



Final Evaluation

ROK-UNDP MDG Trust Fund & MCUD Project

Scaling up Support to Local Service Delivery
for the MDGs: Rural Water and Sanitation

Republic of Korea (ROK) -

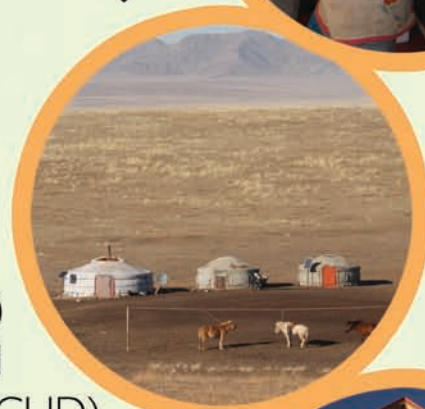
United Nations Development Programme (UNDP)

Millennium Development Goals (MDG) Trust Fund

Ministry of Construction & Urban Development (MCUD)

Undertaken by

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Final evaluation of the Project 'Scaling up Support to local Service Delivery for the MDG's Rural Water and Sanitation – MON/13/302'

January 2015

Undertaken by

Ms Sophie van der Meeren

For:

UNDP Mongolia

Republic of Korea (ROK) - United Nations Development Programme (UNDP) MDG Trust Fund

Ministry of Construction and Urban Development of Mongolia

Country: Mongolia	Project No	MON/13/302
	Project Type	Environment and Governance
	UNDP MDG Trust Fund ID	
Donor	The Republic Of Korea – UNDP MDG Trust Fund	
Responsible Parties	Ministry of Finance, Local Governments of Mongolia, UNDP Mongolia, BDP UNDP	
Implementing Partner	Ministry of Construction and Urban Development of Mongolia	
Focal Area	Water Supply and Sanitation, Local Service Delivery Rural Development,	
MDG Focal Area	MDG 7 Ensure Environment Sustainability, 7C Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation	
UNDAF Outcomes	<p>UNDAF Outcome 4: 'Equitable access to safe water and sanitation services in urban ger areas and rural settlements'. This Outcome sits under UNDAF Priority Area 'Basic Social Services and Social Protection'</p> <p>UNDAF Outcome 12: 'Strengthened governance for protection of human rights and reduction of disparities'. This Outcome sits under UNDAF Priority Area 'Governance and Human Rights'</p>	
CPAP Outcomes and Outputs	<p><u>Outcome 2</u>: Strengthened governance for protection of human rights & reduction of disparities.</p> <p><u>Output 1</u>: Policy framework for decentralisation created; local government capacity for service delivery increased.</p> <p><u>Outcome 3</u>: Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate.</p> <p><u>Output 5</u>: Innovative and cost-efficient technologies made available for reducing disparities in access to safe drinking water and adequate sanitation</p>	

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Acronyms and abbreviations used in the Report

ADB	Asian Development Bank
Aimag	Province
APR	Annual Project Review
AUSAID	Australian Agency for International Development (former)
AWP	Annual Work Plan
Bagh	Sub District / lowest administrative unit
CD	Capacity Development
CEO	Chief Executive Officer
CO	Country Office
CPAP	Country Programme Action Plan (UNDP)
CTO	Chief Technical Officer
DDDC	Detailed Design Drawings for Construction
EIA	Environmental Impact Assessment
EOP	End of Project
FAO	United Nations Food and Agriculture Organisation
GO	Governors Office
GoAL WaSH	Governance, Advocacy and Leadership for Water Sanitation and Hygiene Programme
IP	Implementing Partner
Khural	Council of elected representatives
KOICA	Korea International Cooperation Agency
LFA	Logical Framework Approach
LGSP	Local Governance Support Programme
MCUD	Ministry of Construction and Urban Development
MDG	Millennium Development Goals
MIA	Ministry of Industry and Agriculture (former)
M&E	Monitoring and Evaluation
MEGD	Ministry of Environment and Green Development (former)
MEGDT	Ministry of Environment, Green Development and Tourism
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOH	Ministry of Health
MOI	Ministry of Industry
MOU	Memorandum of Understanding
NPC	National Project Coordinator
NDS	National Development Strategy
NIM	National Implementation Modality
NGO	Non-governmental organisation
NPD	National Project Director
PSU	Project Support Unit
PIU	Project Implementation Unit
PUSO	Public Utilities Service Organisation
RO	Regional Office
ROK	Republic of Korea
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
Soum	District
TOR	Terms of Reference
UNCT	United Nations Country Team
UNICEF	United Nations International Children's Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WATSAN	Water and Sanitation (system or facility)
WSS	Water Supply and Sanitation
WTO	World Trade Organisation

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EXECUTIVE SUMMARY

Summary of Project Final Evaluation Findings

Project Design

1. The Project for 'Scaling up Support to local Service Delivery for the MDG's: Rural Water and Sanitation' was developed between 2008 and 2012 with inputs from UNDP Mongolia Country Office (CO) and from UNDP Regional Bureau for Asia-Pacific, and Bureau for Development Policy. It was a 2 year Project with total funding of US\$2,250,000, allocated for 2013 and 2014¹
2. The Project responds to the urgent need to accelerate Mongolia's off-track target of achieving MDG target 7C to 'halve by 2015 the proportion of the population without sustainable access to safe drinking water and basic sanitation'. Project design highlights the disparities that exist in access to safe water and adequate sanitation between rural and urban areas. This is particularly the case at the Soum (district) level where access to water is mostly by hand from wells, or purchased from vendors, and sanitation is through pit latrines or low capacity septic tanks. The Project focuses on improving water and sanitation service provision in rural areas. Within the MDG Acceleration Framework, the Project aims to 'foster capacity development by enabling local governments to fully undertake their assigned functions in rural water and sanitation, enhance local resources mobilization, improve the quality and access of service delivery, thus contributing to the achievement of the national MDG 7 target by 2015'.²
3. The Project has three component Outputs:
 - Output 1: Improved Oversight, Monitoring, Policy Coordination and Service Delivery Arrangements for Rural Water and Sanitation
 - Output 2: Capacity of Local Institutions Strengthened for Improved Service Delivery
 - Output 3: Water and Sanitation Services Expanded in the Selected Areas
4. The Project's National Implementing Partner is the Ministry of Construction and Urban Development (MCUD), responsible for rural water and sanitation service provision in Mongolia
5. The overall concept and strategic analysis in the Project Document are sound, design builds on the results and lessons-learned from previous water and sanitation initiatives, and aligns Project support within the context of water and sanitation targets in the National Development Strategy (NDS), UNDAF and CPAP. Project Outputs and activity areas help to address key gaps in national systems and capacity for rural water and sanitation service provision, and link directly to achievement of CPAP Outcomes and Outputs. The definition of intended results is however weak, with a focus on completion of activities, the Project Document contains no indicators that can be described as 'performance indicators' for measuring the quality and impact of Project results.

Project Inception

6. Development of water and sanitation facilities in Soums forms part of MCUD's Public Investment Programme under the New Soum sub-programme. MCUD have adopted an integrated, centralised monotype engineering design, developed under the UN Joint Programme,³ as a model for nationwide roll out to improve water and sanitation service provision in Soums.
7. MCUD requested that Project funds be used to support the design and construction of these centralised, integrated WATSAN facilities under the New Soum Programme. In particular, they requested that Project support under Output 3 contribute to the establishment of centralised WATSAN in 8 target Soums, rather than for the installation of stand alone, small scale facilities in 10 Soums, as was outlined in the Project Document.

¹ rather than from the time of Project signature.

² Project Document 'Scaling up Support to local Service Delivery for the MDG's: Rural Water and Sanitation'

³ This model was piloted under the UN Joint Programme in Zereg Soum of Khovd Aimag & Bulgan Soum of Umnugovi Aimag.

8. The agreements made between UNDP, MCUD, local Aimag and Soum Governments, and approved by the Project Board, during the initial start up period of Project implementation, significantly changed the scale, scope and approach of Project support, particularly under Project Output 3. The Project was no longer *establishing* stand alone small scale water and sanitation facilities in target Soums; it was *contributing to* the establishment of larger, centralised WATSAN systems in those Soums, within a broader, nationally led initiative that aims to improve living conditions in Soums.⁴
9. UNDP welcomed the opportunity to align Project support closely with national processes and priorities, build on results under the UN Joint Programme and foster strong ownership of Project results by MCUD and local Aimag and Soum authorities. This fitted well with the partnership approach outlined in the Project document and reflected good development practice. It is fully in line with the objectives of UNDP's National Implementation Modality (NIM) approach and ROK-UNDP MDG Trust Fund development principles.
10. In order to enable full integration of Project support within MCUD and local Aimag and Soum government systems, however, it was necessary for UNDP to undertake a number of assessments to ensure that national financial management and procurement systems were fully compliant with UNDP Rules and Regulations. Given the short timeframe allocated for Project implementation, it was a major challenge for UNDP to complete these assessments in time to enable infrastructure development to be undertaken in the short spring/summer construction window. Assessments were completed and authorisation given by UNDP for funds to be managed by MCUD in June 2014: 6 months before the end of the Project. Subsequent contracting of companies to construct the facilities was completed by MCUD in September 2014: 3 months prior to the end of the Project.
11. The shift in the approach, scope and scale of Project support has significant implications for the extent to which originally intended results and targets in the Project Document are viable within the short timeframe available for Project implementation. This is particularly relevant to Project Output 3. It is clear, in retrospect at the time of this Final Evaluation, that the timeframe required for installing the larger, centralised WATSAN facilities in the 8 target Soums, and therefore for the establishment of functional water and sanitation facilities providing improved services at target Soums, was longer than that available under the Project.
12. The Project Document and Results & Resources Framework were unfortunately not updated to reflect the changes made during inception. There is therefore no official amendment or addendum to the Project Document. Given this, the Final Evaluation consultant has worked closely with PIU to go through all the Project archives in order to locate letters and agreements between MCUD, UNDP and the Project Board that can be construed as official agreements on the significant shift in Project scope, scale and approach, and which outline the changed 'deliverables' agreed under Output 3. These are appended to this evaluation report as Annexes 3 to 7.
13. PIU did amend the Project's monitoring matrix but the indicators and targets in this matrix remain based on the anticipated results and targets outlined in the Project Document; they do not reflect the changes made during inception.

Project Implementation

14. A Project Implementation Unit (PIU) was established, based in the capital city UlaanBaatar. PIU worked closely with local Project Support Units (PSU) set up in each of the Aimags (provinces) where Project activities were focussed.
15. The implementation approach established under the Project places a strong emphasis on partnership building, close alignment with national approaches and processes, stakeholder involvement and the integration of Project activities within national initiatives, working through local representative political structures. This can be seen as the bedrock on which Project support has been built. Project implementation also successfully built on the results and lessons learnt under previous UNDP projects and water and sanitation initiatives.

⁴ Under the new Soum Programme, MCUD is supporting local authorities to address a range of priority areas within Soum Master Plans, including improvements to heating systems, roads as well as for improved water and sanitation facilities.

16. Participatory planning and decision making are embedded in the governance structures at the Soum and Aimag levels; the Project supported application of the Local Development Fund (LDF) at the target sites and enhanced the capacity of local authorities and Soum residents for participatory planning, decision making and assessment. The implementation approach also helped to raise the profile of the water and sanitation agenda at all levels and to increase awareness and understanding of water and sanitation issues and potential solutions.

Financial Management

17. At the time of the Project's Final Evaluation, 96% of the Project budget has been spent, total expenditure is US\$2,161,035.69. A two month no cost extension to the Project has been agreed to the end of February 2015. As can be seen in the table below there was a significant increase in funding allocated to Output 3, compared to that originally envisaged in the Project Document; 84% of total Project funds were allocated to Output 3.
18. Due to the increased cost of installing centralised WATSAN systems in the target Soums, local contributions to water and sanitation infrastructure developments at the target sites were also increased from the US\$500,000 originally envisaged in the Project Document as co-financing, to approximately US\$970,000 (1800 million Mongolian Tugrig); this reflects the commitment of MCUD and local Aimag and Soum Governments to improving water and sanitation facilities and service provision arrangements. Additional funds for infrastructure developments were obtained from an ADB loan programme that was already supporting the development of heating and other infrastructure developments in the target Soums. Total financing from ADB was around US\$2,400,000 for all infrastructure developments (including for heating, roads and contributions to water and sanitation).

Planned and Actual Project Expenditure

Project Output	Planned Budget US\$	Actual Expenditure US\$	Discrepancy US\$
Output 1.	450,000	96,813.29	353,186.71
Output 2.	400,000	98,835.36	301,164.64
Output 3.	1,000,000	1,819,991.84	819,991.84
Project Management	400,000	132,907.51	267,092.49
US\$/MNT gain/ Loss		12,487.69	12,487.69
Totals	2,250,000	2,161,035.69	88,964.31

19. The interpretation of 'Project co-financing' in many ways changed along with the changes made to the scale, scope and approach of Project support during inception. The agencies contributing to development of the centralised WatSan facilities at the Project sites (local governments, MCUD and ADB) were not in essence co-financing the achievement of specific Project Outputs; ROK-UNDP MDG Trust Funds were contributing to the implementation of a larger WATSAN infrastructure development initiative, led by national and local agencies, with each partner funding different components, including heating, electricity, water and sanitation. All partners pooled funds in this broader, integrated, nationally led, local infrastructure development initiative.

Summary of Results

20. Evaluation of the level of achievement of Results uses the indicators and targets established in the Project's amended monitoring matrix, against the baseline in that matrix, within the context of originally intended development results and impact, as outlined in the Project Document. The Evaluation also takes in to consideration, however, the changes made to the scale, scope and approach of Project support, during inception and the associated changes to anticipated deliverables and results at target sites⁵. *Rating of Output Results* in this Final Evaluation Report is based on the amended deliverables and anticipated results agreed by the Project

⁵ agreed between UNDP, MCUD and the Project Board

Board during Project inception⁶. This is particularly relevant to the rating of results achieved under Output 3.

21. *Evaluation of Project impact, relevance, effectiveness, efficiency and the likely sustainability of development results* is based on evaluative analysis against the Project's overall Objective, anticipated development results and impact, as outlined in the Project Document. The changes made to the scale, scope and approach of Project support during inception do not in any way alter the overall Objective and intended impact of the Project. They do however have implications for the extent to which it would be plausible for the Project to achieve intended results within the short timeframe available for Project implementation.
22. The Project has achieved a remarkable amount in a very short timeframe. The Project establishes sound partnerships with key stakeholders, strong ownership by national and local governments, aligns closely with national strategies, plans and approaches, contributes directly to national and UNDP MDG targets, and is based on participatory decision making processes under the IBL. The result is that UNDP harnessed a real opportunity for the relatively small amount of Project funding to contribute, in a short time frame, to a much more substantial nationally led initiative, and to help build capacity for implementation of that initiative.
23. Project interventions have been incorporated within the New Soum sub-programme under Mongolia's National Medium Term Development Programme, helping to increase the capacity of local authorities, service providers and communities in target Soums for the design and implementation of rural water and sanitation initiatives. The Project has also supported MCUD and local governments at the 8 target sites to apply systems, approaches and tools for water and sanitation service provision that were developed under previous UN supported initiatives.
24. At the time of this Final Evaluation a number of key areas of intended impact are not yet evident, however, this is particularly the case under Output 3. The Project has completed all 'deliverables' that were agreed with MCUD and the Project Board under Output 3. However, achievement of intended development impacts in terms of the demonstration of actual improvements to water and sanitation service provision at all target sites, requires both a longer timeframe, and relies on further inputs by the Project's implementing partners following the end of the Project.
25. The description of intended results in the Project Document and the indicators and targets in the Project's updated monitoring matrix, under Outputs 2 and 3, retain a focus on the *establishment of water and sanitation facilities* at each of the target sites, and on measurement of the impact of these established and functional facilities in terms of improved, *expanded service provision* for water and sanitation at the target sites. These indicators are important for demonstration of an actual development impact towards strengthening water and sanitation service delivery.
26. To demonstrate that the water and sanitation service model supported through the Project has actually strengthened service delivery at the target sites, facilities need to be functional and operation needs to be sustainable. At the end of the Project, one target site has an operational WATSAN facility with greatly improved water and sanitation service provision for public service buildings. Since the end of the Project, MCUD has reported that two additional target Soums also now have functional WATSAN facilities. In five of the Project's target sites, water and sanitation facilities are not yet functional; in the short timeframe (3 months) available for installation of these facilities, this was not realistic before the end of the Project.
27. There are a number of important lessons here for consideration by the ROK-UNDP MDG Trust Fund; in particular relative to the challenge of defining discrete, time-bound project results and development impacts, while at the same time contributing to broader, nationally led development initiatives, that continue beyond the life of a project. This is particularly an issue for projects with short timeframes.
28. The potential future impact of Project support is clear at the target site in Buren Soum, which does now have a functioning WATSAN system; this Soum was visited during the Final Evaluation. A number of public service buildings including the school, dormitory and

⁶ Refer Annexes 3,4,5,6 & 7 for UNDP records and official agreements outlining these changes

kindergarten have been connected to the system and now have functioning, gender sensitive, water and sanitation facilities which have greatly enhanced living conditions and associated health impacts.

29. Under each of the component Outputs, the Project has made a number of significant contributions towards strengthening service delivery for rural water and sanitation service delivery in Mongolia.
30. Under Output 1 the Project has commissioned a number of important studies, with associated recommendations and strategic guidance to MCUD and local Governments on mechanisms for 'improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. The actual uptake, use and impact of these studies will, however, only become evident following EOP, due to a number of externalities that affected Project implementation.
31. Under Output 2 the Project has supported capacity building for the design, implementation and monitoring of rural water and sanitation service delivery initiatives. Impacts are evident within MCUD, local Aimag and Soum Governments, Public Utility Service Organisations (PUSO) and for communities at target sites. This is likely to also have a broader impact in strengthening capacity for participatory local development planning and livelihood improvement initiatives in Soums. It will only, however, become evident whether capacity building support under the Project will result in an impact whereby the *'capacity of local institutions is strengthened for improved service delivery'*, once water and sanitation facilities have been installed, are operational, and services are being 'delivered'.
32. Under Output 3 the Project has contributed to the installation of integrated, centralised WATSAN facilities at each of the target sites, under the 'New Soum' Programme. The Project has provided all component parts of the WATSAN systems that were agreed with MCUD, to a good standard; all of the amended 'deliverables' agreed during inception have therefore been completed. Support has also been provided for the development of a Soum level service delivery model at each of the target sites. The Project has in addition supported awareness raising and increased understanding of water and sanitation issues and potential solutions through the establishment of Water-Life-Participation Centres as part of a behaviour change initiative for school children and the Soum Centre Population at each of the target sites. It will only, however, become evident whether these Project contributions will result in an impact that meets the Output objective of 'water and sanitation services expanded in the selected areas' following EOP, once installation of WATSAN facilities at all the target sites has been completed by MCUD, local government agencies and ADB, and once these are facilities are functional and providing 'water and sanitation services'.
33. The overall aim of the Project, to which the three Outputs contribute is described in the Project Document as: 'to foster capacity development by enabling local governments to fully undertake their assigned functions in rural water and sanitation, enhance local resources mobilization, improve the quality and access of service delivery, thus contributing to the achievement of the national MDG target by 2015'.
34. The Project has helped to 'foster capacity development' and 'enhance local resources mobilisation'. However the fact that the Project was one cog in a larger, nationally and locally led initiative means that the anticipated development results⁷ and impacts in terms of actual improvements to rural water and sanitation service provision, which will 'enable local governments to fully undertake their assigned functions in rural water and sanitation....and improve the quality and access of service delivery' will only become evident following the end of the Project.
35. Linked to this, assessment of the likely sustainability of Project results in terms of strengthened service delivery for rural water and sanitation is again very difficult to determine at EOP given that a) water and sanitation facilities are still being installed in the majority of the Project target sites b) water and sanitation facilities in the majority of Project target sites are therefore not operational and the sustainability of service provision arrangements can not be determined and

⁷ A development result in this context is a 'a describable or measurable development change resulting from a cause-and-effect relationship'

c) insufficient time has elapsed for institutional impacts of the studies, guidelines and tools developed under the Project to be evident.

