



Nature
Pledge



NATURE PLEDGE
COUNTRY OFFICE PROFILE:

MONGOLIA



United Nations Development Programme (UNDP)

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INTRODUCTION

UNDP'S NATURE PLEDGE

MONGOLIA'S NATURE PROFILE

MONGOLIA'S SUSTAINABLE DEVELOPMENT CHALLENGES

THE LAND-CLIMATE-NATURE NEXUS

MONGOLIA'S NATIONAL BIODIVERSITY STRATEGY AND ACTION PLAN

FINANCING MONGOLIA'S BIODIVERSITY PRIORITIES

SNAPSHOT OF UNDP MONGOLIA'S NATURE PORTFOLIO

OPPORTUNITIES FOR THE FUTURE

IN SUMMARY



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INTRODUCTION

Mongolia's vast grasslands, nomadic traditions, and iconic fauna have shaped both the country's identity and its economy. Livestock herding remains at the centre of rural life, as it has been for millennia. Rangelands, mountains, and deserts sustain biodiversity that includes snow leopards, Mongolian gazelles, and wild horses. While maintaining strong traditional roots, the country has achieved a high Human Development Index score thanks to progress in health, education, and social protection.

However, intensive use of land and water, coupled with the effects of climate change, have revealed the fragility of Mongolia's ecosystems. More than three-quarters of territory is considered degraded, meaning the land has lost its natural productivity, with rangeland carrying capacity exceeded by two to three times in most areas.¹ Average temperatures have risen by nearly 2.5 degrees C in the past 80 years, over twice the global average, and changing precipitation patterns have strained water supply.² Some landscapes that supported sparse populations when healthy have been rendered almost uninhabitable by desertification.

Extreme winter weather events (dzuds), droughts, and declining pasture quality have accelerated migration to cities. The resulting urban expansion has created large, unplanned settlements with

insufficient infrastructure, where residents rely on coal for heating and cooking, contributing to severe winter air pollution.

To address these challenges, Mongolia is aligning its environmental and economic planning around the sustainable use of land and natural resources. UNDP is supporting Mongolia in integrating climate, biodiversity and land management into its policies, and implementing them through an array of projects throughout the country. The *Nature Pledge Country Profile: Mongolia* demonstrates how UNDP is collaborating with government, business, and civil society to halt and reverse nature loss by catalysing three systemic shifts.

- 1 Ministry of Environment and Climate Change. National Biodiversity Strategy and Action Plan 2026-2030 – Need, Rationale, and Justification for Developing the NBSAP.
- 2 UNDP, Mongolia's sustainable future depends on a swift green transition. <https://www.undp.org/asia-pacific/blog/mongolias-sustainable-future-depends-swift-green-transition>

UNDP'S NATURE PLEDGE

The Nature Pledge is UNDP's high level corporate commitment to transform global systems to meet vital targets to protect and restore the planet, eradicate poverty, reduce gender and other inequalities, advance human rights, and accelerate overall progress on the 2030 Agenda and the Sustainable Development Goal (SDGs). This flagship commitment supports over 140 countries to put their ambitious targets under the historic Kunming–Montreal Global Biodiversity Framework (GBF) into action.

Under the Nature Pledge, UNDP is helping to drive shifts in the way we value nature, finance and run our economies, and implement policy and practices to ensure that nature is at the centre of sustainable development.



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The Nature Pledge calls for:



VALUE SHIFT

A **Global Value Shift** to change narratives and behaviours and place nature at the heart of development and across sectors, including governance, economics, finance, health, and conservation, to drive progress across the SDGs.



POLICY AND
PRACTICE SHIFT

An **Economic and Finance Shift** to support a system where decision makers value natural capital, alongside financial, human and man-made capital.



FINANCE AND
ECONOMIC SHIFT

A **Policy and Practice Shift** to deliver change at scale on the ground – led by countries and grounded in local communities and informed by Indigenous peoples' knowledge.

Rooted in National Biodiversity Strategies and Action Plans (NBSAPs), which articulate country-level approaches to the GBF, UNDP's support under the Nature Pledge is further grounded in a series of strategic actions designed to both complement and accelerate NBSAP implementation.

