



# **Forest Partnership**

between the European Union and Mongolia

**Conclusions of the first Political Working Group**



## I. Introduction

The European Union (EU) and Mongolia, hereinafter ‘the Partners’ concluded in November 2022 a Memorandum of Understanding (MoU) for a **Forest Partnership** (Forest Partnership). The Forest Partnership reflects their shared responsibility in relation to the challenges posed to forests by climate change and development needs. Through a holistic and integrated approach to forests, implemented on the basis of **formal strategic dialogue and policy cooperation, the partners will propagate their shared aspiration** to enable forests to fulfil their economic, social and environmental role. The overall **aim** is to enhance the role of Mongolian forests in sustainable and inclusive national development, and to address challenges related to deforestation, desertification, land degradation, climate change and loss of biodiversity.

In order to operationalize the MoU, the Partners developed a **Roadmap**, and instituted a **Technical and a Political Working Group**.

## II. Targets

As set out in the Roadmap under ‘General’, the Partners will develop a set of baselines and targets to monitor the progress towards the identified milestones and ultimately the objectives of the MoU. Additionally, it can be utilised to steer action towards the achievement of the objectives in the MoU, as well as facilitate the mobilization of appropriate resources and attract the necessary investments.

## III. The Roadmap

With the specific objectives laid out in the MoU, the Partners agreed to develop a Roadmap, structured around the four key workstreams of the Partnership with concrete **actions, milestones and associated responsibilities** being identified at this stage to allow for a full exploration of investment opportunities in the course of implementation. The special role of **investments** in rolling out the workstreams towards achieving the objectives is highlighted as is the pertinence of international climate finance. The Roadmap is included in [Annex I](#).

The Roadmap was developed **jointly** by the Partners (*and in consultation with relevant stakeholders*) in the period following the signing of the MoU. It was **reviewed** by the Technical Working Group during its meeting on 9 June 2023 and additional feedback has been taken on board.

This Roadmap represents the **operational arm** of the Forest Partnership with the purpose of advancing its vision and deliver development impact for Mongolia in line with its Vision 2050 and Billion Tree Movement. The Roadmap is firmly anchored in the Team Europe approach and further underpinned by strategic EU initiatives including the European Green Deal and the Global Gateway.

The Roadmap is a **living document** which will be regularly reviewed to ensure its effectiveness, efficiency, feasibility and implementability. The Political Working Group will guide and steer its implementation and address proposals by the Technical Working Group towards the fulfilment of the aims and objectives of the Forest Partnership. The Technical Working Group will monitor and evaluate progress, identify opportunities for additional actions and investments as well as options to tackle challenges and mitigate unintended consequences.

#### IV. Working Groups

In the context of the development of the Roadmap, the **compositions of the Political Working Group and Technical Working Group** were agreed between the Partners. The Political Working Group is to be co-chaired by the Minister of Environment and Tourism and the Head of the EU Delegation to Mongolia. The Technical Working Group is to be co-chaired by the Director General of the National Forest Agency and the Head of Cooperation of the EU Delegation. Both include representation from relevant Ministries as well as EU Member States ([Annex II](#)). The Partners also agreed on the Terms of Reference for the Working Groups ([Annex III](#)).

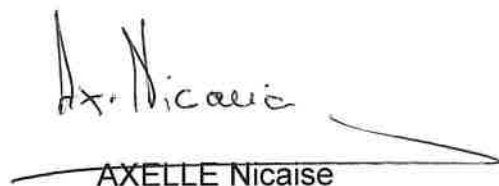
*Have agreed and signed in Ulaanbaatar on July 3rd, 2023*