36. An ex-post evaluation is strongly recommended to assess Project impact and the sustainability of Project contributions to rural water and sanitation service delivery.

37. **Lessons Learnt**

38. Part VII of this Final Evaluation report provides analysis of a number of lessons learnt. These are as follows:

- The importance of documenting significant changes to the scale, scope and/or approach of a project in an addendum to the Project Document and to amend anticipated results, targets and impact indicators to reflect this.
- The importance of including Quality Criteria, SMART Performance Indicators and a Clear Monitoring and Evaluation Framework within Project Design
- The positive impact of incorporating local Project Support Units (PSU) where staff are part of local beneficiary organisations, to support capacity building as well as effective Project implementation.
- Where a project is contributing to components of broader, nationally led and implemented initiatives, with a longer timeframe than that of the project, there is a need to carefully consider and define specific project results and impacts and / or include ex-post evaluation as standard.
- There is a need for Donors to recognise that short project timeframes and deadlines can increase risk taking by national/local agencies. Linked to this is an opportunity for the ROK-UNDP MDG Trust Fund to provide support to national and local partners in risk assessments.

Recommendations

Recommendation 1:

UNDP is strongly urged to consider the benefits of undertaking an ex-post evaluation of this Project in one to two years time. UNDP and KOICA might like to consider the potential benefits of combining an ex-post evaluation with a scoping study for potential future support to rural water and sanitation in Mongolia, building on the results and lessons learnt from this Project.

Opportunities exist for UNDP and KOICA to build on the partnerships that they have forged under this Project in order to develop and increase the impact of their work in support of water and sanitation service provision within sustainable rural development agendas. In 2016 KOICA Mongolia Office will be developing a new Country Partnership Strategy with a likely increased focus on rural development. They view UNDP as an important partner in this area. UNDP Mongolia Country Office will also be developing a new CPAP. There would be significant benefits for both organisations in close collaboration during the development of their respective strategic directions, to explore opportunities for harmonisation.

Recommendation 2:

There is a need to ensure that Project Documents clearly outline intended impacts and results; this includes the need to incorporate specific, measurable, achievable, relevant and time bound (SMART) indicators and targets, as a means of measuring project results and impact. This is essential for effective monitoring and evaluation of project results and in order to guide results based management during project implementation. The ROK-UNDP MDG Trust Fund might like to look at developing guidance to strengthen Project Design templates for UNDP Country Offices and partner organisations to ensure that Project Documents incorporate clear Result and Impact indicators, and that Project monitoring and evaluation frameworks meet international standards.

Recommendation 3:

Where significant changes to the scale, intended impact or focus of a project are made during or following inception, corresponding amendments should be made to the Project Document, or an addendum added to the Project Document, agreed with all relevant parties, and signed off by the Project Board/Steering Committee. Risk assessment should be undertaken to assess the implications of

changes to the scale, scope or approach of a Project. Impact indicators should correspondingly be amended in the project's monitoring and evaluation framework. It would be useful for UNDP and/or the ROK-UNDP MDG Trust Fund to develop guidance in this area.

Recommendation 4:

Adequate timeframes are required to support water and sanitation infrastructure projects of this scale in Mongolia, particularly given the short construction season. Timeframe is obviously relative to scale of infrastructural development proposed, but it is important that this is fully considered as part of Project design, including comprehensive risk assessment.

Recommendation 5:

Donors and national/local funding agencies are advised to fully assess total funding required to establish operational WATSAN systems, prior to commissioning their installation. Following completion of, and based on, the Detailed Design Drawings for Construction (DDDC), donor and national partners will be able to assess the funds required for completion of functional WATSAN facilities. This information would strongly support risk assessment by all partners.

Where a donor funded project is contributing to construction of elements of WATSAN systems, the evaluator suggests that it would be sensible for project funds to be released only once other sources have been identified to meet total funding required to complete the facilities. This approach would significantly reduce the risk of insufficiency of funds to complete WATSAN systems following the end of a project.

At the five remaining Soums supported through this ROK-UNDP MDG Trust Fund Project, there is an urgent need for MCUD and local authorities to find the funds required to complete the installation of centralised WATSAN facilities, and to ensure that these become operational.

Recommendation 6:

It is important that donors and national/local agencies assess the financial viability of operation and maintenance of WATSAN systems as part of decision making on whether to install them or not. The decision on whether to install a centralised WATSAN should include assessment of the financial viability of service delivery (based on technical data relative to the capacity of the system / number of proposed users). It will then be possible for decision makers to estimate the number of users/ tariff rates required for sustainable operation, as part of feasibility analysis.

At all 8 Soums supported through this ROK-UNDP MDG Trust Fund Project, there is an urgent need to assess the predicted costs of service delivery to the public service buildings that are/will be connected to the centralised WATSAN systems, and to assess financial implications of increasing the number of residents connected into the system. In relation to this it will be important to assess the cash flow and liquidity of PUSO responsible for local service delivery at each site, and the implications of this for revenue generation through water tariffs. This will enable local and national authorities, and PUSO, to assess the financial sustainability of the tripartite model at each site, and to identify mechanisms to ensure sustainable service provision at each site.

Summary of Final Evaluation Ratings⁸

	Rating
Project Design	Moderately Satisfactory
Implementation approach	Good
Achievement of intended Results ⁹	
Output 1	Satisfactory
Output 2	Good
Output 3	Satisfactory

	Rating	Scale
Project Relevance:	Good	2
Project Effectiveness:	Satisfactory	4
Project Efficiency:	Good	2
Project Impact:	Project Implementation timeframe too short to evaluate	NA
Project Sustainability:	Project Implementation timeframe too short to evaluate	NA

⁸ The Evaluation uses the following ratings: Excellent; Good; Satisfactory ; Moderately Satisfactory; Unsatisfactory; Not applicable

⁹ Ratings are based on the amended scope, scale, approach and deliverables agreed by the Project Board during inception

PART ONE: INTRODUCTION

Objectives of the Evaluation and Outline of the Evaluation Methodology

39. The Final Evaluation was an opportunity to review all aspects of the ROK-UNDP MDG Trust Fund Project from design, implementation, monitoring and financing arrangements, to an assessment of the processes that affect attainment of intended results. The Project was evaluated using standard UNDP evaluation criteria and gives ratings for relevance, effectiveness efficiency, impact and sustainability. It considers the extent to which the Project is supporting the Government of Mongolia in achieving relevant national strategic objectives, and its contribution to relevant UNDP CPAP & UNDAF objectives and targets.
40. Lessons Learnt are assessed and a number of Recommendations are made to support the sustainability of Project results, as well as for consideration by future WATSAN initiatives in Mongolia, and more broadly by UNDP, MCUD and the ROK-UNDP MDG Trust Fund.
41. The evaluation was undertaken by an independent evaluation specialist, supported by a UNDP officer who provided support with translation and sourcing key information. 23 days were allocated for the evaluation with 6 days for in country consultation and site visits. Within this, 3 days were allocated to site visits and consultation with stakeholders at three of the Project sites: Zuundelger 4th bagh of Zuunmod Soum; Buren Soum of Tuv Aimag, and Delgertsogt Soum of Dundgobi Aimag. The remaining 3 days in Mongolia were allocated to consultations at the national level, preparation and presentation of initial evaluation findings and debriefing.
42. The short time frame allocated by UNDP for the evaluation presented a number of challenges, in particular to support consultation with all key stakeholder groups in country. Travel to Project sites required relatively long distances, mid winter. The only solution was to select the Project sites closest to Ulaanbaatar, with one site not connected by road. Even then however it took on average 6 hours travelling each day to reach the Project sites. Thanks to the good will of local stakeholders who were prepared to meet over the weekend, often late into the evening, and thanks to the good will of the Project team who supported the evaluation from early in the morning until late in the evening, it was possible to consult with a broad range of stakeholders at the 3 Project sites visited. At the national level there were also a number of challenges due to the fact that the Government was in the middle of re-structuring. Some national level stakeholders were therefore not available, and/or their future positions in the Ministries were not clear at the time of evaluation. In particular the National Water Committee was reported to be largely disbanded, and its future role unclear. UNDP is strongly urged to consider the benefits of allowing longer timeframes for future project evaluations, in particular for in-country consultation involving travel to rural areas.
43. The Evaluation methodology involved initial review of key literature, including national and UNDP CO strategic documents; all reports, data, assessments and products developed under the Project; national water and sanitation policies, programmes and laws; as well as relevant documents produced under past and current water and sanitation initiatives in Mongolia. Summary translations into English were provided by UNDP of the majority of key reports, although some guidelines and tools produced under the Project were only available in Mongolian. The in-country consultation process pointed to the need for additional supporting material which was translated and reviewed prior to finalisation of the evaluation report. Annex 1 records the respondents with whom the evaluator met. Annex 2 the list of documents reviewed.
44. The in-country evaluation mission followed a participatory and consultative approach, using semi structured interview and focus group discussion. Site visits enabled assessment of the level of impact that the Project has had 'on the ground' and also provided a valuable opportunity to discuss Project interventions and results with stakeholders in situ. The evaluation was gender sensitive and included assessment of the extent to which the Project has supported gender equality. The preliminary findings of the Final Evaluation were discussed at a debriefing meeting with UNDP and PIU on January 28th 2015. A draft evaluation report was submitted to UNDP for their review with key partners on 17th February. Comments were

provided by MCUD on 4th March, and by UNDP on 22nd March. Following request by UNDP an update on progress at Project target sites and further comments were provided by MCUD on 6th April. This enabled finalisation of the report and submission to UNDP on 9th April. Comments and the Evaluation response to those comments are appended in Annex 13.

PART TWO: PROJECT RATIONALE AND THE DEVELOPMENT CONTEXT IN MONGOLIA

National Geographical, Environmental and Socio-Economic Context

45. Mongolia extends over approximately 1.6 million sq km of the central Asian plateau and has an extreme continental climate with long, cold winters and short summers. Much of the country is covered by steppe, with mountains to the north and west, the Gobi Desert to the south and very little arable land. Ecosystem degradation is recognised as a significant threat across the country impacting on water sources, pasture, forests and biodiversity. The growing mining sector poses new challenges to Mongolia's environment including water and soil pollution, pasture degradation, and wildlife habitat destruction. In winter the whole of Mongolia comes under the influence of the Siberian Anticyclone with average temperatures reaching -30 degrees centigrade. The country is also prone to natural disasters including dzud (harsh winter conditions leading to widespread death of livestock), forest and steppe fires, dust storms and flash floods.



46. Mongolia is ranked as a lower middle income economy by the World Bank. With a population of about 3 million it is the world's most sparsely populated country. Women are active in most areas of the economy and society, however gender-based disparities persist in terms of poverty, vulnerability, economic opportunities, and political decision making. Traditionally economic activity has been based on herding and agriculture; mining activity is now expanding due to the discovery of extensive mineral deposits. Approximately 30% of the population are nomadic or semi-nomadic, while almost 50% of the population live in the capital city Ulaanbaatar.
47. Water resources are scarce and unevenly distributed across the country. Precipitation is highest in the north (average of 200 to 350mm annual rainfall) and lowest in the south (average 100 to 200 mm annual rainfall). The combination of a highly continental climate, growing competition for water from the agricultural, mining and urban sector and the uneven distribution both water resources and the population across the country result in major water-related challenges. These include water scarcity and degradation of water quality in some

areas of the country. Natural limitations in water availability are exacerbated by outdated, dysfunctional or non-existent water supply and wastewater disposal infrastructures¹⁰.

48. Systems for water supply and sanitation vary greatly from one area to another and there are also huge geographical variations in access to safe drinking water. Table 1 shows this variation across different provinces. The report by Satyajit Singh commissioned under the ROK-UNDP MDG Trust Fund Project gives the example that in 2012 while only 0.5% of the population in the capital city Ulaanbaatar did not have access to safe drinking water, the figure for the rural population of Bayan-Ulgi Aimag was 84.1%'
49. In Mongolian cities roughly half of the population live in solid houses, often large apartment blocks, which are typically connected to a centralized water supply and waste water disposal system. The other half of the urban population live in ger areas, where centralized water infrastructure is absent and residents rely on either shallow wells or have to buy water.
50. In rural areas access to centralised water supply and sanitation systems tends to exist only within Provincial (Aimag) centres. At the district (Soum) and sub-district (Bagh) level, including in Soum centre settlements, the majority of the population either have to access water from wells or purchase water from vendors. Sanitation facilities consist mostly of pit latrines, with some public service buildings having low capacity septic tanks.
51. The Project Document outlines that in 2008 only 33.7% of the rural population had access to safe water sources and 34.9% to adequate sanitation, with the majority of those having access to safe water and sanitation facilities living in provincial (Aimag) towns. In 2010, 80 per cent of the demand for drinking water in rural Mongolia was being met by drawing water from groundwater aquifers. The Project Document also stresses that the pricing regime for water provision does not support poverty alleviation, assessing it to be 'pro-industry and pro-rich'¹¹.

Table 1: Percentage of the population having access to water supply and sanitation facilities across Mongolian Provinces (Aimag), from the 2010 population census

No.	Aimag and city name	Water supply(%)	Sanitation (%)
1.	Nationwide	78.40	37.30
2.	Arkhangai	42.47	15.94
3.	Bayan-Ulgii	15.93	18.63
4.	Bayankhongor	56.88	17.29
5.	Bulgan	59.86	18.48
6.	Govi-Altai	55.14	19.10
7.	Dornogovi	80.69	34.81
8.	Dornod	77.79	35.42
9.	Dundgovi	59.16	20.15
10.	Zavkhan	50.15	19.75
11.	Uvurkhangai	61.05	16.10
12.	Umnugovi	67.07	22.85
13.	Sukhbaatar	62.07	18.96
14.	Selenge	69.10	30.78
15.	Tuv	73.46	20.44
16.	Uvs	52.24	16.86
17.	Khovd	45.34	19.99
18.	Khuvsgul	49.07	20.37
19.	Khentii	73.09	26.17
20.	Darkhan-Uul	95.18	60.40
21.	Ulaanbaatar	99.52	51.80
22.	Orkhon	95.56	53.82
23.	Govisumber	92.40	49.73

Note: Population and Housing Census 2010

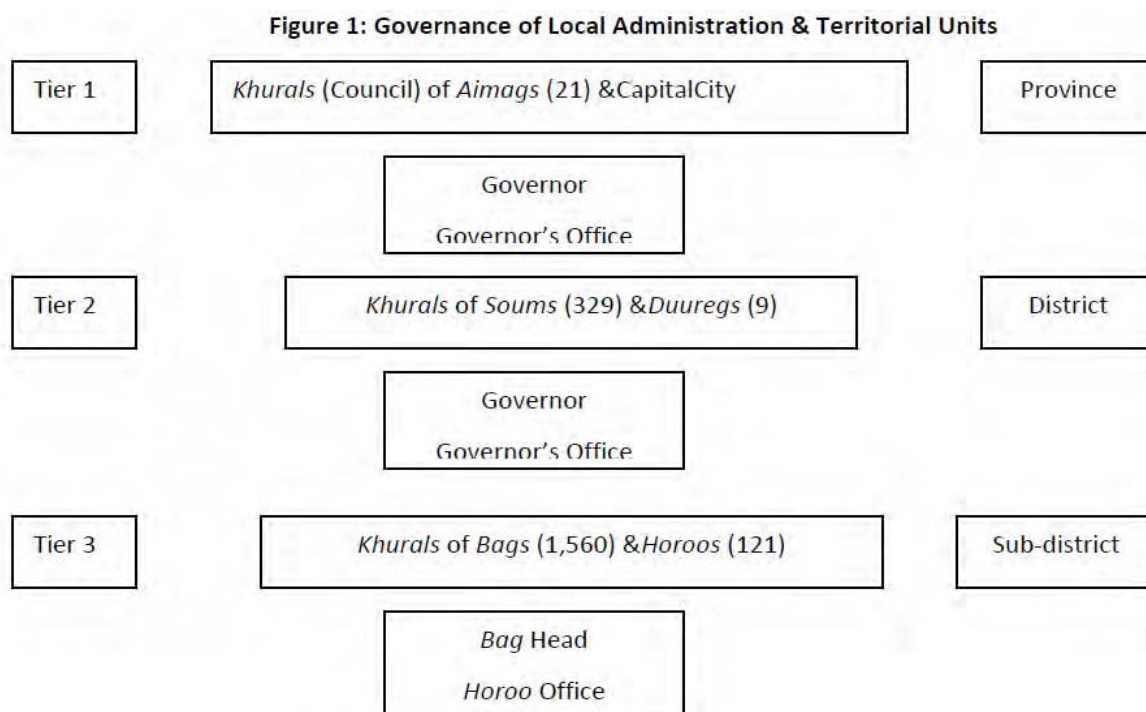
¹⁰ Andrea Rechenburg (2012) WHO Collaborating Centre for Health Promoting Water Management and Risk Communication Paper

¹¹ The Project document outlines that 'While the poor receive water that is critical for their health and livelihoods from vendors who charge about US\$0.7 per cubic meter of water, apartment dwellers US\$0.23 and the industry and mining sector US\$0.11'

National Governance Structure

52. Mongolia is governed as a Democratic Parliamentary Republic. The Millennium Development Goals (MDGs) are strongly embedded at the policy level, and form the framework for the MDG-Based Comprehensive National Development Strategy (NDS) 2008-2021. Mongolia is one of the few countries to have a ninth MDG which emphasizes democratic governance and human rights as necessary conditions for the achievement of all of the MDGs.
53. Mongolia is divided into 21 Provinces called *Aimags*, These are governed based on a combination of self and state governance. The *Aimags* have a *Khural* (council of elected representatives) headed by a Speaker, who is elected by members of the *Khural*. The *Aimag Governor* is nominated by the *Aimag Khural*.
54. The *Aimags* are further divided into smaller administrative units, or districts called *Soum*. There are 330 *Soums* in the country. Each *Soum* is headed by a *Soum Governor*, who is appointed by the *Aimag Governor* on the basis of nominations by the *Soum Khural*. The *Soums* are geographically determined and house a population ranging from 2 to 5 thousand.
55. The *Soums* are further divided into *Baghs*, which are the lowest administrative unit in the country. Typically there are 3 to 6 *Baghs* in each *Soum* and there are a total of 1,544 *Baghs* in the country. The sole functionary in a *Bagh* is the *Bagh Head*.
56. State sovereignty rests with the State Great *Khural* (Parliament). Self-government is vested in the *Khural* of the sub-national government entities, made up of democratically elected representatives of local citizens elected for a term of four years. The executive power in each *Aimag* and *Soum* is vested in governors nominated by their *Khurals*. The governors, like the *Khural* representatives, serve for term of four years
57. Satyajit Singh's report¹² summarises the governance structure of local administration and territorial units in the following diagram

Figure 1



¹² Capacity Development framework for water and sanitation services in Mongolia

Project Rationale

The Importance of scaling up support to local service delivery for the MDG's Rural Water and sanitation

58. The development rationale of the ROK-UNDP MDG Trust Fund Project responds to the urgent need to accelerate Mongolia's off-track record to meet the MDG 7 target to halve the proportion of people without sustainable access to safe drinking water and basic sanitation'. In relation to this the Project supports national initiatives to try to address the disparity between rural and urban areas in access to safe drinking water and basic sanitation.
59. According to a 2008 WHO/UNICEF Joint Monitoring Programme report, 'less than half of the rural population has access to safe drinking water and less than one-third has access to adequate sanitation, with variations noted between areas. Diarrheal diseases are a common cause of childhood illness and death. Major challenges exist in achieving widespread community and household ownership of facilities and in changing hygiene practices'.¹³

Contribution to UNDAF and CPAP Outcomes and Targets for Water and Sanitation

60. The United Nations Development Assistance Framework (UNDAF)¹⁴ outlines the strategic direction and results expected from cooperation between the Government of Mongolia and the UN country team (UNCT) for the period 2012-2016. It supports Mongolia in achieving the national development priorities outlined in the country's comprehensive National Development Strategy (NDS). The NDS and UNDAF focus directly on achievement of the Millennium Development Goals (MDGs) by 2015.
61. The UNDAF establishes 4 strategic priorities, divided in to 13 Outcomes on which the UNCT focus their technical support, resources, and advocacy. UNDP's Country Programme Action Plan (CPAP) fits within the overall UNDAF framework and outlines UNDP's strategic objectives and areas of support in Mongolia. The CPAP assesses that 'Mongolia lags behind in poverty reduction, gender equality and access to water and sanitation' and is 'unlikely to achieve the key target of halving poverty by 2015.' Development support under UNDP CPAP is focussed on helping Mongolia to meet national MDG linked development targets across a rang of priority areas.
62. The 2012-2016 UNDAF stresses that: 'The lack of an adequate water supply and sanitation in rural and peri-urban areas of Mongolia poses serious and direct threats to the human security of vulnerable populations. Access to improved sanitation exists for only a very small percentage of the population in rural areas and ger settlements. Women and children are largely responsible for the collection of water from wells, often located at a considerable distance from their homes.'
63. Within the MDG Acceleration Framework, the ROK-UNDP MDG Trust Fund Project for 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation' contributes to UNDAF Outcome 4: 'Equitable access to safe water and sanitation services in urban ger areas and rural settlements' and Outcome 12: 'Strengthened governance for protection of human rights and reduction of disparities'. The Project supports the achievement of CPAP Outcome 2: 'Strengthened governance for protection of human rights & reduction of disparities' and Outcome 3: 'Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate'

Contribution to National Development Objectives and Targets for Water and Sanitation.

