


changing policy  
mixes in practice:  
what does it take?

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is the promise of a  
policymix-type approach  
borne out in practice?

yes ... but ...

it's not just the interactions  
between instruments that need  
to be understood in order to  
foster successful, equitable  
and sustainable policy mixes

# operationalising policy mixes for sustainable forest management in Mongolia



# updating conservation policy mixes

- struggling with a long history of over-reliance on command, control, regulation and the public budget
- may be necessary conditions for effective, equitable and sustainable conservation – but by themselves are clearly not sufficient
- weak enforcement and inadequate funding are binding constraints
- combined with low economic motivation on the part of ecosystem managers and users



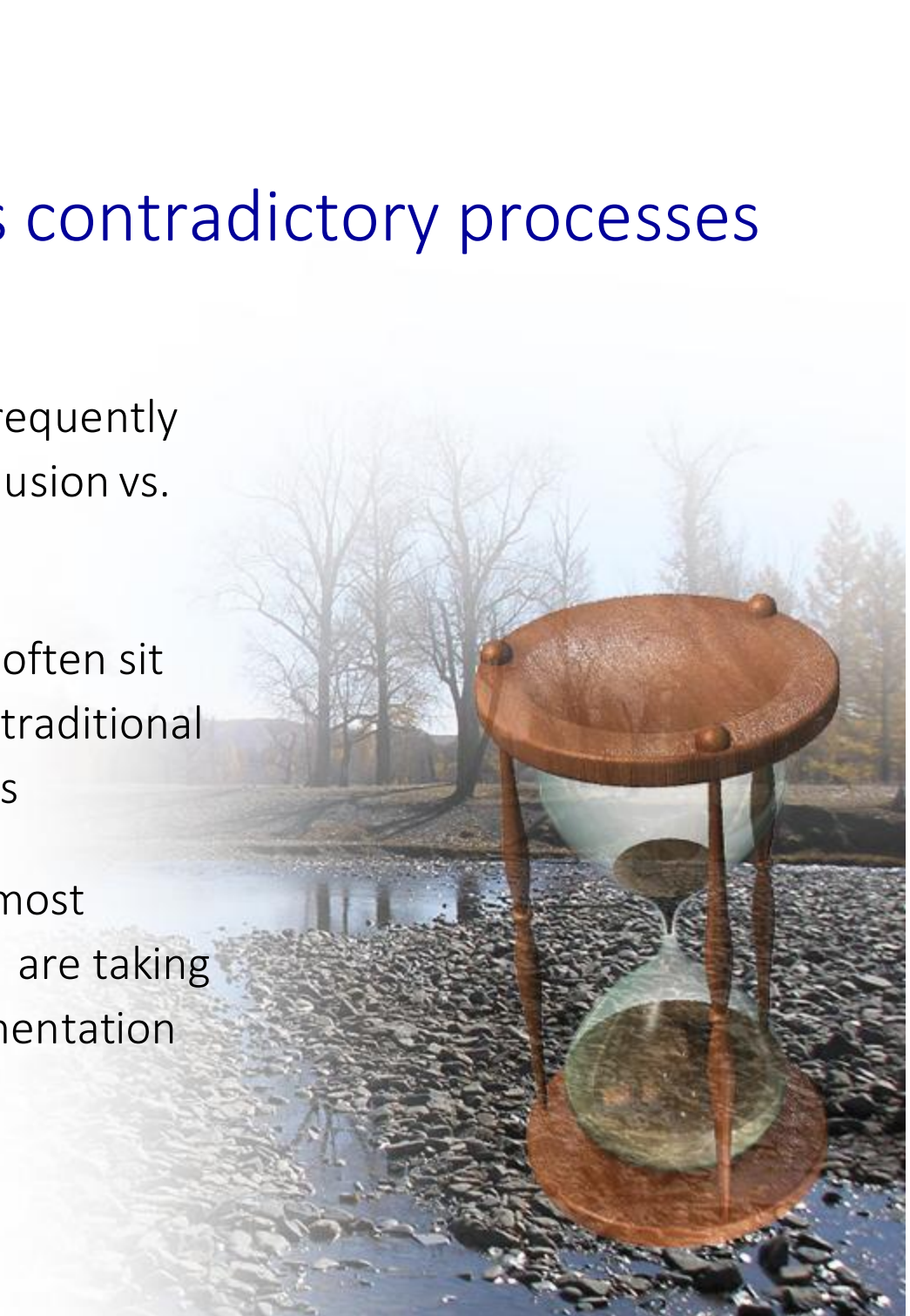
# shifting paradigms

- in the light of the implementation challenges facing “old-style” approaches
- and a growing recognition of the need to better factor equity and distributional concerns into the equation
- combined with a progressive liberalisation of governance and economic structures
- wide variety of new instruments are being thrown into the conservation policy mix
- rights-based approaches and market-based mechanisms particularly prominent



