Mongolian Nature's Legacy Foundation

Biodiversity Finance and MRV

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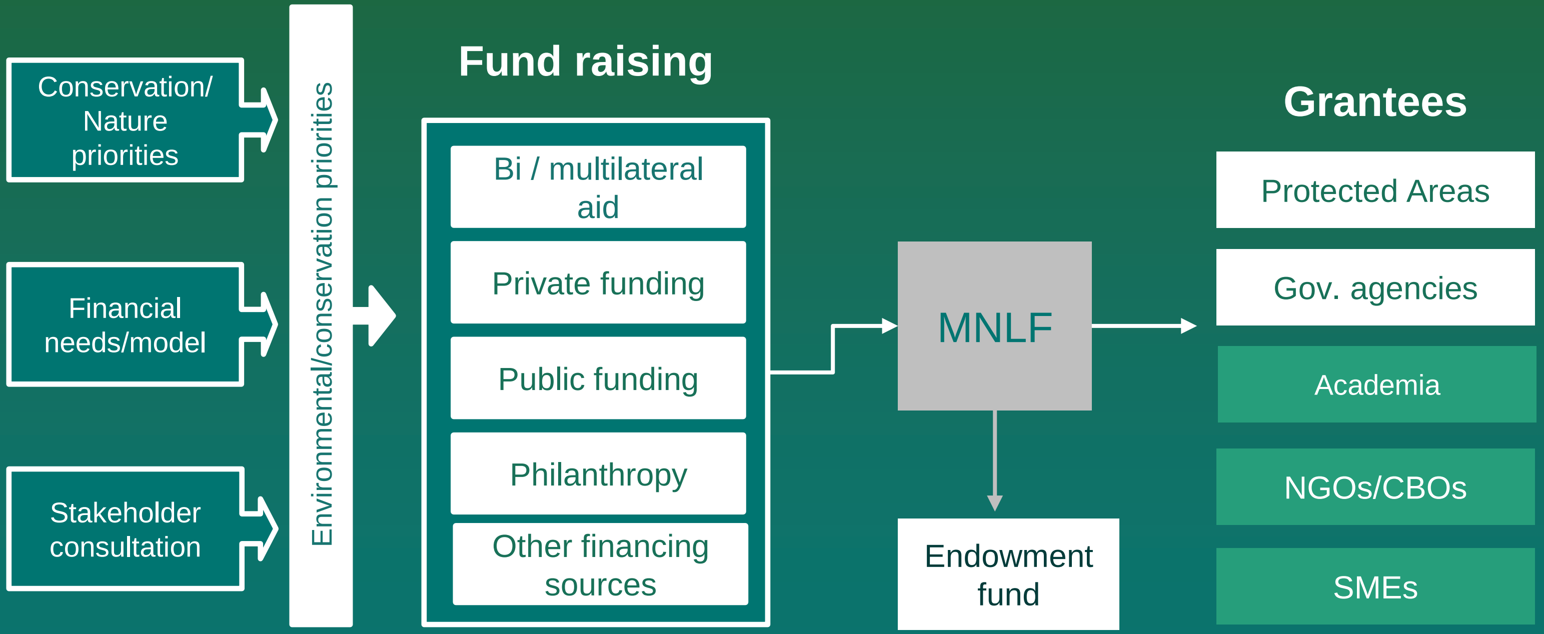
Mongolian Nature's Legacy Foundation

MNLF SNAPSHOT

MNLF aggregates the diverse funding sources for Mongolia's priority conservation and biodiversity commitments, investing in long-term resources and mobilizing additional resources to grow the funding and ensure permanence.

