



**United Nations Development Programme
Country: MONGOLIA
Project Document**

Project Title: Governance, Advocacy and Leadership for Water, Sanitation and Hygiene (GoAL-WaSH) Programme in Mongolia, Phase II

UNDAF 2012-2016, Outcome 4:

- Equitable access to safe water and sanitation services in urban ger (traditional dwelling) areas and rural settlements

Country Programme Outcome(s):

- Innovative and cost-efficient technologies made available for reducing disparities in access to safe drinking water and adequate sanitation

Expected output(s):

Output One: Operation and maintenance capacities for water supply and sewerage collection systems strengthened at the local level

Output Two: Generated knowledge documented and disseminated nationally and regionally

Implementing Agency: Ministry of Construction and Urban Development (MCUD) of Mongolia

Brief Description

In the last few years, Mongolia made an impressive progress towards the MDG targets on increased access to safe water and adequate sanitation, especially for the period of 2009-2012. With current level of progress, the target on access to safe water is already achieved and one on adequate sanitation is likely to be met as well. Despite significant progresses, numerous challenges yet remain to be addressed, particularly relating to the capacity gaps at the local level to provide water supply and sanitation services. Building on the achievements of the GoAL-WaSH programme Phase I, the proposed project aims at addressing capacity gaps to apply the water and sanitation service delivery model at the local level and contribute to the implementation of the sector capacity development framework. Additionally, the generated best practices and lesson learned through the both Phases of the programme will be documented in the English language and disseminated in and outside the country.

Programme Period: <u>2012-2016</u> Key Result Area (Strategic Plan) _____ Atlas Award ID: _____ Start date: <u>December 2014</u> End Date: <u>March 2015</u> PAC Meeting Date _____ Management Arrangements: <u>NIM</u>	Total resources required: \$75,000 • Regular: \$ • Other: o Donor (SIDA): \$75,000 o Donor: _____ o Government: _____ Unfunded budget: \$ In-kind Contributions: \$50,000
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Agreed by Government:

D. Tsogtbaatar, Minister of Construction and Urban Development

Agreed by UNDP:

Sezin Sinanoglu, UNDP Resident Representative

15 December 2014

I. SITUATION ANALYSIS

In the last few years, Mongolia made an impressive progress towards the MDG targets on increased access to safe water and adequate sanitation, especially for the period of 2009-2012. Target on access to safe water is already achieved and a target on adequate sanitation is likely to be met as well (Table 1). MDG Roadmap on water and sanitation was developed and implemented in 2011. A methodology to account the access to safe water and adequate sanitation was reviewed and updated, based on which a national database was established and linked with a national statistical system. Public utilities service delivery model was developed and adopted for rural settlements. Investments to the water and sanitation sector significantly increased through the implementation of a new national programme focusing on provision of adequate housing to the country's population and renovation of rural settlement infrastructures. UNDP's GoAL-WaSH programme Phase I implemented in Mongolia has been catalytic in achieving the above. Despite significant progresses, numerous challenges yet remain to be addressed.

Disparities in access to safe water and adequate sanitation

Although considerable progresses were made, inequity is rather vivid from the statistics and the access levels are still very low in rural areas. The latest UNDP study shows, excluding few big cities, the provincial average access to safe water is 58% approximately and 22% for adequate sanitation¹. The low living standards in rural areas, exacerbated by limited economic opportunities result in internal migration to urban areas. As such, Mongolia is becoming one of the fastest urbanizing countries in the region and almost 70% of the country's population reside in urban areas. This in turn, puts an enormous pressure on urban social services delivery, among other issues.

Table 1. Percentage of population without access to safe water and adequate sanitation¹

	Water Supply				Sanitation			
	2006	2009	2012	MDG Target	2006	2009	2012	MDG Target
National average progresses (%)	60,8	52.2	21,6	40.0	73,4	70.0	62,7	60.0

With a low level of access to safe water and adequate sanitation in rural areas, Mongolia's relevant MDG Target is still considered as off-track in the fifth MDG report released in 2013. This is especially true for access to adequate sanitation. Although water price is increasing gradually, apartment dwellers in the capital city pay twice less than those live in ger areas for water. At the same time, apartment dwellers in the capital city consume 177.2 litres of water per pay, whereas a daily consumption of an average ger² dweller is 8.2 litres only, as per data by Ullaanbaatar city statistical office.