MONGOLIA'S NATURE PROFILE

Mongolia's biodiversity is defined by species with the resilience to thrive in a landscape of limited precipitation and seasonal extremes including long, cold winters and hot, dry summers. Its terrain and climate, as well as long-present domesticated fauna – notably sheep, goats, horses, cattle, and camels – have shaped a tradition of nomadic herding and communal land stewardship that remains vibrant even as it adapts to challenges.

The landlocked country's 1.56 million square kilometres consists mostly of arid (43%) and semi-arid (46%) ecosystems with an average altitude of 1.5 km above sea level.³ Despite the relatively dry overall climate, grasslands in the plains of eastern and central Mongolia and slopes of the Altai, Khangai, and Khuvsgul mountains support significant levels of biodiversity. Grasslands cover about 80% of the country⁴ and forests nearly 10%, mostly in northern regions and mountain areas. Roughly 73% of land is classified as agricultural, primarily for livestock grazing, while 20% of territory is designated as nationally protected and another 16% locally protected.⁵

“In Mongolia, nature is not an abstract concept; it is the very fabric of the nation's identity and economy, and our commitment through the Nature Pledge is to protect this heritage for future generations.”

– Matilda Dimovska, Resident Representative, UNDP Mongolia



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- 3 Government of Mongolia. Mongolia Nationally Determined Contribution (NDC 3.0) under the UNFCCC and Paris Agreement. 2025.
- 4 Mongolia Ministry of Environment, Green Development and Tourism. National Biodiversity Program (2015–2025). Ulaanbaatar: Government of Mongolia. <https://www.cbd.int/doc/world/mn/mn-nbsap-v2-en.pdf>
- 5 NDC 3.0

Mongolia's ecosystems are home to an estimated 138 mammal and 472 bird species, along with diverse steppe, alpine, and desert flora.⁶ Hundreds of native plant species are utilised in traditional medicine, and many are used for ritual purposes. However, biodiversity is under pressure, with 110 species of fauna and 192 of flora listed as endangered or critically endangered.

Average annual precipitation increased slightly between 1940 and 2022, although it declined by 10–30% in central Mongolia, reflecting shifts in rain and snowfall patterns across the country.⁷ The frequency and magnitude of climate- and weather-induced natural disasters – which include sand and dust storms that can affect countries as far away as Japan – has doubled over the past two decades.⁸ Permafrost has decreased by 34% over the last half century, accelerating desertification of the steppe and undermining water security.⁹

Fresh water has always been limited, and climate change, land degradation from overgrazing, and mining are exacerbating water scarcity. Lakes and rivers cover only 1% of Mongolia's surface area.¹⁰ Between 2007 and 2017, an estimated 28% of lakes and ponds, 16% of rivers, and 22% of springs dried up.¹¹ This leaves the country highly dependent on groundwater, which faces depletion and pollution.

Deteriorating natural systems threaten to impede economic and social progress. However, a growing appreciation of nature's importance is guiding efforts to reverse damage and strengthen resilience.



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6 CBD, Country Profile: Mongolia. <https://www.cbd.int/countries/profile?country=mn>

7 NDC 3.0

8 Han, J., Dai, H., & Gu, Z., Sandstorms and desertification in Mongolia, an example of future climate events: a review, Environmental Chemistry Letters (2021). <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8302971/>

9 NDC 3.0

10 UN Water / SDG6 Data. Mongolia – SDG6: Synthesis of water and sanitation data. SDG6Data.org. <https://www.sdg6data.org/en/country-or-area/Mongolia>

11 NDC 3.0

MONGOLIA'S SUSTAINABLE DEVELOPMENT CHALLENGES

Despite strong GDP growth, Mongolia's economy relies heavily on the export of raw materials. The mining industry – centred on coal, copper, and gold – has expanded rapidly to comprise roughly a quarter of GDP and 90% of exports, but its vulnerability to market swings leaves the economy at risk.¹² Economic diversification is therefore a priority, including building domestic processing capacity for mineral and agricultural products, as well as fostering entrepreneurship and promoting green industries.

The benefits of mining-driven growth have been unevenly distributed. Inequality is pronounced, with income, employment opportunities and access to services varying widely between urban and rural areas, and across regions. As of 2024, 26% of the country's roughly 3.5 million people experienced multidimensional poverty, with sanitation, housing conditions, and health care being key components.¹³ Environmental degradation reinforces disparities by eroding rural livelihoods, which have often provided a safety net amid the volatility of export and urbanisation-led growth.