- **Date of establishment:** April 2024
- **Funding under management:** US$ 61 million for 15 years (TNC-GoM "Eternal Mongolia" PFP)
- **Endowment fund:** US$ 21 million
- **Annual grant making:** US$ 3 – 6 million (until 2030)
- **Financing instruments:** grants; technical assistance; innovative/blended finance; concessional loans
- **Key partners:** Government of Mongolia, The Nature Conservancy

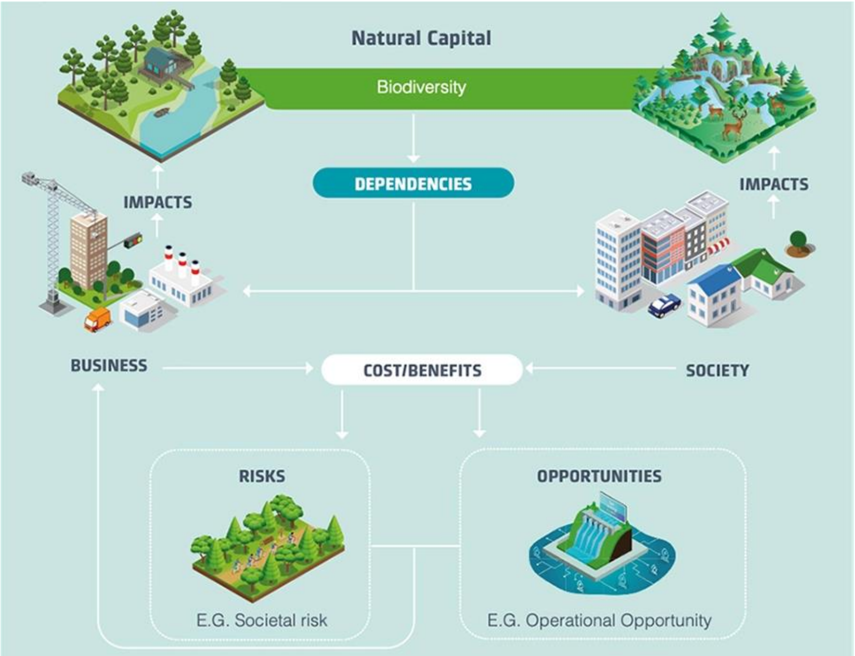


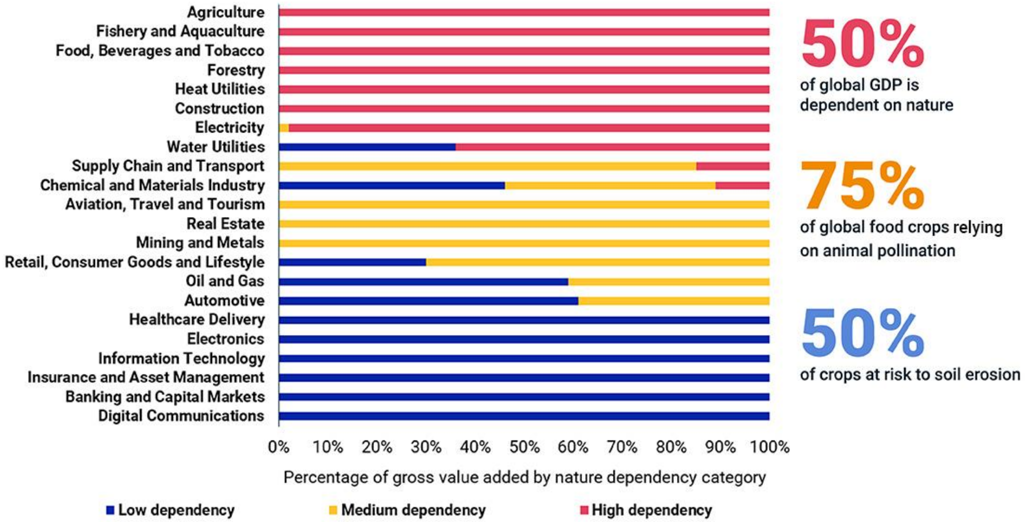
BUSINESS VALUE OF NATURE

1. Ensure Protection of Critical Natural Resources that Sustain Businesses

2. Opportunity for Economic Diversification and New Market Opportunities (e.g. 80% of tourism is in protected areas)

3. Build Resilience Against Climate Change (e.g. carbon sequestration)





“NATURE POSITIVE BUSINESS” INITIATIVE

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Objective: To unlock private sector leadership and funding to close Mongolia’s current nature and biodiversity financing gap.

