

WWF Environmental and Social Safeguards Categorization Memorandum

<p>Project Title: Promoting Dryland Sustainable Landscapes and Biodiversity Conservation in The Eastern Steppe of Mongolia</p>	<p>Date: 10/13/2020</p>
<p>Project Location and salient physical characteristics relevant to the safeguard analysis:</p> <p>The project interventions will target nine soums of the three eastern aimags of Dornod, Khentii, and Sukhbaatar, covering a total 7.08 million ha dryland in the Eastern Steppe of Mongolia. The Eastern Mongolian Steppe, covering 27.3 million hectares, is one of the world’s largest remaining grassland ecosystems and hosts critical ecosystems of global environment importance. The wildlife and indigenous livelihoods of this area are threatened by overgrazing and rapid growth in mining and oil development.</p> <p>ENVIRONMENTAL</p> <p>The ecosystem of Eastern Mongolian Steppes is characterized by treeless flat steppes, gently rolling hills, wetlands, and interlinkages with the Khyangan Mountain Range all the way to the border with the People’s Republic of China. The main distinctive characteristic of this landscape compared to other steppe ecosystems is that it is dominated by grasslands across thousands of square kilometres with several species of bush and shrubbery. There is an estimated total of 310,915 km² /31 million ha/ of Mongolia-Manchurian Steppe in central and eastern Mongolia. Only 6.6% of the estimated Mongolia-Manchurian Steppe in central and eastern Mongolia was included within the protected areas in eastern Mongolia in 2011.</p> <p>Project target areas cover a total of 6,860,145.80 ha including 109,872.75 ha (or 1.6%) of forest area in the target soums of eastern Mongolia. More than 95% of total forest area within the project’s target soums is located in the territories of Norovlin (71,210 ha) and Bayan-Adarga soums (33,061 ha), which represents 1.2% of total boreal forest in Mongolia. These forests mostly contain coniferous species such as Siberian larch (<i>Larix siberica</i>), Scots pine (<i>Pinus sylvestris</i>), and Siberian pine or cedar (<i>Pinus siberica</i>). The broad-leaved trees found there are mainly birch (<i>Betula platyphylla</i>), aspen (<i>Populus tremula</i>) or poplar (<i>Populus diversifolia</i>). There are no forests included in Matad, Sukhbaatar and Munkhkhaan soums which are located in the eastern part of the target area.</p> <p>The target area partially covers three main rivers including the Kherlen, Ulz and Onon Rivers in the eastern Mongolia. Kherlen River is the biggest and longest river and runs through 4 target soums: Bulgan, Khulunbuir, Tumentsogt and Bayan-Ovoo.</p> <p>Two globally significant species of birds and one regionally endangered species of mammal have been identified as being in highest need of conservation activities in the project target soums. These are species that are highly dependent on the steppe</p>	<p>Project Categorization (A,B,C): B</p>

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ecosystem in eastern Mongolia, and are threatened by current development. The Mongolian gazelle *Procapra gutturosa*, a regionally endangered species, is a key mammal species in the whole project target soum areas and conservation actions are needed for the species. The Great Bustard *Otis tarda dybowskii* is a globally threatened species and one of the unique species in the dryland landscape. The western part of the target area with river valleys supports the breeding habitat for White-naped Crane *Antigone vipio* in eastern Mongolia.

In the project areas, 5 nature reserves (out of the 6 total) were established to protect the grasslands and its biodiversity. But those target nature reserves are isolated from each other within the whole steppe ecosystem and there is no connectivity management between the target areas to support wildlife species such as the Mongolian gazelle.

SOCIAL

The three target aimags have a total population of 222,570, of which 34,508 (or 15.5%) are herders. Total population in the nine target soums is 24,841, of which 6,204 (25%) are herders. 42.5% of the population in Dornod aimag live below the poverty line; 30.2% in Sukhbaatar aimag; and 38% in Khentii, compared to a national average of 28.4%. The monthly average income per household in the Eastern aimags is the lowest of Mongolia's five regions.

