practices (at community level, some government officials indicated there were high possibilities to link the FUGs with high-end value chain activities, such as with the MoFALI.* Networking and fostering longer term partnership with other organizations are also potential opportunities for better market access. As reported (Chapter 3.2, output 2.4), there are some concerns on capacity of FUGs to manage the enterprises and regarding the creation of an enabling environment. The slow process of policy improvements towards making the FUG-led enterprises, inadequate enterprise management skills among the FUGs, and inadequate market access for small scale forest-based enterprises can put the continuity of what was already achieved at risk. Addressing these challenges is vital so that FUGs can operate to manage the forest-based enterprises.
179. **Possibility for scaling up:** *Scaling up of Project results, in particular, the promotion of 10-years FMP, has been on-going, led by FRDC, with the technical support from the Project and the policy guidance from MET (Output 3.1 to 3.4).* The government was working towards establishing compensation mechanisms to FUGs and provision of additional support to the mature FUGs, but all these good initiatives are dependent on the legal support provided to FUGs (Outcome 1).
180. The Project outputs were relevant and have the possibility of generating benefits to FUGs with increasing ecosystem resilience. Sustainability of the Project outputs is, however, highly dependent on the response of the government on the compensation provided to FUG to carrying out silviculture operations, provision of additional rights on the use of forest resources and supporting FUGs to manage value addition activities from forest resources. So, sustainability is rated as *moderately likely*.

3.5 Progress towards impact

EQ. 19. To what extent is the Project likely to contribute to the flow of multiple ecosystem services and benefits, including biological diversity, reduced degradation, and carbon storage, and to resilience to

climate change? Are there any barriers or other risks that may prevent future progress towards long-term impact?

Finding 13: The increasing ownership of the Project outputs and its likely contribution to forest users' livelihoods and sustainable forest management indicate that the Project interventions would contribute to the the flow of multiple ecosystem services and benefits and to resilience to climate change. It is however vital that the government continue to prioritize PFM with the provision of resources, capacity building support, provision of additional user rights to FUGs and support to enhance users' livelihoods.

181. The progress towards the impact of 'improving the livelihoods of people, ensuring forest ecosystem protection and flow of multiple ecosystems services and benefits in Mongolia' has been examined using the reconstructed Project ToC (see section 2.1). Intermediate results in the causal pathway still need to occur for the realization of the Project's final desired impact.
182. The current Project interventions supported the management of sustainable forest by reducing forest degradation, deforestation and protecting biodiversity that helped to enhance the continuous release of ecosystems services from the forest (i.e. NTFPs, food, and firewood). At large scale, SFM may also contribute to climate regulations/climate services and improvement of users' livelihoods. But by the time this TE was carried out, these activities were at a very early stage and it was difficult to see notable change.
183. With the increased general awareness, capacity of the stakeholders on SFM and increasing readiness of the government to support SFM approach (Outcomes 2 and 3), it can be reasonably claimed the results from the Project would be used at a larger scale and would contribute positively to the Project impact pathways as mentioned in the ToC. For this to happen, it is assumed that PFM program would be continued as a priority of the government; the forest sector would continue to receive increasing government support, and the government would remain positive to develop policy frameworks that support SFM and increase institutional capacity and value chain opportunities for forest products. The evaluation team also note some risks, such as policy inaction, inadequate economic incentives to manage forest, and weak market access to FUGs in achieving the Project impacts. But given the increasing awareness and positive impact of the Project, it is anticipated that the government would take necessary actions that would finally contribute to realizing the Project impact.

3.6 Stakeholder engagement

EQ. 20. Which stakeholders were involved in Project design and/or implementation? What was the effect of this involvement on the Project results?

Finding 14: The government at central and Aimag levels had a good level of engagement on the Project decision making process and implementation of activities and ownership of Project outputs, whereas at the Soum level it was relatively weak in contributing the Project implementation. FUGs were fully involved in the Project activities implementation process but there not in the design of implementation strategies. There was coordination for collaboration with other (initiatives such as

REDD+) but mainly through informal mechanisms and meetings. Overall, the engagement of Project stakeholders in the decision-making process and Project implementation was satisfactory.

184. The Project was designed with the assumption of having active, participatory and positive stakeholder engagement during the implementation. From the government side, MET, FRDC, MoFALI, the Aimag and the Soum government units were involved in the Project management, where the MET took the overall responsibility for coordination and management for promoting SFM, and the MOFALI being responsible for supporting economic and livelihoods development. The joint secretary from the MET was responsible for steering and providing technical guidance to the Project. The Forest Research and Development Centre (FRDC), an operational wing of the ministry, was the host organization for the Project. FRDC has with its five staff provided technical inputs regarding the implementation of PSFM. Based on Mongolia's decentralized governance structure, the Aimag and Soum governments were also responsible for supporting the implementation of the Project activities, and provide local-level policy support, monitoring facility, technical assistance, and then replicating the best practices across their jurisdiction.
185. The assessment showed that the *MET and FRDC at the central level were fully involved* in the development of operational strategies for the Project implementation, steered major interventions and provided some policy support including guidance to the Aimags and Soums. *The MET also created a PCC through a ministerial decree for steering the Project* to provide regular support and guidance to the Project. *The government took leadership in the Project activities and owned the process and the Project's outputs:* government officials regularly participated in field missions and provided their inputs, as well as participated in many activities implementation and generation of the Project outputs (e.g. FUGs classification systems and increasing incentives for thinning). *FRDC provided training to forest units to develop 10-years FMP* within integrating biodiversity conservation, carbon storage and sustainable use of forest products *within the Project area and outside*, indicating their full engagement in promoting SFM in Mongolia. *The ministry and the Project jointly organized a FUGs fair* (for instance in Nov 2019) to promote FUGs forest products at the national level.
186. The MET's strong and active role could have contributed to improving the rate of the Project achievement. The MET attempted to endorse the revised decree (2018) that was supposed to provide additional rights to the FUGs (such as compensation and use of forest resources) but this was not materialized. In addition, inter-sectoral work such as collaborative work with the MoFALI could have been strengthened.
187. *The provincial governments provided their full support for the Project activities by mobilizing ISFUs and by mobilizing their own resources* to promote SFM. In the case of the Soum governments, their engagement and contribution in the Project activities and supporting SFM varied based on their interest, remoteness and awareness level of the Soum officials. Natural resources are one of the main sources of Soums government annual income. Despite this, in a few cases, some Soums governments did not have their longer-term plan on SFM and they were not fully aware of the possibility of generating income from value-addition activities from forest resources.
188. The Project also worked closely with the German Government through GIZ through an MoU starting from June 2015 to June 2017. The GIZ agreed to collaborate on forest worker training, co-organizing annual national forest forum and provision of REDD+ national forestry inventory data. The Project also collaborated with UNREDD and the ADB forestry project while promoting

SFM. There have been numerous discussions between the Project staff and these projects, they worked together where possible. Some of the stakeholders viewed that the coordination level at the implementation was more in informal ways which could have been further improved through formal collaboration to create greater synergies on their actions. Finally, the planned support / collaboration with the government of Finland did not materialize.