LEADING BUSINESS COMMUNITY MEMBERS

- Banks
- NBFIs
- Asset managers
- Others

- Mining
- Infrastructure
- Manufacturing
- Agriculture
- Tourism
- Others

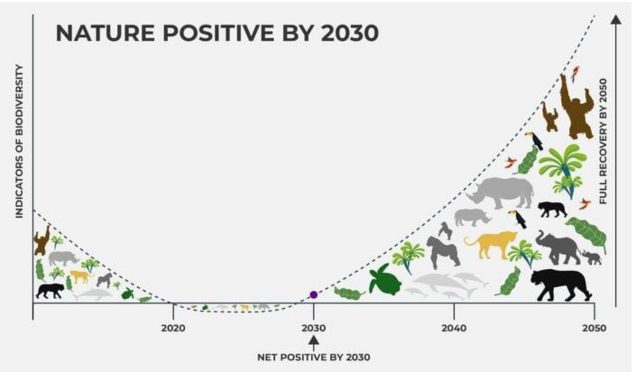
Start with leading companies in Mongolia that have the highest impact and dependency on nature and biodiversity. Potential to expand and scale up to other companies.

MAIN COMPONENTS TO ACTIVATE BUSINESS COMMUNITY

Coordination Platform

1. Nature-related Guidelines
2. Nature Risk Management & Reporting
3. Biodiversity Taxonomy & Opportunities
4. Innovative Products & MRV
5. Events & Awareness
6. Capacity Building & Exchange

NATURE POSITIVE ECONOMY BY 2050



EXAMPLE: GREEN HERDER AND SUPPLY CHAIN FINANCING SCHEME

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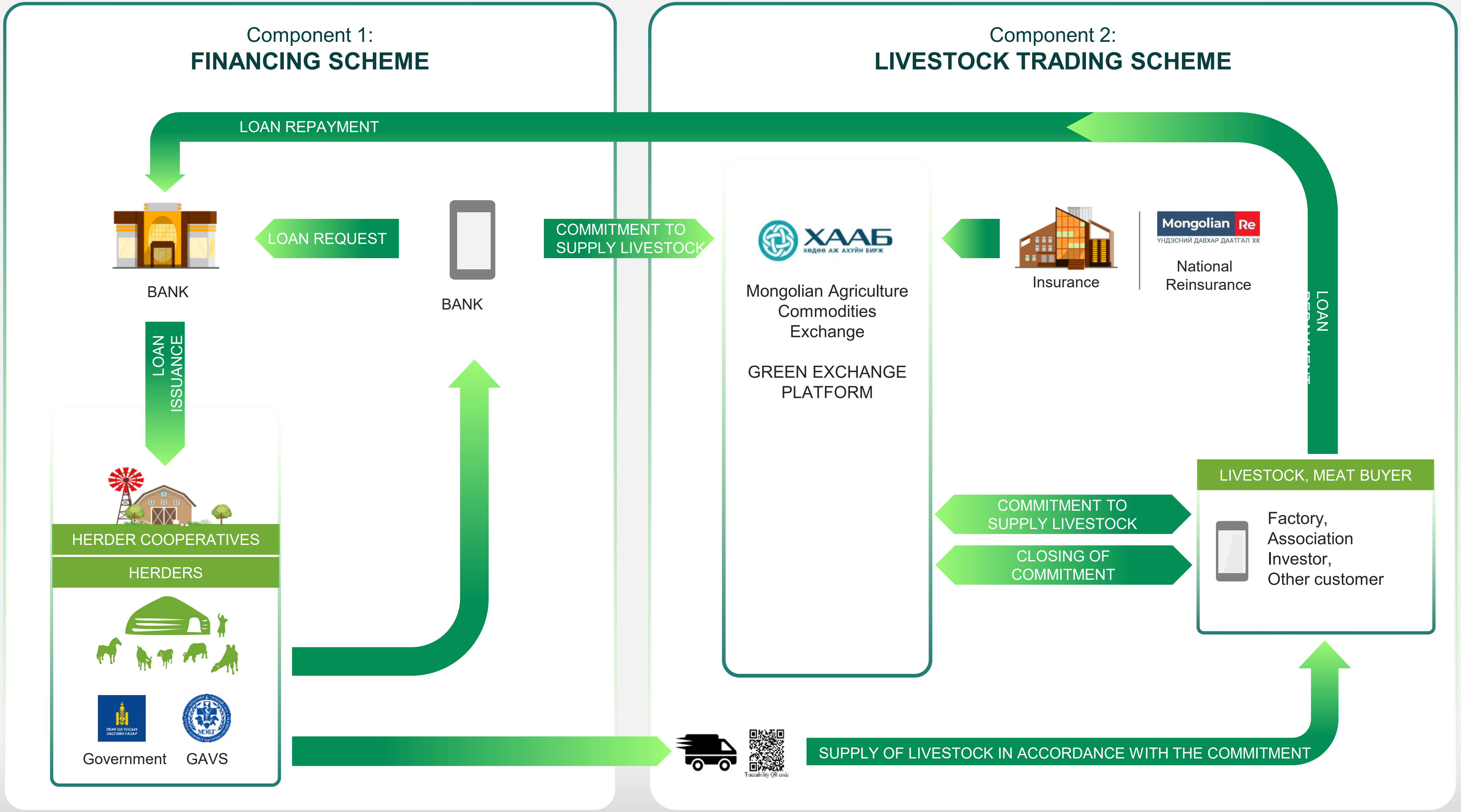
- **Objective:** Support sustainable **livestock** supply chain development using digital MRV and improve the reliability of livestock and raw material supply, and increase investment in the livestock sector
- **Impact target:** Reduce and **prevent pasture degradation** by supporting herder livelihoods while **decreasing livestock numbers**

