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# Country Sector Assessments UNDP GoAL WaSH Programme

Governance, Advocacy and Leadership for Water, Sanitation and Hygiene

## Volume 2 | Mongolia



**GoAL WaSH**

Achieving the MDGs

# UNDP Water Governance Programme – Adaptive Water Governance

UNDP's Water Governance Programme (UNDP-WGP) works in over 150 countries, providing policy support, capacity building and advisory services in three major strategic areas:

- Water Supply and Sanitation (\$170 m, 34%)
- Integrated Water Resources Management (\$111 m, 22%)
- Regional and Global Cooperation (\$216 m, 44%)

The Water Governance Programme also integrates four 'cross cutting' areas into its broader thematic work:

- Climate Change Adaptation and Water
- Human Rights Based Approaches (HRBA)
- Mainstreaming Gender into Water
- Capacity Development and Knowledge Management

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Any errors or omissions found subsequent to printing will be listed on our website: [www.undp.org/water](http://www.undp.org/water)



## The Global Water and Sanitation Crisis

Globally, almost 1bn people lack clean drinking water. 2.4bn people have no access to hygienic sanitation facilities; 1.2bn lack any sanitation facilities at all. Each day, an average of 5,000 children die due to preventable water and sanitation related diseases. In 2000, through the Millennium Development Goals (MDGs), the international community committed to halving the proportion of people without access to clean water and basic sanitation by 2015. Overall, the world is on track to meet the water supply MDG, but there are major gaps in many regions and countries, particularly in Sub-Saharan Africa. On current trends, the world will miss the sanitation target by a staggering 1bn people.

Meeting the MDG water and sanitation targets is more than a health and dignity issue. The evidence is compelling that achieving the water and sanitation goals would trigger a major leap forward in human development:

- Water and sanitation are essential to achieving all of the MDGs.
- Investment in water supply yields an average economic return of \$4.4 to \$1.
- Investment in sanitation yields an average economic return of \$9.1 to \$1.
- Human development is more closely linked to access to water and sanitation than any other development driver, including spending on health or education, and access to energy services.

The crisis in water and sanitation overwhelmingly affects the poor. Availability of water is certainly a concern for some countries. But the global water and sanitation crisis is mainly rooted in poverty, power and inequality, not in physical availability. It is, first and foremost, a crisis of governance and thus governance reform must be a key pillar of any strategic approach to addressing the crisis.

### UNDP's Response

UNDP promotes and facilitates equitable access to water and sanitation services as a fundamental contribution to enhancing human development. UNDP works together with government, civil society, private sector and other development partners to bring about the necessary improvements in water governance to scale-up water and sanitation services for the poor.

### UNDP Supports:

- Coordination of country assistance by UN and other development partners.
- Incorporation of water and sanitation into national development planning.
- Governance and policy reform for enhanced water supply and sanitation access.
- Capacity building of institutions and practitioners.
- Special attention to fragile states, where water and sanitation challenges are greatest.

### The GoAL WaSH Programme

GoAL WaSH is an innovative new UNDP programme that aims to accelerate achievement of the water and sanitation MDGs through strategically targeted interventions that strengthen governance of the water and sanitation sectors at appropriate levels. Specifically, GoAL WaSH focuses on:

- Countries with low water and sanitation coverage projected not to achieve the water, sanitation or both MDGs.
- Identifying gaps, needs, constraints and opportunities in national water and sanitation plans, strategies and capacities.
- Governance reform, leadership and policy advocacy.
- Incorporation of water and sanitation into national MDG and related poverty reduction strategies.
- Close coordination with governments and key development partners active in water and sanitation at country level.

This volume is the second in a series of national assessments of governance in the water and sanitation sectors in target MDG GoAL WaSH countries. These sector assessments are in turn informing the design and implementation of a series of UNDP capacity building and technical assistance projects to strengthen water governance and advance national progress on the water supply and sanitation MDGs (see inside back cover).

Sincerely,

A handwritten signature in cursive script that reads 'Andrew Hudson'.

Andrew Hudson  
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Country Sector Assessments: Volume 2  
**UNDP GoAL WaSH Programme**

Governance, Advocacy and Leadership for Water, Sanitation and Hygiene

# Mongolia

## National Sector Assessment

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# MDG Outlook

## Is Mongolia on Track to Reach Water and Sanitation MDGs?

Mongolia is divided into 21 major administrative units known as *aimags* and one capital city, Ulaanbaatar. Each of the major administrative units is further divided into smaller administrative units known as *soums* (340), and the *soums* are divided into *bags* (around 1,664), which are the smallest administrative and territorial units in Mongolia. The capital city has nine districts and 121 *horoo*s (sub-districts).



