

# Forest Partnership with the EU

## Mongolia

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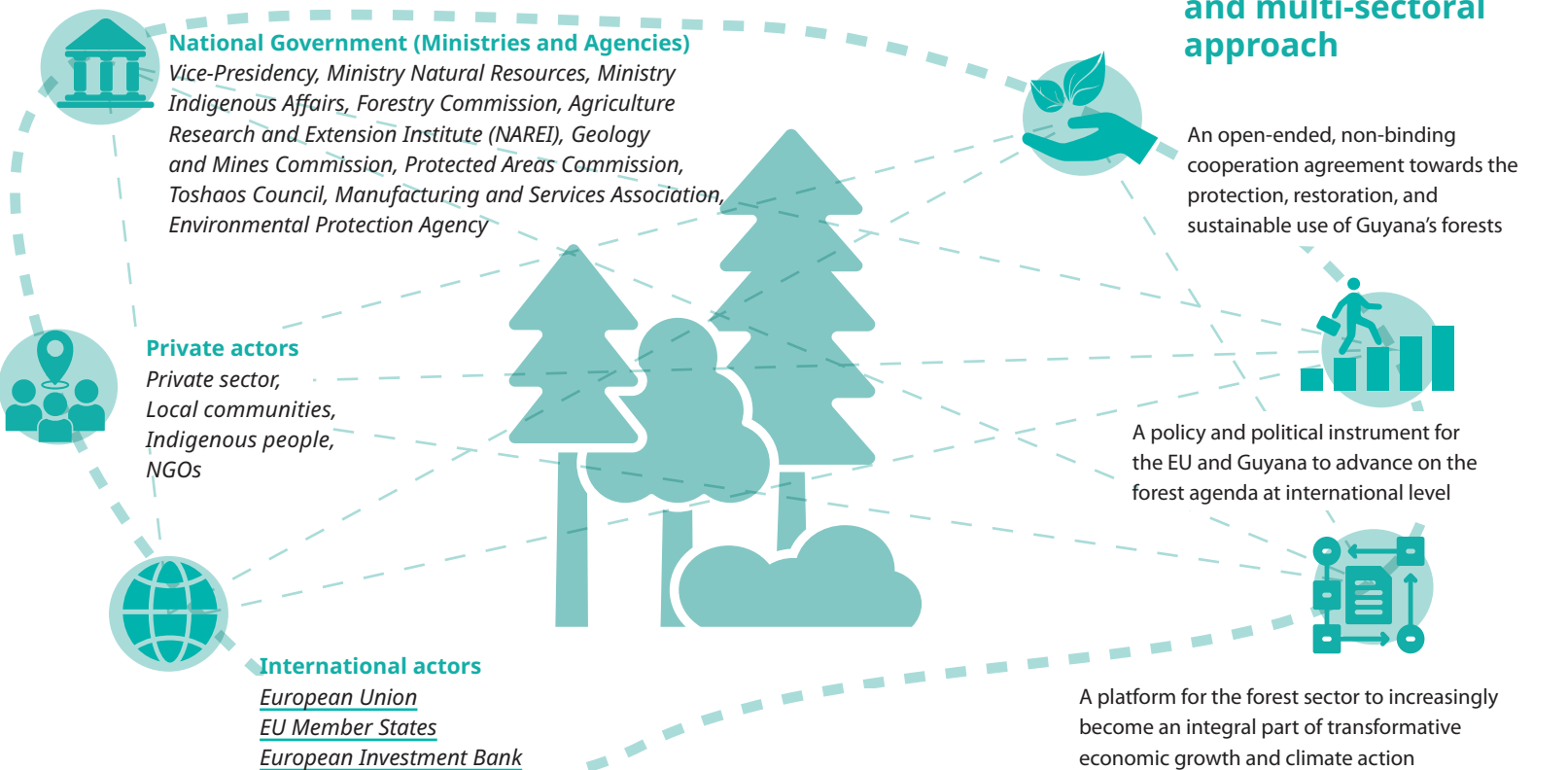
COUNTRY  
REPORT  
*ABSTRACT*



# The power of the Forest Partnership

Under the EU Global Gateway, the EU-Mongolia **Forest Partnership** aims to **enhance trade and investment**, with social and environmental safeguards such as creating more **decent forest jobs**, conserving biodiversity and maintaining forests as **carbon sinks** to mitigate climate change.

