

**2030 Water Resources Group Mongolia**

**The Steering Board First Meeting (SB meeting) Minutes**

The meeting was held on 18th September 2014 in the Khaan Hall conference of the Ministry of Environment and Green Development (MEGD) and was chaired by J.Batbold, State Secretary of MEGD.

**The main objectives and agenda of the first Steering Board Meeting are:**

* Discuss proposed 2030 WRG Work plan draft**;**
* Approval of proposed 2030 WRG Work plan draft;
* Approval of Work Streams and their members;

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| **Agenda** | **Speaker/Facilitator** |
| 10:00-10:15  | Opening  | By: J. Batbold, State Secretary, MEGD C. Jakob, Co - Head Asia Middle East2010 WRG |
| 10:15-10:30 | Overview of the project  | By: D.Dorjsuren |
| 10:30- 10:45  | 2030 WRG Work plan presentation  | By: D.Dorjsuren  |
| 10:45-11: 50 | Discussion  | All Steering Board members  |
| 11:50-12:00 | Closing  | By: Gantulga, Director, Department of Policy Implementing and Coordinating  |
| 12:00- 13:00  | Break  |
| 13:00-15:00 | Work streams meeting WS#1- Room number 211 (Head: B.Gantulga)WS#2 –Room number 305 ( Head : T.Bulgan)WS#3- Room number 208 (Head: G.Ganbat) |

***Introduction & Presentations***

At the opening of the meeting, J.Batbold, Head of the Steering Board and State Secretary, MEGD and C.Jakob Co - Head Asia Middle East 2030 WRG gave a short speech. In summary, this includes:

Mongolia is becoming one of the important global centers for mining. Most of the mineral resources that are under the exploration and newly discovered deposits that have a strategic importance are located in the South Gobi region of Mongolia. Resource exploitation and processing industries will be established in this region of Mongolia, and presently there are major projects being developed, including Oyu Tolgoi copper and gold mine, Tavan Tolgoi coking coal mine, Sainshand Industrial park and many more.

Due to upcoming development in South Gobi, water demand is sharply increasing. In order to identify optimal water supply alternatives to meet the increasing water demand in the South Gobi region of Mongolia, we need your assistance and support. As MEGD, we are greatly appreciative for 2030 WRG’s cooperation on solving challenges the Mongolian water sector faces. We hope that we will continue to co-operate.

After the speech, D.Dorjsuren 2030 Country representative presented on the topic “Overview of the project and 2030 WRG Work plan draft”. After the presentation, members of the SC discussed regarding each of the activities within framework 2030 Work plan draft proposed by 2030 WRG.

***Key issues raised in the Meeting***

**Work Stream #1: Water demand and reduction: Water Supply Augmentation, identifying cost-effective solutions via hydro-economic analysis**

**Activities proposed by 2030 WRG**

1. **UB city –Water supply alternatives and cost effective solution analysis ; Ulaanbaatar-Central and Upper Source Tuul complex (including new drinking water source systems);**
2. Hydro Economic Analysis

Duration: Starts: October 2014

To do: Draft TORs, study done by external consultants

1. Choose, Design and Implementation of solutions (projects)

Starts: January 2015

**Discussion by the SC members:**

* Currently many analysis, studies and research in conjunction with identifying water supply sources are being carried out in the UB region such as re-estimation of groundwater resources of UB water supply;
* Conducting Hydro-Economic Analysis for UB water supply options should be postponed;
* Currently one of priority activities to implement in the country is conducting a Hydro Economic analysis for Brown Coal processing and Electricity producing in Nyalga- Shivee Ovoo- Brown Coal region; ( as State Secretary was emphasizing during the SC meeting);
* HEA should cover and include fresh water deposits in the South Gobi region;

**Inputs by the SC members:**

* Modify duration to conduct HEA for UB water supply alternatives from April 2015 to September 2015;
* Prepare ToRs to carry out HEA for Brown Coal processing and Electricity producing in Nyalga- Shivee Ovoo- Brown Coal region; Duration: Starts October 2014 and ends April 2015;
* Complete drafting ToRs by 15 October 2014
* Analysis should be conducted by both national and external consultants who offers full time to complete the work, should be someone who does not have duplicated jobs)
* Identify optimal sources to collect accurate data. It is one of the vital factors;
* The findings of the analysis must be shared and transparent at local level;
* Set up budget amount for each analysis;
1. **Tavan tolgoi ( TT ) water Supply options (Groundwater, surface water, multi-purpose water supply system)**
2. Hydro Economic Analysis