The proportion of people living in urban areas has risen from 57% in 2000 to over 70%, driven in part by deteriorating environmental conditions.¹⁴ Much of Ulaanbaatar's expansion has occurred in areas where insufficient infrastructure leaves migrants in precarious and unhealthy conditions. Over half of the city's population now lives in such zones.¹⁵

While there has been substantial progress at the policy level towards addressing environmental and social challenges, gaps between national objectives and



local implementation, as well as limitations in institutional capacity, can impede progress. Corruption can further reduce government efficiency and erode public trust, making transparency and accountability essential for implementing development goals.¹⁶

Climate change, land degradation, and nature loss shape a broad spectrum of development challenges, including those that are not explicitly environmental. Nature-based solutions, such as sustainable pasture management, afforestation, and urban greening, offer opportunities to address social, economic, and climate challenges together.

- ¹² East Asia Forum. The hidden cost of Mongolia's mining boom. 7 February 2025. <https://eastasiaforum.org/2025/02/07/the-hidden-cost-of-mongolias-mining-boom/>
- ¹³ Oxford Poverty and Human Development Initiative and UNDP. National Statistics Office and UNDP introduce Mongolia's new Multidimensional Poverty Index. <https://ophi.org.uk/news/national-statistics-office-and-undp-introduce-mongolias-new-multidimensional-poverty-index>
- ¹⁴ World Bank. Urban population (% of total population) – Mongolia. <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=MN>
- ¹⁵ UN-Habitat, Mongolia country page. <https://unhabitat.org/mongolia>
- ¹⁶ United Nations Mongolia, Mongolia Common Country Analysis Update 2024. <https://mongolia.un.org/en/293766-mongolia-common-country-analysis-update-2024>

THE LAND-CLIMATE-NATURE NEXUS

Land use sits at the centre of Mongolia's climate, biodiversity, and development priorities. Land degradation costs the economy an estimated USD 2.1 billion annually, while investments in sustainable land management could generate returns many times higher.¹⁷ Observers largely agree that land management provides Mongolia with a policy lever through which progress on climate mitigation, climate adaptation, and conservation can be pursued simultaneously.

Livestock-based agriculture dominates land use and accounts for 52% of Mongolia's greenhouse gas emissions, largely from methane. Livestock numbers have nearly tripled in recent decades to about 60 million, driven by the expansion of cashmere goat herds.¹⁸ Aligning herd sizes with pasture carrying capacity, while improving animal productivity and health, is central to meeting Mongolia's climate mitigation targets and restoring rangelands' function as carbon sinks.

Land management is equally important for climate adaptation. Healthy grassland ecosystems support livestock that are more resilient to droughts and extreme winters, while stabilizing soil and regulating water cycles. These functions reduce exposure to drought, desertification, and mass livestock losses that devastate rural livelihoods.

Sustainable herding practices, many of which incorporate traditional pastoral knowledge, also underpin biodiversity outcomes. Reforms in pasture governance can reduce pressure on native landscapes, support habitat restoration, and advance Mongolia's biodiversity commitments on sustainable production and ecosystem integrity.

¹⁷ Global Mechanism of the UNCCD. Country Profile of Mongolia. Investing in Land Degradation Neutrality: Making the Case. An Overview of Indicators and Assessments. 2018. www.unccd.int/sites/default/files/ldn_targets/2019-02/Mongolia_3.pdf.

¹⁸ Montsame. Livestock Numbers Up 0.8%, Herder Households Down by 1,600. 30 December 2025. <https://www.montsame.mn/en/read/386699>



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MONGOLIA'S NATIONAL BIODIVERSITY STRATEGY AND ACTION PLAN

Mongolia has been a party to the Convention on Biological Diversity (CBD) since 1993 and implements its commitments through National Biodiversity Strategies and Action Plans (NBSAPs). Since the adoption of the GBF in 2022, Mongolia has developed an updated NBSAP for 2026–2030 to guide national biodiversity action through the end of the decade in line with the GBF's targets.

