



MONGOLIAN NATIONAL CHAMBER OF COMMERCE AND INDUSTRY

GREEN PAPER 2013

FROM “BROWN” TO “GREEN” ECONOMY:

20/20/20/20 initiative to reach by the end of 2020 in comparison with 2010 level:

- Decrease greenhouse gas emission by 20% per unit of GDP,
- Increase energy efficiency by 20%,
- Increase renewable energy sources up to 20% of total installed capacity,
- Increase investment in natural capital by 20%,
- Increase “Green procurement” up to 20% of government and local governments’ procurement.

ULAANBAATAR, MONGOLIA

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FOREWORD



In the globalizing world, the relationship between industries and consumers is becoming tighter. Global warming, climate changes, environmental degradation is pushing countries to change their habits in industry towards more resource efficient and environmentally friendly way of production.

Since 2000 MNCCI carries out a broad range of activities for greening of economy and business with the aim to save the environment for the future generation.

MNCCI is the pioneering and leading organization in Mongolia continuously delivering to the entrepreneurs the internationally recognized tools and methodologies for improving resource use efficiency and pollution prevention.

We are collaborating with the Mongolian Government and other stakeholders in developing strategies and plans for moving to Green economy model.

We are cooperating with international organizations as UNEP, UNIDO, UNESCAP, WBCSD and others on green economy issues.

We are pleased to provide you with the “Green paper 2012” which will guide you to information on the green activities and services initiated and offered by MNCCI.

We genuinely wish you every success in your green business development.

Sincerely yours,

S.DEMBEREL
Member of the Mongolian Parliament,
Head of Green Cansus in the Parliament,
Chairman and CEO of MNCCI

PART1.GREEN ECONOMY INITIATIVES OF MNCCI

Why Go Green?

National Program on Climate change which was adopted by the Mongolian Parliament in 2011, states that,

- Annual average temperature in Mongolia in 1940-2008 increased by 2.14 °C when the global average temperature increased by 0.74 °C in 1906-2005 period.
- Because of the climate change, hundreds of rivers, lakes, pools, dribbles had dried up, pasture harvest decreased and biodiversity is being lost.
- Energy intensity is 7 times higher than world average (3.04 kg.coaleq./\$ vs 0.39kg c.e./\$), (UNIDO 2011)
- The renewable energy sources count only 4.52 % of total installed energy capacity and the 95.48% is the coal burning power stations.
- Greenhouse gas emission is 7,5 t CO₂-eq/ml.\$GDP, which is 10 times higher than the world average (UNDP Asia –Pacific Human Development Report ONE PLANET TO SHARE)

If the Mongolian economy will grow up “business as usual” way in the future it is foreseen that the economy will more and more “brown” and lead to much more environmental degradation and pollution.

Therefore with aim to ensure low-carbon economic growth model, reducing vulnerability and risks of eco systems, MNCCI is carrying out nationwide green activities in different sectors of economy including “5x20” Program initiative.

MNCCI has close collaboration with Green Cansus of the Mongolian Parliament and the planned activities are inter-connected and coordinated.

1.1 “Moving from brown to green economy” National program initiative (“5x20” Program)

The expression “5x20” or 20/20/20/20/20 is a declaration of the targets to be reached by the end of 2020 in comparison with 2010 level:

- Decrease greenhouse gas emission by 20% per unit of GDP,
- Increase energy efficiency by 20%,
- Increase renewable energy sources up to 20% of total installed capacity
- Increase investment in natural capital by 20%,
- Increase “Green procurement” up to 20% of government and local government purchasing.

Proposed financial source:

Disburse not less than 2% of GDP in Green investment every year

Proposed time planning:

2013-2015 year: “Transition period from brown to green economy”,

2016-2020 year: "Stage for sustaining and developing a low-carbon green growth model"

Strategic objectives:

1. Move to low-carbon development model
2. Develop resource efficient, pollution preventing sustainable production and consumption patterns
3. Renovation of wealth distribution, investment to move for investment in natural capital
4. To engrain green lifestyle
5. Establish eco-efficiency tools and indicators for measuring greening of economy.
6. Development of green financing mechanism.

The targets to be reached, by planned implementation periods

№	Strategic objectives	Targets to be reached, by phases	
		Phase 1. "Transition period from brown to green economy" (2013- 2015)	Phase 2. "Stage for sustaining and developing a low-carbon green growth model" (2016- 2020)
1.	Move to low-carbon development model	1.1 Policy renovation supporting green economy, renovate structure and system 1.2 Establish legal base for supporting green economy 1.3 Update the "Renewable energy program" approved in 1990 1.4 Approve "Energy conservation Laws"	1.1 Decrease GHG emission by 20% or up to 6 tons CO2/\$ million GDP in comparison with 2010 level. 1.2 Increase renewable energy production up to 20% of total installed energy capacity.
2.	Develop resource efficient, pollution preventing production and consumption patterns	2.1. Increase energy efficiency by 5% in comparison with 2010 level 2.2 Increase green procurement up to 5% of total procurement	2.1. Increase energy efficiency by 20% in comparison with 2010 level. 2.2 Increase green procurement up to 20% of total procurement
3.	Renovate investment structure for investment in natural capital	3.1 Increase investment in natural capital by 10% in comparison with 2010 level. 3.2 Reach the ratio of groundwater to surface-water consumption to 30:70	3.1 Increase investment in natural capital by 20% in comparison with 2010 level. 3.2 Reach the ratio of groundwater to surface-water consumption to 50:50
4.	Engrain green lifestyle	4.1 Stimulate citizens' mind to save and care environment and change negative routine 4.2 Creation of green growth education system	4.1 Creation of green growth education system 4.2 Engrain green lifestyle

5.	Determine and introduce monitoring and assessment tools for measuring green economy growth	5.1. Account Green GDP, develop and implement guidelines 5.2. Determine eco-efficiency indicators by sectors, develop and implement guidelines	5.1. Account green GDP 5.2. Determine eco-efficiency indicators by economic sectors
6.	Develop green financing mechanism	6.1 Cooperate with international organizations and foreign financial organizations 6.2 Create green economy incentives and leverages: establish "Green investment fund" 6.3 Define policy and phases for transition to Green taxation system	6.1 Develop economic cooperation and receive a financial assistance from international and local organizations and developed countries for green development 6.2 Transfer to green taxation system step by step

Supporting and following MNCCI' "5x20" Program initiative on moving to green economy, governments of 5 provinces have decided and publicly announced to implement green model in their economic growth pathway.

