

"Support of protected areas as a contribution to the conservation of ecosystem services" Mongolia (PN 2023.2203.0)

Reason for the necessary change:

The EU has produced the Action Document "*Sustainable ecosystem and agriculture management for rural development in Mongolia OPSYS number: ACT-62005*" (STREAM) as part of the Team Europe Initiative and has called on GIZ and the FAO to develop a joint coordinated project concept in the form of a *Description of the Action* (DoA) and a corresponding draft budget. According to information from BMZ, the DoA and the draft budget have been submitted to the EU. Following successful negotiations with the EU, a *Multi-Partner Contribution Agreement* (MPCA) was signed by GIZ, FAO and the EU on the basis of the documents submitted in July 2024 (see attachment). In addition, FAO and GIZ intend to sign a bilateral *partnership agreement* to specify the planned cooperation.

The top-up of the module "Support to protected areas as a contribution to the preservation of ecosystem services" Mongolia (PN 2023.2203.0) from EU funds amounts to EUR XXX. This increases the order value from EUR XXX to EUR XXX. The duration of the module will be extended from the original 3/2024 to 04/2028 to 3/2024 to 07/2028, resulting in the need for a change offer or approval by the BMZ for the above-mentioned module.

Change:

The module receives the additional outputs 4 and 5 as well as 2 new module target indicators (see results matrix). So far, the module has supported improved management concepts within protected areas. The additional funds for the module "Support of protected areas as a contribution to the conservation of ecosystem services" Mongolia (PN 2023.2203.0) are intended to support the Mongolian partners in sustainably valuing adjacent forests outside the protected areas over a larger area (output 4). In this way, forest management stakeholders (e.g. *Forest User Groups/Forestry Companies/Decentralised Forest Administration*) are included in the target group, for whom advice on forest-relevant conceptual, technical and economic innovations is offered.

In addition, the range of market- and practice-oriented training and further education in the agricultural and forestry sector will be expanded (Output 5) and the trainee vocational students will be integrated into the target group. Improved training is being designed for them and implemented at 2 vocational schools in cooperation with the private sector.

To this end, the use of instruments is expanded as shown in the **enclosed impact matrix** (Appendix 1). 3 instead of 2 international and 12 instead of 4 national LZFK (partly proportionate), 5 instead of 2 development workers, KZE, financing of up to EUR XXX and material and equipment of up to EUR XXX will be deployed.

The cost-effectiveness of the use of instruments continues to result from the concentration on national experts, the mobilisation of synergies with national and international financing instruments such as the national *Conservation Trust Fund* and from cooperation with the FAO.

Expected impact:

Long-term effectiveness is achieved by linking capacity development measures at three levels (individual, organisational and societal). Within the framework of output 4, adapted forest management models for selected forests are consistently integrated into the respective local (*Aimag, Soum*) management plans and thus anchored in the long term. Advice on the implementation of the new Forestry Act through the development of implementing provisions will be largely evidence-based, either on the basis of preparatory work within the framework of the previous *Action STREAM I*, the scientific monitoring of pilot measures for the harmonisation of conservation and use interests in forest landscapes or through pilot projects on forest management in at least three regions within the framework of the planned change offer. The advice provided to the newly formed *National Forest Agency* is also based on these findings, which are also confirmed in the monitoring report of the *EU's ROM mission*.

The human resources capacities needed to implement the key elements of sectoral reforms (forestry, agriculture, vocational training) are being built up among key stakeholders (result). The modification offer aims to collaborate with and leverage established state and community-based land management institutions and practices. The resulting land management plans will fit seamlessly into the state procedures resulting from the planning process at the national level and will serve as a binding part of the implementations (result) for local governments. These plans are expected to become integrated, cross-sectoral tools for local government planning, both in the immediate and long-term future. Interventions in the value chain create links between different actors, including producers (herders), processors, traders and consumers, by involving the private sector. Within the framework of Output 5, the structures and institutions of the vocational training sector are strengthened in line with the requirements of the labour market. The social partners are systematically involved in the design of vocational training programs and the qualification of teaching and training staff. This creates a sustainable partnership between them. In addition, Output 5 provides important impetus for the sustainable design of vocational education and training through analyses and advisory approaches at the political level. The extension of the *training-of-trainers* approach to the forestry and agriculture sector, including the introduction of quality management processes for independent school development, will enable them to act as multipliers and innovators in the Mongolian vocational education and training system, promote the further development of other vocational schools and strengthen the sector's capacities in the long term.

Additional risks arising from the change:

The politicisation of land property, land ownership and other land-related issues can hinder constructive discussions and effective policy-making. Promoting transparency, strengthening the institutions involved, updating the legal framework and promoting open and inclusive dialogues counteract the risk.

The outcome of the 2024 elections could lead to a change in policy. The close contact with the project management agency enables early information and, if necessary, reaction in the project.

Conflicts between herders and foresters can have a significant impact on agriculture, as they can disrupt food production, limit access to resources and create a hostile environment for farmers/herders and their families. This is to be counteracted in cooperation with the government and other donors by supporting the promotion of conflict resolution mechanisms.

Women and female-headed households are at a disadvantage in terms of ownership and access rights compared to men and male-headed households. This is to be countered with an ongoing dialogue with the Government of Mongolia to promote gender mainstreaming in the natural resources and environment sector.

When the contract is awarded, the lead executing agency, the *Ministry of Environment and Tourism* (MET), is given the right to demand the services to be provided to it directly from GIZ. GIZ and the political executing agency will regulate the details in an implementation agreement. The BMZ can exercise its rights under the mandate, in particular those under the General Treaty, without the consent of the political executing agency.