3.7. Environmental and social safeguards

EQ. 21. To what extent were environmental and social concerns taken into consideration in the design and implementation of the Project?

Finding 15. The Project paid adequate attention to environmental aspects whereas social safeguard mechanisms received moderate consideration. The Project contributed to the environmental health of forest ecosystems through the promotion of sustainable forest management approach (such as 10 years forest management plans, biodiversity conservation). Capacity building contributed to support community-based approach and social development of FUGs.

189. The environmental and social safeguards of the GEF were considered during the Project design and implementation phase. Some of the issues related to these topics were discussed in the environmental sustainability and gender-related chapters of this report. Conservation and sustainable use of forest resources was an integral part of SFM. The Project supported reducing the impact of deforestation and degradation of forest through a community-based approach from which no adverse environmental impacts are anticipated.

190. The increasing of livelihoods opportunities through improvement in household income is a strong component of the Project (Outcome 2). While the social safeguard issue was not strongly integrated into the design phase, gender issues were further integrated, thus adding aspects of social development and social inclusion aspects in Project management.

3.8 Gender

EQ. 22. To what extent were gender considerations taken into account in designing and implementing the Project? Was the Project implemented in a manner that ensures gender equitable participation and benefits, in particular for FUG members? Were the recommendations of the gender expert and the MTR regarding gender implemented?

Finding 16. There was no significant gender gap in participation and performing Project activities but some gender issues remain, coming from deep social value systems which hinder women's active role in decision making, their position and condition to access and control over forest resources. Trainings in 2017 have contributed to the inclusion of women in FUGs governing bodies, increased awareness on gender issues, increased quality of women participation, acquiring and use of skills in SFM, among other gender-related aspects. Gender-disaggregated data was also collected at Project-level.

191. According to WOCAN, an organization⁴³ working in gender issues in natural resources management, gender-related actions should contribute to 'individual women and women's groups at the community level that experience a change in their conditions⁴⁴ and positions⁴⁵'. While it was not possible to explore all these issues during the evaluation, it's possible to say that there were improvements on the gender issues with the Project interventions, as explained below.
192. The Project initially planned to develop an approach to integrate gender in the Project execution process and recruited a national gender consultant to provide specific recommendations. Discussions with the Project team and the review of the study suggest that there were no serious issues related to gender that needed urgent attention in Project management.
193. Following the recommendations, in 2017 the FUGs received a one-day training focused on the mandatory provision for FUGs to have 1/3 of their Governing body members comprised of women; this was implemented by the FUGs in the subsequent years. *Thanks to the training, some FUG members reported increased awareness and capacity of the women, as well the increased quality of women participation. This includes acquiring and use of skills in forest cleaing, identification of NTFPs and their use, group mobilization process, confidence in raising issues in FUGs meetings and record-keeping of the FUGs.*
194. Following the Mongolian law on gender equality and MET's gender strategy, the Project adopted balanced treatments such as hiring both female and male Field Facilitators, providing national and local level training (included government staff) on gender, collecting gender-disaggregated data and advising for the compliance with the above-mentioned 1/3 provision.
195. Despite the perceived small gap of the gender issue in Mongolia, the role and access of the male and female while managing the forest resources, including biodiversity, are different. For example, according to volunteer ranger from Tsagaan Uur soum, Khovsgol province 'wildlife patrolling or biodiversity monitoring is a very gender specific activity' as women do not travel whole day and sometime night with other man (due to big coverage of forest).
196. Some recommendations of the study were not implemented. They include: carry out an in-depth analysis of the specific activities related to gender in forestry, undertake comprehensive gender assessment to understand, identify, and describe gender differences and the relevance of gender roles and power dynamics in the Project context.

3.9 Co-financing

EQ.23. To what extent did the expected co-financing materialize, and how shortfall in co-financing, or materialization of greater than expected co-financing affected Project results?

Finding 17: About 90% of the committed co-financing was secured, which would reach to about 97% by the end of the Project. No detail financial records were available to assess how these supports,

⁴³ Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN)
<http://www.wocan.org/news/wocan-has-revised-theory-change>

⁴⁴ This term describes the immediate, material circumstances in which women and men live, related to their present workloads and responsibilities.

⁴⁵ This concept describes the place of women in society relative to that of men.

especially from international organizations, contributed to enhancing the effectiveness and efficiency of the Project. Overall, the realization and use of co-financing were satisfactory.

197. The total budget for the Project was USD 23,321,364, with GEF support USD 3,586,364 (15.4%). According to the Project document the government of Mongolia, GIZ, the government of Finland and FAO were expected to provide in-kind co-financing, 55%, 23%, 2.6% and 4.1% respectively, but the co-financing from the government of Finland did not materialize (Appendix 3).
198. The level of mobilisation was estimated at 90% of the co-financing by the end of June 2019 whereas the Project expected to realize about 97% by the end of the Project. In addition to these, the Project collaborated with UNREDD programme (about USD 4 million) from 2014 – 2018.
199. The mobilisation of the funding from GIZ was completed in 2017. No detailed technical and financial records were available to assess how the support, especially from GIZ, contributed to enhancing the effectiveness and efficiency of the Project. Given the high rate of realization of co-financing especially from the government, the level of mobilisation of co-financing is rated as *satisfactory*.

3.10 Capacity development

EQ 24. To what extent has the Project responded to identified capacity needs of the FUG groups, ISFU units, Soum and Aimag governments, on the individual, organizational and enabling environment dimension, and how have they capitalized on existing capacities? Were/are the beneficiaries of the capacity development activities able to put in practice the developed capacities in the three dimensions?

Finding 18: The Project provided various types of training to stakeholders (government at central, provincial and Soum level, FUGs and FUG association) to enhance technical, managerial and institutional capacity to support sustainable PFM. Capacity-building support to the government and FUGs was provided. Overall, the capacity building support was effective and has brought positive behaviour changes among the beneficiaries and stakeholders that contribute to the promotion of SFM approach.