Duration: Starts: March 2015, Ends: June 2015

To do: Draft TORs, study done by external consultants

1. Choose, Design and Implementation of solutions (projects)

Starts: April 2015

**Current gaps discussed by the SC members:**

* Less analysis and studies have not been undertaken in the past and are being carried out currently, in particularly, to define optimal water supply alternatives and to identify most cost-effective solution to address challenges to meet the increasing demand in the South Gobi.
* Currently pre-feasibility studies for Tavan Tolgoi coal mining are being conducted. It will take to complete sometime. it would be to Carry out HEA for Tavan Tolgoi should be postponed until pre-feasibility studies are done as it will be.

**Inputs by the SC members:**

* Modify duration to conduct HEA for Tavan Tolgoi coal mining water supply alternatives from September 2015 to December 2015;
* ToRs should be done by July 2014;
* Analysis should be conducted by both national and external consultants who offer to work to complete the work, should be someone who does not have duplicated jobs);
* Identify optimal sources to collect accurate data. It is one of the vital factors;
* The findings of the analysis must be shared and transparent at local level;
* Set up budget amount for each analysis;

**Water demand Reduction option:**

* Undertake a review of water demand at mining entities in the Tavan Tolgoi region and compare against each other as well as against global water usage benchmarks( e.g average 0.3 l/ton for black coal processing);
* Identify water demand reductions that are already being implemented by coal mines in the Tavan Tolgoi and broader region ( e.g dry coal processing);
* Identify option for water demand reduction that are being implemented worldwide and which could be introduced to the Gobi region;

Water supply augmentation Options:

* Undertake separate water supply augmentation cost curve analysis associated with:
1. The widely distributed and low utilization supplies that are required to support herding activity ; and
2. The concentrated and high utilization supplies that are required to support mining activity and town development \.
* Identify currently established underground resource options in the Tavan Tolgoi and broader Gobi region (e.g. attached groundwater resources map).
* Assess options for provision of groundwater supply augmentation, considering the state of knowledge of resources (proven, indicated, resource) and the required effort and likelihood of success of undertaking supplementary investigations to demonstrate the resource.
* Assess options for provision of surface water for water supply augmentation from local, regional and national sources.
* Assess the environmental and social risks of utilization of each resource option (e.g. influence on shallow aquifers) and establish the cost of impacts/ mitigations associated with utilizations.
1. **Sainshand industrial park –Water Supply Option (Bor Hoowor-Kherlen water complex-Orkhon complex)**
2. Hydro-Economic Analysis;

Duration: Starts: July 2015, Ends: October 2015

To do: Draft TORs, study done by external consultants.

1. Choose, Design and Implementation of solutions (projects)

Starts: November 2015

**Current gaps discussed:**

Some issues regarding Sainshand industrial park –Water Supply Option should be solved at Government level. Thus, HEA for Sainshand should be postponed.

**Inputs by the SC members:**

* Modify duration to conduct HEA for Sainshand industrial park –Water Supply Option should launch in December 2015;
* Analysis should be conducted by both national and external consultants who offer to work full time to complete the work, should be someone who does not have duplicated jobs, so the consultant can focus)
* Identify optimal sources to collect accurate data. It is one of the vital factors;
* The findings of the analysis must be shared and transparent at local level;
* Set up budget amount for each analysis;

**2. Work Stream #2: Creating the right incentives for sustainable water resources management: Developing water Economics and Valuation of Water resources**

**Activities proposed by 2030 WRG**

1. **Analyze existing incentives in Water related laws**

Done by Mongolian an international expert (WB – IFC)

Revising existing Ecological and Economic valuation through best practices

Duration: October 2014, ends December 2014

**Current gaps discussed:**

Existing Water ecological and economic assessment must be analyzed and revised urgently based on evaluation of natural resources and best international practices to support economic development of the country;