Accessibility of safe water can differ in ecological regions, mainly due to a high mineralization in water sources in Gobi-region. An estimated 50.7% of the population that are not connected to a centralized water supply system, fetch their drinking water from sources (distribution kiosks) at less than 200 meters, while 11.9% travel longer than 1,000 meters to reach their water sources. In Gobi region (Sukhbaatar and Dornogobi Provinces), almost one third of the population are provided with water from a distance longer than 1,000 meters.

¹ National mapping of access to safe water and adequate sanitation in Mongolia, UNDP/MCUD report, 2012

² Traditional dwelling made of felt with wooden frame

Government interventions to address the challenges

In order to expedite the achievements of relevant MDG targets and to address urban rural disparities, the Government of Mongolia started to emphasize rural development and significant developments took place in this area within the last few years. Currently, a National medium-term development programme is being implemented, within which complete renovations and establishments of soum (sub-district) center infrastructures are being prioritized through the “New soum” sub-programme. The programme allows renovation and construction of public buildings, heating and electricity supply networks, as well centralized water supply and sewerage collection and treatment systems. In the longer-term, through improvement of living conditions in rural areas, the Government aims to achieve reduction of mechanical movements and migrations of rural population to urban areas and associated pressures on urban social services.

In 2014 alone, a total of 16 soum centers were selected out of 330 such centers by the Government for the “New soum” sub-programme and approximately USD 45Mln was invested for implementation. The UNDP proposed service delivery model is being adopted and replicated in these soum centers. In 2015, additional 70 soums are expected to be covered by the programme, of which 50 will be managed through concession agreements and the remaining 20 through state budget allocation. Weakness in the “New soum” model lies in limited or non-existent human capacities at the local level to ensure normal operation and maintenance of newly established facilities. Although the Government ensures preparation of few technicians through intensified trainings, the issue needs to be addressed systematically.

Relevant interventions by UN agencies and other development partners

UN agencies are committed to assist Mongolia in improving social services delivery to its population. A specific Outcome under the United Nations Development Assistance Framework (UNDAF) 2012-2016 pledges the UN assistance in promoting equitable access to water and sanitation services in urban ger areas and rural settlements. For 2012-2013, the UN agencies have secured funding totalling USD 7,345,000, of which USD 4,340,000 was disbursed to contribute to these objectives. The 2013 UNDAF mid-term review indicates that inequality and disparity between urban-rural access to safe water and adequate sanitation remains a serious challenge. The review also pointed out a significant disparity in technical capacities between the large cities and the soum centers that needs to be addressed. This relates to the fact that the Public Utilities Service Organizations (PUSOs) are non-existent at the soum level (sub-district) and therefore requires a special consideration.

The multilateral funding institutions such as ADB provide soft loans to the Mongolian Government mainly focusing on upgrading water supply and sewerage collection and treatment systems in Provincial (Aimag) centers that are cities with an average population size of approximately 25,000. In 2014, ADB allocated a soft loan of USD 7 Mln for the improvement of soum centers that are being partially invested as a co-financing to the soum centers covered by UNDP’s ongoing Rural Water and sanitation programme.

Key achievements of UNDP’s GoAL-WaSH Programme Phase I

UNDP launched a global program, GoAL-WaSH (Governance, Advocacy and Leadership for Water, Sanitation and Hygiene) in 2008 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 Programme focuses on:

- Countries with low water and sanitation coverage projected not to achieve the water, sanitation or both MDGs;

- 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; and
- Close coordination with governments and key development partners active in water and sanitation at country level.