200. The main objective of the capacity building support was to gradually improve and upgrade the technical capacity for the FUGs so that they could perform specialized work and compliance with certain safety standards. Equipments such as office furniture, charcoal making kiln, GPS, binoculars, digital cameras and pellet making equipment set were provided by the Project and were being used by ISFUs and FUGs by the time this TE was conducted. A list of equipment provided by the Project has been included in Annex 7.
201. Trap cameras, high pressure for fire control and pest monitoring equipment were received by beneficiaries in October 2019, right before the evaluation mission, thus not being used yet. The trap cameras for wildlife monitoring were handed over to select FUGs through Provincial level MET Department after having the training and calibration of the cameras.
202. While capacity building is an on-going process, as the needs evolve with the changing context, there was no specific training needs assessment to understand the capacity gap among the

stakeholders during the initial stage of the Project implementation, which leads to conclude that the Project carried out trainings based on the Project document and on-going demand. A number of trainings for FUGs/ISFUs/Aimag/soum administration staff in all 5 Aimags/10 PFM extension offices in ISFUs were organized for the period from 2016-2019 (2016 - 29 trainings; 2017 - 29 trainings; 2018 - 32 trainings, 5 of which at national level). Trainings for FUGs included pre-commercial forest thinning, forest pest identification and fighting techniques, fire prevention techniques, handicrafts, birch charcoal production, carpentry, financial management, wildlife monitoring, and management. In addition, the Project provided trainings to ISFUs which mainly included forest management and maintenance, forest pests, cost calculation for forest cleaning work, environmental state monitoring and studies trainings, tree felling technological card maintenance and 10-year FM Plans.

203. *Most of the training for FUGs were organized in the ToT format due to resource and time limitations. All 6 FUGs interviewed responded that there was, in some cases, no further effective sharing and dissemination among the members by the trained trainers.* Also, FUGs from remote areas required more capacity-building support. FUG members (8 from the Bayajikh Badar FUG and 7 from Ongon Uul FUG, both from Tsagaan Uur soum, Khovsgol Province) reported they generally did not get ample opportunities because they lived far away from the place where training was normally organized.
204. *The government has also provided support in technical training related to forest management by subsidizing provincial vocational training centers and increasing monthly stipends for forest management students from MNT 70,000 (circa 26 USD) to MNT 200,000 (circa 74 USD).* A 2.5-year new class on forestry was also opened. The training institutes also customized the training module combining theory and fieldwork and fit for adult learning. The Project worked with the training institutes to identify the participants and, in some cases, by providing financial support to the needy people from the FUGs.
205. Individual and institutional capacity building support was instrumental to promote and manage the SFM activities in time and to ensure quality. It also helped to revitalize the participation, as well as the confidence of stakeholders in SFM related activities. However, the capacity building needs to be monitored regarding who gets the training, how the knowledge was transferred and whether/how the trainings lead to positive results.
206. After the Project support, capacity has been enhanced with technical knowledge and skills, and management ability to facilitate the SFM process on the ground. There was an improvement or change in the adoption and promotion of SFM approaches (see Table 6) but the evaluation team did not find a systematic impact assessment (level of skill attained, change in behavior and results) of the training provided during the Project period.

Table 6: Change in the capacity status of FUGs.

Capacity categories	No of FUGs in 2017	No of FUGs in 2019	Observation/ remarks
FUGs capable to work as professional forest entity	1	7	One FUG has been added in Bulgan, which is not in 101, but received support from the Project.
FUGs capable to conduct some forestry activities	32	43	
FUGs which require some support	41	40	
FUGs at the beginning level	27	12	

Total	101	102	
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Source: FUGs assessment reports

207. The evaluation team used the Kirkpatrick Evaluation Model (KEM) for evaluating training for a snapshot assessment of the training investment. The model contains a simple 4-level approach i.e. reaction; learning; behaviour and results achieved by the trainees. From our discussion with the FRDC and ISFU staff, they shared that *the training was relevant and useful on their work, that training content was easy to follow and the training provided opportunities for collaborative learning*. They learned new knowledge and skills and developed confident both in the technical content and managing the SFM issues. *The change in knowledge and skills also helped in behavioral change by creating a positive attitude towards the SFM (such as integrating in the existing forest planning and management at province level, providing capacity-building support to FUGs through ISFU), and also improved their performance and competency in doing their own work (i.e. ability to train on SFM and development of forest management plan)*. The important aspect of the training was related to creating tangible results. It is noted that *the staff were already involved in preparing FMPs (3 year and 10-year plans) in the last 2 years*.

4. Conclusions and Recommendations

4.1 Conclusions

Conclusion 1. Project objectives and its results remained relevant to both national and international priorities on the sustainable management of forest resources and securing the flow of multiple ecosystem services and benefits.

The Project was designed to address specific barriers to SFM in Mongolia by devising interconnected outcomes with a clear focus on improving the enabling environment, piloting and demonstration of best practices of SFM and its scaling up. These interventions were timely and highly relevant to the on-going process of decentralization of the forest management in Mongolia. The Project is aligned with Mongolia's priorities, as well as with FAO and GEF strategic objectives.

Conclusion 2. The Project has laid a considerable foundation for institutional, technical and individual capacity at national, Aimag, Soum and FUG levels despite some challenges related to traditional forest management approach of the government, political change and frequent staff turn over. In addition, it directly involved the government stakeholders in the execution of activities. These achievements contributed to the attainment of the outcomes of enabling environment, demonstration and expanded of PSFM as designed.

Considering the complex policymaking processes, the inadequacy of institutional readiness for change, weak capacity of stakeholders and lack of proven practices on SFM, the Project made a number of important achievements that contributed to the attainment of its intended objectives. Through the capacity development of the government agencies (at various levels of understanding and capacity) in planning and management for collaborative SFM, and through the demonstration SFM practices and tools [such as classification of FUGs, compensations for thinning activities, SFM short and long term plans (FMPs) and economic incentive modalities from forest products], the Project has laid a considerable foundation for institutional, technical and individual capacity at national, Aimag, Soum and FUG levels. In addition, the Project directly involved the government stakeholders in the execution of activities through provisioning of training, knowledge products and best practices. The Project also collaborated with other stakeholders (such as UNREDD and GIZ).

Conclusion 3. The Project managed to create awareness, generate knowledge and sensitize government stakeholders for sustainable PFM policy improvement, but these were not translated into the revised legal framework as indicated in the Project RF and the Project was unable to secure additional users' rights to FUGs (Outcome 1).

The Project managed to create awareness, generate knowledge and sensitize government stakeholders for policy improvement. In spite of attempts by the MET, the planned revised legal framework was not achieved, and the Project was unable to secure additional users' rights to FUGs (Outcome 1). The Project, however, generated some field-based evidence to develop an SFM model in the Mongolian context and these good practices were used by the local government in their forest improvement programme (Outcome 2). These knowledge and practices developed the confidence level of the government entities and they started supporting SFM practices through scaling up to a considerable extent (Outcome 3). The use of robust and comprehensive M & E systems and

dissemination of information derived from the Project, however, could have been improved to a greater extent with hiring dedicated Project staff, careful planning, timely review and organizing constructive dialogues among the stakeholders.