In 2008 the population of Mongolia was estimated at 2.76 million. The annual population growth rate is 1.2%. Mongolia is sparsely populated with an average population density of less than 2.0 inhabitants per km<sup>2</sup>.

Approximately 38.17% of the population resides in rural areas and 39.94% of Mongolians live in Ulaanbaatar City according to 2008 statistical data.

Approximately 20% of Mongolia's water consumption is provided from surface water resources and the rest from groundwater. The various types of water usage are assessed as 18.1%

for drinking and domestic use, 39.3% for industry, 24.0% for animal husbandry, 17.4% for irrigation and 1.2% for other purposes.

In recent years, water consumption has been increasing in Mongolia, due to a rise in the urban population and overall social-economic development. The impacts of climate change and human activities have resulted in increased water scarcity, increased pollution of ground and surface waters, and water regime change. This deterioration will continue in future unless appropriate action is taken, especially as Mongolia has scattered and limited water resources. The latest inventory of surface water bodies in 2007 has indicated a 10% reduction of surface water bodies between the 2003–2007. The annual precipitation amount is averaging 200–220 mm, ranging from 38.4 mm in the extreme south (Gobi desert region) to 389 mm in limited areas in the north. Approximately 90.1% of precipitation evaporates, so only 9.9% flows away as surface runoff, partially recharging the ground water aquifers, the main source of water consumed in Mongolia.

The review of the current status of MDG implementation in Mongolia shows slow progress in general, unsatisfactory performance and weak coordination of policies aimed at implementation of MDGs. Reliable and well-accepted figures on WSS are notably absent and the sector lacks a set of commonly agreed categorization, statistics and goals.

The MDG 7 aims to: “halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation”. As this was against the 1990 baseline data, the Target 7.8 of MDG 7 is to increase the coverage of improved water sources to 60% in 2015 (from 30.8% in 1990) and reach improved sanitation services to 40% of the population in 2015 (from 22% in 1990). In 2006 the progress with regard to improved sanitation was slow, increasing by only 4.6% in 16 years to 26.6%. The progress towards improved water supply was a little better, increasing by about 8.4% to 39.2%. Given these growth rates, it would be fair to suggest that the MDGs for both water supply and sanitation may not be met in Mongolia.

Figure 1: Mongolia Drinking Water Ladder, 1990–2006

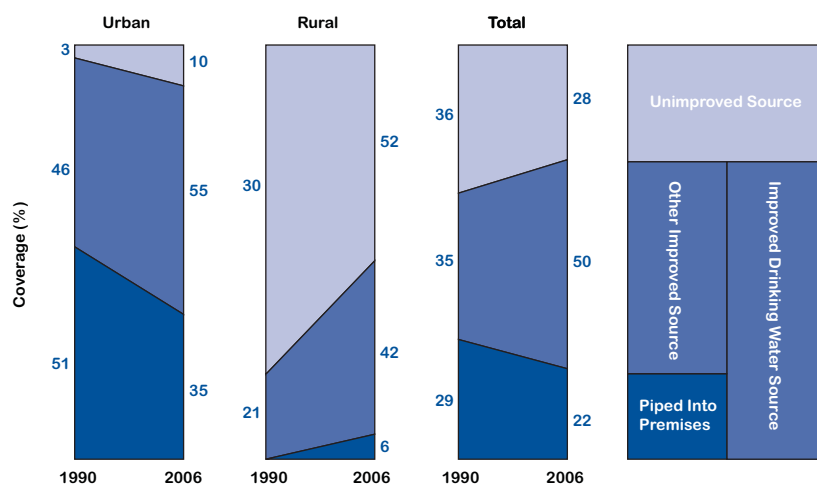
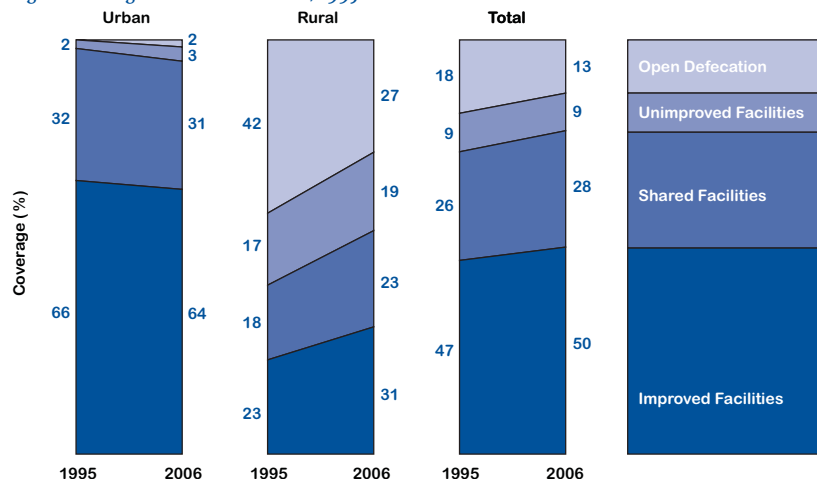