Mongolia was selected as one of the 12 countries targeted by the GoAL-WaSH programme Phase I. A total of USD 316,439.51 was invested by donor in the Mongolia programme. Specific objectives of the project were as follows:

1. **Leadership and Coordination:** To support the government in providing clearer leadership and better coordination to the Water Supply and Sanitation (WSS) sector.
2. **Roadmap to MDGs:** To assist government in implementing its action plan to meet the WSS MDGs and national planning objectives.
3. **Soum WSS Services:** A priority area for strengthening service development is in Soum WSS services. The project will clarify plans and approaches for Soum service development and develop strategic investment opportunities.
4. **Sector Advocacy:** The project will gather information, prepare advocacy materials and make the case to the Ministry of Finance and lead donors for increased investment in WSS services. The project team will actively support the global 'Sanitation and Water for All- a Global Framework for Action'.
5. **Knowledge Exchange:** The project will identify strategic areas to give key sector decision-makers exposure to regional best practices and assist in analysis of key issues in the sector.

Implementation of the GoAL-WaSH programme Phase I helped Mongolia to ensure considerable achievements in increasing access to safe water and adequate sanitation by addressing major governance bottlenecks and challenges. The key achievements within the above listed objectives include the following:

- Reflection of rural WSS mandate to Government Structure
- Development, adoption and implementation of a National roadmap to achieve Water and Sanitation MDGs
- Formalized management models for WSS Service delivery in rural settlements
- Updated assessment methodology for MDG WSS access coverage that is incorporated to the national statistical system and applied nationwide in data collection
- Adoption of numerous new technical standards to national system with focus on small-scale sanitation facilities
- Set of tools for direct application and replication, including engineering design for construction of small-scale monotype wastewater treatment plants

Ongoing UNDP programme on rural water and sanitation

Mongolia is benefitting from UNDP-Korea MDG Trust Fund by implementing a project on local level service delivery for rural water and sanitation for 2013-2014. It is a USD 2.25 Mln project funded by UNDP-Korea MDG Trust Fund and UNDP Mongolia. UNDP was successful in aligning the project interventions with a wider-scale government programme to improve conditions in rural settlements, which would considerably increase the overall impact of the project. Through

the UNDP-Korea Rural Water and sanitation project, eight more soums are added to the New *soum* sub-programme implementation along with a new co-investment model, with which local Governments at provincial (Aimag) and sub-district (*soum*) levels and local communities contribute to meet the investment needs. As such, a total of 24 soums are covered by the programme in 2014. From the capacity needs assessment through this project, specific capacity gaps were re-identified especially at the *soum* level in provision of water and sanitation services.

Water and sanitation service delivery model in rural settlements and associated challenges

Public Utilities Service Organizations (PUSOs) are non-existent in small-scale rural settlements or *soum* centers, primarily due to their small population sizes of approximately 1,500 in average. Therefore, until recently, the local Governments were responsible for the provision of water and sanitation services, as well as the operation and maintenance (O&M) of the facilities. Solutions were sought through the GoAL-WaSH programme Phase I and a suitable model was proposed. Unfortunately, capacities to take responsibilities through the adopted model were insufficient. In designing and implementing the New *soum* sub-programme, this constraint was not fully taken into account.

Based on the recommendations resulted through extensive consultations during the Phase I, a "Soum level WSS service management model" was developed. The model was formally adopted along with a "General guidance on modification of WSS service management model in aimags and soums" by a joint order of the Minister of Construction and Urban Development and Head of State Properties Commission. The model embodies a tri-partite contractual working arrangement between the central Government, Aimag level PUSO and local (*soum*) Government for ensuring the water and sanitation service delivery.

Since the formal adoption, the model is being applied in all rural/*soum* centers, including those covered by the New *soum* sub-programme. As the model is applied in a number of rural settlements, the challenges relating to the capacity gaps to operate and maintain the infrastructures are becoming extremely evident. The same findings and recommendations were resulted in through the capacity needs assessment undertaken through UNDP's ongoing Rural water and sanitation programme. There are no qualified technicians and plumbers at the *soum* level to ensure normal operation of the facilities. Within UNDP's ongoing Rural water and sanitation programme, *soum*-level technicians/plumbers are prepared through a custom-made intensified training course in collaboration with the Mongolian University of Science and Technology. This merely enables meeting a minimum requirement to ensure O&M of the established facilities at *soum* centers. Since no such training course is offered through the formal vocational education system, quality of service provision in rural settlements is subjected to the availability of technicians at the local level.

