



Mongolia: Tuul River Improvement Project

Project Name	Tuul River Improvement Project
Project Number	47179-003
Country	Mongolia
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8560-MON: Tuul River Improvement Project Japan Fund for Poverty Reduction US\$ 1.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development - Rural water supply services
Gender Equity and Mainstreaming	Some gender elements
Description	The proposed loan for the Tuul River Improvement Project (the project) will provide institutional strengthening of the Tuul River Basin Authority (TRBA) and demonstrate rehabilitation of the Tuul River in the Ulaanbaatar area. The Tuul River Basin (TRB), which includes 7 districts of Ulaanbaatar, 37 soums (districts) of 5 aimags (provinces) and covers a total area of about 50,000 km ² , has the highest water usage in the country. The population density and the concentration of production and services in Ulaanbaatar have been increasing sharply in the last two decades. Increasing water use and wastewater discharge in the TRB put pressure on environmental and water resources, especially in the Ulaanbaatar area.

Project Rationale and Linkage to Country/Regional Strategy

Declining water security risks becoming a serious constraint on economic development, and pollution of the Tuul River is already a public health concern. The Tuul River, and its tributaries, such as Selbe, are the largest surface water resources in Ulaanbaatar, and replenish the groundwater resources in the region. Flow rates have declined substantially in these rivers, mainly as a result of decade-long logging and to recent climate change impacts, and adequate annual groundwater recharge has become less reliable. Ulaanbaatar obtains about 98% of its water supply from groundwater, abstracting 330,000 m3 per day which is close to the estimated maximum sustainable yield. Further increase in groundwater use would likely lead to falling water tables, increased abstraction costs, and potential water shortages within a few years.

The Government of Mongolia (GOM) has taken major steps forward in improving the legal framework for the management and environmental protection of river basins in Mongolia. In 2010, the GOM divided the country into 29 river basins to improve water resources management. Principal laws on water resources have been revised and consolidated, and new laws have been adopted. The 2004 Law of Mongolia on Water has been replaced with the Water Law 2012. Also, a new and consolidated Natural Resources Use Fee Law and Water Pollution Fees Law were approved in 2012. The new Water Law formally established the TRBA, under the Ministry of Environment and Green Development (MEGD), to coordinate water management and environmental protection in the TRB.

With the new institutional and regulatory framework formally established, the GOM is determined to initiate a quick response to the increasing threats in the TRB. In 2012, the GOM approved a detailed Integrated Water Management Plan for the Tuul River Basin (IWMPTRB). TRBA, as a newly established organization, still lacks the institutional capacity to effectively coordinate with other stakeholders in the basin and regulate development activities, which is a major constraint for the implementation of the IWMPTRB.

The GOM has requested ADB to support the TRBA with the implementation of priority activities of the IWMPTRB to strengthen the management and protection of the TRB. These include: (i) the strengthening of institutional capacity of the TRBA, including the development and implementation of regulatory and economic instruments and incentive schemes for environmental compliance; (ii) improvement of water availability through ecological measures, with a focus on groundwater resources; and (iii) improvement of riverbanks environment in Ulaanbaatar. As such, the TRBA will establish its operational effectiveness through cooperation and coordination with other government agencies and water users, mobilizing financing for improved water resources management, and supervision of the construction and operation of environmental protection infrastructure.

The proposed project will complement other ongoing and planned initiatives by ADB and development partners to improve the urban environment and wastewater collection and treatment in Ulaanbaatar. The proposed project also builds on ADB's cooperation with Mongolia in the agriculture, natural resources management, and environmental sector since 1996. Under JFPR 9125-MON: Poverty Reduction through Community-Based Natural Resource Management, the MEGD prepared the Integrated River Basin Management Plan of the Onon River Basin, which was ratified by parliaments in two project aims and approved by the executing agency in December 2011. ADB also supported the MEGD to strengthen its environmental impact assessment regulatory framework. ADB is providing similar support for other developing member countries to strengthen the institutional capacity of watershed and lake management agencies. The lessons learned from these projects will be integrated in the proposed project design.

The proposed project is consistent with the policies of the GOM, and specifically contributes to the implementation of the IWMPTRB. It is also in line with ADB's country partnership strategy for Mongolia, 2012_2016 to support inclusive and environmentally sustainable growth. The project scope also follows several key aspects of ADB's Water Operational Plan 2011_2020, including (i) water demand-supply gaps and unregulated groundwater abstraction, (ii) water quality and river clean-ups, (iii) water governance, and (iv) climate change adaptation. The project is proposed for ADB's lending pipeline for 2015. Project loan is proposed as financing modality of the project.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

The project has been cancelled.

Business Opportunities

Consulting Services It is expected that a consulting firm will be recruited. ADB will be responsible for recruiting consultants following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). A consulting firm will be recruited using the quality- and cost-based selection (QCBS) at a quality_cost ratio of 80:20. For international consultant, it will be 21 person-months; and for national consultants, it will be 54 person-months.

Responsible Staff

Responsible ADB Officer

Radstake, Frank

Responsible ADB Department

East Asia Department

Responsible ADB Division

Environment, Natural Resources & Agriculture Division, EARD

Executing Agencies

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Government Building II, United Nation's
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Ulaanbaatar 15160, Mongolia*

Timetable

Concept Clearance

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Fact Finding

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MRM

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Approval

13 Dec 2013

Last Review Mission

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Last PDS Update

22 Mar 2017

TA 8560-MON

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Dec 2013	06 Jan 2014	06 Jan 2014	31 Mar 2015	31 Dec 2016	-

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
0.00	1,000,000.00	200,000.00	0.00	0.00	0.00	1,200,000.00	13 Dec 2013	568,349.22

Project Page

<https://www.adb.org/projects/47179-003/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=47179-003>

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