The updated NBSAP is aligned with Mongolia's broader development and policy architecture. It is directly linked to the Government's Vision 2050 long-term development policy and the updated Nationally Determined Contribution (NDC 3.0) through a dedicated section that outlines the integration of the NDC, the National Adaptation Plan (NAP), the NBSAP, and other national programmes. In support of national priorities, the NBSAP also references flagship initiatives such as the Billion Trees afforestation programme and the Blue Horse water security and water resource management project, ensuring that action on biodiversity reinforces and complements Mongolia's climate, land restoration, and water management agendas.

The NBSAP is structured around three overarching goals: reducing biodiversity loss and ecosystem degradation, mitigating climate-related risks, and supporting national resilience. Implementation involves five strategic levers: capacity building, cross-sectoral collaboration, preventive measures, sustainable decision-making, and strengthening and enforcing environmental laws. Within this framework, the strategy sets out 20 national targets, each supported by concrete actions and evidence-based indicators.

Reducing biodiversity loss and ecosystem degradation. The NBSAP emphasises restoring degraded land and improving ecosystem condition in rangelands, as well as restoring arable land for crop production. Targets include restoring at least 30% of degraded land, placing at least 30% of territory under protected status, reducing human-driven species extinction risk by 20%, and cutting levels of waste, pollution, and pesticides in the environment.

Mitigating climate-related risks. Biodiversity is understood as a lever for addressing climate-related risks, particularly those associated with land degradation, water stress, and weather volatility. Targets cover adaptation measures such as improved land and water management and the integration of biodiversity into climate and sectoral planning. The NBSAP highlights the role of data, monitoring, and early-warning systems in climate resilience, and the contribution of ecosystem services to reducing vulnerability in agriculture.



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Supporting national resilience. Beyond climate risks, the NBSAP frames biodiversity as a component of broader national resilience. Targets and actions address governance, enforcement, and policy coordination, along with the mobilisation of public and private finance for nature. The plan also includes measures on access and benefit-sharing, biosafety, and the integration of biodiversity into urban planning, reflecting the understanding that healthy natural systems underpin economic and social well-being.

The table below lists the 20 targets of Mongolia's updated NBSAP, organised under the three categories of GBF targets: reducing threats, sustainable use, and implementation. Examples of UNDP programming supporting these targets are also provided, though it is important to note that most projects address a wide range of targets.

Mongolia's NBSAP and UNDP Programming

GBF target category	Mongolia NBSAP targets
Reducing threats to biodiversity (GBF Targets 1-8) Examples of UNDP programming contributing to these targets: • <i>Ensuring Sustainability and Resilience of Green Landscapes in Mongolia</i> • <i>UNDP Climate Promise</i> • <i>Advancing Carbon Market Readiness</i>	• Target 1. Reduce biodiversity loss and maintain ecological integrity by including all territory in spatial planning. • Target 2. Restore at least 30% of degraded land. • Target 3. Place 30% of the territory under protection. • Target 4. Reduce the extinction risk of threatened species and protect genetic diversity. • Target 5. Establish capacity to record, monitor, assess impacts and respond to invasive alien species. • Target 6. Reduce environmental pollution that affects biodiversity. • Target 7. Reduce greenhouse gas emissions, increase carbon sequestration and strengthen national capacity to adapt to climate change.
Meeting people's needs through sustainable use and benefit-sharing (GBF Targets 9-13) Examples of UNDP programming contributing to these targets: • <i>Green and Inclusive Cities in Mongolia</i> • <i>Multi-Stakeholder Platform for White Gold Initiative</i> • <i>Food Systems Transformation to Support NBSAP Implementation</i> • <i>Improving Adaptive Capacity and Risk Management in Rural Communities (ADAPT)</i>	• Target 8. Support the development of sustainable forestry and agriculture. • Target 9. Increase human benefits from nature by utilizing nature-based solutions. • Target 10. Increase the area of green and blue infrastructure in urban settlements. • Target 11. Create a registry for genetic resources and associated traditional knowledge and improve the legal environment to regulate fair and equitable benefit-sharing.
Tools and solutions for implementation and mainstreaming (GBF Targets 13-23) Examples of UNDP programming contributing to these targets: • <i>Biodiversity Finance Initiative (BIOFIN)</i> • <i>Scaling up Climate Ambition on Land Use and Agriculture (SCALA)</i> • <i>Integrity for Public Goods and Services Initiative</i> • <i>Support NBSAP Update and 7th National Report</i> • <i>Strengthening Systems Approach for SDGs in Mongolia (SASiM)</i>	• Target 12. Integrate biodiversity issues into the policies and planning of all sectors. • Target 13. Monitor and report the impacts, risks and consequences of business activities on biodiversity. • Target 14. Reduce overconsumption and waste by supporting public education for sustainable consumption. • Target 15. Strengthen the legal framework, management and control system for genetically modified organisms. • Target 16. Redesign subsidies and incentives that negatively impact biodiversity and increase environmentally friendly incentives. • Target 17. Mobilise financing for conservation activities and increase the effectiveness of environmental financing. • Target 18. Expand innovation and scientific/technical cooperation for biodiversity conservation. • Target 19. Disseminate knowledge about biodiversity and increase access to information. • Target 20. Strengthen good environmental governance by ensuring gender equality at all decision-making levels and reflecting the interests of local people, women, children and youth.