1.2 "Eco efficiency indicators: Measuring Resource use Efficiency and the Impact of economic activities on the environment"

This Recommendation, developed by ESCAP and translated into Mongolian, is designed to use eco efficiency indicators in micro, macro levels to evaluate economic development and to make a policy decision.

ESCAP defines eco-efficiency as a key element for promoting fundamental changes in the way societies produce and consume resources, and thus for measuring progress in green growth.

World business council on sustainable development (WBCSD) introduces that eco efficiency plays an important role in expressing efficiency of economy with regard to natural resources and eco system services.

As a practical tool for the business sector, the concept focuses on practices of resource-use attaining economic and environmental progress through more efficient use of resources and lower pollution. Eco-efficiency= minimizing the resources used in producing unit of output- and resource productivity- the efficiency of economic activities in generating added value from the use of resources.

Eco-efficiency indicators is designed to capture the ecological efficiency of growth for measuring the efficiency of economic activity both in terms of consumption and production (resource-use) and its corresponding environmental impacts. Ultimate goal is to provide government with a practical tool to measure their performance in the context

of eco efficiency and harness the concept of eco-efficiency for socio-economic policies pertaining to environmental sustainability.

1.3 Green business and green economy CDs



MNCCI has announced 2011 as a “Year of promoting green economy and green business”, and 2012 as a “Year of supporting sustainable, equitable and inclusive development”.

Within the framework of activities for promoting green business, MNCCI has developed series of green business CDs, 2 of which are published and distributed to the public.

Content of the Green business, green economy CD 1

1. “Green office” guide
2. Procedure of the “Green hotel” eco labeling scheme
3. Eco-efficiency indicators: Measuring Resource use Efficiency and impact of economic activities on the environment
4. Recommendations on payment for ecosystem services in integrated water resource management.

Content of the Green business, green economy CD 2

1. “Factory’ environmental management” Guide
2. “Eco designing” Manual
3. “Cleaner production assessment” Manual
4. “Factory’ energy management” Guide
5. ESCO Guidebook

1.4 Cooperation with government agencies

MNCCI has close cooperative relationship with government organizations as Ministry of Environment and Green development, Ministry of Industry and Agriculture, Ministry of Economy, Ulaanbaatar city mayor and local governments of provinces on the basis of public-private partnership.

The main fields of cooperation are:

- Waste, water, energy management and introducing resource efficient technologies.
- Reducing of air, water pollution in urban areas,
- Increase energy efficiency in buildings
- Greening of offices, schools, universities, hospitals etc. through implementing Green office Guide
- Greening of hotels and tourist camps through implementing Green hotel eco labeling
- Facilitating organic agriculture development
- Introducing cleaner production tools to industries

In order to make the cooperation more efficient MNCCI has signed Memorandum of Understanding with the partners and collaborates following the early action plans.

PART 2.PROMOTING SUSTAINABLE PRODUCTION AND CONSUMPTION

2.1 Introducing Cleaner Production management tools to industries

“The industrialization program” and the rapid mining sector growth which announced by the Mongolian Government as a priorities for economic growth, potentially will lead to environmental degradation and pollution.

Therefore MNCCI provides strategy toraise awareness among the entrepreneurs to implement UN announced 3 principles related to the environment:

- Business should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

The cleaner production assessment consulting services, Cleaner production Manual and other related publications and trainingseminars and workshopsconducted periodically are the ways to introduce to the industries how to realize the above mentioned environmental principles in businesses.

The topics covered by the cleaner production assessment consulting servicesand trainings and workshops:

- Cleaner production assessment tools and techniques,
- Sustainable entrepreneurship issues: energy management, waste management, environmental management, CSR, OHSAS,HACCP and eco-labels,
- Product innovation,
- Communication skills,
- Indicators-metric
- Eco designing
- Data analysis and CP option generation,
- Material flow analysis,
- Technology assessment and others

As a result of MNCCI’s consultancy servicesin developing cleaner production management at more than 20 factories:

- Water use reduced by 20%,
- Energy efficiency increased by 25%,
- Solid waste decreased by 30%
- Increase of production efficiency,
- Set up of capacity for cleaner production,

We conduct cleaner production assessment at factories following UNEP developed

“Cleaner production and energy efficiency” Manual.

The local chambers in provinces in cooperation with SCP department of MNCCI conduct training seminars and workshops in provinces.

The entrepreneurs can find related information at "Business development" magazine, "Business times" newspaper, "Sustainable development" electronic magazine and www.mongolchamber.mn website.

“Cleaner production assessment manual”, “Eco designing manual”, “Energy management guide” and other publications help to learn about cleaner production management tools.

2.2 Facilitating environmentally friendly production patterns through market mechanism: introducing eco labeling and green purchasing

Eco labeling and green purchasing are the tools of market mechanism implemented in developed countries, but not yet introduced in Mongolia. MNCCI in cooperation with IVAM institute on consultancy on sustainability at Amsterdam University and Austrian GrAT Ltd. conducted “Green product development and labeling” project on introducing EC expertise and experience on promoting green products through eco labeling of products.

22 factories involved in the project activities from Ulaanbaatar city, Khentii, Dornod, Sukhbaatar, Khovd, Uvs, Uvurkhangai, Orkhon, Darkhan-Uul provinces in eco designing of green products and green feasibility study.

Eco labeling and green purchasing legislation and experiences and green product development guides were introduced to the public and entrepreneurs.

2.3 “Green office” Guide

Most of the people don't realize that operating of office equipment can cost much more than the equipment costs. For example, a photocopier is left on continuously for years may consume much more energy than its cost. An energy-efficient photocopier designed to work well with recycled paper and refilled toner cartridges, copy double-sided may reduce environmental impacts of paper use by 75-95%. Using recycled paper saves trees. Every 100 reams of recycled office paper that is printed double-sided saves two trees, more than a tonne of greenhouse gas.

With this and other reasons we have developed “Green office” Guide.

Engage businesses, mass, government organizations and their employees to control their activity, routine and habits in contribution to the worldwide contest against climate change, desertification, natural pollution and natural regression by creating “Green work place”, “Green environment”, “Green consumption” through the “Green office” handbook.

About 40% of World energy consumption is going to buildings. It means that it is more than energy used in industry and transport sectors. So it needs to be considered because its environmental impacts on climate change are too big.