Figure 2: Mongolia Sanitation Ladder, 1995–2006



## Main Issues to be Addressed

- **MDG achievement:** Mongolia is not on track to meet the MDGs, especially for sanitation (but water is also well off track). There is an urgent need for a road map or action plan to meet the water supply and sanitation sector (WSS) MDGs.
- **Leadership and coordination:** In terms of functional allocation of tasks related to WSS, there is no single ministry, department nor agency at the central level that is assigned the task of planning and making provision for the WSS. Leadership and coordination is weak. The Ministry of Roads, Transportation, Construction and Urban Development, formally has this responsibility, but has no influence over resources and little liaison with external stakeholders. The Ministry's outreach does not cover WSS in rural small towns — *soum* and *bag centres*. A recent sector re-organisation that seeks to clarify roles and responsibilities is awaiting approval, but there is little evidence as yet of this providing more coherent leadership in the sector, and there are still some major gaps in role fulfilment (e.g. national leadership for rural water supply, and rural and urban sanitation).
- **Financing:** There is no sector financing plan to get Mongolia back on track to meet the MDGs. There is an urgent need for a financing plan for both rural and urban services. There has been little analysis of budget or financial flows, and no apparent strategy as to how to increase sector allocations. Revenue streams from water sales are low, and tariffs are skewed and do not support a pro-poor policy. A review of water tariffs is necessary; currently the consumers pay only for service connections, but not for the water itself. Whilst some project finance exists to improve urban services by the government and external partners, financial support for a coherent rural programme is limited. Most of the programmes approved by the government lack comprehensive plans and financing strategies.
- **Putting decentralization into practice:** Responsibilities are in principle decentralized, but there is little rural sector policy guidance or financing strategies. Capacity at *aimag*, *soum* and *bag* levels is weak. There is a need for detailed mapping of rural WSS implementation responsibilities. Unless the financial allocation system is modified, it will continue to be challenging to realize decentralization efforts, as well as inter-sectoral coordination of WSS.
- **Town and small town WSS management:** Town and small town WSS (*aimag* and *soum*) management is weak with little capacity, poor services, and little revenue. Sanitation management is non-existent in most *soum* centres. The sector needs a review of management models and there is no established practice for paying for, or maintaining, services.
- **Sector monitoring:** Sector data is unclear and confusing. There is a need to establish clear sector information and monitoring systems.
- **Regulatory control:** External regulatory control is weak regarding urban sector services and environmental protection. As a result, there are pollution and water quality concerns, inequity in service costs, and little rational basis for tariff setting.
- **Urban Ger population:** Specific strategies are needed to meet the needs of growing ger populations, where sanitary pollution is worst and water costs are highest. While apartment dwellers pay 0.3 to 0.4 MNT per litre for water, the *ger* district dwellers pay three to five times more, ranging from 1.0 to 2.0 MNT for every litre.