64. The National Development Strategy (NDS) incorporates the MDG7 objective to "halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation". The NDS aims to 'Increase the coverage of improved water sources to 60%, and improved sanitation services to 40% of the population by 2015, against the 1990 baseline average'.

¹³ WHO/UNICEF 2008 Joint Monitoring Programme Report

¹⁴ The UNDAF represents the UNs combined strategic objectives in Mongolia and was developed in partnership with the government and the civil society. It builds on lessons from the UNs past experience in Mongolia and takes in to consideration the country's changing economic, social, and environmental conditions

65. To support achievement of national water and sanitation targets the government approved a Law on the Use of Water Supply and Sanitation Facilities in Towns and Settlements and a National Water Programme (NWP), launched in 2010. These reflect recognition of the importance of water resources to achievement of national development goals within the NDS. The national water law and programme were developed to address weaknesses in the legal framework for water management and provision, and for control and management of water.
66. The NWP assigns responsibilities across different national agencies. At the national level the agency officially responsible for the realisation of the NWP is the Ministry of Environment and Green Development (MEGD)¹⁵ which also has responsibility for water conservation and licensing. The Ministry of Industry and Agriculture (MIA)¹⁶ has responsibility for agriculture and land water supply; the Ministry of Health (MOH) for water quality, sanitation and hygiene; and the Ministry of Construction and Urban Development (MCUD) for water supply, waste water collection and treatment. Local governments in Aimags and Soums are responsible for local water and sanitation services in their areas.
67. Implementation of the NWP is scheduled in two phases: a first phase of intensive development from 2010 to 2015 and a second phase of stable development from 2016 to 2021. The overall goals of the NWP are:
 - the protection of water resources from deterioration and pollution,
 - the proper use of available resources, and
 - the creation of conditions enabling the Mongolian people to live in a healthy and safe environment,
68. The NWP Goals are to be achieved through five strategic objectives:
 - 1) Protection of Mongolia's water resources, their formation, and conservation of their purity and natural replenishment;
 - 2) Establishment of a comprehensive network for the monitoring of water resources and adoption of new management and information management technologies;
 - 3) Creation of conditions necessary for an accumulation of water resources, provision of drinking water meeting health standards, and improvement of the agricultural and industrial water supply for sustainable development;
 - 4) Improvement of the use and management of water resources, development of the legislative and institutional environment so as to coordinate the multiple requirements for the use of water, and capacity building;
 - 5) Fostering civil participation and the provision of the public with information on the protection and proper use of water resources using advanced technologies.
69. An NWP Action Plan supports implementation of activities to achieve these strategic objectives; this assigns specific responsibilities to different implementing agencies or partnerships of agencies. The implementation of these activities is in turn monitored by the National Water Committee (NWC), which prepares a six monthly monitoring report on implementation progress.
70. Alongside alignment with UNDAF and UNDP CPAP strategic objectives, which themselves support National Strategic Objectives in the National Development Strategy, justification for the UNDP-ROK MDG Trust Fund Project at the national level lays in its contribution to NWP Strategic Objectives, in particular 3, 4 and 5.
71. In 2011 a new Budget Law was approved. This enables greater fiscal transfer to Aimags and Soums for local development expenditure, through the 'Local Development Fund' (LDF). The law also provides opportunities and incentives for local participation and citizen engagement in local development planning. The LDF represents an important opportunity for citizen engagement in planning for improved service delivery, including for improvements to water and sanitation facilities /service provision; it also however requires local governments and service

¹⁵ MEGD is now called the Ministry of Environment, Green Development and Tourism (MEGDT)

¹⁶ MIA has now been divided into two separate Ministries, the Ministry of Agriculture (MOA) and the Ministry of Industry (MOI)

delivery agencies to strengthen capacity in planning, budgeting and auditing, including for consultative planning, monitoring and evaluation. Part of the development rationale for the ROK-UNDP MDG Trust Fund Project was to support capacity building of Aimag and Soum governments in these key areas.

72. The Government that was elected in 2012 developed its own 2012-2016 action plan for implementation of the National Development Strategy; this New Development Medium Term Programme places a strong focus on infrastructure improvements in Aimags and Soums, including for water and sanitation. The new Government allocated responsibility for rural water and sanitation to the Ministry of Construction and Urban Development (MCUD); previously no Ministry, department or agency at the central level had had responsibility for rural water and sanitation. MCUD were therefore identified as the core Implementing Partner for the ROK-UNDP MDG Trust Fund Project.
73. Against this background, the Project aims to support the new government in: 'improving oversight, monitoring, policy coordination and service delivery arrangements' for rural water and sanitation (Project Output 1) and in building the capacity of local institutions (Project Output 2). It also aims to support the new government's focus on infrastructure improvements in Aimags and Soums, by providing direct support for the establishment of water and sanitation facilities in order to expand water and sanitation services in selected areas (Project Output 3).

Building on Water and Sanitation Experience and Results

74. Project rationale was also based on an analysis of the results and lessons learnt from past water and sanitation initiatives in Mongolia. ADB is the largest donor in the water and sanitation sector in Mongolia. It has largely focussed its support on the improvement and expansion of sanitation facilities and in strengthening the operation and management capabilities of local Public Utility Service Organisations (PUSOs) in Aimags. ADB had identified the need for delineation of the functions of the Aimag governments and PUSOs, strengthened lines of accountability for service provision, an increased focus on capacity building, increased involvement of local institutions and beneficiaries in local development planning, and the need for institutional and policy reform. The development rationale for the ROK-UNDP MDG Trust Fund Project identifies builds on this analysis to address these institutional and capacity gaps.
75. UNDP's previous involvement in the water and sanitation sector in Mongolia also provided opportunities to scale up results and approaches developed in earlier projects, in particular under the UN Joint Programme, UNDP GoAL-WaSH project¹⁷ and Local Governance Support Programme (LGSP). Under GoALWaSH UNDP had provided support for the development of an MDG roadmap on water and sanitation for Mongolia, implementation guidelines, and an assessment methodology. The Programme had also developed 'a national standard on small-scale Wastewater Treatment Facilities, a 'tri-partite model' for public utility service provision in Soums and a guidebook on monotype design drawings and technologies for small-scale waste water treatment facilities'. UNDP's LGSP had supported Aimag and Soum level decision making, capacity building and citizen engagement. Both initiatives provided experience and results that could be used to support local water and sanitation service provision, under the ROK-UNDP MDG Trust Fund Project, in particular given opportunities provided through the LDF under the new Budget Law.
76. The Project document underlined the fact that UNDP has a good history of providing support for poverty alleviation and rural development, and specific experience in rural water and sanitation. It therefore concluded that 'UNDP is in a good position to provide technical assistance...and to promote pro-poor investments including small scale infrastructure for the provision of water and sanitation services in rural settlements as well as integrating capacity development support to local governments.'

¹⁷ Governance, Advocacy, Leadership on Water Sanitation and Hygiene (GoALWaSH) Programme

PART THREE: PROJECT DESIGN

Summary Rating	Moderately Satisfactory
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Project Design and Implications for Achievement of Results

77. The Project Document should establish the rationale and framework for Project support. It should clearly outline and define the intended results and impact of that support, and the activities and implementation approach required to achieve intended results and impact. The following section of the report examines Project design. It assesses the implications of Project design for Project implementation and for the achievement of sustainable results. Analysis looks at the extent to which the Project was designed to contribute to UNDAF and UNDP CPAP strategic objectives in Mongolia, and to relevant National priorities, strategies and programmes for local service provision for rural water and sanitation. It also examines the extent to which key barriers to local service delivery for water and sanitation in rural areas were identified in the Project Document, and the Project's proposed approach to address these barriers.
78. The Project for 'Scaling up Support to local Service Delivery for the MDG's Rural Water and Sanitation' was developed over an extended time period between 2008 and 2012. It was developed internally with inputs from the UNDP CO Governance team and Environment team and from UNDP's Regional Bureau for Asia-Pacific (RBAP) and Bureau for Development Policy (BDP). Originally envisaged as a governance project it was eventually incorporated within UNDP COs Environment portfolio given its focus on support for achievement of national development targets relating to MDG 7. The Project none the less retained a strong focus on governance.
79. The Local Project Appraisal Committee (LPAC) meeting for the Project was held on 23rd April 2013. At this meeting participants endorsed the Project Document; a number of amendments to the Project Document were also agreed. These included the need to decrease the number of Aimags but not the number of Soums, include activities that focus on advocacy and communication activities and include qualitative and quantitative target indicators in the Project Results and Resources Framework. Unfortunately the Project Document was not updated to include these amendments following the LPAC meeting.
80. During Project implementation, PIU did effectively incorporate advocacy, communication and awareness raising activities as will be discussed in report section V.
81. As will be discussed further in Part IV of this Final Evaluation Report, subsequent changes to the scope, scale and approach of the Project were made during the inception period, these retained the number of Aimags but changed the number of target Soums.
82. Key Issues that the Project seeks to Address
83. Project design identifies a number of critical weaknesses in national frameworks, systems and institutional capacity for rural water and sanitation service delivery. The Project Document underlines the fact that: 'institutional arrangements for delivering water and sanitation characterise a great level of fragmentation between different government ministries and agencies'¹⁸ and that local capacity for service delivery is weak. Analysis during Project design underlined 'a need to promote productive local investments in areas that would contribute to achieving the MDGs in Mongolia, and to integrate such investments with capacity development in functional areas such as pro-poor planning and budgeting, procurement, implementation, management and maintenance of infrastructure and services'.
84. The Project Document identifies a number of opportunities for the ROK-UNDP MDG Trust Fund Project to support Mongolia in addressing these issues. These include:

¹⁸ Project Document 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation'

- The Government's New Development Medium Term Programme and within this the New Soum Programme which includes a target to 'establish engineering infrastructures, including water supply and sewerage facilities in 96 Soum centres'
- The focus placed by the Government elected in 2012 on infrastructure improvements in Aimags and Soums
- The new Budget Law and associated Local Development Fund (LDF) which provide a framework for participatory planning at the Soum level, and an important opportunity for local governments to plan for and fund local development expenditure.
- An ongoing review of 'functional assignments across central government ministries and between central and local governments'
- Lessons learnt and results already achieved under UNDP, ADB, AUSAID and UNICEF funded water and sanitation and local governance programmes, which provide a sound basis on which the proposed ROK-UNDP MDG Trust Fund Project can build.
- The potential for achieving synergy with other projects and programmes was also identified, including with the UN Joint Programme and UNDP's Capacity Strengthening of Local Self-Governing Bodies Project.

Project Contribution to relevant UNDAF and CPAP strategic Outcomes

85. There is some inconsistency in the Project Document as to which UNDAF and CPAP Outcomes the Project aims to contribute to. The summary information on the Project Document cover page only gives reference to Project contribution to UNDAF Outcome 4 and associated indicators. In the Results and Resources Framework however the Project Document specifies that the Project will contribute to UNDAF Outcomes 4, and 12.
86. Confusion in the Project Document is exacerbated further by the fact that the UNDAF Outcomes 4 and 12 presented in the Results and Resources Framework are in fact listed under a heading 'Country Programme Action Plan (CPAP) Intended Outcomes'.
87. For the purpose of this Final Evaluation it is assumed that the Project was designed to contribute to both UNDAF Outcome 4 and Outcome 12, this was confirmed through discussions with UNDP CO.

UNDAF Outcome 4 is for 'Equitable access to safe water and sanitation services in urban ger areas and rural settlements'. This Outcome sits under UNDAF Priority Area 'Basic Social Services and Social Protection'

UNDAF Outcome 12 is for 'Strengthened governance for protection of human rights and reduction of disparities'. This Outcome sits UNDAF Priority Area 'Governance and Human Rights'

88. The Project is designed to contribute directly to UNDP's 2012-2016 Country Programme Action Plan (CPAP).¹⁹ The Results and Resources Framework in the Project Document outlines the CPAP Outputs and Targets to which the project aims to contribute. These are:

Outcome 2: Strengthened governance for protection of human rights & reduction of disparities.

Output 1: Policy framework for decentralisation created; local government capacity for service delivery increased.

Relevant Target:

- Review of functional assignments and service standards for MDG sensitive areas

Outcome 3: Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate.

Output 5: Innovative and cost-efficient technologies made available for reducing disparities in access to safe drinking water and adequate sanitation

Relevant Targets

¹⁹ The CPAP itself contributes directly to achievement of overall UNDAF Outcomes

- Innovative and affordable sanitation technologies for small settlements made available with approved BCNS
 - Public Utilities Service Management model demonstrated for Soum centres
 - Workforce skills updated for application of new technologies
89. The text of the Project Document specifies that the Project's 'overall objective is to develop capacity of local governments for improved delivery of water and sanitation services in rural areas and enhance local resource mobilisation, thereby contributing to the achievement of the national MDG 7 target by 2015.' The Project's Results and Resources Framework does not however specify a Project Goal or Objective, instead it follows the UNDP Format for Projects within a CPAP: Project Outputs fit directly within the scope of the relevant CPAP Outcomes and Outputs, and contribute to relevant UNDAF Outcomes. The Project Document specifies 3 Project Outputs:
90. Output 1: Improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation.
91. Output 2: Capacity of local institutions strengthened for improved service delivery
92. Output 3: Water and Sanitation Services expanded in the selected areas
93. These three Outcomes
94. The three Project Outputs clearly contribute directly to the CPAP Outcomes and Outputs specified and fit well within UNDAF Outcomes 4 and 12. Intended Project results aim to reduce disparities in access to safe water and sanitation, and to strengthen local service delivery for rural water and sanitation within the context of the government's decentralisation programme.
95. The CPAP has a core focus on 'systematic capacity development of local authorities in financial management, sustainable environmental management, climate change adaptation and participatory decision-making' as part of UNDP support to strengthen democratic governance. Emphasis is placed on strengthening civil society engagement and on gender equality. The ROK-UNDP Project reflects this in its core focus on systematic capacity development of local authorities for water and sanitation service provision and on participatory decision making.
96. The Project Document stresses the importance of establishing a 'Partnership Strategy' whereby partnerships are 'to be forged with the Ministry of Construction and Urban Development, Cabinet Secretariat, Ministry of Finance, and other relevant line ministries, local governments, CSOs, the private sector, academic institutions and key development partners'. It emphasises the importance of consultative and participatory processes that involve the most vulnerable and disadvantaged groups, and of working through local representative political structures.

Contribution to National Strategic Priorities and Processes

97. Project design aligns closely with national priorities, programmes and governance frameworks. The emphasis in the Project Document on partnerships with national and local stakeholders strengthens this still further. In providing support for rural water and sanitation infrastructure the Project supports the Government's New Development Medium Term Programme, water supply and sanitation (WSS) targets. The strong focus in Project design on capacity building and support for the rationalisation of institutional responsibilities for WSS both at the national level and between national and local levels is based on sound analysis of weaknesses in water and sanitation service provision. It also builds on the results and lessons learnt from previous initiatives.
98. The 2011 National MDG Roadmap on Water Supply and Sanitation forms the guiding framework for Project implementation. The Ministry of Construction and Urban Development (MCUD) is selected as the implementing partner for the Project, given their newly acquired (2012) mandate for water and sanitation services in rural settlements, including Soum centres.
99. Project design can be seen to support implementation of the National Water Programme (NWP) in particular NWP strategic objectives to:

- Create conditions necessary for provision of drinking water meeting health standards;
 - Improve the use and management of water resources, develop the legislative and institutional environment so as to coordinate the multiple requirements for the use of water, and capacity building;
 - Foster civil participation and the provision of the public with information on the protection and proper use of water resources.
100. The Project Document has a strong focus on 'strengthening the institutions required for the delivery of water and sanitation, including clarification of roles and responsibilities of different actors, improving financing and accountability mechanisms.'²⁰ This includes a clarification of institutional roles and responsibilities at the national level, and between national and local agencies.
101. Project support is aligned within the Government's New Soum Programme. The Project Document specifies that 'project activities will target rural population only, mainly Soum centre public entities'. Ten Soums within the New Soum Programme are to be selected and approved through the first Project Board meeting. The Project Document provides guidance on the criteria to be used for selecting target Soums. Criteria should include those Soums that have the lowest rates of access to safe water and sanitation within the Aimag, the highest number of cases of hygiene-related diseases, local Government cost sharing commitment and all target areas should be included within the Government's New Soum Programme.

Provisions for Monitoring and Evaluation in the Project Document

102. The Project Document follows the overall format for UNDP projects designed within a CPAP in that it includes a section on Monitoring and Evaluation and a Results and Resources Framework²¹. However it does not include the required table on 'Quality Management for Project Activity Results' as specified in the UNDP project document template. This should establish 'quality criteria' for activities under each Output, outlining 'how/with what indicators the quality of the activity result will be measured'
103. The overall Monitoring and Evaluation framework and indicators in the Project Document are weak. The descriptive section under Project Document Part VII Monitoring and Evaluation is vague in outlining how the project will be evaluated; the Results and Resources Framework fails to include a number of key activity areas outlined in the text of the Project Document; the indicators included in the Results and Resources Framework are not what could be considered 'Performance Indicators' in international monitoring and evaluation standards; and the Project Document does not include a table of Quality Criteria and Means of Verification. Indeed there are no indicators in the Project Document which support analysis and measurement of the 'quality' of 'activity results' or the intended impact of the Project under each of the Outputs.
104. The UNDP Project Document Design Template specifies the need for Project Documents to outline how monitoring will be achieved within the annual project cycle, including: quality assessment quarterly based on quality criteria and methods in the Quality Management Table; tracking and resolution of potential problems or requests for change through an Issue Log in Atlas; regular review of risks through a Risk Log in Atlas, activation of a Monitoring Schedule in Atlas to track key management actions, and analysis through a Lessons Learnt Log in Atlas. All of the above should support reporting in Project Progress Reports. The Project Document outlines the need for the Project to report annually within an Annual Review Report and Annual Project Review following standard UNDP procedures. However it does not provide guidance on monitoring within the annual project cycle.
105. The section in the Project Document describing Monitoring and Evaluation requirements is rather vague, using descriptive terms such as the need for the Country Office to 'verify that the deliverables and outputs are produced at an acceptable level of quality'; however no indicators or criteria are provided to support project managers in assessing quality, or in determining

²⁰ ROK-UNDP MDG Trust Fund Project Document 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation.

²¹ UNDP CO emphasised that incorporation of a results and resources framework in a Project Document was voluntary and that they were not required to do so.

what an 'acceptable level' of quality would be. The Project Document states that monitoring should ensure that 'the project is conducted in the right way and verification ensures the project produces the right quality.' In the absence of clear qualitative and quantitative indicators and targets, this sort of descriptive does not provide project managers with clear guidance to support effective monitoring and evaluation of the level of achievement of project results.