At the same time, the Local (Aimag) Governors and PUSOs are obliged to fulfil additional responsibilities at the local level to provide professional services. Aimag level PUSO will provide services and advices depending on the complexity of emergency cases and system malfunction incidences. Human, technical and financial resources will be emplaced in providing such assistance to local Government and local level Government officials and professionals need to be aware of the detailed roles responsibilities and other arrangements as per formal guidelines.

II. STRATEGY

Building on the achievements of the GoAL-WaSH programme Phase I, the proposed project aims at addressing capacity gaps to apply the water and sanitation service delivery model at the local level and contribute to the implementation of the sector capacity development framework. Additionally, the generated best practices and lesson learned through the both Phases of the programme will be documented in the English language and disseminated in and outside the country. Specific priorities reflected in the WSS sector capacity development framework supported by UNDP's ongoing Rural Water and sanitation programme will be the main policy document to be pursued along in developing such capacities, which was developed on the basis of the recent capacity needs assessment.

In short, the Phase II will help address the Government in addressing local level capacity gaps in WSS service delivery in a systematic manner, particularly in operation and maintenance (O&M). This will be achieved by implementing two interlinked outputs:

Output 1: Operation and maintenance capacities for water supply and sewerage collection systems strengthened at the local level

Output 2: Generated knowledge documented and disseminated nationally and regionally

Output 1. Operation and maintenance capacities for water supply and sewerage collection systems strengthened at the local level

During the implementation of the Phase I of the programme, as well as the Rural Water and Sanitation project it became evident that the capacities for O&M of water supply and sewerage collection system are non-existent in *soum* centers. This was identified as a priority in addressing capacity gaps at the local level. Therefore, the project will address the need to develop required capacities through intensified training course incorporated in the formal vocational education system in Mongolia, the deficiencies of which was reflected in the Water and Sanitation sector capacity development framework, development of which was supported by UNDP. Within the Component, a close collaboration and coordination of the project will be required with the MCUD, Ministry of Education, Construction College, as well as the Construction Development Center, a state-owned enterprise affiliated under the MCUD in order the programme to become a part of a formal vocational education system. Within this Output, development of a vocational education curriculum for service technicians and plumbers will be ensured as an essential element in applying water and sanitation service delivery model in *soum* centers and other small rural settlements.

Indicative activities are as the following:

- Develop a vocational education curricula and training modules for small-scale water and sanitation system based on the capacity needs assessment. At least two-stage intensified training course will be designed through a consultancy service, comprising of curriculum and content development, teaching techniques and certification.
- Incorporate the vocational education programme for service technicians to ensure implementation of service delivery model. Close cooperation with the Ministry of Education will be required in formalizing the curriculum and incorporating into the formal vocational education system.
- Identify individuals/training participants from local areas/*soum* centers. Altogether 70 *soum* Governments will have identified individuals to be prepared as technicians and plumbers. Inclusion of women candidates will be given priority.

- Roll out and conduct intensive and step-by-step trainings course for soum (sub-district level) level service technicians and plumbers. Two technicians from each soum, a total of 140 individuals will be prepared through the intensified training course, who will be directly employed by local Governments. Importance will be given to the provision of on-the-job training sessions, particularly during the construction of structures and facilities in respective localities (soums).

Output 2. Generated knowledge documented and disseminated nationally and regionally

The Phase I has been very successful in generating valuable practices that were replicated and up-scaled throughout the country, including the several fold increase in water and sanitation sector investment, water and sanitation service delivery and management model and methodology for accessing the water and sanitation service coverage that was incorporated into the National Statistical System. Building on the successes, UNDP was able to upscale and align its programme with the National programme through its ongoing programme on Rural Water and Sanitation. In this regard, Phase I was catalytic in making significant progresses in MDG7 target on safe water and adequate sanitation and the successes of the. The valuable lessons generated by the Phase I are documented mainly in the Mongolian language and need to be communicated in the English language especially with other GoAL-WaSH Programme countries. As the rural settlements are being provided with indoor water supply and sewerage collection facilities, importance of efficient and economic use of water need to be communicated to local communities through means of Behavior Change Communication (BCC). Hand-outs will be prepared, published in sufficient copies and distributed to every household in 70 soum centers. The training course participants who will later serve as technicians and plumbers at each locality will be the focal points for disseminating BCC materials to local communities through the local Government office. The project final report will also be prepared and shared with GoAL-WaSH programme and its pilot countries.