- **Rural WSS for nomadic population:** Specific strategies are needed to provide water and sanitation services to nomadic populations. Currently, no policy or strategy that considers sanitation service for the nomadic population is in place.
- **Sanitation:** The sanitation sector as a whole requires specific leadership, finance and a strategy for urban, *ger* and rural service development. A ladder of sanitation options for Mongolian conditions needs to be developed. A significant behaviour change programme is needed to improve hygiene and sanitation behaviour. Updating sector professionals on current thinking regarding sanitation is also needed.
- **Consumer voice:** Civil society organizations are weak or non-existent, and there is need to develop consumer water education and voice to improve the dialogue between users and suppliers of services.
- **Public institutions:** WASH services in public institutions, such as schools and hospitals, are inadequate and poorly managed, due to lack of funding.
- **Skills and capacity:** Whilst Mongolia has existing training capacity and some highly experienced engineers, there is a shortage of senior sector experts with strong comparative experience in water and sanitation provision. Mongolian sector leaders require more exposure to international best practice. In particular, there is a shortage of capacity at *aimag* and *soum* levels.
- **Private sector:** The private sector has not mobilized effectively to support the public sector in managing and financing the WSS. The centralized water and sanitation services are provided by state owned, subsidised Public Utility and Service Organizations.
- **Donor coordination:** Scattered efforts by the external partners for improved WSS need greater coordination by the government to increase WSS effectiveness. Although an information-sharing platform exists, actual coordination is not being effective.
- **Appropriate technologies:** Insufficient attention is given to documenting and standardizing options for service development in extreme environments: e.g., rural sanitation. Increased use of water metering system or saving equipments and the application of water saving technologies should be considered as priorities.
- **Sector economics and prioritization:** The sector appears neglected in comparison with others. Leaders need more clear evidence of the economic impact of existing poor service levels. The sector needs a higher profile supported by better advocacy.
- **Inequity:** There are large disparities in service access between urban, *soum* and nomads. A survey indicates that only 17.3% and 4.8% of the rural households have access to improved drinking water sources and sanitation facilities respectively. The average apartment dwellers in Ulaanbaatar city use 203.2 litres of water per day, while *ger* dwellers use only 5 litres. The living conditions in rural areas are difficult, with minority groups being neglected, and high gender disparities.
- **Water resources scarcity vs. increasing demand:** Mongolia's water resources are highly vulnerable to climate change and are facing serious pollution challenges from mining and urban management. Climate change assessment suggests that during the period of 1940–2007, the average temperature in Mongolia has increased by about 2.10C. A serious degradation of water resources has been indicated by various studies.

## Distinctive Achievements

A distinctive achievement in Mongolia is the establishment of several approved programmes related to improved water and sanitation provision, including: the National Water Programme (2000–2010); Programme on Sanitation Facilities (2006–2015) that focuses on settlements with pipeline networks; Programme on Urban Development and Public Utilities and Programme on provision of safe drinking water to population of Mongolia (2008–2015); and a comprehensive action plan by the government for 2008–2012, based on the National Development Strategy of Mongolia. The Action Plan includes the following WSS objectives:

- Increase supply and accessibility of safe drinking water in line with hygienic requirements, introducing modern technology and technical facilities; continue the installation of water softening equipment to improve the quality of potable water in *soums* and settled areas where water is hard and rich in minerals.
- Improve the infrastructure development in *ger* areas within urban areas.
- Formulate and start implementing a “Rural Development Programme” to:
  - Develop a unified policy on water.
  - Coordinate water resources in large river basins.
  - Construct the necessary water transfer infrastructure to deliver water where it is needed.

## Sector Preparedness Overview

### National Goals and Strategies

Mongolia adopted the MDGs as the government’s mid-term strategic goal of increasing the coverage of improved water sources to 80%, and improved sanitation services to 70% of the population by 2015, measured against the 1990 baseline average. The Action Plan of the Government of Mongolia for 2008–2012 gives considerable attention to water and infrastructure development. The action plan also specifies targets for the sector. Including these targets between 2009 and 2015:

- Increase water supply for herders and pasture lands; constructing about 800–1,000 boreholes each year.
- Connect rural schools, kindergartens and hospitals to the water supply and sewage systems; build hot showers in each *soum*.
- Connect at least 20–30,000 people in the *ger* areas in the capital city to the central water supply.
- Increase the number of sewerage connections to serve from 50% of the population (up from 23.9% now).

The national strategies and approved programmes are however short of detail on: a) how these targets will be reached and b) specific responsibilities and financing strategies.

### Current legislation and gaps

Mongolia has a wide range of legislation, enactments and standards in force in the public utilities sector of Mongolia, including:

- Law of Mongolia on Water
- Law on Water Supply and Sewage in Cities and Settlements
- Law on Water Resource Use Fees
- Law on Hygiene
- Standard on Industrial Wastewater Discharge into the Sewage System (1997)
- Standard on Pit Latrines and Soak Pits (1980)
- Standard on General Requirements for Selecting a Site for Wastewater Treatment Plants and Treatment Technologies MNS 4288-96-5
- Standard on Water Quality: Guidelines for Taking Water Samples and Samples from Sludge in Wastewater Treatment Plants MNS (ISO) 566-1300
- Standard on Water Quality, Wastewater and General Technical Requirements MNS 494300

However, the extent to which these codes are enforced is unclear. Also many codes and standards do not reflect current needs or financing capability, and it is recommended that these be revised incorporating them into a single updated sector strategy.