FINANCING MONGOLIA'S BIODIVERSITY PRIORITIES

Mongolia is entering a critical phase for its biodiversity and climate goals, centred on the updated NBSAP and NDC. Putting the NBSAP into practice is anticipated to cost approximately MNT 2.8 trillion (USD 785 million) through 2030, equivalent to about 0.5–0.7% of GDP annually.¹⁹ Implementing the NDC, which calls for numerous nature-related interventions, will require USD 9.64 billion for mitigation and USD 5.2 billion for adaptation from 2025 to 2035. Total public environmental spending in 2024 was about MNT 196 billion, reflecting a need for increased financial resources to support the country's environmental goals.²⁰

Mongolia uses a range of financing instruments for nature-related objectives. These include government expenditures for protected areas, natural resource use fees, pollution fees, international partnerships, and donor funding.²¹ The Conservation Trust Fund channels public and private resources into conservation and protected area management. As part of a systemic finance reform, the government

is identifying environmentally harmful subsidies and replacing them with incentives for sustainable development and conservation. A new sovereign wealth fund invests a portion of resource revenues into projects that align with national development priorities.²² International vertical funds remain central, with the Global Environment Facility (GEF) and Green Climate Fund (GCF) financing projects supporting policy reform, conservation and restoration, and climate-resilient land management.

Innovative financing tools are gaining traction in climate and biodiversity finance. Work is underway to advance carbon market readiness, through pilots to generate credits from grassland restoration and livestock management. The national Sustainable Finance Roadmap laid the groundwork for initiatives including the Green Taxonomy and the Green Development Fund to back low-carbon and climate-resilient projects. Building on the roadmap and taxonomy, Mongolian issuers have raised over USD 300 million through green and social bonds on international and domestic exchanges.²³

However, a significant funding gap remains. Meeting Mongolia's biodiversity and climate commitments will require channelling significantly more capital into nature-positive investments and scaling the emerging array of new finance tools.



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- 19 UNDP. National Biodiversity Financial Needs Assessment (Draft), 2026.
- 20 UNDP. National Biodiversity Expenditure Review (Draft), 2026.
- 21 UNDP Mongolia Blog. The improved implementation of the Mongolian law on natural resources use payment has tripled the country's environmental expenditure. 30 June 2024.
- 22 Chinggis Khaan Sovereign Wealth Fund. Our Funds. <https://swf.gov.mn/en/funds>
- 23 International Finance Corporation. IFC and FRC Expand Partnership to Build Sustainable Finance Market in Mongolia. 5 June 2025, <https://www.ifc.org/en/pressroom/2025/ifc-and-frc-expand-partnership-to-build-sustainable-finance-market-in-mongolia>

SNAPSHOT OF UNDP MONGOLIA'S NATURE PORTFOLIO

UNDP has partnered with the government of Mongolia for over half a century to strengthen institutions and foster sustainable development. It has played a range of roles, from establishing the National Human Rights Commission and the Independent Authority Against Corruption, to fostering the early development of the cashmere processing industry. Building on these foundations, UNDP is supporting implementation of the updated NBSAP and NDC, alongside other projects spanning governance, energy, gender, and human rights.