Guiding principles to become Green office are:

1. Develop environmentally friendly/green procurement
2. Implement green management in offices
3. Create green environment
4. Develop capacity of employees in green consumption and eco-friendly lifestyle

How to implement:

1. First, you should evaluate actual rules and customs: define basic rate of resource consumption, including energy, heat, waste, paper etc.
(by last 1-2 year, monthly: batch of paper, kWh, l etc.; benchmark: batch of paper/person, kWh/person)
2. Make a decision to do "green procurement" (guiding rules for purchasing office equipment, technology, paper, material)
3. Remodel rules for energy, water use.
4. Organize training for employees on green office and green consumption manner.
5. Formulate program of actions.
6. Determine short-term and long-term policy.

MNCCI staff provides training seminars on Green office Guide implementation.

2.4 "Green hotel" eco labeling scheme



Tourism business can have adverse environmental effects. Most of these impacts are linked with tourism facilities, including resorts, hotels, restaurants, shops. The negative impacts of tourism development can gradually destroy the environmental resources on which it depends.

Hotels and lodging properties use much energy, water and produce much waste. Because of that we need to increase resource use efficiency, reduce waste and trashes and conduct 3R management.

One of the programs initiated by MNCCI to support environmentally friendly business is "Green hotel" eco labeling scheme. The Green Hotel eco label is a voluntary environmental label. It was established in 2012 to certify the hotels and lodging properties' environmentally friendly management activities.

Definition of GREEN HOTEL eco label

- The Eco label shape looks like Mongolian traditional household called GER
- The Eco label keeps meaning GREEN HOTEL

- Exhaust pipe described as a leaf and way of writing GREEN HOTEL both stand for environmentally friendly sign.

Green hotel eco label has 14 criteria relative to water conservation, energy efficiency, waste reduction, management and information to guests and staffs.

The Green hotel eco labeling has target to establish environmentally friendly Green hotels network which contributes to keep the lid on global warming and decrease its environmental impacts.

For more information and application for Green hotel eco label please apply to MNCCI.

PART 3.PROMOTINGORGANIC PRODUCTOIN



3.1 “Organic Mongolia” Program

"Organic Mongolia" program, initiated by MNCCI, which has a motto of "let's inherit green future to the next generation", has been implemented successfully since 2009. The program's objectives are:

- To set up a small scale loan scheme for organic agriculture.
- To prevent from desertification and ecological degradation, which are already facing to Mongolia due to global warming.
- To reduce environment pollution;
- To create green mindset of children,
- To appeal people in establishing green environment by own hands and living in green way;
- To motivate peoples' physical and mental participation in rescuing our coming future.

Since program start,supporting the citizens, groups, cooperatives small and medium scale producers, who are an exemplary of the green life, and implemented more than 380 small and medium scale organic projects in last 5 years, improved 2000 people' livelihood. We are collaborating with our projects during their implementation on business development and making brands and giving consultancy.

Programs advertising the naturally sound living way through green producers and giving to others new ideas and aiming to give its contribution to creation of green economy. Program is collaborating with GOs, NGOs and giving its contribution to evolving national green movement. Let's annotate our activities:

- Course and demonstration training on organic agriculture, crop farming, green area, green office and eco tour

- Exhibition Autumn green days, Organic green products
- To run green products counter in the shop, and to solve its logistics
- Gardening campaign “Every citizen 1 tree and 1m2 lawn”
- Green Educational campaign of Ecology
- Campaign of Green office and Eco club
- Eco tour training

Program team awarded by following awards, which is the proof of our effort, is becoming familiar to the public. Therein:

- “Year’s distinguished green organization GREENPRENEUR-2011” Mongolian president’s office, MNET and MNCCI
- “Hero with Naturally sound activity” from the Supreme master international association NGO in 2011
- “Best worker of the Food and Agriculture” from MOFALI
- “Project with best organization“ during the “Fall’s green days” exhibition, which organized by the MOFALI
- “Best TV program of Nature and Environment”, “Best worker” of the MNETetc.

The program will not only give its contribution to the organic agriculture development, but also support green producers and companies, promote them to operate at the domestic and export market, appeal the public’s attention on the nature and to give them education of ecology and sustainable development.

3.2 “Organic and Green product” Fair

In 2010, 2011, Mongolian National Chamber of Commerce and Industry (MNCCI) have successfully organized "Organic and green product" Fair. In the frame of developing green business and green economy, it is organized in the Conference and Exhibition Hall of MNCCI where participated overall 160 entities, citizens with their 75 types of products.

The participants of “Green and organic products Fair” have been awarded in 2 nominations:

1. Best green product producers of the fair
2. Best organic products

At the “Green and organic products Fair 2011” 3 companies were awarded “Green product of Fair” and 5 citizens were awarded “organic product of Fair.” “Green products” are:

1. “Bone soup”, HatanSuikhLLC

During processing the bones took 80% of overall wastes. Encompassed cleaner production management to the production and by processing waste bones made a condensed soup and could decrease waste by 70%. In 2009-2010 have processed 120t of cow bone and 40 t of sheep bone.

2. “Milk of my Mongolia”, SuuLLC

This product's packaging by new NEMKO machine. The eco-friendly perpack packaging with backups became easy to use. Production cost has decreased by 15%, water consumption by 32%.

3. "Eco toilet", ACF international organization

This product separates urine from solid and turns the solid into compost and using it in green area. 60% of the city population live in Ger district, by using eco toilet water consumption can be decreased a lot, it won't provide soil pollution or groundwater pollution.

Best organic products are:

1. Best organic dairy production - "TungalagOnon" milk production, Binder sum, Khentii province
2. Best organic vegetable – Sh, Gerelee, Ulaanbaatar
3. Best organic handmade product – Felt products, Mungunsavaa NGO, Altanbulag, Tov province
4. Top organic product –R.Oyuntsetseg, Darkhan sum, Darkhan province.
5. Best organic honey – "Achlaltanzogii" partnership, Shariingol sum, Darkhan province
- 6.

For more information please visit www.greenproduct.mn

3.3 "Made in Organic Mongolia" label and "Green Bar Code"



"Made in Organic Mongolia" label is being awarded to products of natural origin. To introduce Mongolian organic products to the market, MNCCI provides "Green Bar Code" and "Made in Organic Mongolia" label to natural bio and organic products.