## Sector Coordination

Sector coordination in Mongolia is weak—particularly in the allocation of specific responsibilities, prioritization of resources and in liaison with external stakeholders. The sector has recently undergone a process of re-organisation to clarify roles and responsibilities, but it still remains unclear who has responsibility for what components of the sector and who and how the sector is being co-ordinated. There is no umbrella or overarching organization to coordinate WSS issues; it is scattered through several Ministries. A National Water Committee was created in 1988 under the Ministry of Nature, Environment and Tourism, but its mandate has focused on water resource management, not WSS.

### Key Measures to Improve Coordination:

- **Clarify roles and responsibilities:** this should include a review of management models, identification of national leadership, especially for rural water supply, and rural (including nomads) and urban (including *ger* areas in the capital city) sanitation, and a detailed mapping of rural WSS implementation responsibilities.
- **Develop institutional inter-linkages:** strengthen coordination and facilitation at central level to support local governments and integrate of water issues into other sectors' plans.
- **Develop mechanisms to handle inter-local governmental dialogue:** develop communication channels for learning between local governments and possibilities of cooperation to deal with issues of mutual concern, such as water sources, service sustainability, standardization of technologies and water quality.
- **Increase sector cross linkages:** especially with schools, kindergartens and hospitals for safe water and sanitation.

## Institutional Arrangements

Institutional responsibilities within the water sector in Mongolia are poorly defined, especially outside of the capital city. National responsibilities are confusingly allocated across 4 central ministries as outlined in the table below with no clear lead agency managing WSS:

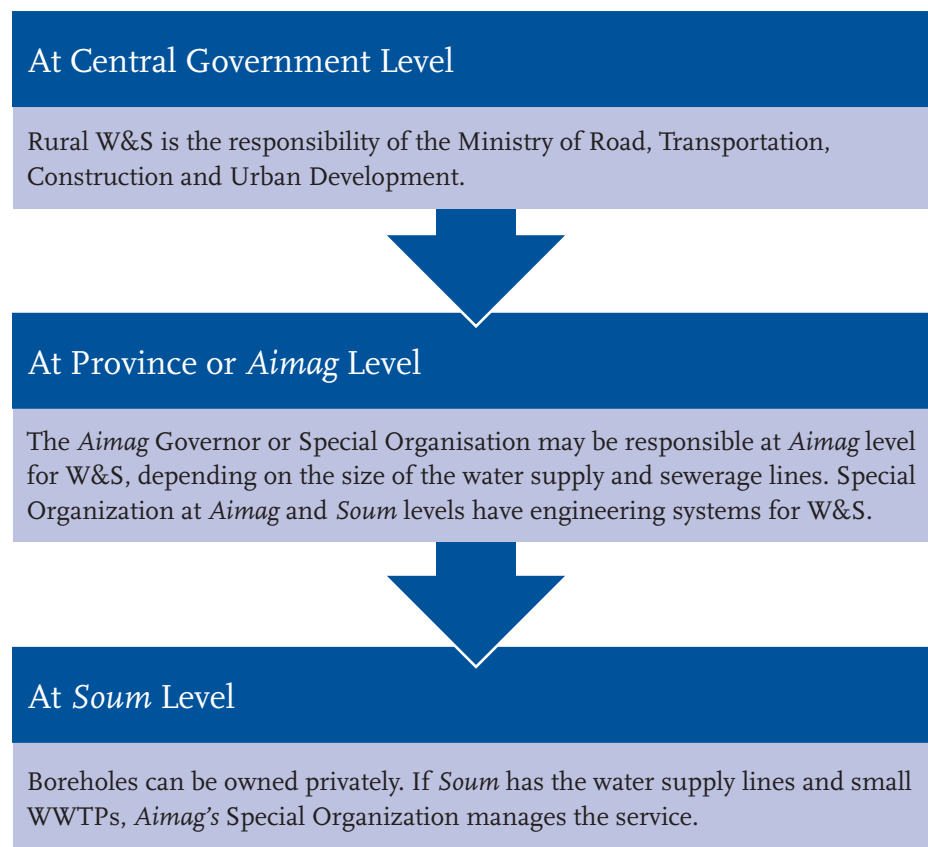
Table 1: Division of national responsibilities amongst Mongolian ministries