Conclusion 4. The Project managed to enhance institutional capacity, developed field tested SFM tools and practices (Outcome 2) and helped in scaling up the SFM practices (Outcome 3) which contribute to the national forest management plans and objectives as well as help to improve FUGs livelihoods. These lay good conditions for continuation of Project results, but the sustainability of the Project outputs is dependent on the possible improvement on a policy framework that provides additional users rights and mechanisms for ensuring economic incentives to FUGs, while keeping the forest ecosystems intact.

Among others, individual and institutional capacity has been enhanced, the field-tested SFM tools and practices were developed and they were being scaled up with the leadership of the government. These conditions indicate a good possibility of continuing the Project results. The Project also supported on biodiversity conservation which may lead to increase ecosystems services and some initial work on increasing economic incentives from forest resources. Increasing understanding of economic rationale by using forest resources sustainably could also encourage FUGs and local governments to continue some Project outputs.

It was early to see the positive benefits from ecosystems services and significant economic incentives to FUGs, but, if the SFM continues, these benefits would be realized within a few years and that would also insist stakeholders continue the Project outputs. But the sustainability of the Project outputs is dependent on the possible improvement on a policy framework that provides additional users rights and mechanisms for ensuring economic incentives to FUGs while keeping the forest ecosystems intact. The prospect of sustainability was, therefore, moderate based on the positive responses of the government.

Conclusion 5. The Project's outputs were owned by the government and the implementation was relatively cost-effective, mainly due to participatory engagement of local governments and local communities, enhanced capacity building to support SFM and adoption of standard budget management systems.

The Project implementation was relatively cost-effective owing to a number of factors including the work with local governments, adoption of participatory processes and the involvement of local communities in executing activities. The efficiency of the Project was also increased by following the standard budget management and increased capacity of the stakeholders at the local level. High level of stakeholder engagement at all levels as well as the development of SFM tools and practices were some of the notable achievements of the Project. Alignment of the Project goals with national development priorities was instrumental in promoting a high level of country ownership and drivenness.

The government's engagement could have been higher if the Project had worked very closely with provisions for constructive interactions and additional capacity-building support to support SFM related policy framework. Individual and institutional capacity building support was instrumental to promote and manage the SFM activities in time and to ensure quality. It also helped to revitalize the participation, as well as the confidence of stakeholders in SFM related activities. The capacity building

needs to be monitored regarding who gets the training, how the knowledge was transferred and whether/how the trainings lead to positive results.

Conclusion 6. The Project faced some implementation challenges and suffered from some Project design weaknesses such as ambitious Project design with unrealistic indicators, Project targets and weak monitoring mechanisms.

Although the Project themes and objectives were in line with the national policy framework and the FAO and GEF priorities, the Project design was partly ambitious. Some indicators that were not relevant in the local context. For instance, the use of flagship species and their monitoring mechanisms, and benefit-sharing from carbon credit were difficult to attain from the Project's available resources and scope. In addition, the expectation of keeping the Project responsible for regulatory reform (Outcome 1) within the Project lifetime was not realistic, particularly concerning the complex government process and lack of positive attitude on the FUGs rights among some of the policymakers. It would take some considerable time to agree on the options and approve the legislation or regulatory framework. It takes time for developing consensus among the stakeholders and follow the national legislative mechanisms for a change in a policy framework.

Conclusion 7: For sustainability of Project's results, the MET needs to take additional leadership role of promoting collaborative SFM with the support from Provincial and Soum government by having a clear institutional set up, capacity building of stakeholders that enhance not only promoting forest health (i.e. biodiversity conservation initiative) but also provide additional users rights and economic incentives to FUGs and its members.

The Project generated many good results in collaboration with the government and local communities while working in one of the most sensitive natural resources management issues in Mongolia. The Project also generated learning which could be useful in promoting SFM in Mongolia in future. In order to continue the good results and useful learning in future, there is the strong role of the government, in general, and the MET, in specific, by creating an institutional set up while working closely with sub-national government and FUGs. The contribution of Project by generating various options for FUG rights, strengthening capacity of SFM stakeholders, tools for bio-diversity conservation, incentivizing mechanisms for sustainable forest management approach, promotion of forest based enterprise at local level among others provide a very good foundation to work on the SFM in Mongolia and they need to be systematically integrated in the government plans, programmes and annual action plans while working with FUGs.

In conclusion, despite some of operational challenges, the Project managed to re-focus operational strategies that fairly mitigated the risk of being irrelevant and overly ambitious.

A table summarizing the evaluation rating and rationale is available in Appendix 1. See Appendix 2 for guidance on the rating schemes under each area of analysis.

4.2 Recommendations

208. The following is a summary of the main recommendations that have been generated from the series of consultation meeting with stakeholders, evaluation findings, and conclusions.

Recommendation 1. To capitalize on the leadership role of the MET and take advantage of the momentum generated by the Project, and to capitalize on continue the results achieved and learning in the future, it will be vital that the government, through MET, learn, invest and scale up the positive results derived from the Project considering that natural resources governance process is a long term initiative.

This can be done, in close partnership with the Project until March 2020 and after the Project completion, by providing institutional leadership, either by creating a dedicated unit within the MET/FRDC or another institution (e.g. forest agency) with the full responsibility of managing forest in Mongolia. In addition, the MET needs to allocate adequate resources for SFM, provide justifiable compensation for the FUGs for silviculture operation, develop FUGs monitoring mechanisms considering the FUGs classification developed by the Project, provide opportunities FUGs to manage value chain/income-generating activities through policy improvement and explore other unconventional forest based enterprises such as wildlife hunting management and eco-tourism. The MET also needs to protect and promote CSOs such as FUGs associations and Natural Resources Management (NRM) users associations, NGOs working in the SFM, and to develop functional partnerships with other government ministries (such as MoFALI) and international organizations to create synergies. Considering the global significance of the boreal forests in Mongolia on biodiversity conservation and carbon sequestration, the government may need to explore additional financing to continue the best practices generated by the Project.

Responsibility Government of Mongolia/ MET

Time frame As soon as possible.

Recommendation 2. Provincial government should lead on SFM implementation at field level and develop multi-stakeholder-based monitoring mechanisms to assess progress and promote SFM. Besides, the provincial government can provide financial and capacity support to ISFUs, the Soum government and FUGs in promoting SFM.