Main benefits of this label:

With this label Mongolian products will be recognized at the world market as Mongolian brand of "Ecologically clean organic products".

"Ecologically clean product" is pure natural and agricultural product, without any negative impact on human health, which in the processing stage uses chemical and other substances, supplements not exceeding internationally allowed levels and produced with environmentally friendly technology.

Criteria for bio, organic products:

- internationally not recognized chemical fertilizer, pesticides are not to be used at least in last 3 years and on healthy arable land eco-friendly harvesting technology to be used.
- From pasture breeding and farming livestock, feed with natural fodder or fodders with internationally not forbidden antibiotics, hormone, pesticides, products, due to the hygienic, sanitary required conditions, should be, accordingly with allowed methods and technology, processed.

“Made in Organic Mongolia” label is currently awarded to the following products:

No.	Product	Company/corporative
1	Pure sea buckthorn oil	"Uvs" Group
2	Blueberry jam	"Beneduct" company
3	Honey	"ArGangat" corperative
4	Whole wheat flour, Eatable bran	"AltanTaria" company
5	Khaan complex	"Monos" Group
6	Pure sea buckthorn oil	"JiverteinOrgil" company
7	Bio soil	"Tanatzar" company
8	Whole wheat flour	"Mill House" company
9	Serum against infective gastro toxemia	"Bio kombinat" SOC
10	Basalt wool	"Mongol Basalt" company
11	All cashmere products produced with fiber without chemical dye /01, 02 color number/	"Gobi" SHC
12	"AtarBoov" made from whole wheat flour	"TalkhChikher" SHC
13	100% sea buckthorn juice	"UFC" company
14	All cashmere products produced with fiber without chemical dye /01, 02 color number/	"Snow fields" company
15	All cashmere products produced with fiber without chemical dye /01, 02 color number/	"Goyo" company
16	Felt slippers, wool garment	"ErdenetKhivs" company
17	Suppliments such as "Chitamon", "Salimon", "Nefromon" and herbal tea, wild b kit, wild berry vitamin	"Monos" Group
18	"Zov" curd drink	"TESO" corporation
19	Cynara	"GBT trading" company
20	"Arjanchivlan" pure water	"ShidetChandmaniErdene" company
21	Forage for cattle	"Shine dalai" company
22	"Terelj Aqua" mineral water	Blue Gold company
23	Sea buckthorn oil, sea buckthorn mill cake, pine nut oil, pine nut mill cake, CAMELINA SATIVA oil, CAMELINA SATIVA oil mill cake	Falke ecology

Green Bar Code



Within implementation of the Mongolian National Action Plan on Food Security framework which approved by the Appendix1 of Mongolian Government Resolution No.242 from 2001, and the purpose of drafting a national action program which prioritises Cleaner Production, clean food, environment and ecologically clean products, as a policy direction, the Mongolian National Chamber of Commerce and Industry (MNCCI) initiated the “GREEN-LABEL” and “GREEN BAR CODE” concept. The green label and bar code are issued to select products, which are manufactured to strict eco-friendly standards. This initiative aims to promote awareness of best technology practices, production processes, and to instill healthy food consumption practices among consumers and businesses.

“GREEN-LABEL” and “GREEN BAR CODE” are registered trademarks, and according to chapter 31 of the International Trademarks classification, are issued to "agricultural, plant and forest products, rice not included in other classifications, live animals, fresh clean fruits and vegetables, seeds, plants, flowers, fodder and other ecologically clean products."

3.4 “Sea-buckthorn” Program



World Health Organization has accounted that the general recommendation for daily intake of fruit and berries is more than 96 grams per person per day or about 35 kg per person per year. In 1990 our intake of fruit and berries per year was 12 kg but by 2007 it decreased to 8.4 kg. Use of low quality importing berries requires to develop the fruit-bearing horticulture via government policy making and its implementation. Mongolian nature, climate condition is suitable to develop cool-region horticulture especially growth of about 60 wild fruits adapted in self-region shows the possibility to create horticulture which is base of the main source of vitamins. The demand of healthy food, medicines of plant origin etc. ecologically clean products is increasing constantly in keeping with growth of the global population and sustainable development of society. On account of sea-buckthorn berries have a good importance in food and medicine, its demand at the global market is increasing year by year. Recently, organizations and individuals are actively growing sea-buckthorns in their production areas or in self-yard. Nowadays sea-buckthorn takes 80-90% of Mongolian horticulture. There is a claim to provide following activities by government policy, management and planning to: to support

movements to grow sea-buckthorn, to use it to improve population welfare, to create a workplace, further by building sea-buckthorn processing factories provide national consumption and put on the foreign market.

Overall objective of the program has formulated as a by overplanting sea-buckthorns in all possible areas prevent from desertification, use it for soil and environmental safety, by producing eco-friendly product of its organic origin supply to foreign or domestic markets, provide through-and-through how to grow other types of berries, by improving horticulture increase consumption of berries, provide hygiene of people with eco-friendly products that met hygienic requirements.

Within Program overall objective following 5 targets will be implemented:

- Create pleasant economical, legal conditions to support development of horticulture
- Improve technologies of growing, picking and processing of sea-buckthorn or other berries, fruits and improve capacity building of experts
- Grow sea-buckthorn, build, develop processing factory through financing, investment and credit policy, raise export of product of sea-buckthorn origin.
- By supporting cultivation of other types of berries, fruits to increase domestic manufacture of berries and to update competitiveness at the market and to reduce imports.
- Advertise Program importance to the mass, increase civil consumption of domestic berries or fruits and products of its origin.

“Sea-buckthorn” Program will be implemented in 3 stages:

I stage 2010-2013: Improving legal framework to advertise and implement the program, support business entities interested to multiply sea-buckthorn seedlings open up to prepare minimum 1 million seedlings.

II stage 2014-2016: Updating sea-buckthorn berry picking and processing technologies zonally build processing factory of high technology and by extending old factories export product produced.

III stage 2016-2020: Making regular activities on growth of sea-buckthorn, berry and fruit, harvesting, processing increase domestic consumption, volume of export, berries and fruits will be developed as a self-determined sector.

3.5 “One province one organic product” program

Mongolia’s vast territory, low population density and urban-based industry, makes it one of the world’s most untouched, pristine natural environments. In particular, Mongolia’s agricultural sector enjoys a relatively low or no chemical or biological pollutant status. As one of the increasingly scarce, ecologically clean environments, it is well positioned to produce and export bio and ecologically clean raw materials and foodstuffs.