Name of Institution	Function and Responsibility
Ministry of Road, Transportation, Construction and Urban Development (MRTCUD)	<ul style="list-style-type: none"> <li>• Manages water supply and waste water treatment in Ulaanbaatar and <i>aimag</i> and <i>soum</i> centres</li> <li>• Oversight of the UlaanBaatur Water Supply and Sewage Authority managing water supply and sewerage (but no responsibility for <i>ger</i> areas)</li> <li>• Implemented a “Sanitation Programme” since 2007</li> </ul>
Ministry of Nature, Environment and Tourism (MNET)	<ul style="list-style-type: none"> <li>• Water policy and legal basis</li> <li>• Hosts the National Water Committee co-ordinating water resource management</li> <li>• Incorporates a Water Agency that manages licensing of water sources, and is responsible for water protection and the management of river basins</li> <li>• Ecological sustainability</li> <li>• Developed “National Water Programme” to be adopted by Parliament in 2009</li> </ul>
Ministry of Food, Agriculture and Light Industry (MFALI)	<ul style="list-style-type: none"> <li>• Pasture land water supply and irrigation</li> <li>• Food security</li> </ul>
Ministry of Health (MoH)	<ul style="list-style-type: none"> <li>• Water quality and hygiene</li> <li>• Ecological and environmental sanitation</li> </ul>

At present water conservation and water resource management is the responsibility of MNET; water use and licensing are the responsibility of the Water Agency under the MNET; centralized water supply and waste water treatment plants and *soum* small town water supplies fall under MRTCUD; agriculture, pasture land water supply, urban drinking water or industry and mining fall to MFALI; and MoH is responsible for drinking water quality, ecological and environmental sanitation and hygiene.

The task of meeting the WSS MDGs in rural areas has been delegated to the *aimag* and *soum* levels, but it is not facilitated with policy guidance, fiscal flows, or a capacity vehicle.

Figure 3: Schematic responsibilities for RWSS development in Mongolia



In general there is limited support for the WSS by other internal and external support agencies. The table below describes the status of some<sup>1</sup> of the other support institutions operating in the WSS in Mongolia.

Table 2

Institution	Main Interventions	Comments
Academic institutions and NGOs	<ul style="list-style-type: none"> <li>• Technology research</li> <li>• Capacity building</li> <li>• Consultation</li> <li>• Development of training models for WSS</li> </ul>	<ul style="list-style-type: none"> <li>• Solid educational institutions</li> <li>• Capacities of NGOs are limited</li> </ul>
UN	<ul style="list-style-type: none"> <li>• Adopted and implements a Joint UN Programme: UNJPWSS</li> </ul>	<ul style="list-style-type: none"> <li>• Provided case studies and recommendations for improving capacity</li> <li>• Budget to implement joint programme is US\$4 m.</li> </ul>
UNDP	<ul style="list-style-type: none"> <li>• Poverty reduction</li> <li>• Governance</li> <li>• Environmental sustainability</li> <li>• WSS</li> </ul>	<ul style="list-style-type: none"> <li>• UNDP strategy includes direct engagement with the WSS, though its resource base is limited</li> </ul>
UNICEF	<ul style="list-style-type: none"> <li>• Drinking water quality and household treated water</li> <li>• Sanitation improvement in homes and schools</li> <li>• Hygiene promotion and hand washing</li> </ul>	<ul style="list-style-type: none"> <li>• Directly engaged in the WASH sector, though UNICEF's WASH staff is small and no senior staff are presently resident in Mongolia</li> </ul>
WHO	<ul style="list-style-type: none"> <li>• Water quality</li> <li>• Sanitation in hospitals</li> <li>• Hygiene promotion and environmental health</li> </ul>	<ul style="list-style-type: none"> <li>• Has project engagement on WSS in rural hospitals</li> </ul>
Asian Development Bank (ADB) and World Bank (WB)	<ul style="list-style-type: none"> <li>• Development Finance for urban WSS</li> </ul>	<ul style="list-style-type: none"> <li>• 1st phase ADB project was in western <i>aimags</i>; 2<sup>nd</sup> phase ADB in eastern and Gobi <i>aimags</i></li> <li>• ADB project to improve water supply and sewerage systems in <i>aimag</i> in <i>ger</i> areas: US\$4 m.</li> <li>• WB project in Ulaanbaatar city to improve the water services: US\$495 m.</li> <li>• WB sustainable livelihood programme established wells in rural areas, including <i>soum</i> centres</li> </ul>

<sup>1</sup> Other donors supporting the sector include the Netherlands, and the Republic of Czechoslovakia.