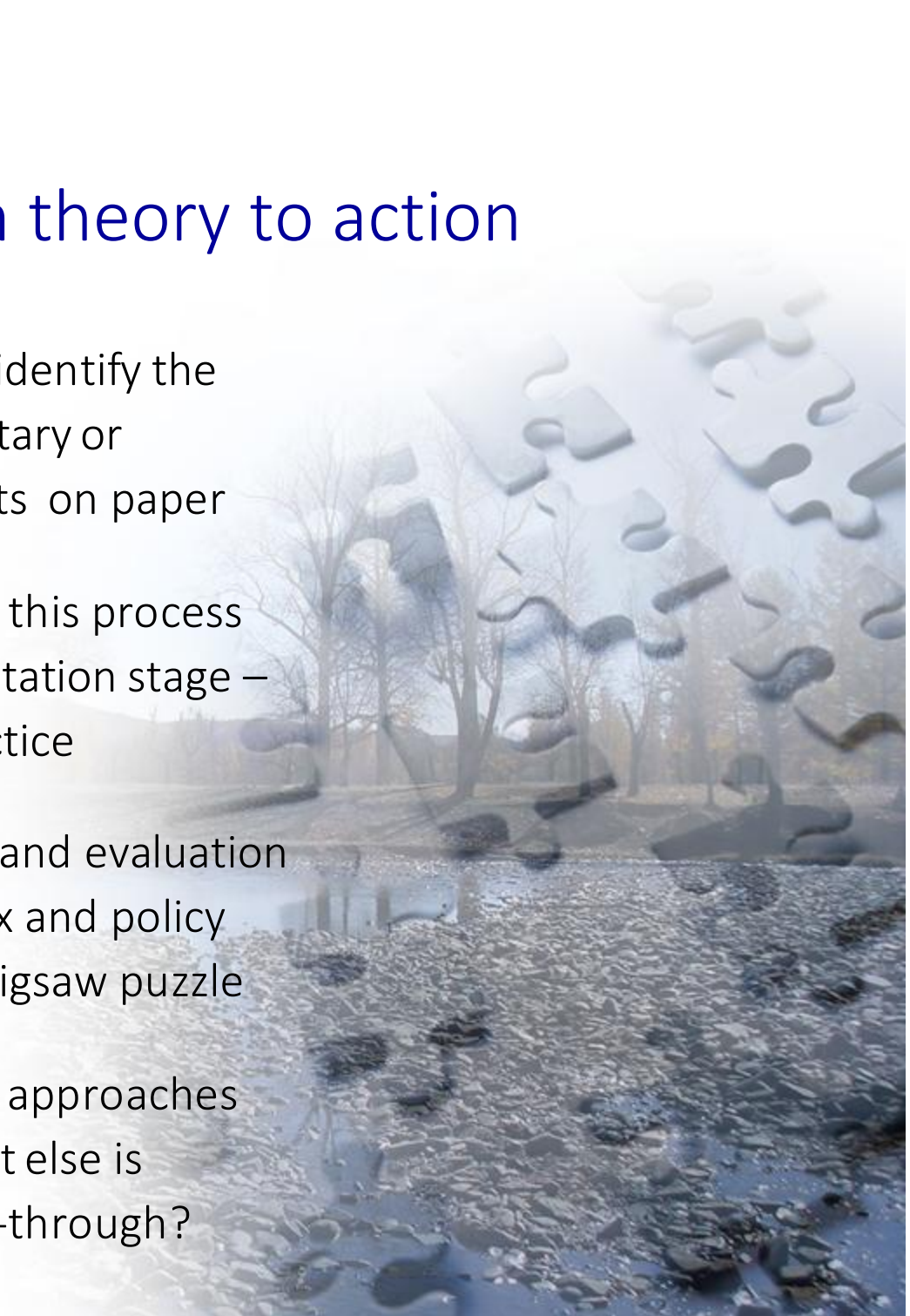
# slow and sometimes contradictory processes

- something of a dissonance – frequently tension between sanctions/exclusion vs. rewards/participation
- incentive-oriented instruments often sit rather uneasily alongside more traditional command and control measures
- and even the best-looking and most perfectly-designed instruments are taking a long time to reach the implementation stage (if they ever do)



# moving from theory to action

- key question is not just how to identify the “best” packages of complementary or mutually reinforcing instruments on paper
- but also to how to actually take this process to the operational or implementation stage – and change policy mixes in practice
- good research, analysis, design and evaluation of policy instruments, policy mix and policy impacts is only one part of the jigsaw puzzle
- when proposing policymix-type approaches to planners and managers, what else is needed in follow-up and follow-through?