106. The Project Document defers development of the monitoring approach and 'appropriate specific performance indicators' to the initial stage of Project implementation when a Project Monitoring Plan and approach is to be developed. This is sensible, in that it enables the Project management team to work with key stakeholders in establishing jointly agreed approaches and to refine performance indicators. However it does not totally preclude the need for the Project Document to specify the overall framework for monitoring and evaluation and to clearly outline intended results and impacts under each Output, with overall Performance Indicators. Indeed the UNDP Project Design Template stresses that the Quality Management Table in the Project Document must 'provide information on monitoring actions based on quality criteria' which can then be 'further refined' during the project initiation process.
107. The Project Document is a key reference document for monitoring and evaluation of intended project results and impact, if it is too vague in definition of what those intended results are, and how to measure them, this can result in confusion and complications for project managers, national partners and monitoring and evaluation teams in analysis of project progress and the level of achievement of results. This in turn can have significant implications for the effectiveness, efficiency, relevance and impact of project interventions.

The Project Results and Resources Framework and the need for Performance Indicators and Quality Criteria

108. The Monitoring and Evaluation Framework outlined in the Project Document should establish a strategic 'logic' to support monitoring of project impact. In the case of UNDP Projects within a CPAP, the Results and Resources Framework and Quality Management Table should clarify how project results and impact will be measured under each Output, and how the proposed Outputs and activities will together contribute to relevant CPAP Outputs and Targets. The Project Document for the ROK-UNDP MDG Trust Fund Project does not achieve this.
109. There are a number of weaknesses in the Project's Results and Resources Framework. The first is that it fails to incorporate some of the key activity areas outlined in the text of the Project Document under the heading 'Expected Outputs and Indicative Activities'.
110. Under Output 2, the text of the Project Document lists the fifth bulleted activity as the: 'Testing of a mechanism to allow local authorities to buy-in support for an agreed menu of activities', stressing that 'this would be important in developing a demand-driven dimension to the Capacity Development agenda'. This fifth activity area is however entirely omitted from the four bullet points in the Results and Resources Framework, which otherwise mirror exactly the text of the narrative in the Project Document.
111. A similar omission occurs under Output 3 where the text of the Project Document lists a fourth bulleted activity area to 'Implement a Behaviour Change Communication Programme for school children and Soum centre population'. Again this is omitted entirely from the Results and Resources Framework.
112. The second weakness in the Project's Results and Resources Framework is the lack of qualitative and quantitative indicators or targets for measuring Project results and impact. Targets and Indicators are important tools for monitoring and evaluation of the level of achievement of project results and impact. They help to clarify what the intended results and impacts of project activities and Outputs are, and should clearly specify how achievement can be measured. Indicators should be Specific, Measurable, Achievable, Relevant and Time Bound (SMART).
113. The Project's Results and Resources Framework follows the standard template for UNDP Project Design within a CPAP: Project Outputs and associated activities sit under the Intended CPAP Outcomes, Outputs and Targets, demonstrating a direct link between project interventions and achievement of CPAP Outputs. Against each Project Output indicative

activities are listed, Output targets are given for each year of project implementation, alongside delineation of responsible parties and US\$ inputs.

114. Although similar in layout to the more commonly used monitoring tool, the Logical Framework, the Results and Resources Framework in UNDP's Template differs from the Logical Framework matrix in that there is no requirement for impact level indicators, means of verification and associated risks and assumptions at the level of project intervention. Indicators or 'quality criteria' for measuring the quality of results are instead to be listed in a separate 'Quality Management' table.
115. The Results and Resources Framework for the ROK-UNDP MDG Trust Fund Project lists activities in the column 'Indicative Activities'. The 'Output Targets' column essentially lists completed activities using descriptive terminology such as 'assignment complete', 'assessment conducted' and 'recommendations made'. There are no indicators to measure the quality of those assessments, assignments and recommendations and no means of measuring their impact. The only Output target that includes a quantitative measurement is Output 3 which lists the number of water and sanitation facilities that the project will establish each year. However here again there is no measure of the size, type, quality, nature or intended impact of those facilities.
116. Given that the Project Document does not include a Quality Management Table, it does not therefore contain any real means of measuring the quality of activities or the level of achievement of results and impact. There are no SMART Performance Indicators and no quality criteria.
117. The lack of indicators, criteria and targets for measuring results and impact is a core weakness in the Project Document. These are important tools for monitoring and evaluating whether, and the extent to which, the Project has achieved intended results. They are also important in assessment of Project contributions to CPAP Outputs and Targets. Clear definition of intended results and impact, and clear indicators/criteria for measuring achievement of results, are very important for project managers as part of results based management, and also for evaluating whether at the end of the Project intended results and impact have been achieved.

Assessment of Risks

118. Analysis of Risks and Assumptions is important in highlighting issues that might prevent achievement of the intended results. It is important that these issues are highlighted so that they can be monitored by the project team and taken in to consideration by evaluators.
119. Annex I to the Project Document presents a brief Risk Analysis, it identifies three areas of risk i) uncertainty in policy decisions; ii) short construction season; iii) lack of central coordination and monitoring. Risk mitigation measures are also identified.

Project Budget, Financial Management Provisions and Timeframe

120. The Project was allocated a total budget of US\$2,250,000 comprised of US\$2,000,000 from the Republic of Korea, and US\$250,000 regular funding under the ROK-UNDP MDG Trust Fund. US\$500,000 was to be mobilized from local government budgets as co-financing. The Project was designed with a 2 year timeframe. This is very short particularly for a project involving infrastructure development in Mongolia which, due to harsh winters, has a very short construction season.
121. Presentation of the budget in the Project Document follows the required Template for UNDP Projects within a CPAP. Total amounts allocated for each Output are listed in the Results and Resources Framework. These are as follows:
Output 1: US\$450,000,
Output 2: US\$400,000;
Output 3: US\$1,000,000.
122. An annual Budget work sheet for year one of Project implementation is also included. The Project Document specifies that the project 'will be implemented by the Ministry of Construction and Urban Development (Implementing Agency) in accordance with its financial regulations,

rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of the Implementing Agency does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, principles of UNDP shall apply.'

PART FOUR: PROJECT IMPLEMENTATION

Summary Rating	Good
<p>123. The following section of the report assesses Project implementation. It examines whether Project implementation processes meet UNDP standards, and assesses whether work planning and the implementation of activities have supported the achievement of intended results. This section also examines the type and level of stakeholder involvement and partnership building, assessing whether the Project's implementation approach helped to achieve local 'ownership' of Project results and whether it was well aligned with national systems and processes.</p>	
Project Management, Execution and Implementation Modalities	
<p>124. The Project Document was signed by UNDP and GOM on 26th April 2013. The national Implementing Partner is the Ministry of Construction and Urban Development (MCUD). The Project Document specifies that the Project is a two year Project. Funding for the Project was allocated by the ROK-UNDP MDG Trust Fund in early 2013 for a two year period, ending December 2014. However due to the fact that the Project Document was not signed until late April 2013, actual Project implementation time has been 1 year 8 months. A two month extension has been agreed with the ROK-UNDP MDG Trust Fund.</p>	
<p>125. Project implementation has been closely aligned with UNDAF's programme approach which is focussed at three levels: 1) Policy advice and formulation at the national level; 2) Capacity development of implementing partners, both institutions and individuals to ensure the sustainability of development results; and 3) Community and grassroots level pilot initiatives that will highlight the value of new approaches, technologies and techniques for replication.</p>	
<p>126. The Project has a focus at each of these levels: Project Output 1 focuses on national and national to local level strategic advice and support for 'improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. Project Output 2 focuses on capacity building of local institutions. Project Output 3 focuses on support for water and sanitation service provision in pilot areas in order to demonstrate the value of new approaches, technologies and techniques for replication.</p>	
<p>127. The Project was implemented under UNDP's National Implementation Modality (NIM). UNDP uses NIM for projects or programmes when the national Implementing Partner (IP) is assessed to 'have the technical and administrative capacity to assume the responsibility for effectively mobilizing and applying the required inputs in order to reach the expected Outputs'. NIM has a strong capacity building rationale; project implementation by IP in partnership with UNDP offers opportunities for project implementation itself to contribute to building the capacities of national partners. Overall NIM aims to contribute to:</p> <ul style="list-style-type: none">▪ Greater national self-reliance by effective use and strengthening of the management capabilities, and technical expertise of national institutions and individuals, through learning by doing;▪ Enhanced sustainability of development programmes and projects by increasing national ownership of, and commitment to development activities;▪ Reduced workload and integration with national programmes through greater use of appropriate national systems and procedures.	
<p>128. The ROK-UNDP MDG Trust Fund Project was overseen by a Project Board which was established on 14th June 2013. The Project Board consisted of high level representatives of UNDP, KOICA, MCUD and the Governors of Project target Aimags²². It met annually, and at any other point when there were circumstances that needed high level consensus decision making.</p>	
<p>129. The initial year of Project implementation focussed mostly on researching and putting in place the agreements and mechanisms necessary to support Project implementation. Initial activities</p>	

²² Tuv, Dundgobi, Bulgan and Uvurkhangai

included standard procedures to establish the Project Board, appoint the National Project Director (NPD), alternate NPD and to establish a Project Implementation Unit (PIU). As will be discussed in more detail below a considerable amount of time was also invested by UNDP and PIU in identifying and agreeing on a process and approach that would enable Project support to be integrated within a broader MCUD water and sanitation initiative under the national New Soum Programme, within the frame of UNDP NIM.

130. During the first year of Project implementation a number of activities were also completed, including capacity assessments, procurement assessments, pre-feasibility studies for development of WATSAN facilities at the target Soum and, based on these studies, detailed design drawings for construction (DDDC). The second year of Project implementation then focussed on capacity building, construction of the facilities at the target Soums and the completion of studies and guidelines to support streamlining and strengthening of the institutional and strategic framework for water and sanitation service provision. The results achieved will be examined in Part V of this report.
131. Throughout Project implementation, PIU and partner agencies placed a strong emphasis on achieving gender equity, supported also by strong leadership from the National Project Coordinator and NPD who are both women. The majority of staff employed within local PSU are also women. As will be shown in Part V, they received valuable training and were able to increase their skill sets through the Project. The majority of participants in the Water-life-Participation Centres were also women, including those managing these centres; they played an important role in increasing awareness of water and sanitation issues and solutions, and in engaging women in the Project. In addition KOICA supported a gender advisor, based at UNDP who provided advice across all UNDP development initiatives.
132. Overall Project Management was undertaken by the Project Implementing Unit (PIU) based in UlaanBaatar. For reasons of cost and time efficiency the decision was made by UNDP to incorporate responsibility for management of the ROK-UNDP MDG Trust Fund Project into an existing PIU team that was implementing UNDPs GoAL WaSH Project and UN Joint Programme²³. Additional staff were employed to support management of the ROK-UNDP MDG Trust Fund Project. Members of the PIU team included the National Project Coordinator (NPC), Administration & Finance Officer, Senior Technical Specialist, Monitoring & Evaluation Officer, Capacity Development Officer, Procurement Specialist, Translator/Secretary and Driver.²⁴
133. Local Project Support Units (PSU) were also established in each of the 4 selected Aimags. The PSU were integrated within local Aimag Government offices. Each Aimag Government allocated 3 staff to support implementation of the Project, comprising a Procurement Officer, Finance Officer and Engineer. Although not originally envisaged in Project design, the establishment of local PSU enabled Project implementation to be directly integrated with local Government management, monitoring and procurement systems at the Aimag level. This in turn had an important capacity building impact. The local PSU provided an extremely valuable role in coordinating and monitoring Project activities at the target sites, and in providing a communication channel between PIU and MCUD based in UlaanBaatar, Aimag Governments, Soum authorities and Project stakeholders at the target sites.

Initial Start up Period and Changes to the Scale, Scope and Approach of the Project, with associated implications for Project Targets and Results

134. As will be demonstrated in the following sections a number of changes were made to the scale, scope and approach of the Project. UNDP, PIU, MCUD and local Implementing Partners in Aimags and Soums adapted Project implementation to meet national and local development priorities and approaches. This presented a number of challenges for UNDP and PIU.
135. The changes to the scope, scale and approach of Project support were not reflected in any amendment to, or addendum to the Project Document. They are fully in line with the partnership strategy established in the Project Document and indeed helped to strengthen partnerships and alignment of the Project with national strategic objectives and processes.

²³ Human Security Trust Fund

²⁴ Annex 9 summarises the roles and responsibilities of PIU staff members and also gives further information on contracting arrangements and cost sharing with the GoAL WaSH Project.

However, they also have significant implications for achieving intended Project results and impact within the short timeframe of Project implementation, and for risks associated with this. The main changes and their implications are explored below.

A change from 10 target Soums to 8

136. The LPAC meeting concluded that it would be sensible to reduce the number of Aimags from 4 to 3. However during the inception period this was overridden and a decision was made by the Project Board to retain the original four target Aimags, but to reduce the number of target Soums to 8. The rationale for this was that allocating Project funds over 10 Soums would spread funds too thinly to support achievement of intended results.
137. The Project Document and associated Results and Resources Framework were not updated to reflect this change in the number of target Soums. The Target of 'At least 10 facilities established' remains in the Project Document. An updated monitoring framework/Project Monitoring Progress Report was developed under the Project but this does not refer to the number of Soums under the Project, referring only to 'target Soums'.
138. Considerable time was spent by Project partners during the initial start up period selecting the target Soums and integrating Project support into MCUD's broader initiative for water and sanitation service provision under the New Development Medium Term Programme and associated New Soum Programme. A set of criteria were developed by UNDP in consultation with MCUD, to guide selection of the Soums; these were discussed and agreed with the Project Board. The Selection Criteria are as follows:
- Lowest percentage of the population provided with safe water and sanitation.
 - Number of registered cases of hygiene related diseases
 - Included in New Development medium term programme
 - Not covered by other donor funded projects
 - Highest level of poverty within the Aimag
139. A letter confirming selection of the 8 Soums that would be the target sites for Project intervention was sent to UNDP from the State Secretary of MCUD on 3rd January 2014. On the 7th January 2014 final selection of the 8 Soums was agreed by the Project Board. The Soums selected are:
- Buregkhangai Soum, & Teshig Soum Bulgan Aimag;
 - Gurvansaikhan Soum & Delgertsogt Soum, Dundgobi Aimag;
 - Bayangol Soum & Sant Soum, Uvurkhangai Aimag;
 - Buren Soum and Zuundelger's 4th Bag of Zuunmod Soum, Tuv Aimag
140. This letter from the State Secretary of MCUD and the associated Meeting Minutes confirming decisions made by the Project Board are appended as Annex 3. Although the Project Document and Monitoring matrix were not updated, this Final Evaluation will take all reference to 'target Soums' to refer to the 8 Soums listed above, based on the official decisions outlined in the letters and meeting minutes²⁵.

A Change in the Type and Scale of intended Project Results under Output 3

141. As outlined in Part II of this Final Evaluation report the new Government elected in 2012 established an action plan for implementation of the national New Development Medium Term Programme with a strong focus on infrastructure improvements in Aimags and Soums, including for water and sanitation. Within this, the New Soum Programme aims to improve living conditions in rural settlements. This includes for upgrading and installation of a range of facilities such as roads, heating systems and water and sanitation systems. The Government budgeted for infrastructure developments in 24 Soums in 2014 and a further 50 in 2015.
142. Responsibility for rural water and sanitation has been allocated to the Ministry of Construction and Urban Development (MCUD). They have adopted a centralised monotype engineering

²⁵ The target should have been amended to 8 Soums within an updated R&R Framework, and/or reference made to this in the monitoring and evaluation framework that was developed by the Project Team.

design developed under the UN Joint Programme²⁶ as a model for water and sanitation service provision in Soums. They plan to roll this out nationwide under the New Soum programme.

143. The Government included a 2014 budget allocation to MCUD to support infrastructure developments in 24 Soums. Development of water and sanitation facilities in Soums is in turn part of this infrastructure support, given MCUD's allocated responsibility for rural water and sanitation. It forms part of MCUD's Public Investment Programme. The 8 target Soums selected for Project support fall within the 24 Soums selected under the New Soum Programme. MCUD therefore requested that funding for infrastructure development under the ROK-UNDP MDG Trust Fund Project contribute to the installation of centralised water and sanitation (WATSAN) systems in the 8 target Soums.
144. On the 10th January 2014 co-funding for installation of the centralised WATSAN systems at the 8 target sites was confirmed by MCUD. On the 19th May 2014 UNDP officially agreed for Project funds to be used to undertake detailed design drawings for construction (DDDC) for centralised WATSAN systems at each of the 8 Project sites. The relevant letters confirming these agreements are appended in Annex 6.
145. This represented a significant change in the scope and scale of results and impacts anticipated under Project Output 3. The Project was no longer aiming to *establish* stand alone small scale facilities in 10 Soums: it was *contributing* to the establishment of larger centralised WATSAN facilities in 8 target Soums, within the context of MCUDs broader support to rural infrastructure development. UNDP welcomed the opportunity to align Project support closely with national processes and priorities, build on results under the UN Joint Programme and GoAL-WaSH Programme, and to foster strong ownership of Project results by MCUD and local Aimag and Soum authorities. This fitted well with the partnership approach outlined in the Project document.
146. The Project Document and Results & Resources Framework were unfortunately not updated to reflect the shift in scope and scale of Project support, and the changes to anticipated deliverables and results under Output 3. There is therefore no official amendment or addendum to the Project Document that outlines these changes. Given this, the Evaluation consultant worked closely with the Project Implementation Unit and UNDP to go through the Project archives in order to locate letters and agreements between MCUD, UNDP and the Project Board that can be construed as 'official agreements' on this significant shift in Project scope, scale and approach. These are appended as Annexes 3, 4, 5, 6 and 7.
147. In agreeing to *contribute to elements of the centralised WATSAN systems in each of the 8 target Soums*, the Project relied on the other WATSAN development partners (MCUD, local Aimag & Soum Governments and ADB) being able to complete their components of the systems, within the Project timeframe, in order for operational water and sanitation facilities to be established. This was a significant risk; the ROK-UNDP MDG Trust Fund Project no longer had control over completion of works by EOP²⁷ and correspondingly over achieving anticipated development results and impacts to expand water and sanitation service provision by the end of the Project.

Integrating Project funding within National Systems and Processes, while Ensuring Compliance with UNDP Rules and Regulations

148. Incorporation of Project support within MCUD's broader WATSAN initiative required UNDP to assess how best to integrate funding into national systems. Funds could not be transferred to MCUD and to local Aimag Government partners until it was clear to UNDP that these organisations had adequate capacity, and procurement, management and monitoring systems that were in full compliance with UNDP Rules and Regulations. UNDP therefore commissioned a series of macro and micro assessments under UNDPs Framework for Using Implementing Partners Procurement Systems. Further detail on the micro and macro assessment process will be examined under the analysis of financial management in the section below.

²⁶ This model was piloted under the Joint Programme in Zereg Soum of Khovd Aimag and Bulgan Soum of Umnugovi Aimag.

²⁷ There was 6 months of Project implementation time remaining from the point at which the decision was made to use Project funds to contribute to the centralised WATSAN facilities in the 8 target Soums.