### Key Measures to Improve Institutional Arrangements:

- Identify a central agency and institutional structure that takes primary responsibility for the WASH sector.
- Address the lack of clear institutional responsibility for rural water supply, services to *ger* areas and sanitation. Each of these areas needs clarification of institutional responsibility.
- Strengthen *aimag* and *soum* level local government capacity to manage WASH. Building public-private partnerships service delivery at this level might assist in capacity development.

## Sector Financing

While political and administrative responsibilities have been assigned to local governments, the responsibility for fiscal discipline and public sector performance rests with Mongolia's Ministry of Finance (MoF). Even though the Constitution and the 1992 Law on Government Administrative Units had advocated fiscal responsibilities to local governments, the 2002 Public Sector and Financial Management Law (PSFML) centralised fiscal controls.

Subordinate levels of government, including local government officials and central agency budget directors, act on behalf of the central government. As agents of the central government, local governments have some discretionary power to respond to local needs in implementing government policies. Hence, the present structure of intergovernmental relations and fiscal flows incorporates two competing directions of accountability. The first is 'vertical accountability' to the executive of the central government; the second is 'horizontal accountability' to the local *khurals* that are in turn accountable to the citizens and voters who elect them. Hence, the local government structure cannot be characterised as one that is understood as devolution, nor can it be characterised as deconcentration. While the central government has devolved a large part of its functions to local administrative units, it retains near complete fiscal control. For example, subsidies for local schools are allocated directly from the Ministry of Education, Culture and Science; for hospitals, from the Ministry of Health, and so on.

UNJPWSS in Mongolia reports that the Government of Mongolia (GoM), MoF, MRTCU, MoH and other key ministries, have estimated that the achievement of the MDGs for WSS would cost US\$874m. US\$336m. would be required for water and US\$537m. for sanitation (United Nations UNJPWSS, 2008, p.10). A large part of the investment would have to be donor funded and made through central government budgetary allocations, given the poor fiscal resources of local governments.

In Mongolia, budgetary revenues are the highest at central level, and decrease down to the local government levels in *aimag* and *soums*, where the administrative units, as well as revenue opportunities, become smaller. For instance, the percentage of budgetary revenue compared to expenditure is at a high 87% at the central level, compared to the average at the *aimag* level of 63%, and the average at the *soum* level of 35%.

### Key Measures to Improve Sector Financing:

- A comprehensive sector finance study is required to better determine gaps and inefficiencies, and provide a sound basis for developing sector financial strategies at national and local levels to consider how achievement of national goals and the MDGs might be financed, and to increase sector allocations.
- Both the rural and urban services sectors require a detailed analysis of financing flows to determine the routes and levels of existing financing mechanisms and how these might be improved.

- Sector financing is very dependent on central government support. A specific strategy needs to be developed to increase revenue flows, domestic capital support and international investment.
- Water tariffs are presently set without regard to the costs of water provision, partially due to the payment capacity of the consumers. Mongolian water tariffs require revision to achieve better cost recovery
- Fiscal incentives for waste disposal need further development and the ‘Polluter Pay Principle’ should be enforced into the penalty scheme.
- Water treatment facilities need rehabilitation and sound institutions and fiscal incentives for their sustainability.

## Sector Monitoring and Evaluation

The sector is characterised by a complete lack of consistent and comprehensive data across levels of government and institutions. There is no updated widely accepted set of national data on service access. Particularly weak are service coverage figures in *ger* areas, and for rural water supply and sanitation. Standard definitions of service levels need to be established. Monitoring of financial expenditure in the sector is also very weak, as a result there is little data from which to analyse efficiency, and unit costs.

### Key Measures to Improve Sector Monitoring and Evaluation:

- Clear responsibility needs to be given for developing and consolidating a national WSS database with widely accepted standard definitions of service levels. A nominated agency should establish clear sector information requirements and regular mechanisms for disseminating knowledge of service coverage.
- Consideration should be given to the development of *aimag* and *soum* WSS maps which specify service coverage and levels
- Tracking mechanisms are needed to be put in place to track public expenditure, including in the WSS, and link financial monitoring to sector monitoring.
- Develop a joint monitoring group that includes the government and all other stakeholders, and strengthens and empowers local governments.