# operationalising policy mixes for sustainable forest management in Mongolia

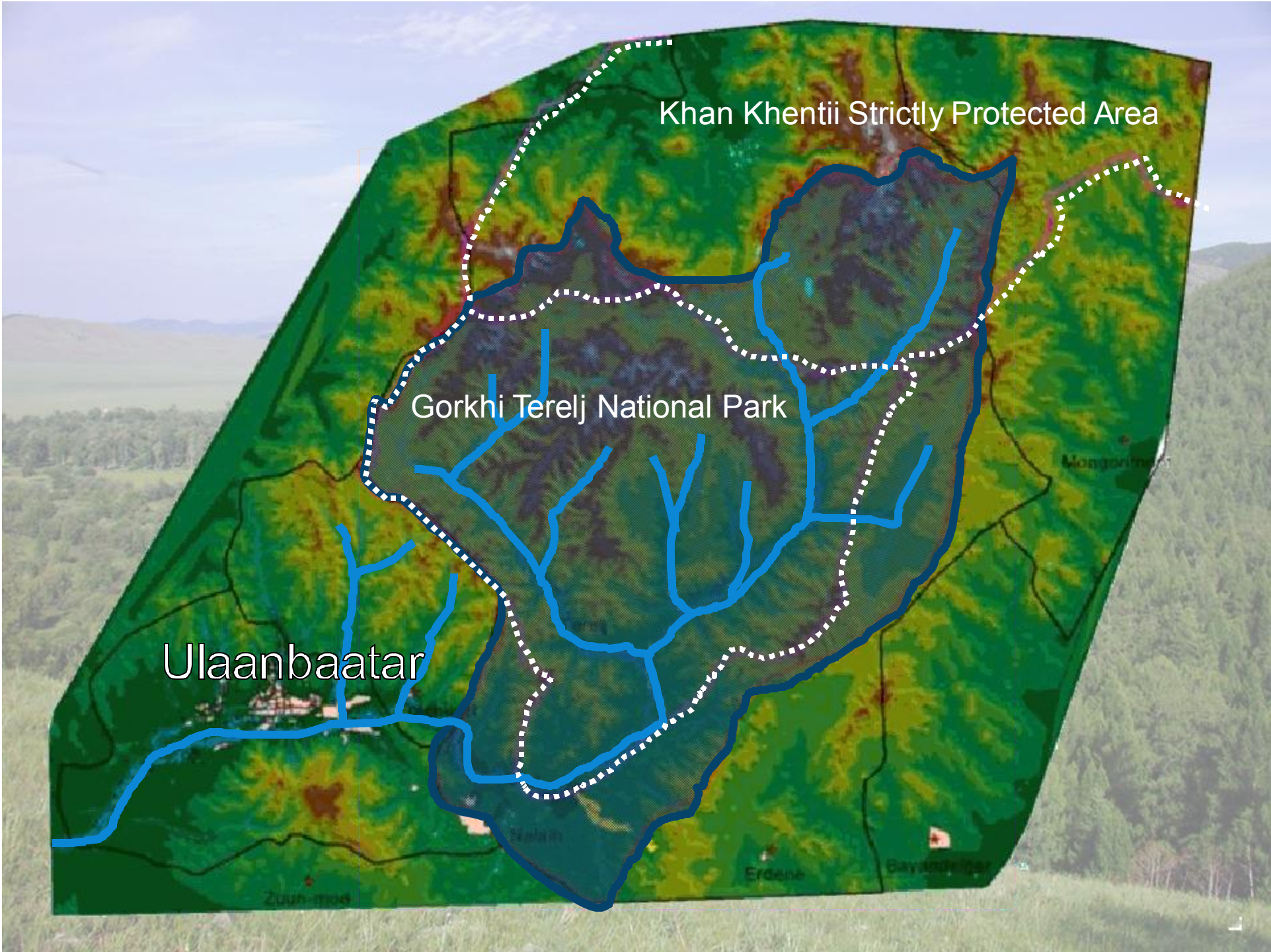























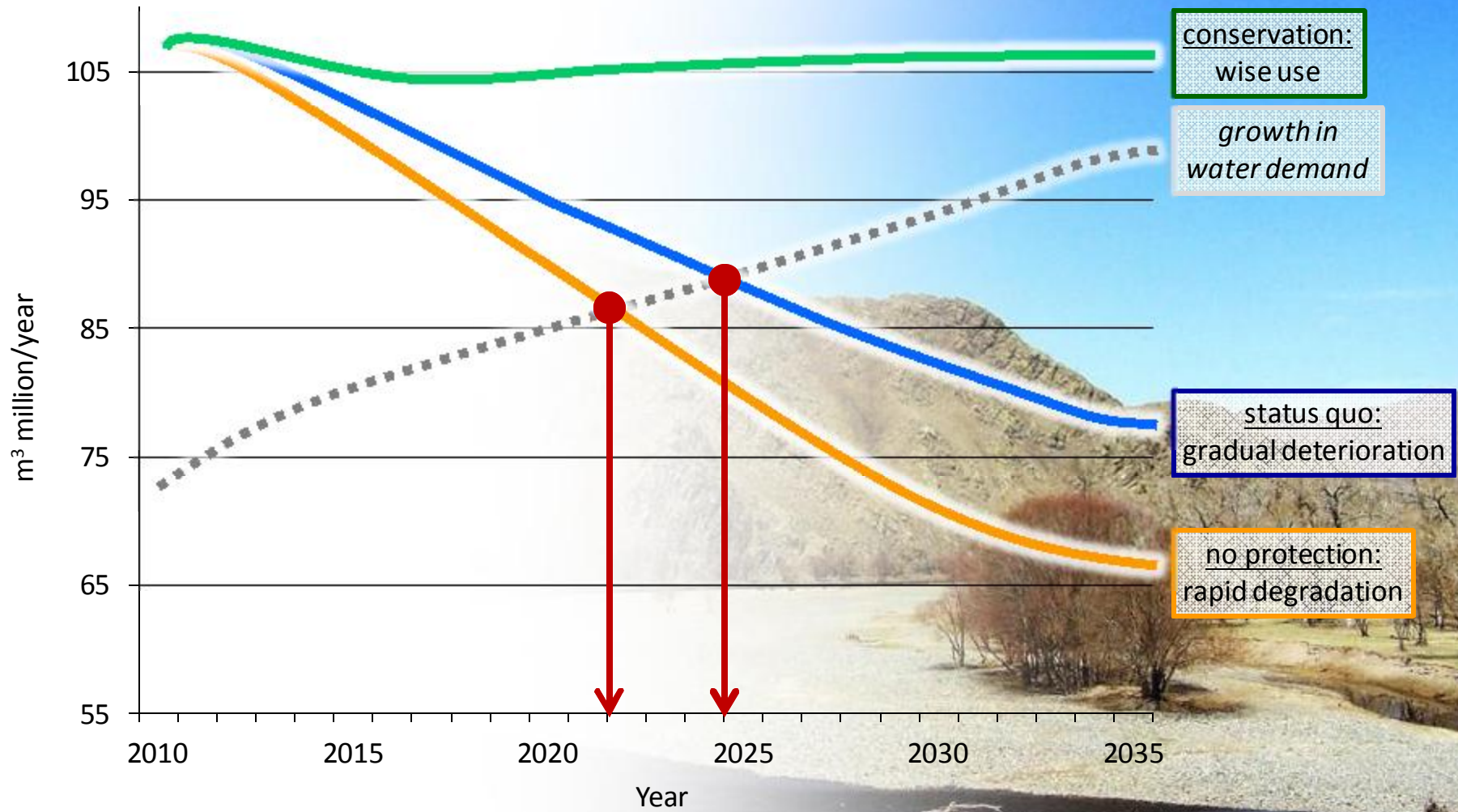




ecosystem conservation  
is accorded a very low  
budgetary & policy priority

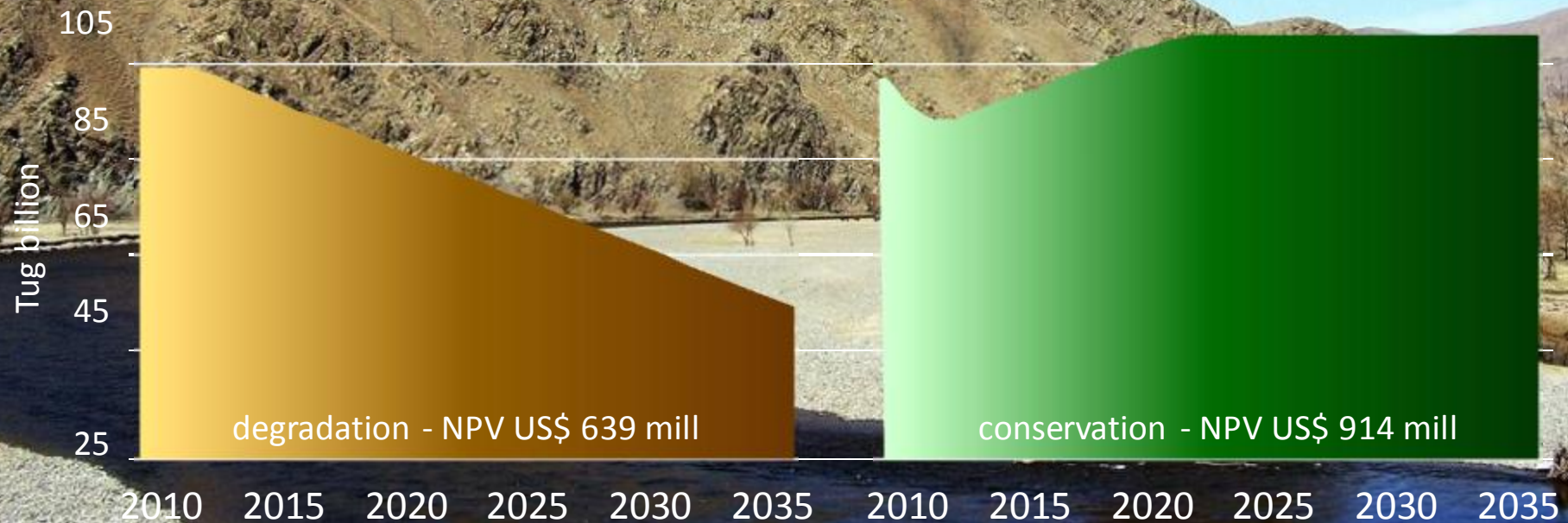
*encroachment, degradation,  
weak enforcement, ineffective  
conservation management*


use ecosystem valuation  
to make the case for better  
application of existing policies




degradation of the Upper Tuul will cost Mongolia's economy almost US\$ 300 million over the next 25 years:

*every US\$1 invested in conservation will generate additional water benefits of US\$15*





decision-makers quite convinced – but achieving a better application of existing regulations was difficult in practice, and didn't seem to make that much difference to land and resource management



existing policies have very little  
influence on how people use  
Upper Tuul land and resources

*command & control, public  
budget insufficient to enable  
and encourage conservation*

add incentive/financing  
instrument to the policy mix

# public interest vs. private returns

- is clearly in the public interest to sustainably manage the Upper Tuul watershed (US\$ 43.4 mill of additional downstream water benefits)
- ... but it is not in the immediate financial interests of the herders who manage its land and resources (US\$ 5.0 mill opportunity costs)
- ... and Protected Area authorities lack the budget for effective conservation (US\$17/ha received is only about half that required)