- Identification of best practices and lessons learned for documentation. In discussion with Government, knowledge generated by both phases of the GoAL-WaSH programme will be identified for consolidation, publication and further disbursement. In addition to a booklet on best practices, a project terminal report will be prepared in the English language. Types of BCC materials will be agreed upon in collaboration with UNICEF Mongolia, who has extensive experience in this area.
- Develop knowledge products on water and sanitation service delivery model and prepare project terminal report and publication design. Booklets on best practices will be prepared for several target groups, including central and local government, general public and other GoAL-WaSH programme countries. Behavior change communication (BCC) materials on economic use of water. including video lesson and handouts will also be prepared in the Mongolian language and disseminated to communities in rural settlements covered by the New-soum sub-programme
- Publish and facilitate knowledge exchange and dissemination of knowledge products in and outside the country

III. RESULTS AND RESOURCES FRAMEWORK

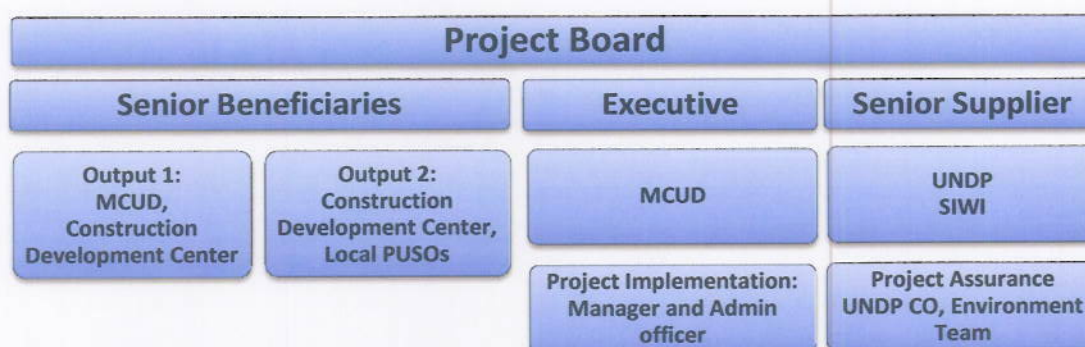
<p>UNDP Strategic Plan 2014-2017:</p> <p>Outcome 3: Countries have strengthened institutions to progressively deliver universal access to basic services</p> <p>Indicator: 3.2.2.A.3.1: Level of capacity of sub-national governments/administrations for monitoring delivery of basic services</p> <p>Intended Outcome and Outputs stated in the Country Programme Results and Resource Framework:</p> <p>Outcome 3: Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate</p> <p>Output 5: Innovative and cost-efficient technologies made available for reducing disparities in access to safe drinking water and adequate sanitation</p> <p>Output indicators as stated in the Country Programme Results and Resources Framework:</p> <p>Relevant indicator: Number of new or updated BCNS for energy efficiency, water and sanitation.</p> <p>Baseline: Needs determined for BCNS system improvement.</p> <p>Target: 10 developed/updated and enforced BCNSs on energy efficiency and 5 on water and sanitation</p> <p>Applicable Key Result Area (from 2014-2017 Strategic Plan): Sustainable development pathways</p> <p>Partnership Strategy: Partnerships will be further fostered with the Ministry of Construction and Urban Development, Construction Development Center, Local level Public Utilities Service Organizations, local (Aimag and Soum) Governments, Construction college, University of Science and Technology, and development partners and non-governmental organizations in engaged in public utilities sector.</p> <p>Project title and ID (ATLAS Award ID): GoAL-WaSH Phase II</p>						
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	TIMELINE		INPUTS (US\$)
				Q4	Q1	
<p>Output 1: Operation and maintenance capacities for water supply and sewerage collection systems strengthened in 70 sub-districts</p> <p>Indicator(s):</p> <ul style="list-style-type: none"> - Curriculum available for local level WSS technicians - Number of technicians in place in 70 soums covered by the New soum sub-programme <p>Baseline:</p> <ul style="list-style-type: none"> - No formal curricula available - No qualified personnel in soum centers 	<p>Targets (2014)</p> <ul style="list-style-type: none"> - Curricula developed for an intensified training course - Participants of the training course identified <p>Targets 2015</p> <ul style="list-style-type: none"> - Curricula and syllabus approved and incorporated into the formal training programmes offered at the Construction Development Center - 140 technicians and plumbers are trained and hired in 70 soums covered by New soum sub-programme 	<p>Develop a vocational education curricula and training modules for small-scale water and sanitation system based on the capacity needs assessment</p> <p>Incorporate vocational education programme for technicians to ensure implementation of service delivery model</p> <p>Identify individuals/training participants from local areas/soum centers</p> <p>Roll out and conduct intensive trainings for soum (sub-district level) level technicians</p>	MCUD	X		\$4,000
<p>Subtotal Output 1</p>						\$51,000