Responsibility: Provincial government

Time frame: As soon as possible.

Recommendation 3. In order to improve their capacity to manage FMPs effectively, FUGs should strengthen their internal governance systems (e.g. regular meeting, keeping minutes), consolidate and raise their issues & challenges with the concern authorities through FUG associations; and explore innovative technologies, initiate value addition activities and partnership for better market access.

Responsibility: FUGs

Time frame: As soon as possible

Recommendation 4. When designing future Projects, the process of including national stakeholders should be further strengthened in order to integrate their feedback while designing the project, developing programme logics and identification of relevant/realistic indicators and targets. GEF Project managed by FAO should employ a ToC or similar approach during Project design

that helps to ensure greater consistency in their internal logic and external factors (drivers and barriers) to improve programme logic, as well as establishing proper monitoring mechanisms.

Responsibility: FAO

Time frame: Design and inception phase for future GEF/FAO Projects.

Recommendation 5. When implementing future Projects with focus in policy/legislation change/improvement, give priority to identify policy barriers and drivers of the sector/country in the beginning of the Project implementation, so that best efforts can be given to fruition during the Project implementation or at least before the Project completion.

Responsibility: FAO

Time frame: Design and inception phase for future GEF/FAO Projects.

Recommendation 6. To more effective Project management and implementation, the GEF/ FAO Project should have more systematic, robust and comprehensive monitoring mechanisms of all outputs and outcomes with regular review and feedback mechanisms. Dedicated full-time staff with adequate capacity on M & E is required which would pay more by making more efficient Project implementation mechanisms. Similarly, communication strategies with identifying the audience with appropriate communication materials are important. The role of FAO technical staff may need to increase their time (number of days) to provide the required support to the Project. FAO should also consider the number and experience of Project staff required while designing the Project.

Responsibility: FAO/GEF

Time frame: In the future when designing Projects

Recommendation 7. A more strategic and achievable sustainability plan should be prepared by the Project for the remaining implementation period, with clear activities in consultation with the MET. The plan should also suggest the expected role of the government stakeholders after the completion of the Project. Other potential actions include: prepare a technical completion report focusing with the status of Outcome 1 (assessing policy and practice gap), and outcomes 2 and 3 (capacity gap of stakeholders, current status of the technical knowledge available and further support required for promotion and scaling up of SFM); synthesized technical knowledge (for national and international agencies) and develop policy briefs SFM / PFM (for the national decision-makers); carry out some policy dialogues and widely distribute at local level and carrying out some policy dialogues at central level with wider stakeholders (those who are not in the Project management but not can influence in policy/legislation making process).

Responsibility: FAO Project team

Time frame: By this coming March 2020

5. Appendices

Appendix 1. GEF Evaluation Criteria Rating Table

Criteria	Rating	Summary assessment
1) Relevance		
The overall relevance of the Project	S	The Project's objective is consistent with the challenges/barriers faced by Mongolia to manage their forest and improve institutional capacity and local economy. The Project's objectives were in line with national priorities and remain relevant. The Project was designed and implemented in response to GEF's ongoing strategic priority for biodiversity conservation and FAO's priority of assisting countries to implement international environmental obligation and natural resources management. It is also relevant to FAO's programmatic objectives. But the Project design was fairly ambitious.
2) Achievement of Project results (Effectiveness)		
Overall assessment of Project results	S	Most of the outputs and outcomes were delivered. The SFM approach with consideration of biodiversity and carbon sequestration has been adopted by the government, with increased individual and institutional capacity that contribute to achieving the Project objectives. The policy/decision-makers were also aware and sensitize, which created a basis for future positive actions from the government side. The main contributing factors for the Project achievements were collaborative work with the government agencies and FUGs on SFM which generated some good learning. FAO and GEF provided a technical steer but the local level engagement was a prime contributor in the achievement of the results or outcome of the Project.
Outcome 1: Enabling institutional, policy and regulatory framework for Sustainable PFM	MS	The Project carried out awareness-raising activities and organized exposure visits to sensitize stakeholders. But policy inertia and resistance to some extent slowed down the change process. There was however increasing readiness to improve the process to provide additional benefits to FUGs. Working with Provincial governments generated evidence on SFM practices and tools from field pilots, which influenced a positive response from the government. However, despite the Project efforts, the proposed outcome was only moderately achieved.
Outcome 2: Sustainable PFM is demonstrated that leads to improved livelihoods, biodiversity	S	The Project provided capacity-building support to all level of the government and FUGs on SFM. In collaboration with the government agencies, the Project worked with the selected FUGs on the provision of rights on thinning, compensation mechanisms, FUGs classification, and development of SFM plans. These outputs and learning were well perceived by the government. The government (FRDC and ISFU) were

conserved and reduced carbon emissions/increased stocks.		also engaged in promoting the SFM within the Project sites and outside. There has been some good learning from participatory biodiversity monitoring. Carbon sequestration data were collected but the proposed benefits from carbon sequestration was not received making the proposal less convincing – especially at the local level.
Outcome 3: Sustainable PFM that conserves biodiversity, reduces degradation and reduces carbon emissions/increases carbon stocks expanded across significant areas of northern forests	S	The Project provided capacity building training to the ‘second generation’ FUGs to manage forest plan and work on the income-generating activities. Based on the learning from Outcome 2 and in collaboration with the government agencies, the Project supported various scaling-up activities, including supporting ISFUs, facilitation of the development of 10 years FMPs and livelihood improvement activities. The Project also facilitated some outreach activities (such as FUG products fair) and support to 6 FUGs associations to enhance their capacity. In addition, the FRDC/ISFU was also involved in training for other Aimags using the knowledge products developed by the Project.
Information dissemination (Outcome 4)	<u>MS</u>	The Project produced knowledge products and undertook some scale of dissemination activities. Knowledge products related to SFM tools and practices were acknowledged by the local stakeholders. The Project also organized community-level events for sharing and exchanging lessons learned. The Project also developed a website. However, the Project lacked a communication strategy with planned approaches in generating focused policy-related knowledge products and targeted interactions with key stakeholders. There were no adequate synthesized information and stakeholder dialogues that could have been influenced by policymakers and other stakeholders for better achieving the results.
3) EFFICIENCY, PROJECT IMPLEMENTATION & EXECUTION		
The overall quality of Project implementation & adaptive management (implementing agency)	MS	The Project was moderately efficient as it used government agencies and its infrastructure at the sub-national level and local institutions (FUGs). Collaboration with these institutions was also productive by using local resources. The role of the executing agencies was also supporting although the management of the Project could have been improved through provisioning of regular and skilled human resources, devising robust M & E systems and further strengthen the feedback loop. The Project financial management and expenditure were however was adequate.
Quality of execution (executing agencies)	MS	FAO and GEF provided technical input on time, which helped to steer the technical aspects, especially designing the SFM approach and their piloting but there was lacking in systematic review and providing adequate backstopping support. The Project management was found responsive to local contexts and in responding to government needs