Ulaanbaatar water consumers

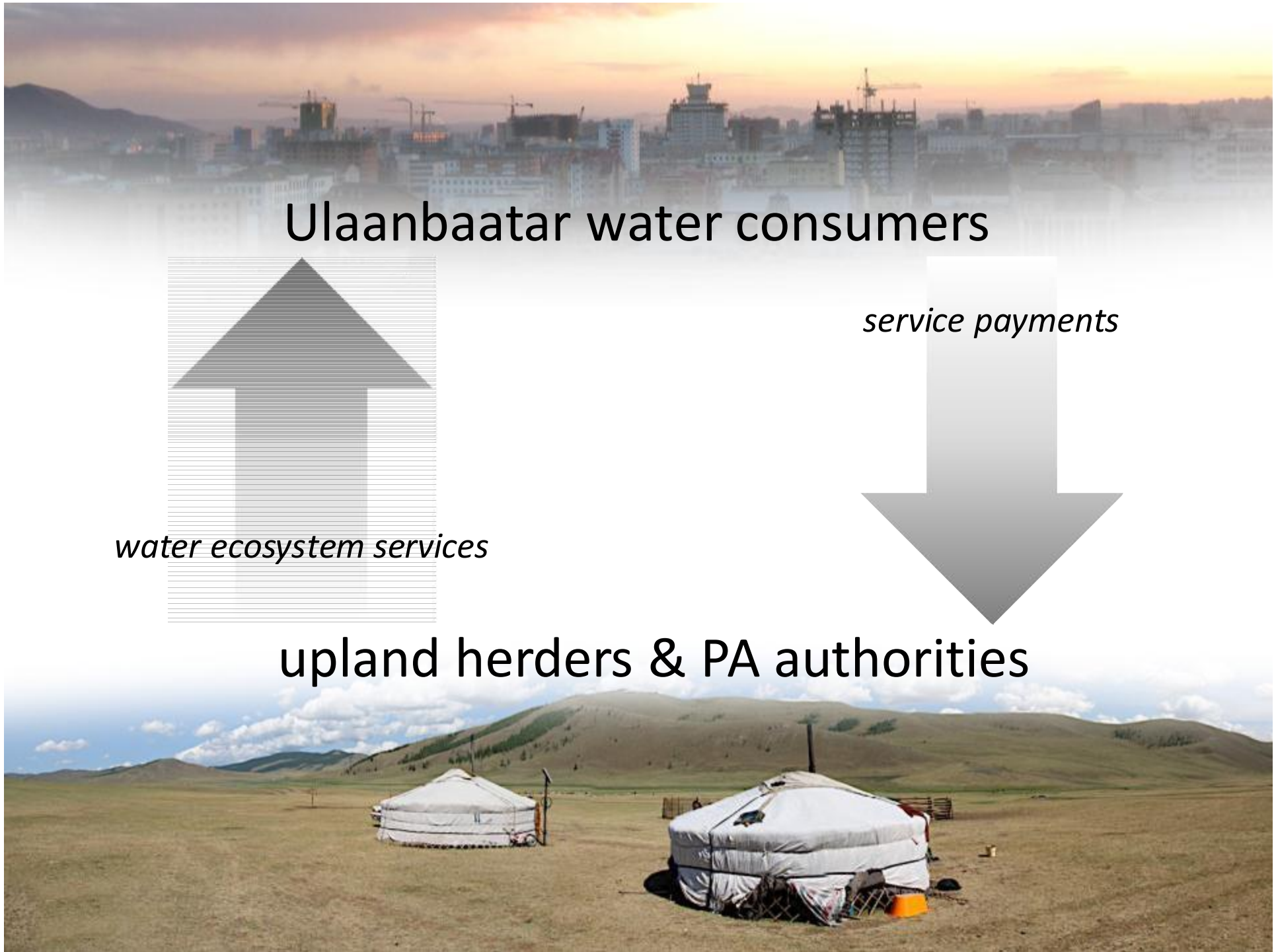


*water ecosystem services*

*service payments*



upland herders & PA authorities





water consumers



monthly water bills



Ulaanbaatar Water Supply and Sewerage Department



extra-budgetary Payment for Ecosystem Services fund



budget transfer



rural banks



Protected Area authorities




upstream herders





while recognising the logic and rationale, neither public nor private decision-makers were ready to come on board as far as PES were concerned, or to back a shift to sustainable forest management principles