In order to produce and implement a national program to support the production and export of healthy and bio organic products, and to facilitate the “One Province – One Organic Product” movement, MNCCI initiated a “Bio, Eco Product Development Council” on 1 August 2005. With the objective of commencing the “One Province – One

Organic Product” movement, the Council decided to assess the materials of various enterprises and individuals submitted by local branch chambers and chairmen of the district committees; as a result, the following products were selected to compete in the “99 Best National Products of Mongolia”:

- | | |
|--------------------------|---|
| 1. Selenge province | “Smokedfish” |
| 2. Hovd province | “Hovd’s watermelon” |
| 3. Zavkhan province | “Red skinned garlic” |
| 4. Selenge province | “Plantain extract with honey” |
| 5. Uvs province | “Hippophaeoil” |
| 6. Arkhangai province | “Fluffy white aaruul [dried curd]” |
| 7. Bulgan province | “Delicious airag [fermented mare’s milk]” |
| 8. Bayankhongor province | “Sugar grass” extract |
| 9. Umnogobi province | “Camel’s hoormog [camel milk clabber]” |

The example of Bayankhongor province:

In 2002 Bayankhongor province initiated and launched a “One Village – One Product” movement. On the basis of the Bayankhongor province’s example, the Mongolian Government adopted a new program “One Settlement – One Product”, subsequently prompting the activation of a the most recent 2005-2008 movement, “One Bak [the lowest administrative unit] – One Best Product”.

Within the scope of the Bayankhongor province, a sub-program “Ecologically Clean Foodstuff”, is being implemented. Apart from producing ecologically clean products such as camel milk, tsulhir, meheer, sugar grass, sour cream and food seasonings, the aim of the initiative is for the province to become fully self-sustainable in its own potatoes and vegetable production.

Approval is also pending for the utilization of ecologically clean and raw foodstuffs such as camel milk for use in medical treatment, sanatoriums, and baby foods.

PART 4.ACTIONS FOR INVESTMENT IN NATURE

MNCCI has initiated and implementing several initiatives such as set up of the “Green Credit Guarantee Fund (GCGF)”, Partnership projects between MNCCI and DIHK, "Let's save Tuulriver", "Saxaul tree forest is Gobi's future", "Dream park" which are orientated for investment in nature.

4.1 Green credit guarantee fund (GCGF)

In the 21st century, economic development is defined increasingly by its commitment to sustainable development whilst protecting an ecological balance. Recognizing the importance of this movement, the MNCCI has initiated and established the Green Credit Guarantee Fund (GCGF) as part of the “New 21 Project,” a Netherlands-funded project to promote ESCOs with a grant from The Royal Netherlands Embassy in Beijing.

The purpose of the fund is to provide a supplemental collateral guarantee for energy

efficiency improvements, green investments, and cleaner production projects. Eligible guarantee recipients include ESCOs, as well as other enterprises and entities seeking financing for these types of projects. It is hoped that the GCGF will help address one of the primary barriers to financing of energy efficiency and other environmental improvement projects, inadequate collateral. In addition, it is anticipated that loans guaranteed by the fund will be given at rates below market, reflecting the reduced risk provided by the guarantee.

The Green Credit Guarantee Fund has issued a total of 415.5 million Tugrik in loans to 8 business entities in the areas of fuel and energy efficiency, water purification, waste reduction, and recycling for a three-year period. Of these loans, 20-80% were offered through collateral guarantees of the fund's own assets.

In addition, the GCGF obtained 1 billion Tugrik in loans from the Government of Mongolia at a discounted loan rate in 2007, and has issued the loans to 13 SMEs on a preferential basis with a particularly low loan repayment rate.

4.2 Partnership project between MNCCI and DIHK

Since the year 2006, the partnership project between the Mongolian National Chamber of Commerce and Industry (MNCCI), the Association of German Chambers of Industry and Commerce (DIHK) and SEQUA–Partner of German Business are promoting the economic development of provinces (aimags) and soums all over Mongolia. In doing so, we are supported by the German Federal Ministry for Economic Cooperation and Development (BMZ). The objective is to assist total 17 Local chambers of commerce and industry in their efforts towards economic growth. Each year, small projects are selected and supported through advice and funds. The initiatives shall finally generate income and employment for the rural population and contribute to protect the environment.

The project purpose is to strengthen MNCCI and its network of regional chambers in their role as initiators, facilitators and service providers for a more business friendly economic environment at local and regional level. Finally, this is expected to spur economic growth and contribute to poverty alleviation in rural areas, where poverty is still widespread. We call this approach Local and Regional Economic Development (LRED).

Through the cooperation with DIHK and SEQUA MNCCI provides grants to projects for local and regional economic development. The amount is 8.000 EUR per year and per province. This amount is mostly shared among 2 or 3 projects.

Results:

- Activities carried out in 21 provinces
- A total of 125 LRED projects approved and implemented
- More than 3655 participants in trainings
- Around 1.380 persons record higher incomes
- 288 part- and fulltime jobs created
- More than 90% of all LRED projects sustainable

- Cleaner environment through plastic waste recycling in Arkhangai (Tsetserleg) and Uvurkhangai (Arvaikheer)
- Better local supply with fresh and processed vegetables in several Aimags
- Economic linkages among Districts and Provinces developed

4.3 “Saxaul forest is the Gobi’s Future” project

MNCCI has initiated a movement on planting Saxaul trees in order to save ecological balance, to stop desertification and to save water resources in Gobi.

Title of the Program: “Saxaul tree forest is the Gobi’s Future”

Overall objective: To start to grow Saxaul trees, to prevent desertification, instead of using natural sources to activate the restoration of local nature, to substantiate an idea through action

Actors: MNCCI, mining companies and local governments

Project areas: Umnugobi, Dornogobi, Dundgobi provinces

Financing: Mining companies, business entities, organizations

Executives: Citizens, Saxaul tree planters, government and non-government organizations, business entities

Saxaul tree quantity to be planted: 500.000 trees

Amount for primary financing: 330.000.000 ₮

Working group consists representatives of MNCCI, local governments, branch CCIs and companies.

Project Board consists of 9 members

4.4 “Dream Park” project



Since 2007 MNCCI is growing up the “Green Park” which aimed to plant trees and establish garden place in Ulaanbaatar where we’ve engaged business entities, organizations and citizens to save Ulaanbaatar city’s environment, drinking water sources, to create place for an amusement, and rest, to decrease air pollution and to develop green environment.