COMPONENT 1:	COMPONENT 2:	COMPONENT 3:	COMPONENT 4:	COMPONENT 5:
GREEN LOAN/SLL	SUPPLY CHAIN PLATFORM	TECHNICAL ASSISTANCE AND GRANTS	POLICY ADVOCACY	MRV & RESTORATION
Expected outcome: Provide green business loans and SLLs to 6,000 herders	**Expected outcome:** Ensure sustainable livestock supply to the market through the agriculture exchange	**Expected outcome:** Support sustainable herding practices and business models through grants and technical assistance	**Expected outcome:** Policy and incentive mechanisms supporting sustainable livestock production	**Expected outcome:** Digital platform for measuring and verifying livestock numbers and pasture conditions
Banks, MFIs	IFC, MCE, insurance, meat factories	TNC, NFPUG, Good Growth, CPRC, FAO	GoM, New Khorshoo, Tsagaan Alt	MOFALI, URECA


Component 1:
FINANCING SCHEME
Component 2:
LIVESTOCK TRADING SCHEME
LOAN REPAYMENT
LOAN REQUEST
BANK
BANK
COMMITMENT TO SUPPLY LIVESTOCK
ХААБ
Mongolian Agriculture Commodities Exchange
GREEN EXCHANGE PLATFORM
Insurance
Mongolian Re
National Reinsurance
LOAN REPAYMENT
LOAN ISSUANCE
HERDER COOPERATIVES
HERDERS
Government
GAVS
LIVESTOCK, MEAT BUYER
Factory,
Association
Investor,
Other customer
COMMITMENT TO SUPPLY LIVESTOCK
CLOSING OF COMMITMENT
SUPPLY OF LIVESTOCK IN ACCORDANCE WITH THE COMMITMENT