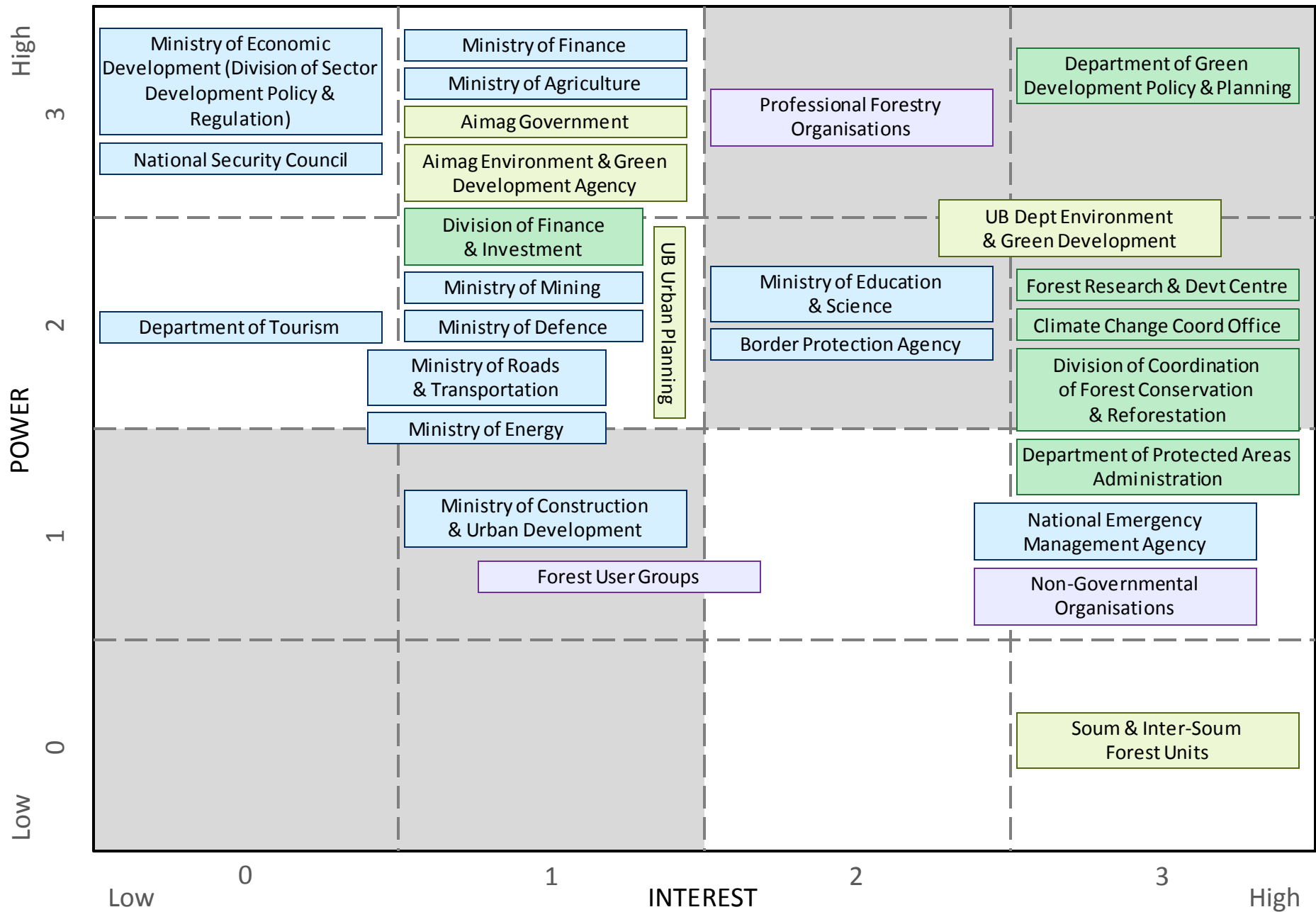
unclear how new approaches  
fit with actors' interests and  
rules of the game



*decision-makers unconvinced  
it is to their advantage or in  
their mandate to support SFM*