MNCCI, Administration of Bayangol District and Ulaanbaatar city land department are jointly implementing 4th year of “Green Park”.

This project aims to set up a Green Park of world standard on 58 hectare of land which would be the largest Green Park of Ulaanbaatar city.

4.5 Recommendations on payment for ecosystem services in integrated water resource management

We translated into Mongolian “The recommendations on payment for ecosystem services in integrated water resource management (PES)” which were adopted by the Parties of the UNECE Convention on the Protection and the use of Transboundary Watersources and International Lakes at the 4th meeting (Bonn, 20-22 of November 2006).

These recommendations also guide other actors, such as suppliers and users of ecosystem services, in the protection, restoration and sustainable use of water-related ecosystems and establishment of PES.

The recommendations are intended to prevent, control and reduce impacts, whether transboundary or not, on the environment, including human health and safety, taking into account biodiversity conservation and restoration.

Ecosystems are source of the many services that have inestimable importance to the environmental regularity, social and economic development. In these impacts including consumption of clean water supply is growing continuously. But capacity ecosystem for providing these consumption is decreasing caused by it's quality condition and it's depressing future of sustainable development.

Objectives for save today's well-being, raise future's well-being require use of natural resources more mentally and use with less damage on it. Accordingly, there is a need to change implementing activity, decision of making. Firstly, need go in for approve face-value of nature, learn it's use as a base of the operation for resolution. Save new millenium evaluation of ecosystems in frame of the natural resource means that there are several documents justified that it's use in short time is economically more important.

Recommendations on payment for ecosystem services in integrated water resource management are documents of innovation and policy.

In this recommendation, in purpose to implement sustainable development policy, for example, to consider service of forested and boggish lands and there specified ways and meanshow to count a compensation. Therefore, this recommendation is oriented to develop common base of safe, restoration and sustainable use

Last years, new mechanism of the financing otherwise payment of ecosystem services (further PES) have a peculiar important to overcome difficulties over use of natural resources.

Before any decisions PES gives a possibility on its environmental impact and efficiency. When required economic problem for deciding financing source is insufficient PES can provide it with additional resource or potential, point its source to the development of

eco-friendly technology or sustainable development, encourage an investment, save environment and increase involvement of private sectors.

PES gives a possibility to facilitate providing quality of resolution process and singleness in all stage of multi directional policy (For example, agriculture, forestry, districts development, water consumption, energy and transport).

But it seems like, PES can only affect sustainable consumption of natural resources when it provides certain conditions.

So, this recommendation in base of a particular practice, results defined steps of arrangements for implement, processing PES:

- How to define eco systems which present required services for solving problems in use of water resource
- How to evaluate them for making a databased decision and for making a mutual choice
- How to join it with objectives that provide economic benefit and social equality

This Recommendation includes a practice that helps to make a decision to implement PES system to the all level (national and local) government organizations.

4.6 Council of water policy support

The Council has been established on 14th April 2010 under the slogan “No water- no business” by MNCCI Chairman’s Order No.71.

Purpose of the Council is to facilitate:

- To save rivers, lakes of Mongolia
- To develop Mongolian law on water
- To make a contribution for increase of water standard
- To change or engrain mass knowledge or mindset on water
- To build up legal, economic conditions for introduction of latest technologies cleaning household or industry water, to save water, to develop government and private sector's partnership in water sector.

The main activities:

- To make an analysis for a rapid climate change in Mongolia, to perform an operation on saving lakes and rivers of Mongolia, to decrease water pollution.
- While exploring Mongolia's laws and resolutions on water, make an analysis, references and learn from other country practice.
- to issue a recommendation for making a water law amendment, introduce it to the Great State Assembly, Government and Joint Private sector Consultative committee
- to propose idea for an amendment concerning to relative law and resolution, to formulate new idea in law and regulation
- To cooperate with mutual organizations of other countries, to get the best practice, to participate in projects, Programs and in international cooperative fairs of similar actions, to organize it in Mongolia.

- to create workgroup of precise directions for implementing above actions
- If necessary Council members or promoters should raise water awareness of citizens, industry workers who play significant role in water pollution, make them exchange experiences, update their education and organize actions including general information and advertisement, investigation and mass.
- Council on water performs an operation with 30 Council members with the purpose and main activity to deliver publication, conversation and commentaries to the mass that dedicated from Council members to membership organizations

Council on water policy implemented following activities over 2012-2013:

- Printed information about water problems at the "Business and development", "Sustainable development" and "Online info" magazines
- Involved Council members to the "Green solution and water management" discussion held in the scope of Mongolian Economy Forum, "Water price" organized by Water Authority, "Water is hygiene" forum conducted from cooperation of ACF, UNESCAP and Water Authority, conference on "Current developments of environmental standardization and standard consumption" declared from MNET in Year of Water, "Development of government and private sectors cooperation" seminar conducted by National development and innovation committee
- Delivered informations on above seminar, forum, discussion to the members though Council mailing list

4.7 Council for renewable energy development support

Mongolia is a country with weak development of renewable energy, with only 4.5% of installed energy capacity. "The renewable energy program" adopted by the government aims to reach 20-25% of the total installed energy capacity by renewable energy sources in 2020.

MNCCI' Council for renewable energy promotion was established in 20th of December 2009 with the aim to promote investment, exchange ideas, experiences for developing renewable energy sector in Mongolia.

Activities of the Council:

- support sustainable actions of energy industry
- organize a discussion between members and to take measures
- research and introduce new technologies on renewable energy
- develop recommendations to policy makers
- conduct an energy legislation survey.

Annex 1.

Brief introduction of Mongolian National Chamber of Commerce and Industry

The Mongolian National Chamber of Commerce and Industry (MNCCI) is the leading non-governmental, business advocacy institution in Mongolia acting since 1960.

MNCCI has more than 2700 member entities- entrepreneurs, 23 branches in all provinces and actively cooperates with more than 40 international Chambers of Commerce and 100 Trade promotion Organizations from 41 different countries.