149. The assessments indicated that there was limited procurement capacity at the Aimag Government level and that MCUD had moderate capacity. UNDP determined that the most appropriate model under UNDP's 'Framework for Using Implementing Partners Procurement Systems' was that procurement responsibilities should be jointly managed by UNDP and the IP. UNDP was responsible for contracting companies to undertake the feasibility analysis and design work for the centralised WATSAN in each of the Project Soums; all subsequent construction contracts were signed and managed by MCUD and the Aimag Governments.
150. Capacity building is a key area of Project support. UNDP recognised that implementation of Project activities through MCUD and Aimag systems and processes provided an exciting opportunity for Project implementation itself to work as a capacity building mechanism, particularly at the Aimag level. It fitted well with the Project's overall partnership approach, working through local representative political structures. It also supported strong ownership of Project implementation and results by national partners.
151. The establishment of local Project Support Units (PSU) in each of the four Aimag government offices was an important factor in enabling UNDP to transfer funds for development of centralised WATSAN facilities. Three staff within each of the 4 Aimag Governments were employed under the Project, contracted by MCUD to provide dedicated Project support at each of the sites. They were responsible for ensuring that Project related expenditure was managed effectively, in line with UNDP Rules and Regulations. UNDP organised intensive finance and procurement training for the staff within PSU, and training for all project staff to support the transition to NIM and the use of national procurement systems.
152. Within MCUD, the Project also supported a capacity building officer. The officer's main role was quality assurance and ensuring compliance across all 4 Aimags and 8 Soums, with a core focus on compliance of procurement systems.
153. Given the short timeframe allocated for Project implementation, it was however a major challenge for UNDP to complete the assessments in time to enable infrastructure development to be undertaken in the short construction window prior to the end of the Project. The decision making process on how and if it would be feasible to transfer funds for Project implementation to MCUD and Aimag Governments, involved a considerable time and work input from UNDP and PIU.
154. By June 2014 the micro and macro assessments had been completed. On 24th June 2014 UNDP issued an official letter to MCUD handing over agreed procurement responsibilities related to Soum level construction work under the Project. Six months were left before EOP. Only once procurement responsibilities had been agreed to, could the procurement process be initiated by MCUD in order to select companies for construction of the water and sanitation infrastructure facilities at each of the Project sites. MCUD issued contracts for infrastructure development in the target Soums in September 2014, three months prior to EOP. It is remarkable that the assessment process and agreements were completed in time to support Project implementation. However the timeframe involved left UNDP, PIU, MCUD and Project partners with a major, if not impossible, challenge: that of establishing operational water and sanitation facilities, providing expanded services, in order to achieve intended impacts at target sites before the end of the Project (EOP).

Summary of the key events, documents, letters and agreements which taken together outline the changes in intended results, impact, approach and agreed deliverables under the Project

25th April 2013	LPAC meeting
26th April 2013	Project Document signed
3rd January 2014	Letter from MCUD outlining the agreement to change Project target sites from 10 to 8 Soums (inferred). And confirmation of selection of the 8 target Soums
7 th January 2014	Project Board Minutes confirming selection of the 8 target Soums
10 th January 2014	Letter from MCUD confirming co-funding for the 8 target Soums
18 th April 2014	Letter from MCUD outlining an agreement for Project funding to be used to undertake feasibility studies for centralised WATSAN systems at the 8 target Soums (inferred)

19 th May 2014	Letter from UNDP confirming the agreement for Project funds to be used to fund Detailed Design Drawings for Construction (DDDC) for centralised WATSAN in the 8 target Soums
2 nd June 2014	Document outlining the agreed 'ROK-UNDP MDG Trust Fund Project deliverables' under Output 3 at each target site
6 th June 2014	Project Board meeting minutes outlining the decision to transfer 'a certain amount of' funds from Project Output 1 and 2, to Output 3
24 th June 2014	Letter from UNDP to MCUD outlining the outcome of the micro assessments and agreement by UNDP to transfer procurement responsibilities to MCUD
5 th September 2014	8 companies were contracted by MCUD to begin infrastructure works
20 th September 2014	Update to the 2 nd June agreement, showing additional inputs and deliverables as Project support under Output 3 at each target site
31 st December 2014	Original End of Project date
28 th February 2015	Amended End of Project date, following a 2 month no cost extension

Stakeholder Involvement Partnership Building and Alignment with National Strategic Objectives and Programmes

155. The implementation approach established under the Project places a strong emphasis on partnership building, stakeholder involvement and the integration of Project activities within national initiatives, working through local representative political structures. This can be seen as the bedrock on which Project activities have been built.
156. As has been outlined above, Project support was fully integrated within MCUD's broader initiative for the installation of centralised WATSAN systems under the New Soum Programme. This approach is fully in line with the partnership strategy outlined in the Project Document and supported strong ownership of Project aims, implementation approach and results. It is also fully in line with the objectives of UNDP's National Implementation Modality (NIM) approach.
157. MCUD and Local Government Partners in Aimags and Soums showed strong leadership and commitment to Project implementation. The Project Support Units (PSU) in each of the target Aimags played an important role in partnership building at the Aimag and Soum level, as well as ensuring effective communication between PIU and local stakeholders throughout Project implementation. In so doing PSU played an important role in facilitating adaptive management of the Project at the target Sites. PSU staff were responsible for co-ordination of Project activities in the Soums, and consulted regularly with Soum governors, local authorities and beneficiaries.
158. To have an impact in strengthening local service delivery for water and sanitation at the Soum level the Project needed to engage and build the capacity of Public Utility Service Organisations (PUSO). PUSO are the main organisations responsible for providing water and sanitation services to Aimag centres. PUSO were directly involved in Project activities at the target sites, in particular capacity building under Output 2 and the establishment of Soum level public utilities management structures under Output 3.
159. The Project worked through existing representative political structures. Participatory planning and decision making are embedded in the governance structures at the local Soum and Aimag levels. The 2011 Budget Law and associated Local Development Fund' (LDF) provide opportunities and incentives for citizen engagement and participation in local development planning. Decision making on which water and sanitation systems to use, where to install them and which public service buildings should be included under the Project was undertaken through local participatory decision making processes. Where Soum Master Plans had already been developed, Project support was aligned with the priorities and objectives outlined in those plans. Where they hadn't, the Project helped to support local development planning for improved water and sanitation service provision. Soum communities were also directly involved in monitoring progress during construction of the WATSAN facilities and participated directly in undertaking local development work. As will be demonstrated further in Part V of this report, the Project initiative to establish Life-Water Participation Centres within target Soums also supported active engagement of the Soum community in improving water and sanitation.

Monitoring & Evaluation

160. Effective monitoring of Project implementation and of progress towards achieving results is critical to support results based management. A monitoring framework which includes qualitative and quantitative indicators for measuring achievement of results is an important monitoring and evaluation tool for project teams and their partners. Indicators should be specific, measurable, achievable, relevant and time bound (SMART).
161. As outlined in Part III of this Final Evaluation report the Project Document does not contain any SMART indicators or quality criteria for measuring progress towards achievement of Project results. PIU therefore developed a monitoring matrix in 2014, with the support of a Monitoring and Evaluation Officer, hired under the Project; this is appended as Annex 8. The 'Project Monitoring Progress Report' outlines each of the Output Statements and planned activities. It also includes columns specifying Indicators, Baselines, Targets and Means of Verification. The Monitoring Progress Report outlines how M&E data is to be collected and includes a column for remarks and notes against each activity. It provided the PIU and partner organisations with a valuable tool for monitoring Project performance and progress. The Indicators in the 'Project Monitoring Progress Report' are more clearly focussed on intended results under each Output; they include quantitative measures of impact under Outputs 1 and 3. The indicators will be discussed in more detail in Part V of this Final Evaluation Report which examines results and impact achieved under each Output.
162. The 'Project Monitoring Progress Report' includes more detail on the activities to be implemented under the Project and includes additional activities not originally envisaged in the Project Document, such as a Donors meeting, Training of Trainers, and Publication of Advocacy Materials. The 'Project Monitoring Progress Report' does not however incorporate the two bulleted activities that were omitted in the Results and Resources Framework of the Project Document. Output 2, bullet 5: 'Mechanism to allow local authorities to 'buy in' support for an agreed menu of activities; and Output 3, bullet 4: 'Implement a Behaviour Change Communication Programme for school children and Soum Centre Population'.
163. Monitoring was undertaken by PIU in line with procedures outlined in the UNDP CO Monitoring Strategy. PIU and UNDP CO undertook regular monitoring visits to Project sites, including joint visits with MCUD and with KOICA. They prepared Annual Progress Reports (APR) for submission to CO, the Project Board and ROK-UNDP MDG Trust Fund in December 2013 and 2014. A Risks and Issues log was also established in Atlas to support PIU in tracking risk throughout Project implementation. This was regularly updated by the National Programme Coordinator or Environment Team leader at UNDP CO.
164. The Project Support Units (PSU) in target Aimags actively monitored the progress of Project activities in the target Soums, co-ordinating with PIU and MCUD. Each of the Project Soums also established an informal committee to oversee and monitor progress towards development of the centralised WATSAN facilities. These committees consisted of Government officials and two technicians, trained by the project, to monitor day-to-day construction activities.
165. MCUD also established a high level Committee to oversee, guide and coordinate MCUD support for infrastructure developments in the 16 Soums under the New Soum programme. This comprised the State Secretary, Director General Housing and Public Utilities Policy Implementation and Coordination Department (the Project's NPD), Head of Finance and Investment Department, and Head of State Administration and Management Department. The 8 Soums that were the target sites for the ROK-UNDP MDG Trust Fund Project benefited directly from this high level MCUD guidance and support. MCUD officials undertook a number of monitoring visits to the Project sites.
166. On a technical level the companies responsible for undertaking the Detailed Design Drawings for Construction (DDDCs) at each site also visited the target sites at least three times during construction to ensure that the WATSAN infrastructure was being built according to national norms and standards. This is required under Mongolian construction laws and regulations.
167. The partnership approach established for Project implementation enhanced monitoring of Project activities at each of the Project Soums. Strong leadership by Implementing Partners including MCUD, Aimag and Soum Governments enhanced this further. The establishment of

PSU in target Aimags meant that PIU and MCUD could keep in touch with progress 'on the ground' in each of the target Soums.

168. Monitoring of Project results and impact could have been strengthened by a clearer definition of intended results and impact in the Project Document and through the inclusion of SMART performance indicators in the Project's monitoring framework. This will be examined further in Part V of this Evaluation Report which assesses Project progress towards achievement of intended results, against the indicators established in the monitoring framework.

Building on Lessons Learnt and Results from Past Projects and Initiatives.

169. PIU and MCUD were able to effectively build on the results and lessons learnt from a number of past and ongoing WSS and livelihood support initiatives. The fact that members of PIU had worked on the GoAL WaSH initiative and UN Joint Programme meant that lessons and results from this project were automatically transferred to support implementation of the ROK-UNDP MDG Trust Fund Project. The Project team used the national Roadmap for MDG water and sanitation targets, developed under GoAL WaSH, to guide Project implementation, and were able to apply the new technical standards for the development of small scale sanitation facilities also developed under GoAL WaSH. The Project also linked in to the GoAL WaSH initiative to improve statistical data on Water and Sanitation, updating data within the national database through Project baseline assessments, and accessing data in the database to help with selection of the Soums.
170. As outlined above, the model adopted by MCUD for water and sanitation improvements in Soums nationwide, was a monotype engineering design that had been developed and piloted under the UN Joint Programme. The ROK-UNDP MDG Trust Fund Project built on UNDP and MCUD experience in developing and piloting this integrated, centralised WATSAN system.
171. The GoAL WaSH initiative had also developed a decentralised model for water and sanitation service provision at the Soum level. This 'tripartite model' was adopted by all the Soums under the Project, and again UNDP was able to transfer both expertise and lessons learnt from GoAL WaSH to support the establishment of Soum level public utilities management systems.

Financial Management and Cost Effectiveness

172. The Project was allocated a total budget of US\$2,250,000 comprised of US\$2,000,000 from the Republic of Korea, US\$250,000 regular funding under the ROK-UNDP MDG Trust Fund. US\$500,000 was to be mobilized from local government budgets as co-financing.
173. Total amounts allocated for each Output and for Project Management are listed in the Results and Resources Framework in the Project Document. These are as follows: Output 1: US\$450,000; Output 2: US\$400,000; Output 3: US\$1,000,000; Project Management US\$220,000; Support US\$180,000
174. At the time of the Project's Final Evaluation, total expenditure is US\$2,161,035.69. A no cost extension to the Project has been agreed to end February 2015. 96% of the total Project budget has been spent at EOP. Of the overall total Project expenditure at the time of the Project's Final Evaluation: 4.5% has been spent on Output 1; 4.6% on Output 2; 84% on Output 3 and 6% on Project Management.

Table 2 Planned and Actual expenditure:

Project Output	Planned Budget US\$	Actual Expenditure US\$	Discrepancy US\$
Output 1.	450,000	96,813.29	353,186.71
Output 2.	400,000	98,835.36	301,164.64
Output 3.	1,000,000	1,819,991.84	819,991.84
Project Management	400,000	132,907.51	267,092.49
US\$/MNT gain		12,487.69	12,487.69
Totals	2,250,000	2,161,035.69	88,964.31

The change in allocation of funds from Outputs 1 and 2 to Output 3 was agreed by the Project board, following the request by MCUD for additional funding to be allocated to installation of centralised WatSan facilities at target sites, under Output 3.

175. As outlined above, the Project was implemented using UNDP's National Implementation Modality (NIM). To be eligible the national Implementing Partner must have the technical and administrative capacity to manage Project resources. Under UNDP Rules and Regulations funds and procurement responsibilities could only be transferred to MCUD and Aimag Governments, once UNDP had verified that their systems were compliant and they had adequate capacity to manage these funds. UNDP therefore commissioned a series of macro and micro assessments in line with UNDP's Harmonised Approach to Cash Transfer (HACT) framework and protocols, and UNDP's Framework for Using Implementing Partners Procurement Systems. The assessments looked at institutional arrangements, leadership, knowledge, accountability and the procurement cycle.
176. The results of these assessments indicated that MCUD does have the necessary capacity and a 'procurement system that is in general compliant with international public procurement standards'. On the 24th June 2014, based on the results of the HACT macro and procurement assessments²⁸, the decision was made by UNDP CO to hand over procurement responsibilities to MCUD. Annex 6 appends the letter from UNDP CO confirming this decision. It meant that Project funds could be pooled with those of national partners at the level of the Aimag Governments, to support the installation of centralised WATSAN facilities at each of the 8 target Soums; procurement activities could then be managed by local Aimag Governments and MCUD. Each of the Aimag Governments allocated 3 staff to support implementation of the Project.
177. National procedures were followed to verify completion of works at Project sites. Each Aimag Government has established a State Committee comprising officials from relevant departments. The Committee decides whether construction has been completed in compliance with relevant standards, norms, rules and regulations. If the Committee finds that there is any non-compliance, the contractor is advised to correct/solve the issues. Only once all works have been completed to the satisfaction of the Committee is completion signed off.
178. Comprehensive reports were provided to UNDP by Aimag Governments demonstrating completion of all works supported by the Project; this included detailed descriptions, financial data and photographs. All completion reports were reviewed by the National Project Coordinator and Finance Officer and have been filed at PIU. At EOP these will be handed over to MCUD.
179. Local contributions to water and sanitation infrastructure developments at the target sites were increased from the US\$500,000 originally envisaged in the Project Document as co-financing, to approximately US\$970,000 (1800 million Mongolian Tugrig). This reflects the commitment of MCUD, local Aimag and Soum Governments to improving water and sanitation facilities and service provision arrangements in the target Soums. Additional funds for infrastructure developments were also obtained from an ADB loan programme that was already supporting the development of heating and other infrastructure developments in the target Soums. Total financing from ADB was around US\$2,400,000 for all infrastructure developments in the target Soums, including heating, roads and contributions to water and sanitation.
180. The interpretation and disaggregation of 'Project co-financing' is interesting in this context. The Project's Implementing Partners were not in essence co-financing the achievement of specific Project deliverables. ROK-UNDP MDG Trust Funds were contributing to the implementation of a larger WATSAN infrastructure development initiative²⁹, led by national and local partners. All partners pooled resources in working towards achievement of that nationally led initiative, each contributing different components.
181. It should be emphasised here that the aim of the ROK-UNDP MDG Trust Fund Project was clearly much broader than support for the installation of water and sanitation facilities in 8 Soums. Only one of the Project's 3 Outputs focuses on the establishment of water and

²⁸ HACT micro assessments were completed in December 2014

²⁹ At a number of the target sites, these facilities also included integrated heating components which were funded by ADB

sanitation facilities at target sites (Output 3), the other two Outputs focus on: capacity building of local institutions for improved service delivery (Output 2) and improved oversight monitoring, policy coordination and service delivery arrangements for rural water and sanitation (Output 1). However, in the context of co-financing, all recorded co-financing contributions under the Project relate directly to the installation of centralised WATSAN facilities at the target sites under Output 3; this is also where the majority of Project funds were focussed.

Remuneration of the Project Implementation Unit

182. A slightly complicated budgeting arrangement was established for employment of PIU staff. This was due to the fact that the PIU was initially shared between the ROK-UNDP MDG Trust Fund and GoAL WaSH Projects, with costs also shared between these two projects. Annex 9 gives more detailed information on the roles and contracting arrangements of PIU staff. The GoAL WaSH Project ended in December 2013 after which PIU and associated salary costs were solely dedicated to implementation of the ROK-UNDP MDG Trust Fund Project. The benefits of this arrangement for the ROK-UNDP MDG Trust fund Project was both in reduced salary costs, but also in the experience and skill sets of core PIU staff members due to their previous involvement in water and sanitation activities under GoAL WaSH as described above. Sharing of costs and expertise between the GoAL WaSH and ROK-UNDP MDG Trust Fund Projects was an efficient way to support effective Project implementation.

PART FIVE: ACHIEVEMENT OF PROJECT RESULTS

183. The following section examines the extent to which the Project has achieved intended results under each Output. It also looks at the extent to which Project Output results have together contributed to the Project's overall Objective: 'to foster capacity development by enabling local governments to fully undertake their assigned functions in rural water and sanitation, enhance local resource mobilisation, improve the quality and access of service delivery.'
184. Evaluation of the level of achievement of results uses the indicators and targets established in the Project's amended monitoring matrix, against the baseline in that matrix, within the context of originally intended results as outlined in the Project Document. The Evaluation also takes in to consideration the changes made to the scale, scope and approach of Project support, during inception and the associated changes to anticipated deliverables and results at target sites³⁰. Rating of *Output Results* in this Final Evaluation Report is based on the amended deliverables and anticipated results agreed by the Project Board during Project inception³¹.
185. Evaluation of *Project impact, relevance, effectiveness, efficiency and the likely sustainability of development results* is based on evaluative analysis against the Project's overall Objective, and anticipated development impact, as outlined in the Project Document. The changes made to the scale, scope and approach of Project support during inception do not in any way alter the overall Objective and intended impact of the Project. They do however have implications for the extent to which it was possible for the Project to achieve intended impacts within the short timeframe available for Project implementation.
186. The Project was designed to directly support relevant UNDP CPAP Outcomes, Outputs and Targets³², and to contribute to UNDAF Outcomes 4 and 12. The following table outlines the linkages between the UNDAF & CPAP Outcomes, and Project Outputs.

Project Title: Scaling up Support to Local Service Delivery for the MDGs: Rural Water & Sanitation	
Contribution to UNDAF Outcomes UNDAF Outcome 4: Equitable access to safe water and sanitation services in urban ger areas and rural settlements, which sits under UNDAF Priority Area Basic Social Services and Social Protection UNDAF Outcome 12: 'Strengthened governance for protection of human rights and reduction of disparities' under UNDAF's strategic support for 'Governance and Human Rights' which sits under UNDAF Priority Area Governance and Human Rights	
Contribution to CPAP Outcomes & Outputs	Targets & Indicators
CPAP Outcome 2: Strengthened governance for protection of human rights & reduction of disparities. Output 1: Policy framework for decentralisation created; local government capacity for service delivery increased. CPAP Outcome 3: Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate. Output 5: Innovative and cost-efficient	- Review of functional assignments and service standards for MDG sensitive areas - Innovative and affordable sanitation technologies for small settlements made available with approved BCNS - Public Utilities Service Management model demonstrated

³⁰ agreed between UNDP, MCUD and the Project Board

³¹ Refer Annexes 3,4,5,6 & 7 for UNDP records and official agreements outlining these changes

³² Following the UNDP Template for Projects within a CPAP, project design does not include delineation of a specific Project Goal and Objective, but instead feeds directly in to the CPAP.

technologies made available for reducing disparities in access to safe drinking water and adequate sanitation	for Soum centres - Workforce skills updated for application of new technologies
Project Outputs, showing Baseline	Indicators & Targets from the Project's updated M&E Framework
Output 1: Improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation Baseline: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres.	Indicators: - Activity mapping and Policy Recommendations - # of policy recommendations fed into activity mapping - Revised Policy guidance for PUSOs Targets: -Review of Functional Assignment completed and recommendations made; -Policy recommendations made on service provision modalities, including that of private providers; service standards set and monitoring tools available.
Output Two: Capacity of local institutions strengthened for improved service delivery Baseline: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centers.	Indicators: - A set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools developed followed by the recommendations made from the CD needs assessment - Enhanced Capacity of Aimags Targets: - Capacity Development needs assessed - Aimags received CD support and recommendations for policy reforms made to the Government.
Output Three: Water and Sanitation Services expanded in the selected areas Baseline: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres.	Indicators: - Water supply and sanitation facilities established in the target Soums. - % of population that have access to safe water and adequate sanitation in target Soums Target: Water and Sanitation Services expanded in the target Soums.

