



Mongolia: Tuul River Improvement Project

Project Name	Tuul River Improvement Project		
Project Number	47179-003		
Country / Economy	Mongolia		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8560-MON: Tuul River Improvement Project		
	Japan Fund for Prosperous and Resilient Asia and the Pacific		US\$ 1.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development		
Sector / Subsector	Agriculture, natural resources and rural development / Agricultural policy, institutional and capacity development - Rural water supply services		
Gender	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 km2, 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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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 aimags 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.</p> <p>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.</p>		
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-moths.

Responsible ADB Officer	Radstake, Frank
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
Executing Agencies	Ministry of Environment and Tourism Government Building II, United Nation's Street 5/2, Chingeltei District, Ulaanbaatar 15160, Mongolia

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	13 Dec 2013
Last Review Mission	-
Last PDS Update	18 Sep 2017

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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	21 Sep 2017

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,000,000.00	200,000.00	0.00	0.00	0.00	1,200,000.00	17 Jun 2022	577,403.60

Project Page	https://www.adb.org/projects/47179-003/main
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