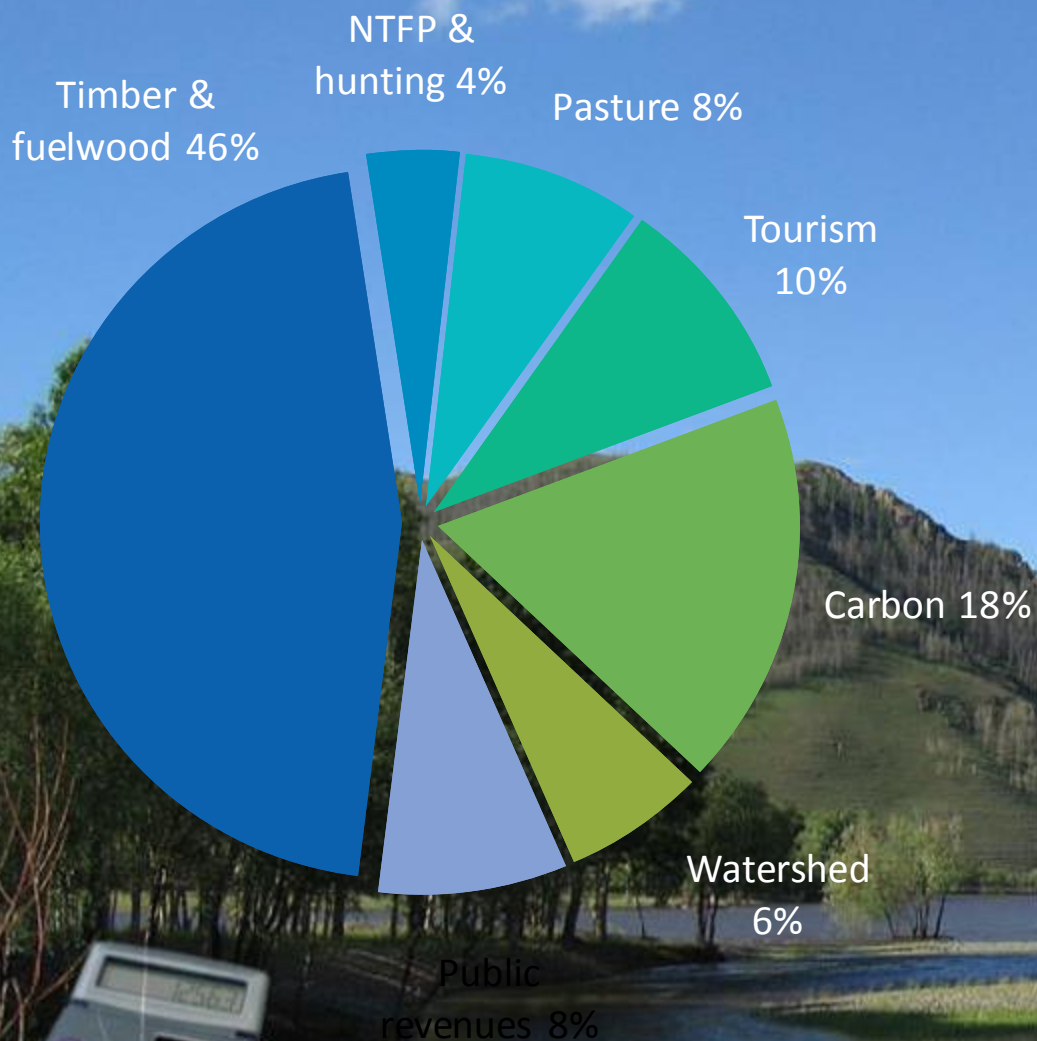


demonstrate how investing  
in SFM can support key  
interests, rules & mandates



■ Ministry of Environment & Green Development  
■ Other sectoral agencies

■ Local Government agencies  
■ Private sector, local communities & civil society



■ Timber & fuelwood	MNT 197.10 bill
■ NTFP & hunting	MNT 17.92 bill
■ Pasture	MNT 34.36 bill
■ Tourism	MNT 41.04 bill
■ Carbon	MNT 77.29 bill
■ Watershed	MNT 27.23 bill
■ Public revenues	MNT 36.60 bill
	<b>MNT 431.53 bill</b>



so, once the key stakeholders and decision-makers started to bite,  
how to actually get this instrument mix moving in practice?



complex web of processes and considerations drive how decisions are actually made



*needs & niches, barriers & opportunities which hinder or help policies to take effect*



identify openings to leverage policy uptake and change

Key stakeholder	Opportunities, incentives and possible sources of support	Constraints, disincentives and possible sources of opposition
Climate Change Coordination Office	are an important and cost-effective means of mitigating climate change.	Possible competition for funding and human resources with existing activities and work programmes
Department of Green Development Policy & Planning	Is responsible for inter-sectoral coordination and for the implementation of sustainable development policy, is a key part of this.	
Department of Protected Areas Administration	Mainstreaming could help to generate additional funds for their work, and enhance biodiversity and ecosystem conservation	
Division of Coordination of Forest Conservation & Reforestation	Mainstreaming could help to generate additional funds for their work, and enhance forest policy implementation.	
Division of Finance & Investment	Is responsible for effective and efficient budget formulation and spending,	Pressures to save budget and consolidate spending on fewer action areas,
Forest Research & Development Centre	Mainstreaming could help to generate additional funds for their work.	Possible competition for funding with existing activities and work programmes
Border Protection Agency	is a way of effectively managing forests in border areas, including control of illegal cross-border logging	
Department of Tourism	offers opportunities for strengthening nature-based, community-led and eco-tourism	Limited power to determine access
Ministry of Agriculture (Department of Light Industry)	a way of enhancing the supply of raw materials and stimulating enterprise development	No power to define or influence timber utilisation quotas
Ministry of Agriculture (Department of Livestock Policy Coordination)	a cost-effective way of improving and sustaining the supply of pasture land	Trade-offs between forest conservation and utilisation
Ministry of Construction & Urban Development	a way of enhancing the supply of raw materials	
Ministry of Defence	is a way of effectively managing forests in security zones	
Ministry of Economic Development (Division of Sector Development Policy & Regulation)	is a way of enhancing economic growth, value-added and tackling rural poverty reduction and livelihood strengthening.	not considered "profitable" activity or high budget priority
Ministry of Education Science	a source of support and "learning ground" for research and study	
Ministry of Energy	can help to secure woodfuel as well as watershed protection for hydropower	
Ministry of Finance	a potential source of new revenues and fiscal income	not considered "profitable" activity or high budget priority
Forest User Groups	can be a marketing point for raising new revenues and gain from, forest management.	
Professional Forestry Organisations	a way of increasing private sector participation in, and gain from, forest management.	No obvious sources of opposition or disincentives

or funding with existing activities and work programmes. Not part of agency mandate or responsibility. Low awareness of mechanisms for budget allocation to SFM.





