

MONGOLIA - Sustainable Nature Resource Management and Value Chain Development

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



Green economy, resources sustainable management and development of value chains (Joint programming (JP), EU-Mongolia Forest Partnership (TA, TAIEX, Twinning).

Building capacity for sustainable certification of national authorities (TA, partially financed by EU).

Private sector development (capacity building, TA, Twinning, TAIEX):

- TA to women business associations.
- Trade facilitation for smallholders and MSMEs
- National and local authorities – green policies.

Large-scale forest landscape investments (EU/EIB, EDBs loans, blending, EFSD+ guarantees):

- Policy and regulation enforcement.
- Forest resources and pasture sustainable management.
- Livelihoods (decent jobs creation).
- Sustainable value chains.

“Sustainable and Resilient Eco-system and Agriculture Management in Mongolia” (STREAM Mongolia) project, 2021-2023:

- Joint GCCA+/DESIRA initiative
- EU & DE/BMZ funded
- Implemented by GIZ (CZ university).
- FR NGOs and state institutions (e.g AVSF, INAO) engagement

FR Facility for Global Environment - sustainable cashmere and yak meat.

FR Food Aid Fund (FAF) – humanitarian aid & micro-credit loans for rural development.

CZ provide education in forest ecology and landscape ecology.

DE (natural resource management) – SPACES project (GIZ) & Biodiversity and Adaptation to Climate Change (KfW)

EIB - technical expertise, know-how and financing support in the forestry and agriculture sector.

EBRD - private sector engagement and export promotion

Integration of Mongolia into the regional and global trading system (grants):

- Strengthening export capacities in the non-mining sector.
- Establishment of a National Export Credit Agency

Sustainability, accountability, and transparency of the investments (grants) – CSOs and local communities:

- Legislation - monitoring or watchdog role.
- Environmental standards and transparent procedures (certification, value chain products process)
- Raise awareness among vulnerable groups (labour rights, corruption fight, trade).
- Research, data and evidence-based advocacy capacities.

MODALITIES/TOOLS

Policy dialogue

Blending

Technical assistance (TA)

Loans

TAIEX

Guarantees

Twinning

Grants

Investments

KEY DELIVERABLES

Climate and energy

1. Construction of the 220 km Choir-Sainshand double circuit 220kV transmission line. The construction of the new 220/110/35kV substation at Sainshand and the extension of an existing 220/110/35kV substation at Choir.
2. Establishment of a Forest Partnership.
3. Development of urban infrastructure: roads, internet connection, electricity networks and substations, photovoltaic panels, water networks, waste water networks, (waste)water treatment plants, district heating network, renovation of public building, social+affordable housing, solid waste investments) -TBC.
4. Creation of a Smart Land Management and Climate Responsive Digital Complex (TBC).

TRANSFORMATIONAL POTENTIAL

Transiting to a greener economy where rural development, decent and sustainable jobs creation and income generation is based on agricultural and forestry production, strengthened value chains, and exports through enhanced and sustainable natural resources management.

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NATIONAL CONTEXT

A vast and landlocked country covering area of 1.5 million km². Sparsely populated - 3.2 million:

- 50% of the population lives in rural areas.
- 50% lives in capital city of Ulaanbaatar

Agriculture:

- Nomadic herding.
- 20% of the GDP.
- Manufacturing sectors.
- Low crop diversification and productivity.
- Not transformed locally most of the agriculture products and timber.

Climate change and natural disasters

Central Economic Corridor (CEC) - the key transportation network connecting China and Russia (underdeveloped).

≈ 40% of the population is dependent on animal husbandry and rain-fed agriculture.

Herd size is estimated at 80+ million (2020).

8% of Mongolian territory covered by forests and 80% is already aged.

Forestry sector:

- 0.3% of the GDP.
- Important indirect contribution.

Cashmere sector:

- 5% of the GDP.
- 100 textile industries (≈95 MSMEs) - 20k+ employment mainly in the capital city.
- 70% of herders' income in average
- 80% of the national raw cashmere production (10k tons) are exported, mostly to China.

Multi-Annual Indicative Programme for Mongolia (2021-2027).

Mongolia development strategy (Vision 2050).

Mongolia's nationally determined contribution (NDC).

GEOPOLITICAL CONTEXT AND RELEVANT SDGs

Agenda 2030

EU Green Deal

EU-Mongolia Partnership and Cooperation Agreement-PCA

EU - Mongolia Agreement on Geographical Indications (GIs)

**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)