## Sector Capacity

Of the 329 *soums*, 49.8% have a population of less than 3,000; 32.5% have a population in the range of 3,000–5,000; 10.3% have a population ranging from 5,000–10,000; and the remaining 7.3% have a population of more than 10,000. Given the size of the population that needs to be serviced at the *soum* level, there is a need to build capacity at the *aimag* level for planning, budgeting and implementation, while building some capacity at the *soum* level for implementation, maintenance and monitoring supervision.

Improving sector capacity at district and municipal levels is a key action to strengthen sector development.

### Key Measures to Improve Sector Capacity:

- Undertake a detailed activity mapping along the various tiers of government and the allocation of functions, funds and functionaries as appropriate across the different levels of central and local governments. Such clarification of functional responsibilities needs to be strengthened with the development of horizontal networks that link adequate capacity to the different tiers of government.
- Develop an appropriate framework for decentralization, combined with support to individual local governments to provide incentives to strengthen capacity at the local level.
- Implementation skills, capacity and experience must be acquired and developed.
- The private sector and NGOs must be mobilized to play more prominent roles.

# Sector Sustainability Overview

This section applies a sustainability scorecard for the sector and provides a quantitative and qualitative assessment of overall sector and sub-sector sustainability by assessing the status of success factors with regard to institutional and financial aspects of sustainability as recognised in the literature and among practitioners.

Performance on the 'success factors' is captured by specific questions. The scores range from 0–100%.

## Sector Sustainability Scores

Sector scores are:

- Rural and Small Towns Water Supply – 26%
- Urban Water Supply – 43%
- Rural and Small Towns Sanitation and Hygiene – 21%
- Urban Sanitation and Hygiene – 35%
- Overall Sustainability – 33%

Overall sector sustainability is low, the scores being brought down by institutional and financial factors and weak monitoring. Rural and urban water supply and urban sanitation scores were lowered by weak operations and maintenance (O&M), and management. Rural sanitation scores reflect the limited focus on behavioural change and targeted subsidies and success factors in financial sustainability.

### Key Measures to Improve Sector Sustainability:

- Review the WSS policy with a view to sector sustainability. In particular, examine the sustainability of financing arrangements and give specific consideration for *ger*, *aimag/soum* and services for nomadic rural populations.
- Develop a legal framework for WSS that stipulates standards, targets and defines a regulatory mechanism.
- Promulgate new laws specific to urban sanitation and rural water supply and sanitation.
- Develop a sanitation ladder that provides different options, and includes awareness-creation for communities and sector professionals. Other specific and urgent sanitation actions include: building improved pit latrines in rural areas, and improving waste treatment and sanitation at industrial plant sites.
- Provide greater support to *ger* households in improving private and communal sanitation facilities.
- Develop a higher profile of the WSS and better advocacy mechanisms within government.
- Find ways to develop the voice of WSS consumers.
- Document and develop appropriate technology options for service development in extreme environments e.g., rural sanitation.

# Acronyms

## Mongolia

<b>ADB</b>	Asian Development Bank
<b>Ger</b>	‘Ger’ is a tent/house
<b>GoAL WaSH</b>	Governance, Advocacy and Leadership for Water, Sanitation and Hygiene
<b>GoM</b>	Government of Mongolia
<b>MDGs</b>	Millennium Development Goals
<b>MFALI</b>	Ministry of Food, Agriculture and Light Industry
<b>MNET</b>	Ministry of Environment and Tourism
<b>MoF</b>	Ministry of Finance
<b>MoH</b>	Ministry of Health
<b>MRTCUD</b>	Ministry of Road, Transportation, Construction and Urban Development
<b>NGOs</b>	Non-Government Organisations
<b>O&amp;M</b>	Operations & Maintenance
<b>PSFML</b>	Public Sector and Financial Management Law
<b>RWSS</b>	Rural Water Supply and Sanitation Sector
<b>UNDP</b>	United Nations Development Programme
<b>UNICEF</b>	United Nations Children’s Fund
<b>UNJPWSS</b>	The United Nations Joint Programme on Water and Sanitation
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WB</b>	World Bank
<b>WSS</b>	Water Supply and Sanitation Sector

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