<p>Output 2. Generated knowledge documented and disseminated nationally and regionally</p> <p><u>Indicator(s):</u></p> <ul style="list-style-type: none"> - Number of knowledge products and communication materials <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - A number of related knowledge products and communication materials generated are only in the Mongolian language <p><u>Target:</u></p> <ul style="list-style-type: none"> - At least one knowledge product and project terminal report are prepared in the English language - Best practices booklet prepared for 2 target groups and published - 2 BCC materials prepared 	<p><u>Targets (2014)</u></p> <ul style="list-style-type: none"> - Initiate consolidation in the English language <p><u>Targets (2015)</u></p> <ul style="list-style-type: none"> - Finalized knowledge product - Project terminal report prepared and published - BCC materials prepared, published and distributed to 70 soums population - Publication and dissemination completed 	<p>Identification of best practices and lessons learned for documentation</p> <p>Documentation best practices and lessons learned and preparation of the final report</p> <p>Prepare publication design, publish and disseminate</p>	<p>UNDP</p> <p>MCUD</p> <p>MCUD</p>	<p>X</p> <p>X</p> <p>X</p>	<p></p> <p>X</p> <p></p>	<p>2,000</p> <p>2,000</p> <p>6,000</p>
Subtotal Component 2						
Subtotal (Component 1 + 2)						
Project management						
Project personnel						
Project operational costs						
General Management Support (GMS) fee and Direct Project Costs						
TOTAL PROJECT BUDGET (USD)						
						\$ 75,000

IV. MANAGEMENT ARRANGEMENTS

In implementing the proposed project, National Implementation Modality (NIM) will be adhered to. The management arrangements of UNDP's ongoing Rural water and sanitation programme will be directly applied. The Implementing Partner (IP) will be the Ministry of Construction and Urban Development (MCUD) with the same Project Board. Remuneration of the key personnel at the Project Implementation Unit (PIU) will be shared between two projects, namely for the National Project Coordinator (NPC) and Admin and Finance Officer (AFO). UNDP CO in Mongolia will have an appointed person for project implementation oversight and Monitoring and Evaluation. Partnership built with the other line Ministries, local governments, CSOs, private sector, academic institutions and key development partners during the Phase One will be further fostered.

The National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures (issued in July 2011) and *Harmonized Approach for Cash Transfers to Implementing Partners* (issued in 2014) will be used as overall guiding documents for project implementation. The Implementing Partner will be accountable to UNDP for the disbursement of funds and the achievement of the project objective and outcomes, according to the approved work plan. In particular, the Implementing Partner will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to UNDP and SIDA through SIWI on project delivery and impact. The overall programme management structure of the project is shown below.



The Project Board. The Project Board (PB) has the responsibility to supervise and monitor the project delivery according to the annual work plan and project document. The PB is chaired by the project executive and is also composed of the project suppliers and beneficiaries. The PB will meet at least once during the project implementation. The PB is responsible for making executive management decisions, including approval of work plans, budget plans and project revisions. Specifically the PB will be responsible for: (i) achieving co-ordination among the various government agencies; (ii) guiding the program implementation process to ensure alignment with national and local development priorities and sustainable resource use; (iii) overseeing the work being carried out by the implementation units, monitoring progress and approving reports; (iv) overseeing the financial management and production of financial reports; and (v) monitor the effectiveness of project implementation.