The livestock sector accounts for almost 10% of export earnings and approximately 80% of the total agricultural production in Mongolia. About 26% of the workforce and about 20% of households, more importantly, over 70% of employment in rural areas are directly engaged in the livestock sector providing food and goods to the remaining 3 million people.¹ Livestock related income is highly seasonal, and herders often take out loans and repay their debt when they sell their livestock products such as meat and cashmere.

Representatives of khalkh, buryad, barga, uzemchin and dariganga people live in the target locations.

Uzemchin people

The Uzemchin people live in Baruun-Urt, Erdenetsagaan and Tumentsogt soums of Sukhbaatar aimag and Bayantumen, Sergelen and Bulgan soums of Dornod aimag. The 2020 census reports that 2,308 people identified themselves as uzemchin. Currently, 74.6% of uzemchin people of Mongolia live in Dornod aimag. Uzemchin people are nomadic herders similar to khalkh herders.

Dariganga people

The Dariganga people live in the southwestern part of Sukhbaatar aimag, Ongon, Khalzan, Asgat, Dariganga, Bayandelger, Tuvshin Shiree, Uulbayan and Naran soums.

¹ Mongolia's Initial Biennial Update Report (BUR1) under the UNFCCC (2017).

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According to the 2020 census, 36,419 people were reported to have dariganga ethnic origin. 67.2% of dariganga people of Mongolia persons live in Sukhbaatar aimag. Dariganga people are famous throughout Mongolia for their herding techniques and handcrafting skills for gold and silver jewelries.

Barga people

Bargas are currently living in Gurvanzagal and Khulunbuir soums of Dornod aimag, Sergelen, Bayan and Bayantsagaan soums of Tuv aimag, Ikh-Uul, Urgamal and Santmargats soums of Zavkhan province and Uulbayan and Bayanterem soums of Sukhbaatar aimag. A total of 2,832 barga people were registered in the 2020 census, as barga ethnic origin. 66.6% of barga people of Mongolia live in Dornod aimag.

Buryat people

As of census 2020, a total of 45,615 people identified themselves as buryat ethnic origins from which 37.4% live in Bayandun, Bayan-Uul, Dashbalbar, Tsagaan-Ovoo soums of Dornod aimag, and 12.1% live in Batshireet, Binder, Dadal, Norovlin and Bayan-Adarga soums of Khentii aimag. Buryats live mainly in houses, and engage in haymaking, hunting and cattle breeding. In addition to being famous for making butter by churning machine, baking a bread, and making jam, they are also known for singing duet songs, play dialogue, dancing, and telling legends at festivals.

Project Description:

The project aims to halt the ongoing tragedy of commons regarding pasture land in eastern Mongolia and reverse the current unfavorable dynamic into positive and sustainable prosperity through the project activities. The project will support the development of improved land and pasture management plans to increase environmental protection and livelihood support.

Component 1: Strengthening the enabling environment for the sustainable management of drylands in Mongolia.

Under Component 1, the project will strengthen cross-sectoral, multi-stakeholder collaboration for integrated land management planning and monitoring. It will also support incorporation of land degradation and biodiversity considerations into the ongoing land management planning process; and will support the ongoing policy reform to promote sustainable land use.

Component 2: Scaling up sustainable dryland management in the Eastern Steppe of Mongolia. Under Component 2, the project will strengthen sustainable dryland management in Eastern Mongolia through a three-pronged approach. First, the project will promote environmentally friendly, climate-smart crop and fodder production. Second, the project will work with local herder and forest communities in the target area to implement and scale up sustainable management and restoration of rangelands and forest patches. And third, the project will support partnerships between herder groups/cooperatives, local government and private sector to develop value chains and access to markets for sustainably produced agricultural products.