Minister of Environment and Tourism  
of Mongolia



BAT-ERDENE Bat-Ulzii

Ambassador and Head of Delegation  
of the European Union to Mongolia



AXELLE Nicaise

## Annex I – EU-Mongolia Forest Partnership Roadmap

MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING	
<b>GENERAL</b>  > Roadmap and implementation entities established and operational  > Intersectoral stakeholder participation mechanism established  > Communication strategy developed and launched	Establish technical and political working groups	FP focal point		by Feb 2023	
	Finalise roadmap			by May 2023	
	Roadmap validation during Political WG meeting				by June 2023
	Consult relevant academia, private sector, umbrella NGOs	FP focal point			April 2023
	Consult relevant local authorities				April 2023
	Identify key stakeholders and develop ToR for the intersectoral stakeholder participation mechanism				June 2023
Organise a launch event of the roadmap	FP focal point	EU		by June 2023	

<sup>1</sup> The current listing is not exhaustive. Other Team Europe members and other Development Partners are or will also be active in the sector and could contribute to the actions and objectives identified in this Roadmap

	MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
		Appoint a Communication coordinator	FP focal point	EU	Jul 2023
		Prepare a communication strategy	FP focal point	EU	Aug 2023
		Implement the communication strategy	FP focal point	EU	From Aug 2023
		Establish common position/message at relevant international events	FP focal point	EU	
	> Monitoring system agreed and operational	Establish a baseline and quantifiable targets	FP focal point	MET, NFA	
		Utilise existing monitoring system(s) for data management: baselines, sources for verifying performance	FP focal point	MET, NFA	
<b>POLICY AND STRATEGIC DIALOGUE</b>	> Agenda for policy and strategic dialogue agreed	Agreement on topics and priorities	FP focal point	EU, FP focal point	Jun 2023
	> Challenges in the business environment identified and solutions proposed	Identify challenges	NFA	EU	Dec 2023
		Propose solutions/improvement measures		EU	



	MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
	(support measures for improvement)				
	> Challenges in governance identified and solutions proposed (support measures for improvement)	Identify challenges  Propose solutions/improvement measures		EU  EU	Dec 2023
<b>WORKSTREAMS</b> 1. Improved governance and sustainable use and management of forests	> Sustainable forest management in place as per the targets	Define the role of communities co-managing natural resources in forest management	NFA	EU, STREAM	Apr 2024
		Develop an integrated forest data system			
	> Improved governance in the forest sector	Improve medium and long term forest management planning and implementation	NFA	EU, STREAM	
		Refine the human resource strategy in the forest sector	MET		Dec 2023
		Capacity building for relevant public service			
		Implement institutional reform for consistent local governance	MET		



MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
	Develop standards, guidelines and regulations, in line with the forest law and other environmental legislation, that will contribute to sustainable natural resource management	NFA  MET	Team Europe	
> <b>Improved law enforcement</b>	Apply and monitor the application of standards, guidelines and regulations in law enforcement  Build capacity for forest rangers, including equipment  Increase transparency in the processing of cases (of environmental law violations)	NFA	(General Police Agency) Environmental Police Office	Dec 2024
> <b>Improved business environment for forest based value chains</b>	Incentivise scaling up of businesses  Enable a level-playing field to ensure fair access to resources and the market  Address bottlenecks for enablers to value chain (infrastructure, access to renewable energy, communication, health, social services, finance)	MoFALI		Mar 2023



MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING	
<p><b>2. Sustainable forest management and forest-based value chains</b></p>		Enable trade of forest products, domestic and exports			
	<p>&gt; <b>Forest monitoring including traceability/verification systems established and functional</b></p>	Develop and support tracing and verification systems	MoFALI		
	<p>&gt; <b>Key value chains selected and their actors mapped (wood and non-wood)</b></p>	Trace raw material sources (including wood and non-wood)	NFA	MoFALI	
<p>&gt; <b>Gaps in skills/information/capacities/technologies addressed with proposed support measures</b></p>		Analyse existing and potential value chains	NFA	Dec 2023	
		Link value chain development with the Billion Trees Movement	NFA	MoFALI, MET, MED, EU	
		Support value chain participants' capacities	NFA	MoFALI, MET, MED, EU	Dec 2023
		Strengthen the capacity of Forest units and Professional forestry organizations	NFA	MoFALI, MET, MED, EU	Dec 2023
	Standardise: grading wood assortments and products/construction standards/standards for non-wood products	NFA	MoFALI, MET, MED, EU	Dec 2023	
	Enhance awareness and access to information for product development based on available raw materials and markets	NFA	MoFALI, MET, MED, EU	Dec 2023	





	MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
<p><b>3. Reduction of deforestation and forest degradation</b></p>		<p>Create an enabling educational environment linked to labour market needs and provide tertiary educational and TVET opportunities in forestry, agriculture and environmental protection</p>	MES	Team Europe	
		<p>Strengthen research and stimulate innovation in the forestry sector, including on seeds (seed banks and seed quality)</p>	MES	Team Europe	
	<p>&gt; <b>Number of forest related decent jobs (in # of jobs) conversion and new jobs generated by wood and non-wood based value chains</b></p>	<p>Enable Investments in technologies to improve value addition (bankable business plans and appropriate finance, entrepreneurship skills)</p>	MED		
		<p>Support producers and communities co-managing natural resources with mentoring for profitable and sustainable business</p>	MLSP		
	<p>&gt; <b>Support for the implementation of Mongolia's international environmental commitments</b></p>	<p>Identify and address gaps in complying with Mongolia's international environmental commitments</p>	MET	MoFALI	Dec 2023
	<p>&gt; <b>Identified measures to address</b></p>	<p>Link identified measures with the Billion Tree Movement</p> <p>Assess compliance with relevant EU Regulations on Deforestation</p>	NFA MET	MoFALI, EU	



	MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
<p>4. Conservation and restoration of natural forest</p>	<p>compliance with relevant EU Regulations</p>	<p>Develop measures to address potential gaps</p>			
	<p>&gt; Forest area is expanded and an increased area of conserved, protected and restored forests is under sustainable management, as per the targets</p>	<p>Introduce sustainable forest management in protected areas</p> <p>Ensure sufficient resources for conservation and protection of forests (including from forest fires, pests, and diseases, etc.)</p> <p>Develop new ways to finance restoration aligned with the Billion Tree Movement: PES (carbon and biodiversity offsets), integrating value chain investments with restoration, and other applications of climate/ green finance,</p> <p>Improve the ways for communities co-managing natural resources and relevant local administrations to benefit from new financial mechanisms</p> <p>Support the implementation of the National Biodiversity Strategy through additional actions</p>	<p>MET</p> <p>MET</p> <p>MET</p> <p>MoF</p> <p>MET</p>	<p>EU</p>	
<p><b>SOURCES OF FINANCE</b></p>		<p>Improve fiscal revenue collection from the forest sector</p>	<p>MoF</p>		

MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
<p>&gt; Developed existing national sources of finance</p>	<p>Reinforce linkages between the tax and the forest authorities</p>			
	<p>Ensure alignment between the Billion Tree Fund, and other relevant financing initiatives, the Billion Tree Strategy and the Forest Partnership</p>			
	<p>Improve synergies between public budgeting and sustainable forest management</p>			
<p>&gt; Expanded green investment opportunities</p>	<p>Identify investment opportunities in the forest sector</p>	MoF		
	<p>Support access to finance for bankable green projects in the forest sector</p>			
<p>&gt; Green finance (public and private) increased</p>	<p>Mobilise EFSD+ to support forest investment</p>	EUD		
	<p>Develop financing for communities co-managing natural resources and MSMEs</p>			
	<p>Strengthen financial intermediaries (local banks) to channel finance for communities</p>			

MILESTONES	ACTIONS	LEAD ACTOR	OTHER ACTORS <sup>1</sup>	TIMING
	co-managing natural resources and MSMEs			
	Use of biodiversity and climate finance (GEF, GCF, carbon markets) to support the sector considering ways to benefit communities co-managing natural resources			

**ORDER BY MINISTER  
OF ENVIRONMENT AND TOURISM  
OF MONGOLIA  
(Unofficial translation)**

10 March 2023, Ulaanbaatar Ref No. A/59

Establishment of Working Group

In accordance with Article 24.2 of the Law on Government and Article 24.1 of the Law on Legal Status of Ministry, respectively, IT IS ORDERED:

1. To approve members of Working Group to provide policy support by Appendix 1 and members of Experts Group by Appendix 2 to implement of the Memorandum of Understanding on Forest Partnership between Mongolia and European Union, signed by Khurelsukh Ukhnaa, President of Mongolia, and Ursula von der Leyen, President of the European Commission;
2. To direct the Working Groups to manage activities/operations of the Joint Working Group as specified in the Memorandum of Understanding and report the result, from time to time and prepare and implement an Integrated Action Plan to ensure the enforcement of decision.

MINISTER [signature and seal] B. BAT – ERDENE

*Appendix 1 to order No. A/59 by Minister of Environment and Tourism dated 10 March 2023*

**MEMBERS OF THE POLITICAL WORKING GROUP  
TO THE IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING ON  
FOREST PARTNERSHIP  
BETWEEN MONGOLIA AND EUROPEAN UNION**

Chairs: Minister of Environment and Tourism

Ambassador and Head of Delegation of the European Union to Mongolia

Members: Foreign Policy Advisor to the President of Mongolia

Environment and Green Development Advisor to the President of Mongolia

Environmental Advisor to the Prime Minister of Mongolia

Deputy Minister, Ministry of Foreign Affairs

Deputy Minister, Ministry of Labor and Social Protection

Deputy Minister, Ministry of Food, Agriculture and Light Industry

Deputy Minister, Ministry of Education and Science

Director, Forest Authority- Implementing agency of the Government

Director, Water Authority - Implementing agency of the Government

Director, Department of Development Finance and Investment, Ministry of Finance

Director, Integrated Development Policy Department, Ministry of Economy and Development

Ambassador the Federal Republic of Germany representing member country of the European Union

Ambassador of the French Republic representing member country of the European Union

Ambassador of the Czech Republic representing member country of the European Union

Head, Development Cooperation Section, Delegation of the European Union to Mongolia

Secretary Head, Foreign Cooperation Division, Ministry of Environment and Tourism

MINISTRY OF ENVIRONMENT AND TOURISM

*Appendix 2 to order No. A/59 by Minister of Environment and Tourism dated 10 March 2023*

**MEMBERS OF THE TECHNICAL WORKING GROUP**

**TO IMPLEMENT THE MEMORANDUM OF UNDERSTANDING ON FOREST PARTNERSHIP**

**BETWEEN MONGOLIA AND EUROPEAN UNION**

Chairs: Director, Forest Authority- Implementing agency of the Government

Head, Development Cooperation Section, Delegation of the European Union to Mongolia

Members: Director, Green Development and Planning Department, Ministry of Environment and Tourism

Director, Nature Reserve Policy and Coordination Department, Ministry of Environment and Tourism

Head, Policy Planning Department, Ministry of Food, Agriculture and Light Industry

Director, Foreign Cooperation Division, Ministry of Food, Agriculture and Light Industry

Director, International Treaty and Legal Department, MFA

Deputy Director, European Department, MFA

Director, Employment Policy Implementation and Coordination Department, Ministry of Labor and Social Protection

Director, Foreign Relations and Public Relations Division, Ministry of Labor and Social Protection

Director, Higher Education and Vocational Training Policy Management and Coordination Department, Ministry of Education and Science

Head, Foreign Cooperation Division, Ministry of Environment and Tourism

Head, Base Survey and Monitoring Division, Land Management, Geodesy and Cartography Department

Director, Deforestation Research, Institute of Geography and Geo-ecology, Academy of Sciences

Staff of the Embassy of the Federal Republic of Germany, a member country of the European Union

Staff of the Embassy of the French Republic, a member country of the European Union

Staff of the Embassy of the Czech Republic, a member country of the European Union

Officer of the Cooperation Section, Delegation of the European Union to Mongolia

Political Officer, Delegation of the European Union to Mongolia

Secretaries:

Officer in charge of forest matters, Nature Reserve Policy and Coordination Department, Ministry of Environment and Tourism

Senior Officer responsible for foreign relations, Forest Authority, an implementing agency of the government.