		but affected by large coverage of the Project sites and inadequate technical staff.
Efficiency (incl. cost effectiveness and timeliness)	MS	The budget expenditure was at a satisfactory level, but the implementation suffered from the late start of the field implementation, inadequate full-time staff in the Project to deal with some specific technical issues. Expected outcomes were not achieved even after diverting the resources within the Project level outcomes.
4) MONITORING AND EVALUATION		
The overall quality of M&E	MS	Although the Project proposed an M & E plan during the Project design, it lacked robust and comprehensive M & E plans that ensure regular review of the performance and also provide periodic feedback to improve the Project considering the complex nature of the Project. Data were not collected adequately, analysed and used for evidence base decision making.
M&E design at Project start up	MS	The Project proposed an M & E plan with a Result Framework during Project design. But they were not adequately robust and comprehensive to capture multi-scale analysis of the Project results and their outcomes in a systematic way so that they could have been used in the feedback loop for Project improvement.
M&E plan implementation	MS	M & E activities carried out were mainly limited to field visits and routine reports to fulfil the Project requirements. There was no systematic data collection for changes (such as forest fire, types and flow of ecosystems) and to assess some of the Project outcomes/results
5) SUSTAINABILITY		
Overall sustainability	ML	The Project outputs are context relevant and owned by the governments and FUGs. The social aspect (governance, gender and equity) was in the process of improvement within FUGs. The Project has contributed to environmental sustainability but increasingly impact of climate change may introduce an element of uncertainty. In terms of institutional framework and capacity, the Project helped to improve the capacity of the government agencies and there was significant improvement among government officials to manage the SFM systems on their own. Regarding the financial sustainability, there were some good cases that the SFM approaches may bring financial incentives to FUGs and local government – if they are managed properly and enabling environment are provided. Hence, the sustainability of the Project results will be highly dependent on whether and to what extent FUGs will receive policy and management support from the government.
6) STAKEHOLDER ENGAGEMENT		

<p>The overall quality of stakeholder engagement</p>	<p>S</p>	<p>The Project design identified key stakeholders (national and international) with a focus on lead government agencies both at the national and sub-regional level. The Project worked with the government agencies in close collaboration in the execution of the Project activities as well as to make major technical and operational decisions. The PCC was chaired by the MET and represented by the Provincial governments which helped to ensure a significant level of engagement of government stakeholders in overall Project management. The FAO country office also provided support in Project management whereas other international organizations i.e. GIZ and UNREDD worked closely with the Project. The results of some of these partnerships were notable and overall, the Project was successful in ensuring a good level of stakeholder engagement both at the national and the province level. This has also led to increased ownership and drive-ness from government ministries to promote collaborative SFM.</p>
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Appendix 2- Rating Scheme

PROJECT RESULTS AND OUTCOMES

Project outcomes are rated based on the extent to which Project objectives were achieved. A six-point rating scale is used to assess overall outcomes:

Rating	Description
Highly Satisfactory (HS)	<i>"Level of outcomes achieved clearly exceeds expectations and/or there were no short comings."</i>
Satisfactory (S)	<i>"Level of outcomes achieved was as expected and/or there were no or minor short comings."</i>
Moderately Satisfactory (MS)	<i>"Level of outcomes achieved more or less as expected and/or there were moderate short comings."</i>
Moderately Unsatisfactory (MU)	<i>"Level of outcomes achieved somewhat lower than expected and/or there were significant shortcomings."</i>
Unsatisfactory (U)	<i>"Level of outcomes achieved substantially lower than expected and/or there were major short comings."</i>
Highly Unsatisfactory (HU)	<i>"Only a negligible level of outcomes achieved and/or there were severe short comings."</i>
Unable to Assess (UA)	<i>The available information does not allow an assessment of the level of outcome achievements.</i>

During Project implementation, the results framework of some Projects may have been modified. In cases where modifications in the Project impact, outcomes and outputs have not scaled down their overall scope, the evaluator should assess outcome achievements based on the revised results framework. In instances where the scope of the Project objectives and outcomes has been scaled down, the magnitude of and necessity for downscaling is taken into account and despite achievement of results as per the revised results framework, where appropriate, a lower outcome effectiveness rating may be given.

PROJECT IMPLEMENTATION AND EXECUTION

Quality of implementation and of execution will be rated separately. Quality of implementation pertains to the role and responsibilities discharged by the GEF Agencies that have direct access to GEF resources. Quality of Execution pertains to the roles and responsibilities discharged by the country or regional counterparts that received GEF funds from the GEF Agencies and executed the funded activities on ground. The performance will be rated on a six-point scale:

Rating	Description
Highly Satisfactory (HS)	<i>There were no shortcomings and quality of implementation or execution exceeded expectations.</i>
Satisfactory (S)	<i>There were no or minor shortcomings and quality of implementation or execution meets expectations.</i>
Moderately Satisfactory (MS)	<i>There were some shortcomings and quality of implementation or execution more or less meets expectations.</i>

Moderately Unsatisfactory (MU)	<i>There were significant shortcomings and quality of implementation or execution somewhat lower than expected.</i>
Unsatisfactory (U)	<i>There were major shortcomings and quality of implementation substantially lower than expected.</i>
Highly Unsatisfactory (HU)	<i>There were severe shortcomings in quality of implementation or execution.</i>
Unable to Assess (UA)	<i>The available information does not allow an assessment of the quality of implementation or execution.</i>

MONITORING AND EVALUATION

Quality of Project M&E will be assessed in terms of:

- Design
- Implementation

Rating	Description
Highly Satisfactory (HS)	<i>There were no shortcomings and quality of M&E design or M&E implementation exceeded expectations.</i>
Satisfactory (S)	<i>There were no or minor shortcomings and quality of M&E design or M&E implementation meets expectations.</i>
Moderately Satisfactory (MS)	<i>There were some shortcomings and quality of M&E design or M&E implementation more or less meets expectations.</i>
Moderately Unsatisfactory (MU)	<i>There were significant shortcomings and quality of M&E design or M&E implementation somewhat lower than expected.</i>
Unsatisfactory (U)	<i>There were major shortcomings and quality of M&E design or M&E implementation substantially lower than expected.</i>
Highly Unsatisfactory (HU)	<i>There were severe shortcomings in M&E design or M&E implementation.</i>
Unable to Assess (UA)	<i>The available information does not allow an assessment of the quality of M&E design or M&E implementation</i>