EXAMPLE: GREEN HERDER AND SUPPLY CHAIN FINANCING SCHEME

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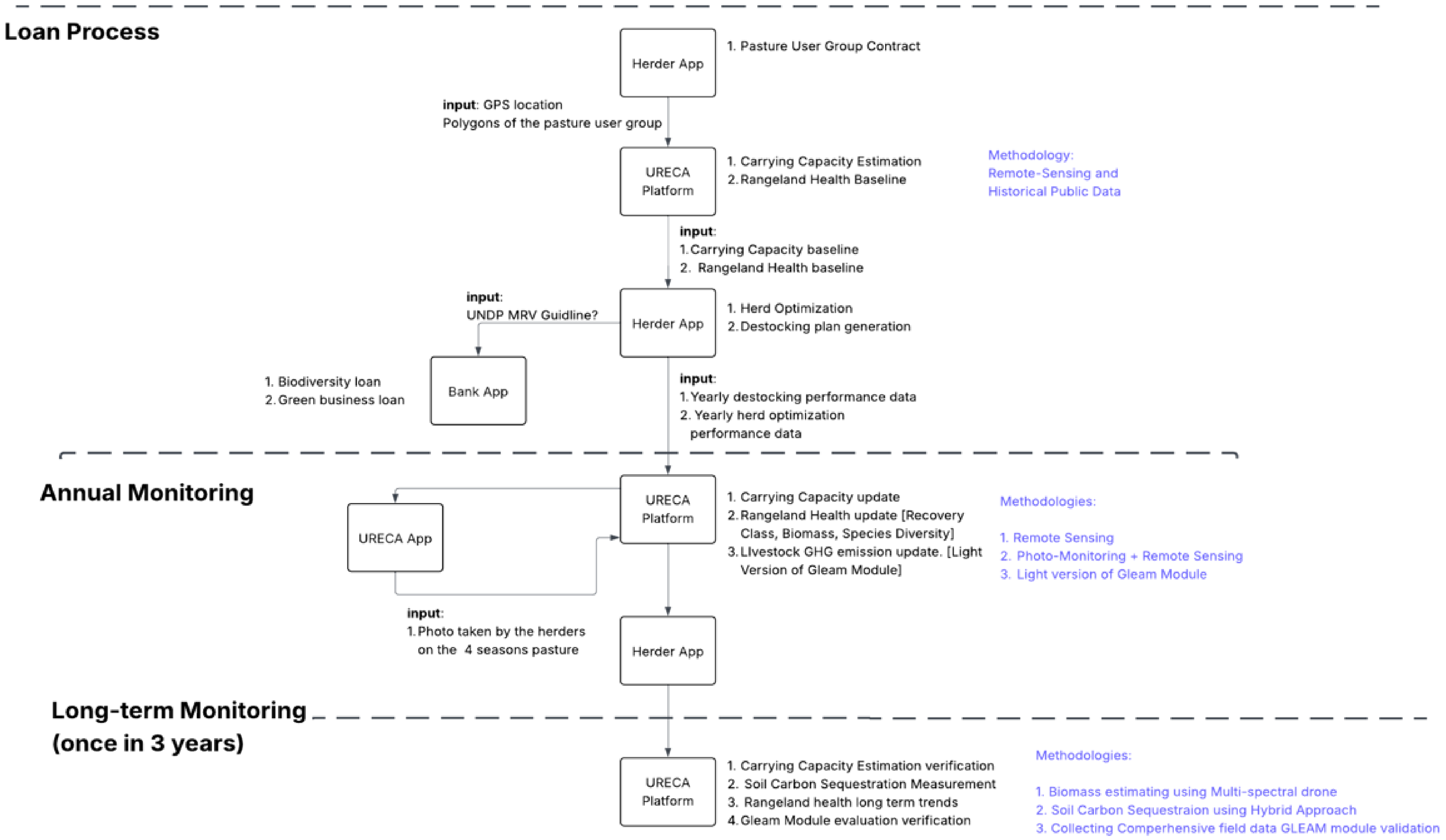
	Green and Sustainability-linked Herder Loan (Terms)
Objective:	To promote climate-resilient and sustainable livestock supply chain development that aligns with Mongolia's pasture carrying capacity
Borrower:	Herders, herder groups, and cooperatives
Loan type:	1) Consumption loan (sustainability-linked/biodiversity-linked loan) 2) Business loan (green/adaptation loan)
Loan amount and interest rate:	Up to 30 million MNT with an annual interest rate of 8%
Loan collateral:	1) Livestock supply commitment and contract with factories 2) Other collateral or guarantee
Loan purpose:	**1) Consumption Loan** (with exclusion of certain activities) **2) Business Loan** - Activities included under the sustainable agriculture section of the Mongolian Green Taxonomy • Purchase of resource efficient livestock farming equipment and machinery • Construction of raw material storage facilities meeting standard requirements • Construction, renovation, and insulation of winter shelters • Preparation and purchase of fodder • Purchase of climate-resilient livestock breeds • Resource efficient livestock raw material preparation, construction, and processing facilities • Implementing technologies to improve soil fertility, rehabilitate degraded land, and protect soil • Protecting water sources, springs, and wells • Construction of wells and creation of water sources • Tree planting and agroforestry development • Accessing veterinary services