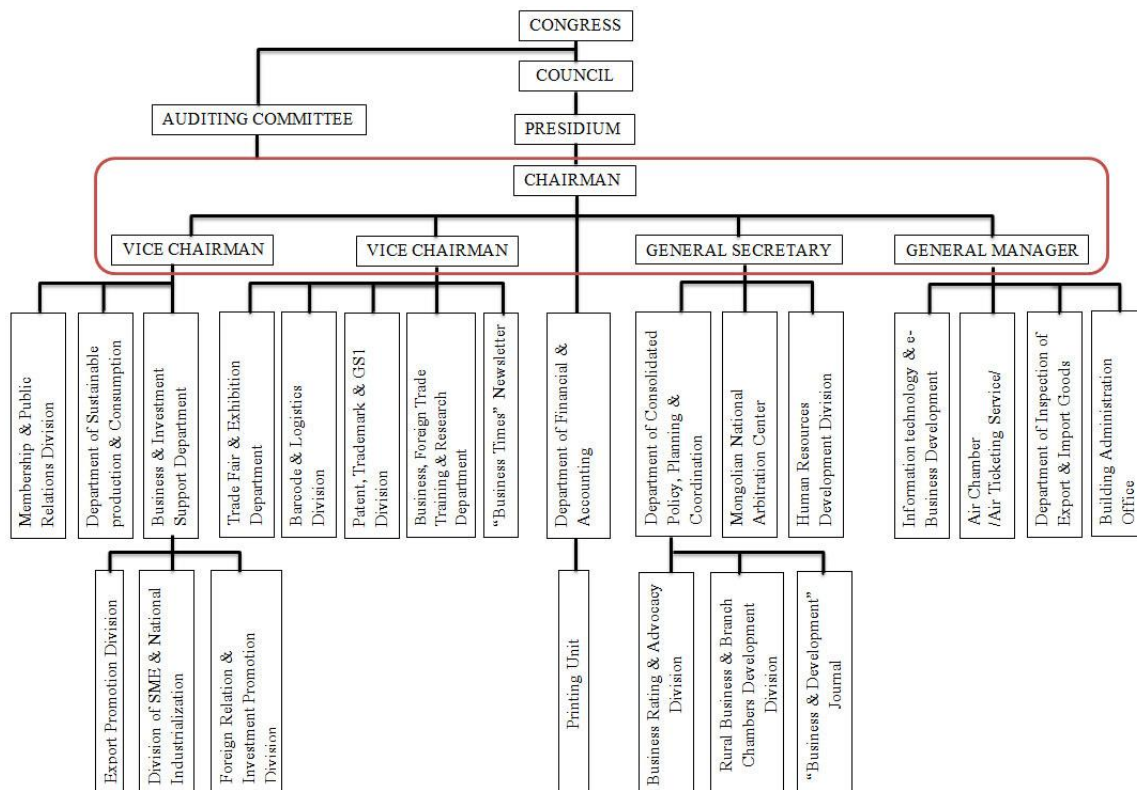
It assigned 36 delegates in 23 countries and 11 honorary councils in 9 countries.

The MNCCI is a full member of international and regional trade promotion organizations such as the International Chamber of Commerce (ICC), the Asian Trade Promotion Forum (ATPF), and the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI).

The vision of MNCCI:

1. To promote and develop the competitive private sector of Mongolia.
2. To advocate the business community and the private sector through public-private partnership.
3. To have an active participation in the international business organizations' activities as the International Chamber of Commerce (ICC), the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and other institutions.

Structural scheme of MNCCI:



The activities and services are:

Policy, Planning and Coordination Department:

The department undertakes various studies and surveys on the economic, business and legal environment; implements policy related business advocacy and regulates Chamber's activities with other business and government organizations;

Business and Investment Promotion Department:

The Department provides information on business, business proposals and market; establishes data base on advanced technique and technology, advises SMEs on business planning and developing investment projects, issues "Inspiring Mongolia" magazine quarterly to serve as business guide for Investors and issues a Certificate of origin to products which produced, manufactured or processed in Mongolia.

SME's and Local Chambers' Promotion Division:

The activities of the division are intended to promote businesses in rural areas and strengthen the MNCCI's network of regional chambers as drivers, facilitators and service providers to develop more business friendly economic environment at local level.

Barcode & Logistics Division:

The division officially joined the "GS1" barcode coding system in 2004 and established "GS1 Mongolia" Association in order to implement global standard bar coding system and standard numbering which facilitate trade in foreign market as well as enhancing the world standard in the domestic market. The activities are intended to strengthen Logistics' sector management, endorse initiatives from the private sector and build capacity on barcode, logistics, international trade rules, regulation.

Business, Foreign Trade training and Research Department:

The department promotes trade and business activities on order to serve the market with related information and materials for entrepreneurship conducts short and long-term trainings.

Membership & Public Relations Division:

This bureau aims to assist in the development of overall marketing and public relations strategies and policies of MNCCI.

Sustainable Consumption and Production Department:

Different kind of capacity building and consultancy services are offered by the Department to introduce to the industry the tools to improve resource use efficiency and pollution prevention. Encouraging green consumption and green purchasing is part of the agenda.

Mongolian International and National Arbitration Center:

Mongolian International and National Arbitration Center of the MNCCI is the only

internationally accepted permanent arbitration in Mongolia that has branches in 21 provinces of the country. It is a member of International Commercial Arbitration Association of Asia and the Pacific, Arbitration Court of the International Trade Chamber and Permanent Court of Arbitration in Hague.

Department for Inspection of Export and Import Goods:

It provides neutral inspection of quantity and quality of Export and Import goods.

Available expertise services are as follows:

1. Customs expertise service
2. Insurance expertise service
3. Jurisdiction expertise service
4. Expertise service of banks
5. Expertise service of taxes

Information technology and e-business development division:

The Department is dedicated to deliver high quality technical service to the employees and business community. The department currently maintains website [/www.mongolchamber/](http://www.mongolchamber/) provides internet based services such as barcode allocation, Certificate of origin, membership database.

Activities:

1. IT Support Services
2. Web development
3. E-mail dissemination
4. Web portal
5. Content development /Banner and video introduction/

“Air chamber” air ticketing agency:

The “Air Chamber” has been newly established in July 2010 at the MNCCI in order to provide international air ticketing and tourism service.

The Patent, Trademark & Geographical Indications Division:

The Division maintains a close professional relationship with the World Intellectual Property Organization, the Intellectual Property Office of Mongolia, and over 100 foreign firms and law offices worldwide. The Division deals with intellectual property issues such as filing for registration and processing of applications for patents, trademarks and industrial designs. It also handles intellectual property right disputes and provides domestic and foreign customers and clients with legal advice.