187. As has been shown in Part IV of this Final Evaluation Report the scale, scope and approach of Project support was changed significantly during Project inception. The implications of this for achievement of originally anticipated development results and impacts, within the short timeframe available for Project implementation, will be explored under each of the Outputs below.

188. Although envisaged as a two year Project, actual Project implementation time was considerably shorter than this. The Project Document was not signed until April 2013, leaving 1 year 8 months for Project implementation. The subsequent processes that were required to integrate Project support directly within the larger MCUD New Soum initiative, establish the arrangements necessary for NIM, and select target Soums took a considerable amount of time. It was only in June 2014 that the necessary macro and procurement assessments had been completed to enable UNDP to transfer funds to MCUD under NIM; this was 6 months prior to the end of the Project. Following this, MCUD completed contracting for construction of the water and sanitation facilities at target sites in September 2014; 3 months prior to EOP.

189. The two year timeframe for Project intervention was very ambitious. In the context of delays to start up, and changes to Project scale, scope and approach during inception, this final evaluation report suggests that it was unrealistic to imagine that it would have been possible for all partners in the national WATSAN initiative to have 'established' operational water and sanitation facilities before the end of the Project, such that these could be providing water and sanitation services in all of the target Soums by EOP.
190. Evaluation of the level of achievement of Results uses the indicators and targets established in the Project's amended monitoring matrix, against the baseline in that matrix, within the context of originally intended results as outlined in the Project Document. The Evaluation also takes in to consideration the changes made to the scale, scope and approach of the Project during inception and the associated changes made to anticipated deliverables and results at target sites, as agreed by the Project Board.
191. The baseline for all Outputs describes a situation where there is 'Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres'. Specific baselines were not established by the Project for each Output, although baselines were established for each target site. Given that the Project Document was not updated in any way to reflect the changes made to the Project scope, scale and approach during inception, analysis of results in this Final Evaluation Report also refers back to the results and targets intended in the Project Document, to explore any discrepancies.

Project Output 1: Improved Oversight, Monitoring, Policy Coordination and Service Delivery Arrangements for Rural Water and Sanitation

Summary Rating	Satisfactory
<p>Baseline</p> <p>Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres</p>	<p>Indicators:</p> <ul style="list-style-type: none"> - Activity mapping and Policy Recommendations - # of policy recommendations fed into activity mapping - Revised Policy guidance for PUSOs <p>Targets:</p> <p>Review of Functional Assignment completed & recommendations made;</p> <p>Policy recommendations made on service provision modalities, including that of private providers; service standards set & monitoring tools available.</p>
<p>Indicative Activities outlined in the Project Document</p> <ol style="list-style-type: none"> 1) Activity mapping along the levels of the government and allocation of functions, funds and personnel in policy, provision and production arrangements for water and sanitation, feeding into the functional review carried out by the GOM; 2) Develop and test tools to receive customer feedback on effectiveness of local Public utilities management arrangements. 3) Support to review of service standards, performance indicators with baseline and target indicators and monitoring framework, pricing and cost-recovery policies. 4) Setting up a knowledge management system to support Aimag-to-Aimag and national experience sharing and analysis of lessons emerging from field operations, and for policy awareness (seminars, targeted study tours, etc). 	

192. The rationale for Project support under Output 1 was based on analysis in the Project Document which identified that 'A major reason of the poor record in RWSS is due to institutional gaps that lead to further gaps in policies, fiscal flows, human resources, a legal framework and mechanisms to strengthen accountable and participatory processes for...safe and sustainable delivery of RWSS.' The Project Document underlines the fact that: 'institutional arrangements for delivering water and sanitation characterise a great level of fragmentation between different government ministries and agencies'³³ and that local capacity for service delivery is weak.
193. Four activity areas were proposed under Output 1 in the Project Document, which together aimed to work towards achieving 'Improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. These are listed in the table above.
194. The Project commissioned four studies under Output 1. Three of these studies were combined within a national strategic review of water and sanitation service provision in Mongolia with associated policy recommendations. The fourth study was a stand alone assessment of knowledge management for water and sanitation service provision.
195. Two additional activities were also supported under Output 1: a National Forum on WSS and a Facebook Page for Guvansaikhan Soum WSS initiatives, through which the Soum shared their experiences under the Project, in particular for establishment of the centralised WATSAN system.

Activity Areas 1 and 3: Activity Mapping and a Strategic Review providing Recommendations for the institutional framework required to support rural Water and Sanitation Service Delivery

196. Three studies were commissioned under the Project; these were combined within a National Strategic Review for the water and sanitation services sector. The strategic review examined and provided recommendations on:
- The legal environment, policy coherence, coordination and organizational framework for water and sanitation service provision
 - The current framework for monitoring and evaluation of public utility sector implementation standards and performance management
 - The current pricing and tariff setting arrangements for water and sanitation service delivery and an analysis of options to increase profitability of public utility organizations and for public-private partnerships in the sector.

The legal framework and policy coherence for water and sanitation service provision

197. Activity mapping of institutional responsibilities for water and sanitation service provision in Mongolia was undertaken by a national legal expert. This was done through a review of literature, laws, policies, strategies and programmes, and consultation with relevant national and local agencies.
198. The study found that roles and responsibilities of agencies responsible for water and sanitation service provision are ill defined, highly diversified and that there is poor inter-agency coordination. There is therefore a lack of efficiency in implementing the Law on Water. Key issues highlighted in the study include: the lack of an overall agency responsible for overseeing and monitoring the Law on Water; a lack of impartiality in the agency responsible for setting water tariffs (WSRC) due to their dependence on funding from Public Utility Service Organisations (PUSOs) licences; significant gaps in strategies and programmes related to rural water and sanitation service delivery; confusion among PUSOs as to which agency they should report to, on what and why, with a number of different agencies and organisations requesting data and information from PUSOs.
199. The study identified an urgent need to clarify the strategic roles and responsibilities of the range of agencies and organisations involved in the water and sanitation sector, particularly for

³³ Project Document 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation'

the provision of water and sanitation services in rural areas. Targeted strategic advice and recommendations were developed from the study to address key areas.

The Monitoring and Evaluation framework for public utility sector implementation standards and performance management

200. The study on monitoring and evaluation (M&E) of rural water and sanitation service provision was conducted at three levels: National, Aimag and Soum. The analysis found that there are large discrepancies in the ways in which different organisations interpret and undertake monitoring and evaluation, the systems and processes used, and very little co-ordination or sharing of information between agencies at all levels. The study identified 5 main agencies involved in M&E of rural water and sanitation service provision:

- The National Water Committee which reports to the Government on implementation of the National Water Program
- The M&E units of the Ministries who monitor implementation of legislation, policies, strategies, programmes, standards, rule and regulations, relevant to their areas of operation.
- The Water Service Regulatory Committee which evaluates the operation of PUSO and professional organisations using 22 indicators related to performance
- The State Professional Inspection Agency which monitors the control of water services using a risk assessment methodology comprised of 177 indicators
- The Public Utility Service Organizations (PUSO) who each monitor their own performance using different methodologies.

201. The analysis pointed to the absence of an overall M&E framework for water and sanitation service provision, a lack of common standards and understanding, a consequent lack of co-ordination between agencies and no database for management and sharing of information. The study also found that there is limited capacity and gaps in legal provisions for M&E of water and sanitation service provision at all levels. A number of recommendations are made to address key issues and a 15 step guideline developed and submitted to MCUD. Recommendations focus on the need to:

- increase the number of officers in charge of M&E in the Ministries and to have dedicated officers in charge of internal M&E in PUSO
- establish a reference-database to support M&E of the WSS sector, across all agencies
- develop standards and an integrated system for analysis, reporting, approval and use of indicators for M&E of the WSS sector
- improve capacity for M&E at all levels and to establish a “Professional training centre” to prepare highly skilled professionals in the public utility sector.

Pricing and tariff setting arrangements for water and sanitation service delivery

202. In undertaking this study the national economic expert assessed national systems for tariff setting and financial management of water and sanitation service provision, and collected and analysed data from PUSO. The analysis led to a number of findings and recommendations for improving financial management of water and sanitation service provision, with a focus on rural areas.

203. The study found that PUSO could be divided into two groups, those that had received loans from ADB programmes and those that hadn't. Those that had received ADB loans had good liquidity, but a high ratio of debt to assets. Those that hadn't received ADB loans had very poor liquidity but also a low level of debt. ADB loans had mostly been used by PUSO to fund equipment and civil works and also to increase financial management capacity. Those that had received ADB support therefore could provide better services, and the study found that there was higher willingness to pay by their customers. The analysis of liquidity and cash flow was complicated by the fact that many PUSO also ran heating services; returns from heating services often bolster water and sanitation service provision. The study identifies a need to increase the profitability of PUSO and to increase financial stability of operations.

204. The Study provides a number of recommendations around the need to: increase the operational efficiency of PUSO, increase water tariffs and related to this to strengthen the corporate image of PUSO and increase customers' willingness to pay for water and sanitation services. The study also points to the need to increase awareness amongst the authorities setting tariffs at the national level about the importance of PUSO profitability to the financial sustainability of water and sanitation service provision, particularly in rural areas.

205. Overview of Results and Impact achieved under Activity Areas 1 and 3 at EOP

206. The studies and subsequent national strategic review have highlighted a number of key issues and have provided strategic guidance and recommendations to improve 'oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. Due to a very severe car accident involving the authors of the study whilst returning from consultations at the Project sites, in which several consultants were injured and one person died, completion of the Strategic Review was delayed. It had therefore only recently been completed and submitted to MCUD prior to the Final Evaluation. The findings of the Review had been presented at a National Forum organised by the Project to share lessons and information generated under the Project.

207. The Final Evaluation consulted with MCUD and some of the participants at the National Forum. All those consulted emphasised the relevance of the findings, strategic guidance and recommendations provided in the national strategic review. MCUD confirmed that they would use the study in planning future support for rural water and sanitation service provision. They suggested however that any action to develop an inter-sector strategy on water and sanitation service provision would be unlikely to occur prior to the next Governmental elections in 2016.

Activity Area 2: Develop and Test Tools to Receive Customer Feedback on Effectiveness of local Public utilities management arrangements

208. The Project document specified that 'Practical tools to receive feedback from citizens' should be developed and that these should be 'tested for service delivery performance to assist development of processes to strengthen accountability of local representative bodies to their constituencies'.

Under Activity Area 2, a survey questionnaire was developed by the M&E consultant; questions focussed on the levels of customer access to information on service provision and tariffs, preferences on water access, and knowledge of health issues related to water quality. The survey questionnaire was approved by PIU and MCUD as a tool that could be used by local government and PUSO to improve information and service provision. The questionnaire was then 'tested' on 477 citizens from UlaanBaatar city, Tuv, Selenge, Bulgan, Uvurkhangai and Gobisumber Aimags, who have access to WATSAN systems managed by PUSO. The results indicated that 55.3% of the respondents get water price information from TV news, and 14.2% by word of mouth from friends and family. 21.3% of respondents rated PUSOs management as 'satisfactory', 45.2% as 'average', 14.4% as 'unsatisfactory', while 19.1% 'don't know'.

209. Overall the study concluded that of the 477 citizens surveyed:

- The majority had a low level of access to information on WATSAN service provision, price and tariff setting.
- The majority had a good understanding of the health impacts of water quality
- Although water service provision through water distribution kiosks in ger districts is being improved, a considerable number of people still prefer to use water sourced from wells or springs that are not improved or protected, due to the fact that it is free.

Activity Area 4: Setting up a Knowledge Management System to support Aimag-to-Aimag and national experience sharing and analysis of lessons emerging from field operations, and for policy awareness

210. A study was commissioned to assess current knowledge management systems within the water and sanitation service sector in Mongolia. Assessments were undertaken at National, Aimag and Soum levels through consultation with relevant Ministries, Aimag and Soum governments,

the Water Services Regulatory Commission (WSRC), PUSO and private sector organisations. The study found that there is a need to increase understanding of knowledge management, harmonize policies and regulations, improve capacity particularly in PUSO and establish effective information management and dissemination systems for customers. The study put forward a series of recommendations, identifying the need to:

- Increase use of social media and establish best practice information exchange events for PUSO, to raise awareness of and skills in knowledge management.
 - Amend national policies, laws and regulations to support effective knowledge management in the sector, and approve an information distribution procedure for Aimags and Soums.
 - Make better use of online and mobile systems. The study points to the opportunity for 'policy makers and implementers to share information and knowledge through online platforms, and for customers to obtain information through mobile applications'. The study cites Ulaanbaatar's Electric Distribution Network Authority's online mobile application as a useful model for the water and sanitation sector. It suggests that cellular phone operators such as Mobicom, Skytel, Unitel could support Aimag-Soum networks to establish innovative information databases.
 - Establish an effective customer service program using innovative technology.
 - Assess individual PUSO knowledge management systems, and develop and implement initiatives to establish effective knowledge management systems and capacity. The study recommends using both 'Online & On the Job Training'
211. In addition to the knowledge management study, the Project also supported three information exchange initiatives that were not originally envisaged in the Project Document. These can be seen to have had an important impact in supporting information exchange and awareness-raising. The first was the establishment of Water-Life-Participation Centres within the 8 target Soums, these supported knowledge transfer and awareness raising at the Soum level and will be examined further under Output 3, Activity Area 4. The second initiative was in Gurvansaikhan Soum where the Project supported local authorities to set up a **Facebook page** as a forum for stakeholders to share their experiences in development of the WATSAN systems, with other Soums and Aimags nationally via the internet. The page highlighted different Project activities in Gurvansaikhan Soum, and opened discussion forums with pictures uploaded to demonstrate Project progress across all aspects of implementation from WATSAN infrastructure development to community learning in Water-Life-Participation Centres and capacity assessments.
212. The Project also supported a **National Forum** to which a range of stakeholders in the water and sanitation sector were invited. This enabled an exchange of knowledge and experience between Project stakeholders across all levels of Project intervention (national, Aimag and Soum) and also provided an opportunity for the Project to present the key findings and recommendations of the analytical studies completed under Project Activity Areas 1 and 3.
213. At the time of this Final Evaluation the Project can not be evaluated to have 'Set up a knowledge management system to support Aimag-to-Aimag and national experience sharing and analysis of lessons emerging from field operations, and for policy awareness'. This result was perhaps slightly unrealistic in the short time period available for Project implementation. The Project has however supported an important study on Knowledge Management and has piloted information exchange mechanisms in target Soums. In this latter activity the Project has also supported achievement of an impact not specified in the Project Document and not captured in the Project's indicators; that of awareness raising.

Evaluation of Output 1 Results against the Indicators in the Project's Monitoring Matrix

Indicator	Status at EOP
Activity mapping and Policy Recommendations	This activity has been completed and a strategic review submitted to MCUD that includes Policy recommendations
# of policy recommendations fed	The translated report summary provided for assessment during the

into activity mapping	Evaluation included 9 strategic recommendations related to activity mapping
Revised Policy guidance for PUSO	The strategic review contains strategic/policy guidance for PUSO
Target	Status at EOP
Review of Functional Assignment completed and recommendations made;	The Strategic Review submitted to MCUD incorporates a review of 'functional assignments' (presumably this implies institutional responsibilities) for rural WSS and accompanying recommendations
Policy recommendations made on service provision modalities, including that of private providers;	Policy recommendations are included in the strategic review submitted to MCUD, covering all of the areas outlined in the target statement.
Service standards set and monitoring tools available.	Recommendations have been made on service standards and guidelines developed for monitoring and evaluation. However at EOP standards have not yet been 'set' and 'monitoring tools' are not yet 'available' for the water & sanitation services sector.

214. The indicators and targets in the Project's Monitoring Matrix focus on Activity Areas 1 and 3. Activity Areas 2 and 4, relating to the 'establishment of a knowledge management system to support Aimag to Aimag and national experience sharing'; and 'development and testing of tools to receive customer feedback on effectiveness of local Public utilities management arrangements' are not covered by any indicators or targets in the monitoring matrix. These are also the two areas that were not completed under Project Output 1.

215. The indicators do not include any measure of the quality or impact of the 'deliverables' (studies, recommendations, guidance, tools etc) supported under Project Output 1. There are no qualitative indicators that would enable those monitoring and evaluating Project results to determine whether the studies are likely result in a 'development change' that will support achievement of the Output.' The only quantitative indicator refers to the number of policy recommendations, this is not particularly helpful³⁴; the number of recommendations is not relevant here, the indicator should enable measurement of the quality and relevance of the studies and recommendations, and their uptake by relevant user groups, to support 'improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. Although there are not specific indicators to measure the quality and relevance of the studies and recommendations, consultation with a number of key stakeholder groups confirmed that the information and strategic guidance was relevant, important and likely to be used.

216. The incorporation by PIU and Project implementing partners of activities to support knowledge exchange and awareness-raising at the Soum level is highly commendable. One of the recommendations of the LPAC meeting was to include awareness-raising activities, although this was unfortunately not written into the Project document, or into the revised monitoring framework. The Project team recognised its importance to supporting effective use of and understanding of safe water and sanitation facilities.

217. The overall evaluation of results and impact under Output 1 presents a number of challenges. The Project's short timeframe, and externalities that further reduced the actual time available for Project implementation, have had a significant impact on the extent to which intended results have been achieved at EOP.

218. Under Output 1: Activity Areas 1 and 3 have been completed, Activity Area 2 has not been undertaken and Activity Area 4 has been partially completed. Even where all activities have been completed under Activity Areas 1 and 3, however, the Project's short timeframe, and the impact of the severe car accident in causing delays, means that at the time of this Final Evaluation it is not possible to determine the uptake and therefore impact of the studies and strategic recommendations that have been completed. The main impact evident at EOP is in

³⁴ One well informed recommendation might be more valuable than fifty ill informed ones! The quality and use of the recommendations is more important than the number of recommendations which in itself isn't a measure of results or impact.

an area not covered by the indicators and targets in the Project Document and monitoring matrix; that of awareness raising and information exchange within Soum communities.

219. An ex-post evaluation is strongly recommended. In one to two years time it may become evident that the analysis and recommendations in the studies have directly contributed to 'improved oversight, monitoring and service delivery arrangements for rural water and sanitation' across all areas of intended impact. However at this point in time that is pure speculation, intended results and impacts can not be demonstrated, insufficient time has elapsed for Project deliverables under Output 1 to have had a development impact.

Output 2: Capacity of Local Institutions Strengthened for Improved Service Delivery

Summary Rating	Good
<p>Baseline</p> <p>Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> - A set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools developed followed by the recommendations made from the CD needs assessment - Enhanced Capacity of Aimags <p>Targets:</p> <ul style="list-style-type: none"> - Capacity Development needs assessed - Aimags received CD support and recommendations for policy reforms made to the Government.
<p>Activity Areas Outlined in the Project Document</p> <ol style="list-style-type: none"> 1) Develop a rapid capacity assessment tool tailored to the needs of local government service delivery in Mongolia. 2) Conduct a CD needs assessment in functional areas of local governments. Rather than just identifying 'training needs', the project will explore factors and constraints affecting local government performance such as human resource constraints, material and logistical constraints, inappropriate or vague procedures, systems and rules and inadequate incentives, leading to policy reforms in this area. 3) Develop a set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools, and user-friendly training materials for Soum and Aimag authorities. These will be fully consistent with the institutional and regulatory framework for local government. 4) Support for improved monitoring and accountability. This too would entail the testing of procedures consistent with the legal and institutional framework for local government, building on LGSP, experience, and then a national roll-out to enable: <ul style="list-style-type: none"> o Citizen groups to be better able to monitor delivery by their local authorities, testing out customer feedback tools on effectiveness of Public utility service; o Soum and Aimag Hural (elected bodies) - to better undertake their statutory oversight and monitoring role of the local executive. 5) Testing of a mechanism to allow local authorities to 'buy-in' support for an agreed menu of activities. This would be important in developing a demand-driven dimension to the CD agenda. 	