## Forest Partnership players



*"The protection of our environment is the most important issue.... We are happy to work with the EU to establish a Forest Partnership, as the EU has been a reliable partner for Mongolia for many years."*

Ukhnaagiin Khürelsükh,  
President of Mongolia



*"Through the Forest Partnerships, the EU supports our partners in sustainably managing and preserving forests, one of the world's richest natural resources to combat climate change and conserve biodiversity as well as to promote sustainable development."*

Ursula von der Leyen  
European  
Commission  
President



## High-level and broad engagement

With the Forest Partnership the Government of Mongolia took the opportunity to think more strategically about the methodology and instruments to address issues in the forest towards an increased impetus to recognize the inherent value of the forestry sector in Mongolia's economy.

# Implementing the Global Gateway

In a relatively short time the **Forest Partnership** has opened the door to a more in-depth **forest governance reform**, and created the environment for **renewed financial potential**.

## TARGETS 2030

- + **more** sustainably managed, protected, restored forests
- + **more** productive forest management
- + **more** investments and trade in legal wood
- + **more** decent forest jobs
- **less** per year deforestation



## Achievements

- ✓ Signature of a MoU on Sustainable Forestry between Mongolia and the EIB
- ✓ EIB loan request for 100 M EUR (Forest-based economic diversification, Climate resilient agricultural development, Forestry technology and innovation)
- ✓ EU co-financing up to 19 M EUR and Team Europe eager to co-finance
- ✓ EU Member State commitments (e.g. Croatia, Czechia, France, Germany, Slovenia)
- ✓ First EU-Mongolia Business Forum (including forestry)
- ✓ Economic analysis of Mongolia's forest sector's potential
- ✓ Mapping of financial instruments for forests in Mongolia
- ✓ Leveraging investment for Mongolia's forest value chains
- ✓ Paving the way to EU Global Green Bonds
- ✓ Supporting revision of forest taxonomy under SDG Taxonomy



## REPORT

### Assessment for forest finance in Mongolia

The top priority needs for forest financing in Mongolia include: long-term sustainable funding for forest conservation and management, emphasizing economic development, improved value chains, climate resilience and community involvement.

# A renewed vision for Mongolia's forests

A paradigm shift in the forest sector can contribute to **economic and environmental goals**: the necessity to shift from protection to **sustainable forest management**.



*A comprehensive Forest Law revision process has started in 2024*

## Forest-based value chains

- More formal forest jobs
- More value and revenues
- New sustainable wood and non-wood sectors
- Legal deforestation-free production and trade



**Forest-based value chains** are key to the Forest Partnership and serve EU Global Gateway ambitions attracting green investments, and mitigating climate change.

## Achievements

- ✓ Supporting the drafting of the new Forest Law
- ✓ Consolidating consensus around a new shared vision in the forestry sector
- ✓ Identification of “quick wins” for improved forest governance
- ✓ Improving timber traceability system (eForest)
- ✓ Preparing guidelines for forest management planning (STREAM project)
- ✓ Supporting association of Women forestry professionals
- ✓ Supporting TVET in the forestry sector
- ✓ Identification of 7 potential timber-based value chains
- ✓ Forestry panel at the First EU-Mongolia Business and Investment Forum



## Forests value

**0.3% GDP** only, which indicates the enormous **undervaluation** of the sector

## Forest status

**76%** of Mongolian forests are mature or **over mature** (more prone to pest infestation and wildfires)

# Contributing to the environment agenda

The **Forest Partnership** supports Mongolia in addressing **deforestation** and aligning national efforts with international frameworks like the Paris Agreement and the United Nations Sustainable Development Goals (SDGs) and is strongly aligned to Mongolia's Nationally Determined Contributions (NDCs).

## Key workstreams of the Forest Partnership

### Forest governance

- Improved regulatory framework
- Institutional reform

### Sustainable use of forests

- Sustainable forest management and forest value chains

### Tackling climate change

- Prevention of deforestation and forest degradation
- Reforestation and restoration of natural forests

## Achievements

- ✓ Forest Partnership key activities linked to NDCs and climate action
- ✓ Forest Partnership workstream linked to National Biodiversity Strategy
- ✓ Forest Partnership and EIB MoU linked to Mongolia's Billion Trees movement
- ✓ Promoting sustainable forest management of Mongolian forests
- ✓ EU member states more involved in projects tackling forest degradation
- ✓ Preparing Forest Partnership presence at COP17 (UNCCD) in Ulaanbaatar