SUSTAINABILITY

The sustainability will be assessed taking into account the risks related to financial, sociopolitical, institutional, and environmental sustainability of Project outcomes. The evaluator may also take other risks into account that may affect sustainability. The overall sustainability will be assessed using a four-point scale:

Rating	Description
Likely (L)	<i>There is little or no risk to sustainability.</i>
Moderately Likely (ML)	<i>There are moderate risks to sustainability.</i>
Moderately Unlikely (MU)	<i>There are significant risks to sustainability.</i>
Unlikely (U)	<i>There are severe risks to sustainability.</i>
Unable to Assess (UA)	<i>Unable to assess the expected incidence and magnitude of risks to sustainability.</i>

Appendix 3 - GEF Co-financing Table

Summary of the co-financing

Sources of Co-financing ⁴⁶	Name of Co-financer	Type of Co-financing	Amount Confirmed at CEO endorsement/approval	Actual Amount Materialized on 30 June 2019-	Actual Amount Materialized at Midterm or closure (confirmed by the review/evaluation team)	Expected total disbursement by the end of the Project
National Government	Ministry of environment and tourism	In-Kind Co-financing	12,825,000	11,542,000	6,800,000	12,825,000
Bilateral Donor/Partner	GIZ	In-Kind Co-financing	5,400,000	5,400,000	3,000,000	5,400,000
Bilateral Donor/Partner	Government of Finland	In-Kind, via universities	600,000	0	600,000	0
GEF Agency	FAO	In-Kind, services	960,000	864,000	600,000	960,000
TOTAL			19,785,000	17,806,000	11,000,000	19,185,000

Source: Project PIR/ June 2009

⁴⁶ Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Beneficiaries, Other.

Appendix 4 – List of people interviewed

SN	Name	Organization	Gender	Date	Place
Government of Mongolia: Ministry of Environment and Tourism					
1	D. Oyunsanaa	NPD & Head, Forest Policy Coordination Department Head	male	Nov-11-19	Ulaanbaatar
2	N. Enkhtaivan	Senior Officer, Forest Policy Coordination Dept	male	Nov-11-19	Ulaanbaatar
3	S. Oyungerel	FRDC Officer in charge of the PFM	female	Nov-19-19	Ulaanbaatar
4	Ts. Uugantsetseg	FRDC Officer	female	Nov-19-19	Ulaanbaatar
5	Namjilmaa	FRDC Officer	female	Nov-19-19	Ulaanbaatar
6	J. Monk-Erdene	Ranger, Tsagaan Uur, Khovsgol	male	Nov-16-19	Tsagaan Uur soum, Khovsgol
Government of Mongolia: Ministry of Food, Agriculture & Light Industry					
7	Ch. Boldbaatar	Officer, Wood Production and Light Industry Department			Ulaanbaatar
Aimag/Soum Authorities					
8	X. Darkhantor	Head, Aimag Environmental Department, Khentii	male	Nov-08-19	Binder, Khentii
9	A. Gantomor	Head, Aimag Environmental Department, Bulgan	male	Nov-12-19	Bulgan, Bulgan
10	R. Jargalsaikhan	Head, Aimag Environmental Department, Khovsgol	male	Nov-14-19	Moron, Khovsgol
11	E. Batsaikhan	Environmental Officer, Aimag Governor's office, Khovsgol	male	Nov-14-19	Moron, Khovsgol
12	E. Naimanjin	Soum Governor, Jargalant Soum, Khovsgol	male	Nov-14-19	Moron, Khovsgol
13	J. Batdorj	Soum Deputy Governor, Khangal Soum, Bulgan	male	Nov-13-19	Khangal soum, Bulgan
14	X. Myagmarsuren	Chair, Soum Citizen Representative Hural (Local Parliament) Tsagaan Uur, Khovsgol	male	Nov-16-19	Tsagaan Uur, Khovsgol
User Group/Forest User Groups Associations at Local Levels					
15	G. Battuya	Association of FUGs, Moron, Khovsgol	female	Nov-14-19	Moron, Khovsgol
16	M. Tuvshinzaya	Head, Association of Natural Resource User Groups	male	Nov-08-19	Binder, Khentii
7 Forest User Groups (FUGs), and their Members					
17	Kh. Chuluunbaatar	Volunteer Ranger, Tsahir FUG, Tsagaan Uur, Khovsgol	male	Nov-16-19	Tsagaan Uur, Khovsgol
18	A. Osorjamaa	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
19	Ts. Gantungalag	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
20	L. Hadbaatar	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
21	L. Battor	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
22	N. Tumenbayar	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
23	Choibalsan	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
24	D. Batkhuu	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii

SN	Name	Organization	Gender	Date	Place
25	Ya. Bayanjargal	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
26	G. Enkhtsogt	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
27	B. Enkhbayar	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
28	B. Batbold	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
29	Sh. Erdenebayar	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
30	B. Tumentsogt	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
31	D. Ulziibat	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
32	T. Navchaa	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
33	S. Ariuntuya	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
34	D. Delgermaa	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
35	N. ononchimeg	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
36	N. Algirmaa	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
37	B. Enkhtsetseg	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
38	L. Gantsetseg	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
39	Kh. Nyamaa	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
40	Ch. Bayasgalan	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
41	D. Nyam	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
42	Z. Urantsetseg	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
43	Sh. Uransuvd	Delger Onon FUG Member	male	Nov-09-19	Binder, Khentii
44	P. Lkhagvadorj	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
45	L. Bibish	Delger Onon FUG Member	female	Nov-09-19	Binder, Khentii
46	Ch.Volodya	Buural Sansar FUG Member	male	Nov-09-19	Binder, Khentii
47	M. Bolormaa	Buural Sansar FUG Member	female	Nov-09-19	Binder, Khentii
48	N. Enkhtuvshin	Buural Sansar FUG Head	male	Nov-09-19	Binder, Khentii
49	M. Bayarmagnai	Buural Sansar FUG Member	male	Nov-09-19	Binder, Khentii
50	U. Undarmal	Buural Sansar FUG Member	female	Nov-09-19	Binder, Khentii
51	B. Altanchimeg	Suvarga Khad FUG Member	female	Nov-13-19	Khangal, Bulgan