**MINISTRY OF ENVIRONMENT AND TOURISM**

**TERMS of REFERENCE of the  
POLITICAL WORKING GROUP and the TECHNICAL WORKING GROUP  
of the Forest Partnership  
between the European Union and Mongolia**

**Role and responsibilities**

1. The Political Working Group, hereinafter “PWG”, established pursuant to the Memorandum of Understanding on a Forest Partnership between the European Union and Mongolia, hereinafter “Forest Partnership”, will oversee the management and implementation of the Forest Partnership and ensure the effective dialogue and cooperation between the EU and Mongolia, hereinafter “the Partners” in this context.
2. The PWG will guide and steer the implementation of the Roadmap, monitor progress and achievements, and address challenges to and opportunities for the fulfilment of the objectives of the Forest Partnership.
3. The PWG will address any issues that may arise in relation to the interpretation and implementation of the Forest Partnership and facilitate their resolution in good faith and in accordance with the context, purpose and objectives of the Forest Partnership.

**Chairmanship**

4. The PWG will meet at least twice a year.
5. The PWG will be jointly chaired by the Minister of Environment and Tourism of Mongolia and the Head of the EU Delegation to Mongolia. The Chairpersons may arrange to be represented by designees who will exercise all their rights.

**Technical Working Group**

6. The PWG will be assisted by a Technical Working Group, hereinafter “TWG”.
7. The TWG will be chaired jointly by the Director General of the National Forest Agency and the Head of Cooperation of the EU Delegation to Mongolia.
8. The TWG shall prepare the meetings and the deliberations of the PWG, supervise and coordinate the implementation of the actions agreed by the PWG, consider any matter referred to it by the PWG as well as any other matter which may arise in the course of the day-to-day implementation of the Forest Partnership.
9. The TWG will meet on a quarterly basis and at minimum prior to the PWG meetings.

**Transparency**

10. The PWG and the TWG will ensure that their work is transparent and that all relevant information about its work is made available to the public.

**Representation**

11. The Partners have agreed to the composition of the PWG and TWG, reflected in the Decree issued by the Minister of Environment and Tourism, co-chair of the PWG, dated 10 March 2023, Ref No. A/59, and may be altered following the agreement hereto by the Partners.

### **Official communications**

12. The representatives of the Partners responsible for official communications concerning the implementation of the Forest Partnership and all dialogue and cooperation in this context, including in relation to the PWG and the TWG will be:

For Mongolia: Director General of the National Forest Agency

For the European Union: the Head of the Cooperation of the EU Delegation to Mongolia.

### **Meetings**

13. The meetings of the PWG or TWG may be held physically or by videoconference.
14. A provisional agenda for each meeting shall be drawn up jointly by the Partners and agreed by the Chairpersons.
15. The agenda will be adopted by the PWG or TWG at the beginning of each meeting. Items other than those appearing on the provisional agenda may be included if the Partners agree.
16. Draft minutes of each meeting shall be drawn up jointly by the Partners or as designated by them. The minutes shall be approved by the Partners at the end of the meeting under the title "Aide-Memoire".
17. Unless otherwise decided, the meetings of the PWG or TWG will not be public.
18. Information or documents considered as confidential under national laws and regulations of a Partner will be treated as confidential.

### **Participation**

19. The Chairpersons of the PWG or the TWG may agree to invite to their respective meetings where appropriate, private sector actors, social/non-state partners, local communities, indigenous peoples, youth, women, international public organisations, experts, interested financial institutions, academia, research institutions and/or donors.

### **Facilitation**

20. The Partners will agree on the need, role and responsibilities of a Facilitator to accompany the implementation of the Forest Partnership and the functioning of the PWG and TWG.

### **Expenses**

21. Each Partner will meet any expenses it incurs as a result of participating in the meetings of the PWG or TWG.