Winning the Fight Against Air Pollution in Ulaanbaatar

**Project Name:** EARD Observations and Suggestions Policy Note Series: Winning the Fight Against Air Pollution in Ulaanbaatar

**Country/Region:** East Asia/Mongolia

**Sector and Themes:** Environment

**Year:** 2018–Present

**Project Leader:** Pavit Ramachandran

The project will lead to the decarbonization of the energy system in the country with increased penetration of renewable energy.
Development challenge

Air pollution in Ulaanbaatar has escalated to alarming levels. Its impact goes beyond harmful and insidious health effects and has become a significant development challenge, resulting in enormous socioeconomic costs. These impacts are hardest felt by poor, the young, and the elderly.

Solution

Mongolia’s challenge to reduce air pollution include data collection and monitoring, public awareness and government accountability, strengthened institutions, technology transfer, and financing mechanisms to support the transition to cleaner energy. ADB partnered with the Government of Mongolia in devising a $130 million policy development loan, approved in March 2018.

The loan set out to improve the efficiency of Mongolia’s National Program for Reducing Air and Environmental Pollution 2017–2025 and the government’s regulatory framework on air quality management. The support also helped to implement urgent measures to reduce air pollution and to protect human health. It established integrated energy and transport systems that were environmentally sound.

Knowledge products and services delivered

Complementing the loan program, ADB released a policy note Winning the Fight Against Air Pollution in Ulaanbaatar that offered long-term institutional recommendations to tackle air pollution. Best practices and experiences from other countries

Ulaanbaatar has suffered one of the highest levels of air pollution in the world, especially during wintertime when reliance on burning raw coal for heating homes was at its highest.
were studied for deriving lessons and specific policy actions that can work in Mongolia. It emphasized the importance of advocacy through public awareness and social pressure in ensuring government accountability. The note also furnished the government with a detailed list of short- and long-term policy recommendations.

**Impact and results**

In 2019, ADB approved a second, $160 million loan to support improved policies, regulatory and institutional capacity, and actions to tackle air pollution. In July 2020, ADB also approved loans totaling $43.65 million as part of a program to support the redevelopment of two additional subcenters in the eastern and western *ger* areas (a form of residential district consisting of parcels of land with one or more detached houses) of Ulaanbaatar. The financing is the third tranche of the Ulaanbaatar Urban Services and Ger Areas Development Investment Program, approved in 2013. ADB also extended a loan to the National Power Transmission Grid of Mongolia to install the country’s first large-scale advanced battery energy storage system to accelerate the adoption of renewable energy. Evidence from winter 2019–2020 has shown a dramatic reduction in air pollution with particulate matter 2.5 falling by 42% from winter 2018–2019. The policy note continues to shape ADB’s response and government policy.

Through ADB’s help, the government is improving air quality management and has enacted measures to cut pollution and protect the health of the residents of the city.
Lessons for replication

ADB’s use of policy-based lending proved to be successful. A dedicated knowledge product that brings together ADB’s work in a clear and policy-relevant format had a major impact on the momentum of reform. The targeted approach to dissemination and including air pollution as the core policy challenge in the Mongolia chapter of the *Asian Development Outlook*, ensured that the messages were heard. The preparation of the note in the Mongolian language also greatly broadened the captured audience.

"Air pollution poses severe health risks to people, especially children, in the Mongolian capital, while also burdening the country’s already sluggish economic growth.

—Maria Pia Ancora, senior urban development specialist, ADB

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