UNDP also supports the Government of Mongolia in its preparations for major global environment and climate events, including the hosting of the **UN Convention to Combat Desertification (UNCCD) 17th Conference of the Parties (COP17)**, by articulating national priorities, strengthening coordination across ministries, and enhancing Mongolia's visibility on the international stage. This entails technical and strategic support on themes such as rangelands, pastoralism, and drought resilience, as well as facilitating partnerships with key stakeholders and UN agencies.

The recently completed **ENSURE** (Ensuring Sustainability and Resilience of Green Landscapes in Mongolia) project focused on reducing degradation and protecting biodiversity through a landscape management approach. It brought 1.2 million hectares across twenty sites under state protection, restored wildlife habitats, and introduced sustainable pasture management practices that allowed herders to reduce livestock numbers by 30% without sacrificing income.²⁴

ADAPT (Improving Adaptive Capacity and Risk Management in Rural Communities) supports climate resilient rural development by integrating climate information into decision making processes for land and water management, scaling proven climate resilient soil and water practices, and enabling smallholders to access markets for sustainably produced livestock products. These interventions collectively reduce vulnerability to climate risks while strengthening livelihoods and ecosystem sustainability.

SCALA (Scaling Up Climate Ambition on Land Use and Agriculture) strengthens institutional capacities to embed NDC and NAP priorities into sectoral planning and budgeting, ensuring that climate commitments are operationalised through concrete measures in agriculture, livestock, forestry, and related value chains. This integrated approach helps accelerate climate-resilient development while enhancing mitigation and adaptation outcomes consistent with national and global climate goals.



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24 UNDP Mongolia (2025). Mongolia marks successful completion of 7-year project to boost ecosystem resilience and community livelihoods. <https://www.undp.org/mongolia/press-releases/mongolia-marks-successful-completion-7-year-project-boost-ecosystem-resilience-and-community-livelihoods>



To support the government's **White Gold Initiative** promoting sustainable value-added production, UNDP is implementing a multi-stakeholder platform to strengthen digital traceability and sourcing standards in the cashmere, wool, and leather industries. Another project aims to eliminate hazardous chemicals from cashmere and leather supply chains.

The GEF **Small Grants Programme** has supported over 500 community-led projects since 2002, restoring degraded lands, conserving biodiversity, and improving rural livelihoods. These projects highlight the importance of community-based conservation and stewardship grounded in local knowledge as pathways to achieving effective on-the-ground impact.

Through the **Green and Inclusive Cities in Mongolia** project, UNDP will support cities and local governments in integrated urban planning, promoting circular economy solutions and energy efficiency, and investing in nature-positive, climate-resilient, and carbon-neutral urban development. This work will incorporate gender inclusion, community and youth participation, and private-sector engagement.

The **UNDP Climate Promise** supports Mongolia in strengthening its long-term climate policy framework through targeted technical and institutional assistance for the development of the Long-Term Low Emission Development Strategy (LT-LEDS) and the revision of the Nationally Determined Contribution (NDC 3.0). The initiative enhances coordination and capacity across key ministries, advances carbon market frameworks and registry systems, integrates gender-responsive targets, and reinforces national governance mechanisms.

The **Programme to Support NBSAP Update and 7th National Reports** resulted in a new NBSAP 2026-2030 in line with the GBF, and 7th National Report to the Convention on Biological Diversity.

The **UNDP Biodiversity Finance Initiative (BIOFIN)** supports increasing biodiversity-positive expenditures while reducing environmentally harmful spending. Improved implementation of the Natural Resource Use Fees Law has increased funds for environmental projects and enhanced the effectiveness of public spending. Other objectives include strengthening the Billion Tree Fund to mobilise private finance for nature-based solutions, and repurposing subsidies that are harmful to biodiversity. The initiative also supports the private sector on early adoption of nature-related financial disclosure within Mongolia's sustainability reporting framework.

The **Food System Transformation to Support NBSAP Implementation** project adapts agricultural production to meet biodiversity and climate targets through collaboration across ministries. Through the **Integrity for Public Goods** and Services initiative, UNDP is supporting improved governance of natural resources by addressing risks such as corruption and gaps in oversight and management.