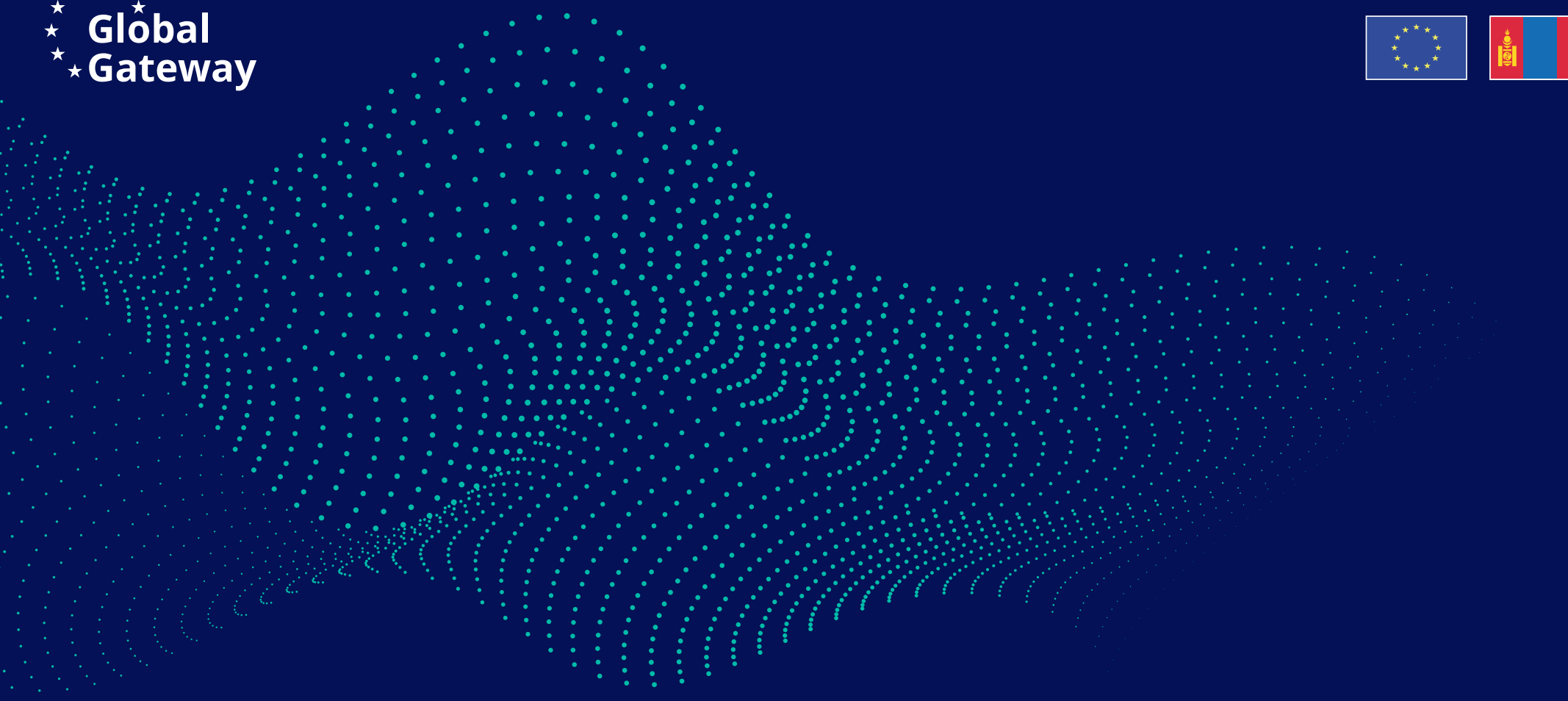
### Climate change impact

Mongolia's temperatures have been rising approximately **three times** the global average. **77%** of Mongolia's land area has been affected by **desertification** – significantly impacting forest health and biodiversity.

### Deforestation impact

Forest loss drivers: lack of forest law enforcement, forest fires, unsustainable logging practices, land conversion for agriculture, overgrazing by livestock, pests and increasing demand for firewood.





## *A Global Gateway flagship initiative*



For more info: [EU Delegation to Mongolia](#)  
[Sustainable Forests for the Future Group](#)

This publication has been prepared by the [Forests for the Future Facility \(F4F\)](#). It does not represent the official view of the European Union.