**Inputs by the SC meeting:**

* Ensuring the participation of Agriculture, Transportation and Construction and Urban Development sector to the re-development of existing Water ecological and economic assessment ; ( National Water Board);
* Ensuring the participation of major private companies those that engage in water related activities such as Prestige Group and Mon-Hydro construction Ltd and representatives from River Basin Administrations to existing Water ecological and economic assessment; ( National Water Board)
* Especially, including representatives from RBA that are located in the South Gobi region to existing Water ecological and economic assessment; is very important (Mark Newby);
* Developing water economic valuation specifically focused on only mining field, not putting attention on many different areas;
* Duration should be starting from October 2014 to March 2015;
* Terms of Reference should be developed by 15 October 2014;
1. **Creating comprehensive incentives for draft for Water law ( legislations and regulations)**

Input by Mongolian and international expert (WB – IFC);

Duration: January 2015, ends end of June 2015

1. **Provide updated Water regulation drafts for MEGD ;**

Input by Mongolian experts and officials;

 Duration: July 2015 and ends December 2015,

* **This activity should be coherent to the activities of** Work Stream that was up at Government level to improve water legislation of Mongolia

 **Inputs by the SC members;**

* The manual for enforcing Water regulations should be developed;
* Law on Water pollution fee was enacted in 2012, but associated procedure is not yet developed. The procedure on Water pollution fee law should be developed urgently; ( Water National Board)

**3.Work Stream #3: Collaboration among stakeholders: Building capacity in the water sector for all concerned stakeholders;**

**Activities proposed by 2030 WRG**

1. **Analyse capacity gaps in water sector for enforcing laws and collaboration in private –public sector and civil society.**

Duration: October 2014 to December 2014,

**Current gaps discussed;**

Lack of coordination between institutional bodies and water law enforced weakly at both government and local level.

**Inputs by the SC members:**

* Analyze enforcement of the Water law at local level;( including local administration units, RBA and State protected areas );
* Involving participation of local representatives in the Multi-stake platform process
* Duration should be altered to October 2014 to December 2015,
* Analyse capacity gaps in water sector for enforcing laws and collaboration in private – private civil and civil society;
1. **Identify ways to close these gaps;**
* Look for partners who could do this;

 Duration: Stars January 2015

1. **Developing an optimal system and partners for public awareness including private, public sector and civil society.**

Duration: Starts April 2015

Inputs by the members of SC;

* Support to set up central and unified database on water resources and create optimal mechanism to exchange information; Duration: Stars January 2015 and ends December 2015
1. **Support development of River Basin Councils**

Duration: Starts January 2014 and ends January 2015

1. Support to set up central and unified database on water resources and create optimal mechanism to exchange information;
2. Support establishing and developing further River Basin Councils;
3. Support capacity building for human resources of River Basin Administrations;
4. Support with technical assistance for conducting activities to ensure multi-stakeholder participation in River Basin Administration;
5. Support organizing National Conference in order to develop further multi-stakeholder cooperation in water resource management;

***Conclusion & Next steps***

2030 Work plan draft must be discussed by WS#1, WS#2 and WS#3 members particularly how to accomplish it effectively and efficienty.

**Participants of the first Steering Board meeting:**

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| 1 | J.Batbold | State Secretary, MEGD |
| 3 | Ts. Badrakh | Secretary National Water Board |
| 4 | O.Sainbuyan  | Erdenes MGL State Owned Company, Executive director  |
| 5 | E.Zorigt  | Head, Green Policy Development Institute |
| 6 | Ch.Chimed-Ochir  | Head, WWF Mongolia Program Office |
| 7 | Johan Ramon | Head of the program, Natural Resource Management Advisor, SDC  |
| 8 | Mr.Mark Newby  | Environmental manager, OyuTolgoi Mine |
| 9 | S.Bayarmaa  | Officer, Department of Policy Implementation and Coordination, MEGD. Represented by B.Gantulga, Director of Department of Policy Implementation and Coordination |
| 10 | D.Odjargal | Officer, Division of Clean Technology and Science, MEGD. Represented T.Bulgan Director, Department of Green Development, Policy and Planning MEGD  |
| 11 | Bastiaan Mohrmann | Co - Head Asia Middle East 2030 WRG |
| 12 | Christoph Jakob  | Co - Head Asia Middle East 2030 WRG |
| 14 | D.Dorjsuren  | 2030WRG Mongolia Country Representative  |
| 15 | O.Altai  | 2030WRG Mongolia Short Term Consultant  |