OPPORTUNITIES FOR THE FUTURE

Value Shift: Rewriting Narratives and Catalysing Behavioural Change

1. Promote public awareness of strategies, solutions and nature-positive outcomes

UNDP's work on rangelands can reinforce the Value Shift by demonstrating that sustainable land management, ecological restoration, and climate resilience deliver better livelihoods. The impact of such programmes on public narratives can be broadened by promoting awareness of positive outcomes through communication campaigns, leadership messaging, and engagement with media and civil society.

2. Encourage youth participation in environmental sustainability

Mongolia's population is among the youngest in East Asia. Youth initiatives build awareness and equip a new generation to lead on environmental issues.

The UNDP Business and Human Rights (BHR) programme's Agents of Change project empowers

youth and media to advocate for human rights and environmental responsibility in business.

Initiatives in other countries such as **Youth Co:Lab**, which cultivates leadership, innovation and entrepreneurship in support of the SDGs, could be introduced in Mongolia. Projects across UNDP's portfolio can also deepen their impact by expanding youth participation.

3. Equip business with an understanding of its responsibilities and nature-related risks

UNDP can further advance the Value Shift by training businesses on the interrelated topics of nature, climate and human rights. Programmes on net-zero and nature-positive practices, and on human rights due diligence, emphasise the value of responsible business not only to the environment and society, but to companies themselves.

4. Develop mechanisms for environmental justice and ensure widespread access

The Value Shift also includes improving environmental justice frameworks and access. Through its governance and rule of law programming, UNDP could help increase accountability for environment-related harms, strengthening deterrence and empowering communities to exercise their rights.



Economic & Finance Shift: Accounting for Nature's Contributions and Facilitating Nature Positive Finance Flows

5. Operationalise sustainable finance frameworks and increase low-carbon and nature-positive investment

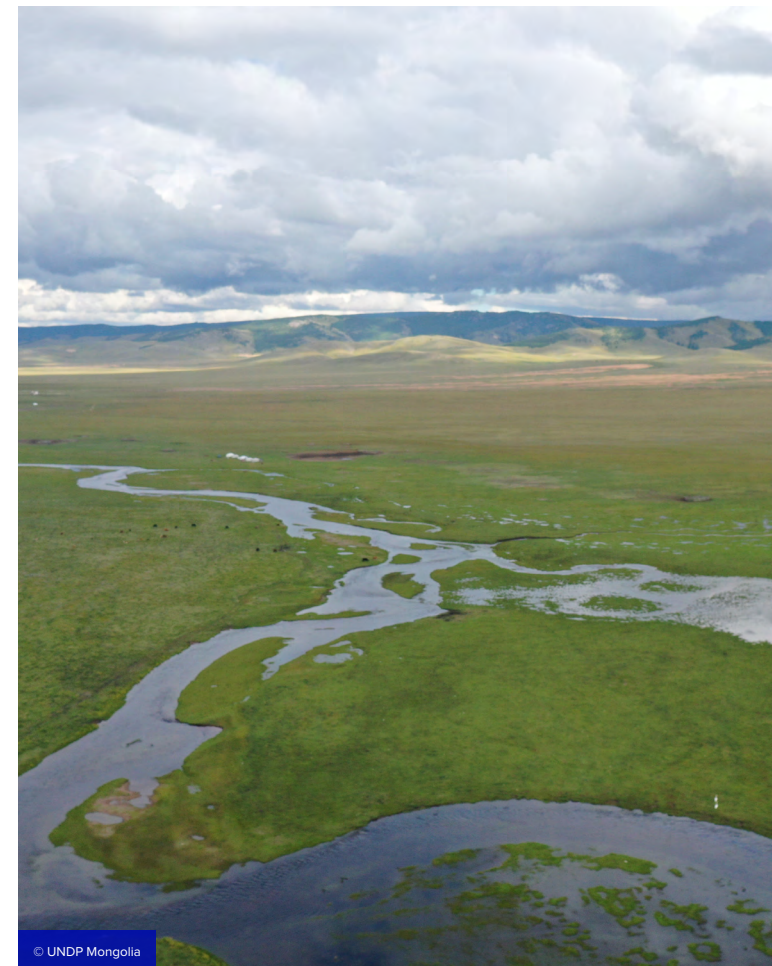
UNDP has helped develop the foundations for sustainable finance in Mongolia and can now translate frameworks into investment flows with tangible outcomes. **The SDG Finance Taxonomy** offers a classification system with impact assessment and reporting criteria, while the **ESG & Sustainability Reporting Guidance for Mongolian Companies** (co-developed by UNDP) can strengthen the investability and transparency of domestic firms.²⁵ Ongoing support through BIOFIN for the phased implementation of the Taskforce on Nature-related Financial Disclosures (TNFD) framework will further raise investor confidence.