Process


Loan Process
Herder App
1. Pasture User Group Contract
input: GPS location
Polygons of the pasture user group
URECA Platform
1. Carrying Capacity Estimation
2. Rangeland Health Baseline
Methodology:
Remote-Sensing and
Historical Public Data
input:
1. Carrying Capacity baseline
2. Rangeland Health baseline
input:
UNDP MRV Guidline?
Herder App
1. Herd Optimization
2. Destocking plan generation
1. Biodiversity loan
2. Green business loan
Bank App
input:
1. Yearly destocking performance data
2. Yearly herd optimization performance data
Annual Monitoring
URECA App
URECA Platform
1. Carrying Capacity update
2. Rangeland Health update [Recovery Class, Biomass, Species Diversity]
3. LIvestock GHG emission update. [Light Version of Gleam Module]
Methodologies:
1. Remote Sensing
2. Photo-Monitoring + Remote Sensing
3. Light version of Gleam Module
input:
1. Photo taken by the herders on the 4 seasons pasture
Herder App
Long-term Monitoring
(once in 3 years)
URECA Platform
1. Carrying Capacity Estimation verification
2. Soil Carbon Sequestration Measurement
3. Rangeland health long term trends
4. Gleam Module evaluation verification
Methodologies:
1. Biomass estimating using Multi-spectral drone
2. Soil Carbon Sequestraion using Hybrid Approach
3. Collecting Comperhensive field data GLEAM module validation

CHALLENGES AND RECOMMENDATIONS

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PORTFOLIO MONTORING AND REPORTING

National target: 22.7% reduction by 2030
Project impact: Total GHG reduction rate is 3% as of 2026

(kgCO2eq)	Source	Emission
CH_4	Enteric fermentation	512,541.02
	Manure	366,987.87
CO_2	Land-use change/overgrazing	12,332.12
N_2O	Soil management/fertilizer	65,117.36
	Manure	487,444.42

Gleam 3.0 calculation

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IPCC calculation

REPORT

Coverage period: 2025.08.01-2026.0801
Borrowers: 48,754
Total loan amount: 98,741,210,000₮
Contracted number of livestock: 193,540
NLIMS verification: 193,540
MAHIS verification: 175,321
MFOS verification: 126,540
Single window system: 90,410
Customs information: 90,320
Verification rate: 65.38%
Contribution to total GHG reduction: 3%

1. **Standardized metrics**
   - National taxonomies are important
   - Detailed standards and criteria needed especially for emerging sustainable finance products
2. **Data availability**
   - Data mapping and gap analysis
   - Making existing data publicly available
   - National data development plan
3. **Room for innovation**
   - Use of technology
   - Grant and R&D support for local innovators
   - Training/incubators
4. **National efforts**
   - Detailed national targets and scenarios
   - Transition plans and green techonologies
   - National MRV and baseline assessments

THANK YOU FOR YOUR ATTENTION!

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