The Board will be chaired by the **project executives**: the Project Director appointed by the Minister for Construction and Urban Development and the UNDP Deputy Resident Representative who will co-chair the Board meetings. The project executives will be responsible for overall guidance and direction of the project, overseeing delivery of the project and deciding on corrective action for Board consideration as needed.

Beneficiaries will include the Construction college, Local level PUSOs, local Government and MCUD. Project beneficiaries are responsible for Co-ownership of the project from a user (stakeholder) viewpoint, ensuring the realization of the project results from the perspective of the beneficiaries, attending Project Executive Board meetings and reviews and recommending corrective action when required.

UNDP and Stockholm International Water Institute (SIWI) on behalf of the GoAL-WaSH programme will be the **Senior Supplier(s)** of the project. The **Senior Suppliers** represent the interests of the parties which provide funding and technical expertise to the project. UNDP and SIWI are responsible for making sure that progress towards the outputs remain consistent from the supplier perspective, the required resources are made available and contribute supplier opinions on Project Board decisions, arbitrate on, and ensure resolution of, any supplier priority or resource conflicts. The role of the Senior Suppliers is to advise on the selection of strategy, design and methods to carry out project activities; ensure that any standards defined for the project are met and used to good effect; monitor potential changes and their impact on the quality of deliverables from a supplier perspective; monitor any risks in the implementation aspects of the project.

The role of the **National Project Coordinator (NPC)** will be to: (i) ensure the overall project management and monitoring according to NIM guidelines; (ii) facilitate communication and networking among key stakeholders; (iii) organize the meetings of the PB; and (iv) support stakeholders. The NPC has the authority to run the project on a day-to-day basis on behalf of the PB within the constraints laid down by the PB and is responsible for day-to-day management and decision making for the project. The NPC's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Responsibilities include the preparation of progress reports which are to be submitted to the members of the PB. The NPC will also coordinate directly with UNDP. A monthly meeting between UNDP and the PIU will be held to regularly monitor the planned activities and their corresponding budgets in the project's Annual Work Plan (AWP). The NPC will be supported by an Admin and finance assistant in implementing the GoAL-WaSH programme Phase II.

The Project Assurance. The Project Assurance function will be performed by UNDP's Environment team and a representative of MCUD. The function supports the PB by carrying out objective and independent project oversight and monitoring functions, spot-check/audit/quality review of deliverables and outputs and exercising appropriate authority over transactions. The NPC ensures project management milestones are managed and completed. Project Assurance has to be independent of the NPC's role; therefore the PB cannot delegate any of its assurance responsibilities to the NPC.

V. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Assurance to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the NPC to the Project Board as cleared by the Project Assurance, using the standard report format.
- Regular spot checks and monitoring visits will be made by UNDP CO within its Project Assurance role.

End of project

- **Terminal report.** In the last quarter of the project implementation, Project Terminal Report will be prepared by the NPC, cleared by Project Assurance and submitted to the PB. Once Project Board accept he report, the Project Terminal Report will be submitted to donor (SIWI).

VI. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP in January 2012 and incorporated by reference, constitute a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) concluded by the Government of Mongolia and UNDP on 28 September, 1976. All CPAP provisions apply to this document.

This project will be implemented by the MCUD, Government of Mongolia (Implementing Partner). Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document. The Implementing Partner agrees to undertake all reasonable efforts to

provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document”.

VII. RISK ANALYSIS

As the proposed GoAL-WaSH Programme Phase II is designed to be implemented as thoroughly aligned with UNDP’s larger programme on rural water and sanitation and will build on its achievements, no critical risks will be envisioned with the proposed project.

#	Description	Probability	Impact	Counter measures/ Management response
1	Capacity-building curricula is not formalized and incorporated in the formal curricula of the Construction college	Low	Medium	The project will work closely with the Government and ensure the curricula/programme is properly developed and ready for adoption.
2	New <i>soum</i> sub-programme not rolled out in 70 additional <i>soums</i> in 2015 due to the low approved budget	Low	Medium	The project will work towards ensuring such an intensified training course is offered at the Construction college without being dependent on the New <i>soum</i> programme.