Component 3: Strengthening biodiversity conservation and landscape connectivity

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Under Component 3 of the project, the management capacity of Nature Reserves (NRs) and Local Protected Areas (LPAs) in connectivity areas will be strengthened to support survival of the Mongolian gazelle, the White-naped Crane, and other iconic migratory species. Priority interventions will be implemented to support enhanced management and connectivity of these protected areas, along with conservation-based income-generating opportunities for local communities (women and men) and sustainable financing mechanisms of the protected areas.

Component 4: Project coordination, knowledge management and monitoring and evaluation for the sustainable management of drylands in Mongolia

Component 4 of the project will support effective project coordination, as well as the systematic creation and sharing of knowledge on sustainable dryland management and biodiversity conservation at the provincial, national and global levels. The project will also aim to strengthen LDN target monitoring and reporting mechanisms.

In addition to the safeguards standards triggered below, the following four standards apply to all WWF projects:

- **Environmental and Social Risk Management**
- **Public Consultation and Disclosure**
- **Stakeholder Engagement**
- **Accountability and Grievance Mechanism**

Safeguard Standards Triggered	Yes	No
Natural Habitats	X	
Pest Management		X
Indigenous Peoples	X	
Involuntary Resettlement	X	
Cultural Resources		X
Community Health and Safety	X	

Summary of Key Safeguard Issues:

The proposed project has been screened according to the Standard on Environmental and Social Risk Management and has been categorized as a Category "B" project, given that it is essentially a conservation initiative expected to generate significant positive and durable social, economic and environmental benefits. Any adverse environmental and social impacts are site specific and can be mitigated. Since the exact location

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and/or nature of potential investments have not yet been determined, an Environmental and Social Management Framework (including a Process Framework, and if necessary an IPPF) will be prepared to conform to WWF's Environment and Social Safeguards Framework.

Standard on Natural Habitat: Overall, activities of the project will produce significant conservation benefits and any potential adverse environmental impacts on human populations or environmentally important areas are expected to be very limited. The Standard is triggered as the proposed project directly targets protecting and restoring habitats; strengthening local communities' ability to conserve the natural resources they depend on.

Standard on Involuntary Resettlement: There will be no land acquisition or involuntary resettlement of individuals and/or families under the proposed project. While the proposed project will not cause displacement of people from their homes, the Standard is triggered because there might be certain access restrictions to grazing lands for herders in order to restore grassland health and function. A Process Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework.

Standard on Indigenous People: As a precautionary approach, this Standard is triggered as there might be ethnic groups that are considered indigenous people present in the project landscape. Various ethnic groups are located in the target project areas, including *khalkh*, *buryad*, *barga*, *uzemchin* and *dariganga* people. If it is determined that Indigenous Peoples are found in or near the project area, an Indigenous Peoples Planning Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework.

Standard on Pest Management: The activities are not expected to trigger the Standard on Pest Management as the proposed activities do not include the promotion or usage of pesticides but will aim to reduce the amount of fertilizers and pesticides used through strengthening of farmer capacity on the proper use of chemicals and fertilizers (e.g. integrated pest management and good agriculture practice).

Standard on Cultural Resources: This Standard is not triggered as the project is highly unlikely to have an impact on cultural resources. However, chance find procedures will be included in Project as is standard practice.

Standard on Community Health, Safety and Security: This standard is triggered as there are potential negative environmental impacts and implications for labor standards from small civil works primarily from small-scale infrastructure in NRs under Output 3.1.3, if not carried out properly. There shall be guidance on mitigation measures in the ESMF to address these impacts.

Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project expects to achieve improved conservation and sustainable use of natural resources as its long-term impact of project interventions, which will be both environmentally and socially positive.

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Required actions: (type of ESIA, ESMP, IPP, IPMP, RAP, consultations, disclosure)

An Environmental and Social Management Framework, including Process Framework (and an Indigenous Peoples Planning Framework if deemed necessary), will be prepared before project concept finalization.

A Stakeholder Engagement Plan will be prepared during ProDoc development stage.



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