SN	Name	Organization	Gender	Date	Place
52	T. Oyunbileg	Suvarga Khad FUG Member	female	Nov-13-19	Khangal, Bulgan
53	D. Oyuntuya	Suvarga Khad FUG Member	female	Nov-13-19	Khangal, Bulgan
54	Z. Uuganbayar	Suvarga Khad FUG Member	male	Nov-13-19	Khangal, Bulgan
55	Soyoljav	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
56	Narantuya	Ogooj Buren FUG Member	female	Nov-13-19	Khangal, Bulgan
57	Oyunjargal	Ogooj Buren FUG Member	female	Nov-13-19	Khangal, Bulgan
58	Suvd	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
59	Torbat	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
60	Oyumaa	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
61	Enkhbold	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
62	Soledan	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
63	Tumenjargal	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
64	Bat-Ulzii	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
65	Erdenechuluun	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
66	Erdenebaatar	Ogooj Buren FUG Member	male	Nov-13-19	Khangal, Bulgan
67	Gantogoo	Ogooj Buren FUG Member	female	Nov-13-19	Khangal, Bulgan
68	t. Tsengelma	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
69	D. Dulmaa	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
70	D. Khishigjargal	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
71	D. Erdenetuya	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
72	S. Chantsalmaa	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
73	J. Erdenetsetseg	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
74	Erdenechimeg	Bayajikh Badar FUG Member	female	Nov-15-19	Tsagaan Uur, Khovsgol
75	Enkhbayar	Bayajikh Badar FUG Member	male	Nov-15-19	Tsagaan Uur, Khovsgol
76	I. Ganbaatar	Bayajikh Badar FUG Member	male	Nov-15-19	Tsagaan Uur, Khovsgol
77	B. Bat-Erdene	Ongon Uul FUG Member	male	Nov-16-19	Tsagaan Uur, Khovsgol
78	P. Khureltogoo	Ongon Uul FUG Member	male	Nov-16-19	Tsagaan Uur, Khovsgol

SN	Name	Organization	Gender	Date	Place
79	Batzaya	Ongon Uul FUG Member	female	Nov-16-19	Tsagaan Uur, Khovsgol
80	Z. Alimaa	Ongon Uul FUG Member	female	Nov-16-19	Tsagaan Uur, Khovsgol
81	S.Otgontuya	Ongon Uul FUG Member	female	Nov-16-19	Tsagaan Uur, Khovsgol
82	O. Bat-Erdene	Ongon Uul FUG Member	male	Nov-16-19	Tsagaan Uur, Khovsgol
83	S.Gelegbaatar	Ongon Uul FUG Member	male	Nov-16-19	Tsagaan Uur, Khovsgol
Inter Soum Forest Units-Forest Units (ISFU/FUs)					
84	Munkh-Orgil	Head, Khentii Shines Forest Unit	male	Nov-08-19	Omnodelger, Khentii
85	Davaajargal	Head, Binder Oi Inter Soum Forest Unit	male	Nov-08-19	Binder, Khentii
86	Altansukh	Head,ISFU, Bulgan	male	Nov-13-19	Bulgan, Bulgan
87		Engineer, ISFU, Bulgan	female	Nov-13-19	Bulgan, Bulgan
88	Ts.Amarbayasgalan	Jargalant Soum FU	male	Nov-15-19	Moron, Khovsgol
89	P. Bayarmaa	Jargalant Soum FU	female	Nov-15-19	Moron, Khovsgol
90	T. Taivan Amgalan	Tunel Soum FU	female	Nov-15-19	Moron, Khovsgol
91	D. Davaadorj	Moron soum FU	male	Nov-15-19	Moron, Khovsgol
92	R. Otgonjargal	Jargalant Soum FU	female	Nov-15-19	Moron, Khovsgol
93	Sh.Od	Moron soum FU	male	Nov-15-19	Moron, Khovsgol
94	M. Mart	Nars Shines ISFU	female	Nov-15-19	Moron, Khovsgol
95	D. Gereltuya	Nars Shines ISFU	female	Nov-15-19	Moron, Khovsgol
96	D. Davaachimeg	Delgermoron ISFU	female	Nov-15-19	Moron, Khovsgol
97	G. Batmonkh	Ulaan Uul soum FU	male	Nov-15-19	Moron, Khovsgol
98	D. Byambatsogt	Ulaan Uul soum FU	male	Nov-15-19	Moron, Khovsgol
99	B. Chuluunbat	Tsagaan Uur soum FU	male	Nov-15-19	Moron, Khovsgol
100	E. Nyamdavaa	Moron FU	male	Nov-15-19	Moron, Khovsgol
101	G. Battuya	Moron	female	Nov-15-19	Moron, Khovsgol
102	D. Lkhachinbat	Delgermoron ISFU	male	Nov-15-19	Moron, Khovsgol
Project Partners					
103	B. Khishigjargal	UNREDD+ NPM	male		Ulaanbaatar
104	B. Munkhchuluun	WWF Mongolia, AHEC Program Manager	female		Ulaanbaatar

SN	Name	Organization	Gender	Date	Place
105	J. Battogtokh	Professor, Vocational School, Moron, Khovsgol	female	Nov-18-19	Moron, Khovsgol
106	Ch. Maamuu	Director, Nat Association of Foresters and Wood Product Producers, Ulaanbaatar	male	Nov-21-19	Phone/Ulaanbaatar
MON008 Project Staff/Field Facilitators					
107	Ts. Solongo	MON008 Project NPM	female	Nov-07-19	Ulaanbaatar
108	L. Norovsuren	MON008 Project Admin Officer	female	Nov-07-19	Ulaanbaatar
109	Z. Uuganbayar	Field Facilitator, MON008 Project	male	Nov-08-19	Binder, Khentii
110	Bayarmaa	Field Facilitator, MON008 Project	female	Nov-12-19	Bulgan
111	D. Purevdash	Field Facilitator, MON008 Project	female	Nov-14-19	Moron, Khovsgol
112	D. Ganbold	Field Facilitator, MON008 Project	male	Nov-17-19	Darkhan, Darkhan Uul
FAO Rome/FAO Mongolia					
113	Yurie Naito	FAO GEF, Rome	female		skype
114	Kenichi Shono	FAO LTO, Rome	male		Skype/Ulaanbaatar
115	Vinod Ahuja	FAO Resident Representative to Mongolia	male	Nov-07-19	Ulaanbaatar
116	B. Bolormaa	FAO Mongolia Project Finance Officer	female		Ulaanbaatar
117	Andrew Inglis	Former CTA, MON008 Project	male		skype
118	Patrick Durst	Ex-LTO for MON008, FAO Rome	male		skype

Appendix 5 - References

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Appendix 6 – List of Annexes

Annex 1: Terms of reference for the evaluation

Annex 2: List of communication and knowledge products developed by the Project

Annex 3: Evaluation mission schedule

Annex 4: Summary of Carbon storage study 2017 and 2019

Annex 5: List of documents reviewed

Annex 6: Expenditure summary of the Project

Annex 7: Equipment provided by the Project