The Exhibition and Trade Fair Department:

It aims to advertise Mongolia to the world and assist local businesses and entrepreneurs to attend, represent their products, services and business operations at international exhibitions and to establish business relationships with partners at every level worldwide. The Exhibition and Trade Fair Department organizes local and international exhibitions in the country within national exhibition facilities and halls.

The Exhibition and Trade Fair Department provides the ATA-Carnet which is an international customs document that allows the holder in temporarily (up to one year)

import goods without payment of taxes, including value-added tax.

“Business times” newspaper:

The newspaper is being released 4 times monthly with 12-20 pages. It adhere to policy for delivering various kind of business news onmarketing of products and its aspects, investment, banking and financing, corporate social responsibility issues and environmental issues of business.

Annex 2.

2013 year ACTOIN plan of the Standing Committee on Environment, Food and Agriculture of the Mongolian parliament for supporting green development in Mongolia

RESOLUTION OF THE STANDING COMMITTEE OF PARLIAMENT OF MONGOLIA

6th of February

Number 03

Ulaanbaatar

Subject: Approval of action plan for 2013 year.

Based upon the provision 21.5 of the Law of Mongolia on the Parliament, the Standing Committee on Environment, Food and Agriculture decides the following:

1. To announce 2013 as the year of supporting Green development.
2. To approve the Action for supporting Green development by Annex
3. To oblige organizations, offices in charge of implementation of measures to participate and cooperate in realizing the action plan.

HEAD OF STANDING COMMITTEE
ON ENVIRONMENT, FOOD AND
AGRICULTURE

G. BAYARSAIKHAN

Annex to the Resolution No.03 from 2013
of the Standing committee on Environment,
Food and Agriculture of Mongolian Parliament

**2013 ACTION PLAN OF THE STANDING COMMITTEE ON ENVIRONMENT, FOOD
AND AGRICULTURE OF MONGOLIAN PARLIAMENT FOR SUPPORTING GREEN
DEVELOPMENT IN MONGOLIA**

No	Action	Implementing organization	Deadline
1	Prepare and approve Resolution of Standing committee on announcing 2013 as a year to support green development	SCEFA	February 2013
2	Issue Standing Committee' resolution on development of "From brown to green economy" National program	SCEFA, MEGD (Ministry of environment and green development), ME (Ministry of energy)	1 st quarter 2013
3	Organize a SCEFA' working group consisting of NSO (National Statistical Office), MED (Ministry of Economic development), MEGD and scientists for measuring green economy growth, resolve a Standing Committee resolution	SCEFA, MED, MEGD, NSO	1 st quarter 2013
4	Organize discussions on the following topics: government water policy implementation, correspondence between government agencies, development of mechanism of PPP in eco industry, basing upon discussion result issue a Standing committee resolution	SCEFA, MEGD, relative national organizations, international organizations	March 2013
5	Study international practices on payments for ecosystem services, government position and conduct preparatory work to implement it in, issue a recommendation, decision	SCEFA, MEGD	1 st quarter 2013
6	Discuss the MEGD' activities on current situation of ecological vulnerability and making a map on the issue.	SCEFA, Green group in the Parliament, MEGD	February 2013
7	Discuss MEGD, MED, MNCCI position to amend a law and how laws relative to development, transfer and location of green business, green technology reflected into government resolutions	SCEFA, MEGD, MED, MNCCI	March 2013
8	Organize working group of the Standing Committee to establish and develop government green procurement procedure and submit as a proposal to amendment to Procurement Law	SCEFA	March 2013
9	Discuss a report of Minister of Energy in relation to energy policy, mechanism of PPP to increase	SCEFA, ME	April 2013

	energy efficiency and promotion of renewable energy		
10	Organize working group with participation of Bank of Mongolia, MED and MEGD in charge to establish mechanism of green financing, green loan; jointly organize policy discussion with Standing Committees on economy and budget.	SCEFA, SCE (Standing committee on economy), SCB (Standing committee on budget), MED, MEGD	May 2013
11	Discuss the programs, Action plans of National committee on Sustainable development and their ongoing implementation situation. Evaluate the Government policy and actions on sustainable development in rural areas.	SCEFA, SCE, Government, National committee on Sustainable development	October 2013
12	Discuss fulfillment of this Action plan for the first half year 2013 and correct future actions.	SCEFA	June 2013
13	To survey in cooperation with Foreign relations division of Mongolian Parliament recommendations and experiences of International Parliamentary Union, inter parliamentary groups and other international organizations on green economy and green development	SCEFA, Foreign relations division of Parliament's office	Year-round
14	Discuss policy and legal environment for developing organic food and agriculture: discuss achievements of Ministry of Food and Agriculture for fulfilling of Standing Committee' resolution 2 from 2002, ISO 22000 and environment ISO 14000 standards.	SCEFA, MIA (ministry of industry and agriculture)	May- November 2013
15	Discuss ongoing activities and financial situation for reducing air pollution and dust in Ulaanbaatar city and make decision for attracting International and internal sources of financing.	National committee on reducing air pollution , MEGD, MRT (Ministry of Roads and Transportation), Ulaanbaatar city Mayor's Office	April- October 2013
16	Discuss plans and activities of MEGD (Ministry of environment and green development) and MES (Ministry of education and science) on developing green education and green lifestyle and define future actions.	SCEFA, MEGD, MES (Ministry of Education and Science)	February- November 2013
17	Determine policy and actions to support organizationally and financially "Green province" initiatives of provinces.	MEGD	Year-round
18	Organize National Forum on green development	SCEFA, MEGD, Green group in the Parliament	November 2013
19	Activate measures to enforce the Law on Prohibiting mineral exploration and mining operations at headwaters of rivers, protected zones of water basins and forests	SCEFA, MEGD	Year-round

Annex 3.

List of “Green economy” related publications of MNCCI

1. “Green economy and green business” CD
2. “Green office” Guide
3. Green paper 2008, 2010, 2013
4. ESCO Guidebook
5. “Eco-efficiency indicators: Measuring Resource use Efficiency and impact of economic activities on the environment” Guide
6. Recommendations on payment for ecosystem services in integrated water resource management.
7. “Factory’ environmental management” Manual
8. “Factory’ energy management” Manual
9. “Eco designing” Guidebook
10. “Cleaner production assessment” Manual
11. “Sustainable development” e-journal