UNDP is also supporting the development and piloting of **Sustainable Livestock Loans**, which aim to channel financial resources toward climate-resilient pastoral practices and sustainable rangeland management. The loans are supported by a **participatory digital rangeland monitoring and reporting system**, which provides transparent

and verifiable data on vegetation cover, biomass productivity, and land degradation trends. By linking financial incentives with measurable environmental outcomes, Sustainable Livestock Loans create a practical mechanism for directing capital toward **nature-positive land management in Mongolia's pastoral landscapes**.

6. Explore innovative financing instruments while ensuring integrity and transparency

UNDP is working on the institutional and technical foundations of **carbon markets in Mongolia**. This project is supporting the development of national monitoring, reporting, and verification (MRV) for rangeland carbon credit sequestration. Beyond carbon markets, emerging instruments such as **biodiversity credits** may offer additional opportunities to mobilise private finance for conservation and ecosystem restoration. Although still evolving and more complex to implement, biodiversity credit mechanisms could help monetise ecosystem restoration and conservation outcomes in areas such as rangeland management, forestry, and watershed protection. In parallel, **natural capital accounting** can help quantify the economic value of ecosystems, assess the costs of environmental degradation, and demonstrate the long-term benefits of sustainable resource management.



25 UNDP Mongolia. ESG and Sustainability Reporting Guidance for Mongolian Companies, 2022. <https://www.undp.org/mongolia/publications/esg-and-sustainability-reporting-guidance-mongolian-companies>

7. Integrate green and nature-positive indicators into public investment management

To ensure that nature-positive outcomes are systematically embedded in national development planning and public expenditure decisions, UNDP is supporting the integration of **green and nature-positive indicators into Mongolia's Public Investment Management (PIM) system**. The integration process focuses on incorporating environmental and ecosystem-related indicators throughout the **public investment cycle**, including project appraisal, budgeting, implementation, and performance monitoring. Under this approach, investment proposals submitted by ministries and local governments are assessed using **green screening criteria** aligned with the **SDG Finance Taxonomy and national climate and biodiversity commitments**.

Policy and Practice Shift: Harnessing the power of nature to deliver on sustainable development

8. Integrate biodiversity and water safeguards into mining practices

Mining is central to Mongolia's economy but places pressure on water and land resources. Strengthening environmental practices in the mining industry can reduce pollution and nature loss, mitigate water risks, and prevent the sector's impacts from undermining livelihoods and human rights. UNDP's expertise in sustainable business and policy reform, together with its technical capacity, positions it to support responsible mining practices that align economic growth with biodiversity commitments.

9. Expand digital and data-driven tools for land and pasture governance

Mongolia's size and sparse population make timely access to environmental data essential for effective land management. Building on existing work on technology for climate resilience, there is scope to strengthen digital systems that track pasture condition, land use change, and ecosystem health. Improved data availability can support enforcement, inform planning decisions, and enable faster responses to risks as they emerge. This includes increased integration of artificial intelligence into digital platforms.

10. Incorporate nature into a wider range of programming

Environmental considerations are already broadly embedded in UNDP's work, and the growing role of nature and climate in development planning points toward further integration. Governance initiatives can strengthen land management frameworks, increase accountability for business-related environmental harms, and ensure herders maintain access to land and water resources. Gender and social programmes can support participation in land management decisions, address unequal impacts of climate shocks, and strengthen safety nets for environmentally vulnerable households. This integration creates opportunities for UNDP to work with partners across government, civil society, and the private sector in shaping nature-positive policies and practices.



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IN SUMMARY

Mongolia's updated NBSAP sets out a comprehensive strategy for addressing biodiversity loss in parallel with climate risks and other development challenges. It emphasises restoration, conservation, climate resilience, and governance, grounded in Mongolia's land-based economy and unique ecology. Through its long-standing partnership with the government and its ongoing work on land management, climate adaptation, and biodiversity finance, UNDP is well positioned to help translate national commitments into tangible results.



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