220. The Project Document outlines a situation whereby 'Local governments are assigned with a primary responsibility for provision of water and sanitation services. However their capacity is limited due to fiscal and human resource constraints...The lack of guidelines and mechanisms

for local governments in the context of weak capacity can impinge on the interests of the poor and marginal sections of society.’ The Project Document also highlights the ‘major opportunity’ that the new Budget Law and associated Local Development Fund represent for local governments to improve local service delivery, stressing however that effective use of the LDF ‘will require greater capacities for monitoring budgets and service delivery and effective accountability mechanisms at local levels. Output 2 was therefore designed to support capacity building of local institutions for improved rural water and sanitation service delivery. Part III of this Final Evaluation report gives further details on Project rationale and design.

Activity Areas 1 and 2: Develop a rapid capacity assessment tool and Conduct a CD needs assessment in functional areas of local governments.

221. Development of a rapid capacity assessment was led by an international consultant who undertook a series of targeted meetings, field visit and led a one day workshop. The consultant introduced UNDP’s Capacity Assessment Methodology and Capacity Development Tool Kit and conducted training on its use. The toolkit was distributed to MCUD’s Monitoring and Evaluation Department and to local governments and PUSO in the 8 target Soums.
222. The capacity development needs assessment was undertaken through the workshop at which participants completed capacity development self-assessments and discussed capacity needs for greater decentralisation of rural water supply and sanitation (RWSS). This was developed further by the consultant through consultations with local governments and PUSO. Based on this analysis the consultant developed a draft framework for capacity development, including a series of priority activity areas. In this framework, the Project is seen as a pilot to ‘steer the CD strategy in the medium term’.
223. The CD framework was used by the Project in targeting capacity building support and was distributed to MCUD and local government authorities to guide them in long term capacity development for rural water and sanitation service delivery. A Capacity Development Specialist was also funded through the Project to support MCUD in Project implementation and capacity development more broadly. The CD Specialist was based at MCUD.
224. Introduction of the CD Assessment tool, subsequent training and development of the CD framework/strategy was undertaken during the initial year of Project implementation. Sufficient time has passed therefore for the Final Evaluation to be able to provide some observations on its uptake and use. Consultation during the Final Evaluation indicated that MCUD are using the CD Framework to guide them in rural water and sanitation service provision, and are very satisfied with the support and advice provided by the Project. MCUD, local government and PUSO officials who had participated in the workshop using the rapid capacity assessment methodology confirmed that they found this and the UNDP toolkit useful.
225. Development of a refined capacity assessment tool targeted to the needs of local governments and PUSO has been combined with the development of a set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools. Due to the car accident involving the national consultants responsible for its development, the publication and dissemination of this document was delayed. It was printed and distributed during the Final Evaluation. It is not therefore possible to provide any observations as to its use or impact.

Activity Area 3: Develop a set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools, and user-friendly training materials, for Soum and Aimag authorities

226. As has been outlined in Part IV of this Final Evaluation report, Project Support Units (PSU) were established in each of the 4 target Aimags to assist and coordinate Project activities. The fact that all PSU members were core officials in Aimag governments means that they will continue to use their strengthened skill sets and experience to guide water and sanitation developments in other Soums, and will be able to train other staff within Aimag and Soum governments.
227. Intensive training was initially delivered to PSU staff in financial management and procurement to enable them to effectively manage Project funds. The Project also supported a number of training courses and workshops in participatory planning, budgeting, procurement and

expenditure monitoring. PIU backed this up with ongoing support and guidance throughout Project implementation. One of the biggest impacts evident at EOP has been the way in which PSU were able to build on this training to cement their skills and strengthen institutional capacity through 'learning by doing' as local Project coordinators.

228. As also outlined in Part IV of this report, the Project worked through existing representative political structures. Participatory planning and decision making are embedded in the governance structures at the local Soum and Aimag levels. Support under the Project helped to build Soum and Aimag governments' capacity for participatory planning, monitoring and evaluation. This is particularly important in the context of opportunities and incentives for local participation and citizen engagement in local development planning associated with the Local Development Fund' (LDF). Linked to this, the Project's participatory implementation approach also helped to build the capacity, interest and awareness of local citizens in the target Soums for engagement in local development planning, and for monitoring progress of development activities. The role of the Water-Life-Participation centres outlined under Output 1 was also important here, as forums for discussion, capacity building and awareness-raising.
229. Under Activity Area 3 the Project also developed participatory planning, budgeting, procurement and expenditure monitoring and management guidelines. The document consists of two chapters. The first is a rapid capacity assessment tool which outlines the objectives, scope, structure and use of the tool, and describes 5 steps to assess capacity needs of public utility service organizations. Chapter 2 presents participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools. As outlined above, publication and dissemination of this document was delayed due to the severe car accident involving the national consultants responsible for its development. The accident also meant that subsequent training of trainers that had been planned under the Project had to be cancelled.
230. The Guidelines were printed and distributed during the Final Evaluation and the document was only available in Mongolian. Stakeholders consulted at the Project sites were able to look briefly through the document: Aimag and Soum government officials in particular welcomed the tool, stressing that they had found the training under the Project very useful and felt that there was a need for the guidelines to support them in their work. They confirmed that this tool would be used and incorporated in to their planning, decision making, monitoring and evaluation activities for water and sanitation service provision, as well as in other local development areas.

Activity area 4 Support for improved Monitoring and Accountability.

231. Under Activity Area 4 the Project has provided targeted M&E support to MCUD and to Aimag Governments, in particular the latter. Under this activity area the biggest impact has again been 'learning through doing' by staff within the PSU at the Aimag government level.
232. As outlined in the M&E study undertaken under Output 1 there are large discrepancies in the ways in which different organisations interpret and undertake M&E, the systems and processes used, and very little co-ordination or sharing of information between agencies at all levels.
233. Project support for M&E has improved monitoring and accountability within the four target Aimag governments, strengthening 'procedures consistent with the legal and institutional framework for local government' and also ensuring that those procedures meet international standards reflecting the rules and regulations necessary for NIM. At the time of the Project's final evaluation however the Project has not supported 'a national roll-out to enable:
 - Citizen groups to be better able to monitor delivery by their local authorities, testing out customer feedback tools on effectiveness of Public utility service;
 - Soum and Aimag Hurals (elected bodies) - to better undertake their statutory oversight and monitoring role of the local executive.'
234. National roll out of capacity development activities to support rural water and sanitation service delivery will now be the responsibility of MCUD, based on the support received under Project Activity Area 1 and on capacity developed at MCUD through Project implementation. The development and testing of customer feedback tools was not undertaken by the Project, this links also to the fact that Activity Area 2 under Output 1 was not undertaken.

Activity Area 5: Testing of a mechanism to allow local authorities to ‘buy-in’ support for an agreed menu of activities. This would be important in developing a demand-driven dimension to the CD agenda.

235. Support for this activity area was combined with support under Output 3 to pilot a Soum level public utilities management structure. The ‘Tripartite model’ piloted under Output 3 does allow local authorities to ‘buy-in’ support for an agreed menu of activities if they identify that this would support improved service delivery for water and sanitation.

Evaluation of Output 2 Results against the Indicators in the Project’s Monitoring Matrix

Indicator	Status at EOP
A set of participatory planning, budgeting, procurement & expenditure monitoring & management guidelines & tools developed followed by the recommendations made from the CD needs assessment	The guidelines and tools have been developed, and disseminated to Aimag and Soum Governments, PUSO, MCUD and other relevant national institutions. Due to the severe car accident involving the consultants developing the guidelines, they were only printed a few days prior to the Final Evaluation. It is not therefore possible to evaluate the extent of their use or impact.
Enhanced Capacity of Aimags	Capacity of Aimag governments has been increased through a range of mechanisms including the CD assessment tool, workshops and in particular through the training and ‘hands on experience’ of Aimag government officials employed within the local PSU.
Target	Status at EOP
Capacity Development needs assessed	Capacity development needs were assessed through a capacity self assessment process & accompanying study completed during the first year of project implementation
Aimags received CD support and recommendations for policy reforms made to the Government.	Aimags have received support under the Project, through the CD self assessment training, strategic guidance & recommendations provided in the CD Framework, as well as through effectively targeted capacity development to PSU staff. Recommendations & strategic guidance are provided to MCUD in the CD Framework.

236. Capacity building is a key area of Project support. UNDP recognised that implementation of Project activities through MCUD and Aimag Governments, using national systems, provided a real opportunity for Project implementation itself to work as a capacity building mechanism, particularly at the Aimag level. It fitted well with the Project’s overall partnership approach, working through local representative political structures. It also supported strong ownership of Project implementation and results by national partners.
237. Overall the Project has used a range of effective mechanisms to support capacity building at all levels: training, workshops, learning through doing and the development of tools, guidelines and an overall capacity development framework. Integration of the Project within the New Soum Programme has worked well to build capacity of local institutions particularly at the Aimag level, but also of Soum Governments and national organisations.
238. What is clear at EOP is that the Project’s partners at all levels have greatly increased capacity for planning, management and co-ordination of water and sanitation infrastructure development projects, using participatory consultative decision making processes. This will also support them in planning and implementing a wide range of local development initiatives.
239. At the time of this Final Evaluation, however, insufficient time has elapsed for it to be possible to assess whether support under Output 2 has strengthened the capacity of local institutions for improved water and sanitation *service delivery*. As will be shown in the analysis of results under Output 3, at five of the Project target sites water and sanitation facilities are still being installed³⁵, and services are not yet therefore being delivered; local institutions have not yet had the opportunity to apply new skills and knowledge to deliver water and sanitation services.

³⁵ MCUD have stated that they are fully committed to making sure that WatSan facilities at these remaining five target sites will become operational this year

At three of the target sites water and sanitation facilities have recently been installed and are managed through a tripartite agreement for local service delivery established under Project Output 3. At these three target sites local institutions now therefore have the opportunity to use their increased skills and knowledge to provide water and sanitation services.

Output 3: Water and Sanitation Services Expanded in the Selected Areas

Summary Rating:		Satisfactory
Baseline	<p>Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most Soum centres.</p>	
	<p>Indicators:</p> <ul style="list-style-type: none"> - Water supply and sanitation facilities established in the target Soums. - % of population that have access to safe water and adequate sanitation in target Soums <p>Target:</p> <p>Water and Sanitation Services expanded in the target Soums.</p>	
Indicative Activities	<ol style="list-style-type: none"> 1) Multiplier investments including small-scale and mono type waste water treatment facilities, establishment of new safe water sources, public baths and gender-sensitive sanitation facilities; 2) Provide technical support in project management, engineering design, survey, procurement and construction supervision. 3) Pilot Soum level public utilities management options through tri-partite agreements and where possible PPP scheme in a selected Aimag; 4) Implement a Behaviour Change Communication programme for school children and Soum centre population 	

240. The rationale for Project support under Output 3 was 'to promote pro-poor investments including small scale infrastructure for the provision of water and sanitation services in rural settlements³⁶'. The Project Document outlined that these should be 'proven innovative technologies...that are low maintenance and suited to the conditions of small rural settlements'. It identified an opportunity to pilot the 'monotype design drawings and technologies for small-scale waste water treatment facilities' that were developed with UNDP support under the GoAL-WaSH project.

241. Output 3 focuses on 'expanding' water and sanitation services 'in selected areas'. The original targets specified in the Project Document under Output 3 are for 'at least 2 water and sanitation facilities' to have been established in 2013 and, at least 10 water and sanitation facilities by 2014.

242. The Project's monitoring and evaluation framework has indicators and targets for measuring the achievement of results under Output 3: these require the water supply and sanitation facilities to have been 'established' in the target soums with a corresponding increase in 'the percentage of the population that have access to safe water and adequate sanitation', against the baseline.

243. As outlined in Part IV of this Final Evaluation report, the decision was made by the Project Board on 7th January 2014 to reduce the number of target Soums to 8. This followed a request by MCUD to incorporate Project support within the national rural water and sanitation initiative under the New Soum Programme. MCUD requested that Project support under Output 3 should be changed from that originally envisaged in the Project Document: instead of installing small scale, stand alone facilities at the target sites, MCUD requested that the Project should

³⁶ Project Document

contribute to the design and installation of larger integrated water and sanitation (WATSAN) facilities at each site, as part of MCUD and local government infrastructure developments under the New Soum Programme.

244. Total funding required to install operational WATSAN facilities at each site was far greater than that available under the ROK-UNDP MDG Trust Fund Project. MCUD contributed funds from their own budget allocation, local Aimag and Soum government allocated funds through the LDF, and MCUD sought additional funds from an ADB loan programme already funding infrastructure developments in Soums. All funds were to be pooled towards the overall objective of installing operational WATSAN facilities in the 8 target Soums³⁷. The allocation of ROK-UNDP Project funding support under Output 3 was increased from the US\$1,000,000 specified in the Project Document to US\$1,819,991.84; equivalent to 84% of the overall Project budget.
245. As also outlined in Part IV of this Final Evaluation Report, in order for UNDP to be able to pool Project funds with those of MCUD, local Governments and ADB, a number of assessments had to be undertaken, and agreements established, particularly to meet UNDP procurement rules and regulations. These were completed during the second year of Project implementation, and on 24th June 2014 a letter was issued from UNDP agreeing to transfer procurement responsibilities to MCUD. This was 6 months prior to the Project end date; MCUD subsequently completed tenders and contracting to start infrastructure developments in September, 3 months before the end of the Project. A two month extension has since been agreed for the Project, to end February 2015.
246. It is important to re-emphasise this chain of events here as this timeframe, and the agreements made to change the scale, scope and approach of support under Output 3, have significant implications for evaluation of the level of achievement of intended results and impact at the time of this Final Evaluation. Given the increased size and scale of the water and sanitation facilities being established in target Soums, compared to that envisaged at design, it is clear that it was not feasible for the Project to 'establish' 8 functional water and sanitation facilities, capable of providing 'expanded water and sanitation services' in 3 months. It is also clear that 'the Project' was no longer itself 'establishing' water and sanitation facilities, it was instead *contributing to* a larger MCUD and local government led infrastructure development initiative in those Soums under the New Soum Programme. Specifically the Project was contributing *components of* centralised WATSAN facilities at target Soums, supporting the establishment of service provision modalities and conducting awareness-raising as part of a behaviour change communication programme for Soum residents and school children.
247. Yet for the Project to achieve the anticipated Output result and impact, facilities would need to be functional and providing '*expanded water and sanitation services*'. The Project's impact in terms of expanding water and sanitation services at the target sites will only become evident following the end of the Project once MCUD and local partners have completed the facilities in all target Soums, these become operational, services are thus being provided, and it becomes clear whether those services will be sustained in the long term. This analysis will be explored further under each of the Activity Areas below.
248. Given the above and taking in to consideration the changes agreed by the Project Board to the deliverables and associated scale of anticipated results under Output 3, *rating* of the level of achievement of Results under Output 3 is based on the amended deliverables and on assessment of the extent to which the Project has effectively *contributed to* the broader national WatSan initiative at target Soums. In this, the evaluator has taken full consideration of the comments received from UNDP and MCUD on the draft report. These outline MCUD's satisfaction with Project support at target sites, their confirmation that all agreed component parts³⁸ of the WATSAN facilities were provided by the Project, and their firm opinion³⁹ that provision of these component parts, and support for the establishment of tri-partite service

³⁷ It should be noted however that when construction was initiated, following the completion of feasibility studies and detailed design drawings for construction DDDC, total funding required to complete installation at all target sites had not yet been secured.

³⁸ Water towers, pipelines, improved wells, toilets, wash basins, components of WWT facilities etc

³⁹ Refer Annex 13

provision agreements at each site, should be interpreted as achievement of anticipated results.⁴⁰

249. The *evaluative analysis* in the following section, however, remains firmly focussed on the extent to which the Project has achieved the overall Output objective: 'Water and Sanitation Services expanded in the selected areas', and on the indicators and targets established in the Project's amended monitoring matrix, to measure achievement of this Output. This evaluative analysis supports the subsequent assessment of Project Impact towards achieving the overall Project Objective, and the likely sustainability of results.

Activity Area 1: Multiplier investments including small-scale and mono type waste water treatment facilities, establishment of new safe water sources, public baths and gender-sensitive sanitation facilities and Activity Area 2: Provide technical support in project management, engineering design, survey, procurement and construction supervision.

250. Activity Areas 1 and 2 will be examined together due to the fact that the provision of technical support in project management, procurement, engineering design, construction supervision and multiplier investments in infrastructure development, were undertaken together under NIM.⁴¹
251. PIU supported national Partners in commissioning feasibility studies at each of the 8 Project target sites and in undertaking Detailed Design Drawings for Construction (DDDC). The DDDC are comprehensive documents covering all aspects of construction. The feasibility studies and DDDC identified the most appropriate centralised water and sanitation (WATSAN) facilities for each site and the works required to connect public service buildings to the centralised systems. The systems proposed used a monotype engineering design. This provided the basis on which all partners⁴² in development of the centralised WATSAN facilities integrated their inputs.
252. The feasibility studies and DDDC were based on analysis of the geographic, environmental and social conditions at each site, and the limitations and opportunities available for development of integrated, centralised WATSAN facilities. Environmental and social impact assessments were incorporated in the assessments. The studies involved close consultation with local stakeholders who were directly involved in decisions on whether to, how to and where to establish water and sanitation facilities, and which public service buildings to connect to the new systems. The Project supported the consultation process, working through existing representative political decision making frameworks to support citizen engagement and to strengthen capacity for participatory planning and decision making.
253. The DDDC enabled MCUD and its partners to estimate the funds required for completion of the overall WATSAN facilities, and to agree on the components to be supported by each partner. The components to be contributed by the ROK-UNDP MDG Trust Fund Project at each of the 8 target sites are outlined in Annex 7. This Annex therefore outlines the specific deliverables agreed to between MCUD and UNDP, and approved by the Project Board, under Output 3 Activity Areas 1 and 2.
254. It is clear from Annex 7 that the Project was no longer aiming to 'establish' small scale facilities, but rather to fund *components* of the larger centralised WATSAN systems. Installation and 'establishment' of the overall water and sanitation facilities and 'expansion' of water and sanitation services, would require inputs from all partners in this national initiative: MCUD, ADB, local Aimag and Soum Governments and the ROK-UNDP MDG Trust Fund Project.
255. Co-financing commitments for construction of the facilities were agreed between all partners. These included the ROK-UNDP Project, local governments, who had received dedicated financial allocations from MCUD (refer Part IV of this report) and ADB⁴³. Estimates in the DDDC indicated that about MNT 1.4 Billion would be required for installation of centralised WATSAN facilities at each of the target Soums. ROK-UNDP MDG Trust Fund Project

⁴⁰ given the amended deliverables agreed during Project inception.

⁴¹ Refer Part IV of this evaluation report

⁴² MCUD, Aimag and Soum Governments, Soum communities, the ROK-UNDP MDG Trust Fund Project and ADB

⁴³ Local government co-financing commitment is detailed in Annex 5. The context of ADB financing is complicated by the fact that funds committed also included a considerable sum for development and establishment of heating systems and roads in the target Soums

contributions amount to about MNT 350 Million for each target Soum. The difference, 1.5 billion MNT had to be met from additional sources, for each target Soum,.