## constraints, disincentives & barriers

tradition of working in separate “boxes” according to own strict mandates

absence of mention of SFM in policies, strategies and plans

different and sometimes competing development goals and responsibilities

lack of formal structures for joint programming and horizontal collaboration

lack of mechanisms for cross-sectoral funding and programmes

need to avoid budgetary duplication between agencies and sectors

limited budget availability and lack of flexibility to incorporate new activities

weak awareness, capacity and information on SFM and forest ecosystem values



## opportunities, incentives & entry points

expanded role and responsibilities of Ministry of Environment as a general-orientation ministry

past and current collaboration between Ministry of Environment and other sectors/agencies on forest management and use

updated forest policy

draft Green Development concept and mid-term programme

mandate to foster integration and coordination for Departments of State Administration & Management, Green Development Policy & Planning, Coordination of Policy Implementation

decentralisation of forest management and financing functions to Aimag level

growing participation of private sector and community groups in forest use and management



SFM, PES and Upper Tuul now explicitly incorporated into policy frameworks, and starting to be translated into on-the-ground actions



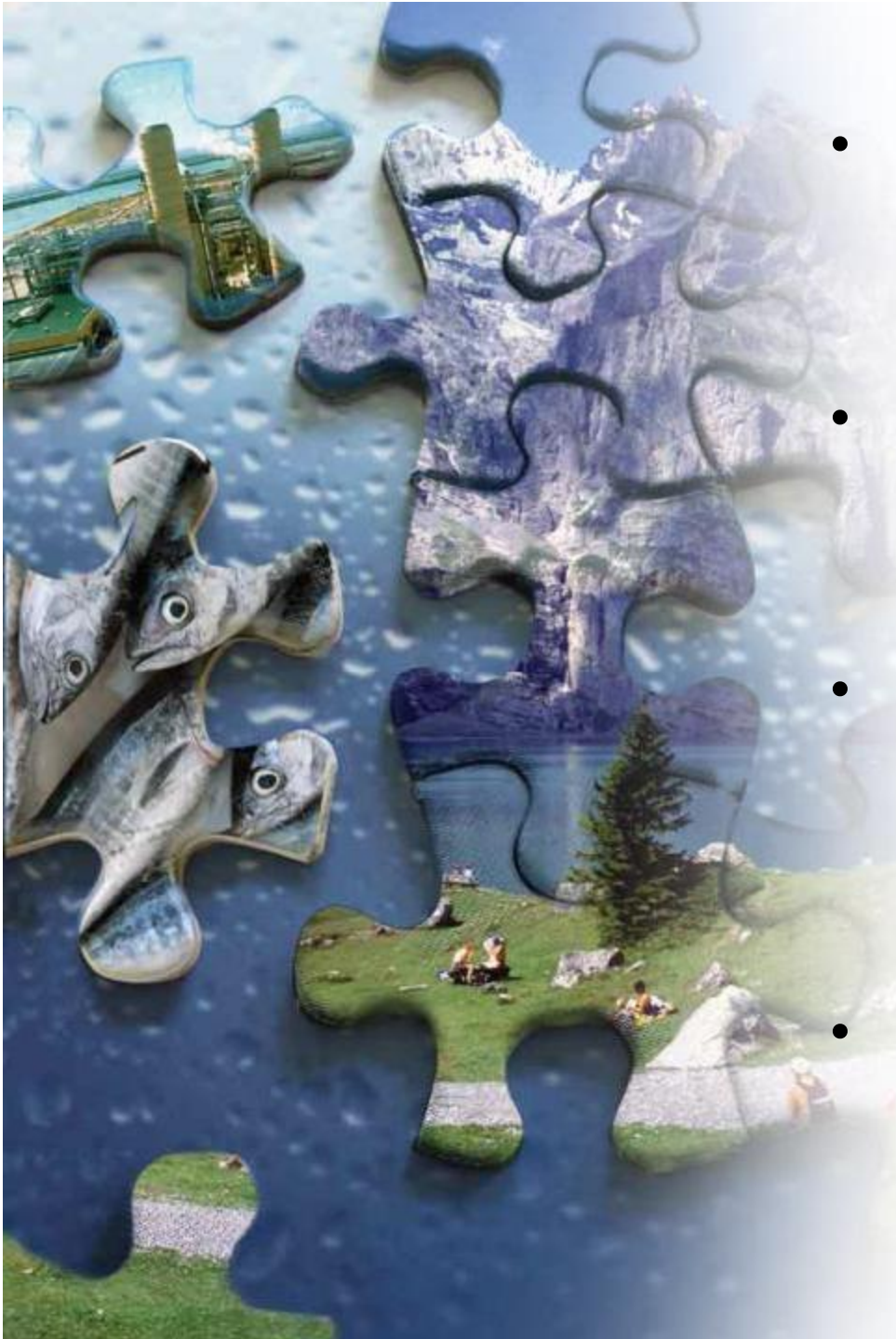
A scenic landscape featuring a rocky riverbed in the foreground with a large, weathered log. The river flows through the middle ground, bordered by a dense line of trees with some autumn-colored foliage. The background shows a hazy, mountainous horizon under a bright sky.

addressing the mix  
of management  
challenges & threats

adding to the  
existing mix of  
policies & instruments

understanding the  
mix of actors, rules,  
powers & interests

responding to the mix of  
decision drivers, strategic  
options & entry points



- policymix-type thinking offers a useful set of tools and concepts for planning, informing and evaluating decisions
- but need to go further in order to identify and design “successful” and “acceptable” packages of instruments
- and work on the decision-making contexts and drivers that offer barriers and entry points for their uptake and implementation
- main challenge has been to merge and link policy mix approaches with tools for understanding and addressing these operational needs & realities



# Thank You

for your kind attention