256. An average of MNT 225 million was committed in local government funding. 1 billion, 275 million MNT would still be required to complete the facilities at each site. ADB agreed to contribute additional funds under its loan for infrastructure developments⁴⁴ at the target sites. The final evaluation did not have access to the specific amount of ADB water and sanitation contributions at each site, but only to ADB's total investments across water, sanitation, heating and road developments at the target sites (refer Annex 7).
257. Total funding identified by MCUD, between the ROK-UNDP MDG Trust Fund Project, local governments/MCUD and the ADB loans did not cover the total amount required to finance installation of the facilities at all 8 target sites. However, the decision was made by local governments and MCUD to go ahead with installation of the WATSAN facilities, even though it was not clear to them at that time⁴⁵ where or whether total financing for completion of those facilities would be available. Consultation with stakeholders at Delgertsogt Soum indicated that part of the reason for this decision was the fact that if they delayed starting construction until total finances had been identified, they would lose the opportunity to incorporate ROK-UNDP MDG Trust Fund Project funding.
258. Procurement for all construction works was undertaken by MCUD. A technical evaluation panel was established under the MCUD Secretary's Decree, open tender was used for procurement. In total 8 companies were contracted on Sept 5th 2014. This was 3 months before EOP.
259. It is extremely impressive, given the three month timeframe available for construction, that by the end of the Project all agreed ROK-UNDP MDG Trust Fund Project deliverables have been completed at all Project target sites. The fact that the Project was able to achieve these deliverables in such a short time period was the result of the hard work and commitment of the PIU and PSU, and of MCUD, local government and community stakeholders, as well as PUSO and contractors at each of the sites.
260. The following tables outline the ROK-UNDP MDG Trust Fund Project contributions to the centralised Water and Sanitation facilities being constructed at the 8 Project target sites.⁴⁶ The tables differentiate between Project support for external infrastructure development (Table 3) and for indoor facilities (Table 4). All Project deliverables were achieved to a good standard before the end of the Project.

⁴⁴ mainly heating and road developments

⁴⁵ June 2014

⁴⁶ MCUD, ADB, and local Aimag & Soum Governments all input various components of the integrated WATSAN systems at each site. Completion of the facilities is therefore reliant on completion of all elements, by all parties.

Table 3 ROK-UNDP MDG Trust Fund Project Deliverables and Completion Status

Target Soums	Contract Price US\$	Works Undertaken by ROK-UNDP Project	Status
Buregkhangai soum, Bulgan aimag	184,434.97	The main sewerage pipelines (1900 meter) Installation of power source to the WWT facility	Completed
Teshig soum, Bulgan aimag	205,252.66	The main sewerage pipelines (1700 meter) Indoor WatSan system networks and WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	Completed
Gurvansaikhan soum, Dundgobi aimag	240,938.17	The main sewerage pipelines (910 meter) Construction of Water distribution kiosks (2) Water reservoir (60 cub.m) & water pump station Construction of WWT facility (equipment funded by ADB)	Completed
Delgertsogt soum, Dundgobi aimag	194,376.81	Water pump station Water reservoir Construction of WWT facility & equipment (50.0 cubm / day) -1 set Indoor WatSan system networks & WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	Completed
Bayangol soum, Uvurkhangai aimag	170,559.82	The main water supply pipelines (1630m) Restoration of two deep wells Indoor WatSan system networks and WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	Completed
Sant soum, Uvurkhangai aimag	163,008.70	The main water supply pipelines (1800m) Construction of Water distribution kiosk (1) Restoration of two deep wells Indoor WatSan system networks and WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	Completed
Buren soum, Tuv aimag	209,700.57	The main water supply pipelines (1090m) Water tower Water reservoir (9cub.m) Installation of power source to the WWT facility (extension from the main grid)	Completed
Zuundelger's 4th Bag of Zuunmod soum, Tuv aimag	174,769.91	Water tower Water reservoir (9cub.m) The main water supply pipelines (375m) The main sewerage pipelines network (380m, d100-150mm) Indoor WatSan system networks and WC rooms (WC rooms with faucets, shower, latrine, urinals)of public buildings (school, kindergarten, bagh government building)	Completed
Total	1,543,041.60		

Table 4: Indoor water and Sanitation Facilities installed at each Project target site, showing ROK-UNDP MDG Trust Fund Project contributions; all deliverables have been completed

Funder	Soums	Institution & No of beneficiaries	Facilities installed
ROK-UNDP Project	1.Buren	School 500 students	toilets -5, sinks-4
		kindergarten 35 students	toilets-7, sinks-15, shower-1
		Dormitory 52 students	toilets-4, sinks-11
		Hospital 10 patient	toilets-6, sinks-19, showers/boilers-2
		Government Office & Culture Centre	toilets-2, sinks-2
	2.Zuundelger	School 307 students	toilets-17, sinks-20
		kindergarten 125	toilets-17, sinks-16, showers-2
		Government Office 20	toilets-1, sink-1
	3.Bayangol	School 692 students	Under LDF
		kindergarten 150 students	toilets-12, sinks-12
		Dormitory 80 students	toilets-6, sinks-6
		Hospital 10 patient	toilets-4, sinks-5
		Government Office 30 staffs	toilets-3, sinks-3
	4.Sant	School 700 students	toilets-6, sinks-8, showers-2
		kindergarten 90 students	toilets-6, sinks-13, showers-2
		Dormitory 100 students	toilets-6, sinks-8, shower-1
		Hospital 15 patient	toilets-5, sinks-19, shower-1
	5.Teshig	School 320 students	toilets-6, sinks-9, showers-1
		kindergarten 92 students	toilets-10, sinks-9, showers-1
		Dormitory 40 students	toilets-6, sinks-8, showers-1
		Hospital 10 patient	toilets-4, sinks-4
		Government Office 38 staff	toilets-4, sinks-4
	6.Delgertsogt	School 136 students	toilets-7, sinks-7
		Dormitory 34 students	toilets-4, sinks-4, showers-2
Total:		School 2655 students	toilets- 41, sinks-46, showers-3
		Kindergarten 342 students	toilets- 52, sinks-65, showers-6
		Dormitory 306 students	toilets- 27, sinks-78, showers-2
		Hospital 45 patients	toilets- 19, sinks-47, showers-3
		Government Offices	toilets- 10, sinks-10
Local Development Fund	7.Buregkhangai	School 273 students	toilets-10, sinks-6, shower / boiler-1
		kindergarten 40 students	toilets-7, sinks-7, showers-2
		Dormitory 92 students	toilets-2, sinks-2, showers-2
		Hospital 10 patient	toilets-4, sinks-4, showers/boilers-2
	8.Gurvansaikhan	School 202 students	Not yet confirmed
		dormitory 30 students	
		kindergarten 100 students	
		Hospital 10 patient	
		Government Office 30 staffs	
ADB	Have not contributed to indoor facilities		

261. The Project Baseline depicts a situation at all target sites where public service buildings and residents were either served by low capacity septic tanks or had no indoor sanitation facilities and had to use outdoor pit latrines. Water had to be collected by hand from wells or purchased from vendors. Project target sites were chosen because communities had the lowest access to safe water and adequate sanitation, highest rates of hygiene related diseases and highest levels of poverty in each target Aimag. The potential impact of installation of a safe, piped water supply and adequate sanitation is clear: These facilities will significantly improve the quality of life of beneficiaries of the public service buildings, including important health related benefits for school and kindergarten children. The establishment of improved water and sanitation facilities is also likely to have a broader development impact in encouraging residents to remain in Soums rather than migrate to Aimags and cities, and therefore to support local development in Soum areas.
262. The impact of Project support at Buren Soum, where the centralised WATSAN facility has been completed is striking. The Final Evaluation consultant visited Buren Soum during the in-country mission. In this Soum all public service buildings are now connected to the centralised WATSAN facility and have access to safe water and sanitation. This includes a school, kindergarten, dormitory, hospital, cultural centre and government buildings. The impact on peoples' lives is clear and is perhaps best demonstrated through the changes described by the head of the school dormitory in consultations during the final evaluation. The dormitory is particularly important for the children of nomadic herders who do not have a permanent base in the Soum centre. It accommodates the highest number of children in all Soums.
263. The dormitory head teacher described the situation prior to installation of the WATSAN facility: Water had to be collected from the well or purchased from vendors. Each child was responsible for collecting water for their own use. For sanitation, although the dormitory had a septic tank, this was old and not of adequate capacity, children were encouraged not to use it as it was prone to overflowing and in the summer resulted in a stench that staff described as unbearable. Children would therefore go outside to use the pit latrines, including in mid winter in conditions of -30 or lower; if a young child needed to use the pit latrine during the night then they would have to wake one of the staff to accompany them. The dormitory consequently had a very low health and safety rating. This has now greatly improved: girls and boys have separate toilet and washing facilities including a hot shower. Staff have additional toilets and washing facilities. These greatly reduce the risk of hygiene related disease outbreaks and significantly increase the living conditions of students and teachers. Parents of children at the school also recently purchased a washing machine, which is now also connected in to the system. The head of the school dormitory expressed the extreme satisfaction and thanks of staff, students and their parents for the support provided through the ROK-UNDP MDG Trust Fund Project.



Baseline: Pit latrines are used for sanitation



Operational new facilities at Buren Soum

264. At the end of the Project, one of the target Soums, Buren Soum, has an installed, operational WATSAN facility. All works to establish operational WATSAN facilities in the remaining seven Soums could not be completed by Project partners within the short timeframe available under the Project (as outlined above this was in reality only 3 months). Of the remaining seven Soums, three have purchased all required equipment and plan to complete construction during the next construction season (spring/summer of 2015).

265. Annex 12 presents a table compiled by MCUD which presents the status of civil construction works and financing available at each of the Project target sites. It includes the following list outlining the 'remaining works' to be completed for the establishment of operational WATSAN facilities at each of the target Soums. The table indicates the components of infrastructure developments⁴⁷ at each of the target Soums that currently 'lack funding sources'. The final row of the table titled 'Remarks' indicates how MCUD propose to source financing for completion of the works. MCUD have confirmed that they are committed to sourcing funds and completing all WATSAN facilities in target Soums in 2015.

Table 5: Remaining works at target Soums and funding sources identified by MCUD⁴⁸

Aimag Name Аймгийн нэр	1. Bulgan Булган		2. Dundgovi Дундговь		3. Uvurkhangai Өвөрхангай		4. Tuv Төв		
Soum Name Сумын нэр	1.Buregkhangai Бүрэгхангай	2.Teshig Тэшиг	3.Gurvansaikhan Гурвансайхан	4.Delgertsogt Дэлгэрцогт	5.Bayangol Баянгол	6.Sant Сант	7.Buren Бүрэн	8.Zuundelger Зүүндэлгэр	
Remaining works lack funding sources Санхүүжилт шаардлагатай ажлууд	WWTP Construction work (ЦБ-ийн үгсралт)	Water Reservoir and Pump Station (Усан сан, насос станц)	Indoor Watsan system and WC rooms (Дотор сантехникийн холболт, засвар шинэчлэлт)	1.2km water main (1.2км ЦУ-ны шугам)	1.9km water main (1.9км гадна ЦУ-ны шугам)	0.6km sewerage main (0.6км гадна ариутгах татуургын шугам)	0.9km heating pair main (0.9км гадна дулааны хос шугам)	Remaining WWTP construction work (ЦБ-ийн үгсралтын үлдэгдэл ажил)	
		Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Sewerage main (гадна бохирын шугам)	2.5km sewerage main and booster pump station (2.5км ариутгах татуургын шугам, бохирын өргөлтийн насос станц)	Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)		Outdoor electrical grid for WWTP (ЦБ-ын гадна цахилгаан)	
		Lagoon (Шүүрүүлэх талбай)		Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)			
Remarks Тайлбар	LDF/SDF ОНХС/СХС	State Budget УТХО			LDF/SDF ОНХС/СХС		State Budget УТХО	LDF/SDF ОНХС/СХС	
Out of which: Үүнээс:									
By State Budget УТХО-аар									1,519.00
By LDF/SDF ОНХС/СХС-аар									1,486.90

266. Since the Final Evaluation mission, MCUD have confirmed that two additional Soums: Gurvansaikhan Soum in Dundgobi Aimag and Zuundelger 4th Bag of Zuunmod Soum in Tuv Aimag have completed installation of their WATSAN facilities and therefore now have operational water and sanitation facilities which are providing 'expanded water and sanitation services' to public service buildings. These were completed in March 2015, during the start of the Spring construction season, as confirmed by MCUD following the Final Evaluation mission in a letter dated 4th April 2015⁴⁹. These Soums are therefore now also benefiting from the installation of safe water and adequate sanitation facilities to which the Project significantly contributed.⁵⁰ Benefits are likely to be similar to those described for Buren Soum, however because the WatSan facilities were completed after the end of the Project, the evaluator was not able to consult with any of the beneficiaries.

267. Although at the time of this Final Evaluation only three out of eight target Soums have functional water and sanitation facilities that are 'established' and providing 'expanded water and sanitation services', the analysis in this Final Evaluation report has hopefully demonstrated that this is not through a failure of the Project to complete agreed deliverables; it is due to the fact that changes were made to the scale, scope and approach of the Project during inception which correspondingly meant that originally anticipated targets were not feasible in the short timeframe available for Project implementation.

268. All components of the centralised WATSAN systems that were agreed between UNDP and MCUD, and sanctioned by the Project Board, as ROK-UNDP MDG Trust Fund Project

⁴⁷ Including water and sanitation and heating facilities

⁴⁸ Please note that a full size copy of this table is appended in Annex 13

⁴⁹ Refer Annex 13

⁵⁰ Refer Annex 7 for specific Project contributions

deliverables under activity areas 1 and 2,, have been completed satisfactorily within the timeframe of the Project. However, as outlined above, the satisfactory completion of Project deliverables does not equate to the completion of functional WATSAN facilities providing water and sanitation services at target sites. This remains the work of MCUD and local authorities following the end of the Project at the remaining five target sites.



Water Tower Zuunmod Soum



Water Storage Delgertsogt Soum



Treatment Plant Works Zuunmod Soum



Treatment Plant Works Delgertsogt Soum

Activity Area 3: Pilot Soum level public utilities management options through Tri-partite agreements and where possible PPP scheme in a selected Aimag;

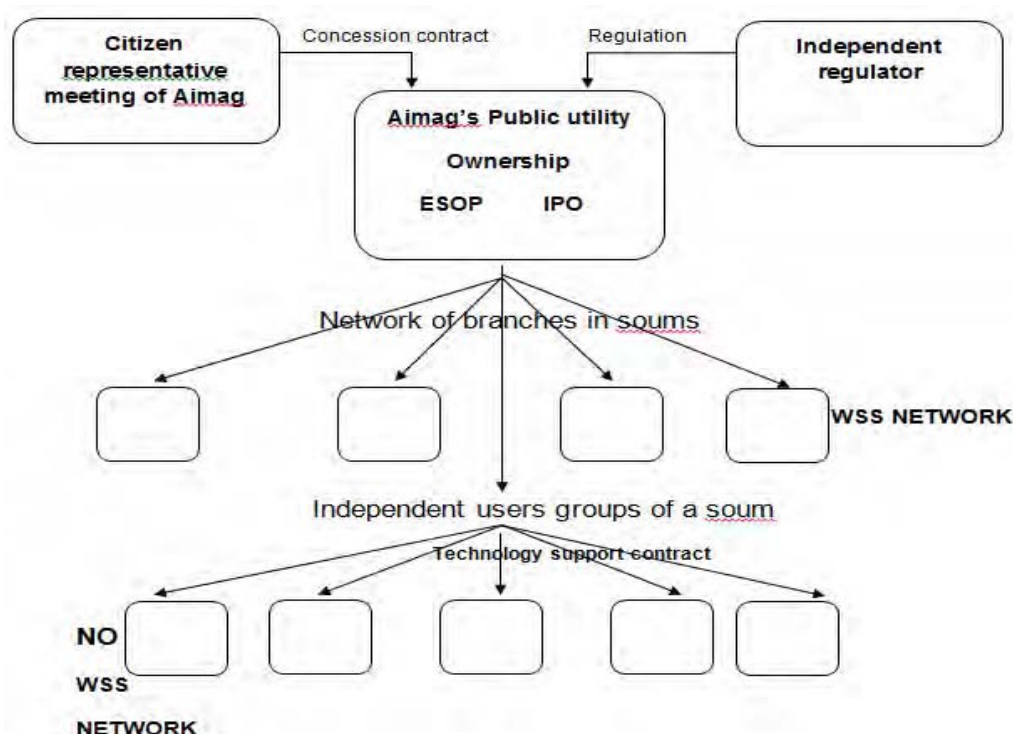
269. Activity 3 builds on a public utilities model established under UNDPs GoAL WaSH initiative. The model outlines a tripartite agreement between Aimag and Soum Governments, and PUSO for water and sanitation service provision.
270. Public Utility Service Organizations (PUSO) are Aimag based organisations with responsibility for water and sanitation service provision. Originally funded and operated as public sector organisations, the national Company Law (1999) provided for the corporatization of PUSO to enable them to become financially and managerially autonomous enterprises. Studies completed under the GoAL WaSH project indicated that 'there has been a widespread introduction of management contracts, but there is no competition for management services; contracts are poorly drafted and do not include incentives to meet performance targets, and governors effectively make all decisions. In practice, privatization has amounted only to the removal of the payroll from local government responsibility, without giving management any real scope for change.'
271. To support service delivery for water and sanitation service delivery at the Soum level, the GoAL-WaSH Project developed a decentralized management structure comprising three organizational layers (the tripartite model)⁵¹. Under the tripartite agreement PUSO operate within a concession contract signed with and controlled by Aimag khural, and monitored by the national Water Regulatory Services Committee (WRSC). Two different scenarios are incorporated in this model:
272. The first is in a situation where Aimag and Soum centres are linked to a piped water and/or sewerage network. Here the model establishes a 'reformed' PUSO which operates within a concession contract signed with and controlled by the Aimag khural and monitored by the

⁵¹ This was incorporated within amendments to the Law on "Utilization of Urban and Rural Settlement's Water Supply and Sewage"

WSRC. In this model, the PUSO establishes branches at the Soum level which provide dedicated services for water and sanitation service provision in Soum centres. In establishing this concession contract the PUSO is required to design an organizational chart showing the links between PUSO headquarters in the Aimag and its branches at Soum level and defining roles and responsibilities, lines of delegation, monitoring and reporting. The contracts allow for most decisions related to planning, policy, financing, coordination with, and reporting to authorities, to be made at the Aimag PUSO headquarters, while management of facilities and water and sanitation needs assessments is delegated to PUSO branches at the Soum centre.

273. The second scenario is in a situation where Soum centres are not linked in to a piped water and/or sewerage network. In this situation the model envisages a local autonomous service provider in terms of a user group (for profit or not for profit entity such as a cooperative or private enterprise) in charge of water and sanitation service delivery. The choice and nature of the management entity is to be made by each Soum khural through participatory decision making processes assessing different technical and institutional options. The new user group will operate with a management contract signed with the Soum khural and through a service contract with a PUSO.
274. Concession contracts between Aimag khural and PUSOs introduce commercial and operational objectives for management, with requirements for reporting on costs and performance, so that efficiency can be benchmarked⁵². One of the objectives of the tripartite model is to strengthen provisions for regulation and performance measures, and enable comparative competition and penalties for failed targets.
275. The following diagram from the GoAL WaSH Project final report outlines the decentralised tripartite model for water and sanitation service delivery developed under that Project

Figure 2: Decentralised Tripartite Model for Water and Sanitation Service Delivery



276. At all Project sites except for one where there is a private service provider⁵³, PUSO were identified as the main organisations responsible for water and sanitation service provision. At each of the target sites the Project supported local Government agencies and PUSO to develop a concession contract as outlined in scenario 1. Therefore, although installation of the

⁵² Benchmarking enables the identification of best practice with the objective of improving performance. Data collection is an integral step in the benchmarking path to improved performance

⁵³ In this Soum the concessional contract incorporated the private sector company the 'tripartite' becomes therefore in essence a 'quadripartite model' involving Aimag, Soum, PUSO and private sector organisations.

WATSAN facilities has not yet been completed at all target sites, the Project has supported each site to establish service delivery agreements, using the tripartite model. These will then guide service delivery once the centralised systems have been installed and are functional.

277. Under the tripartite model the establishment of Soum level PUSO branches also means that these local WATSAN service delivery teams need to be trained. Under the Project training for operation and maintenance of the systems was provided through an intensive technician's course at the Mongolian University of Science and Technology. The trained technicians also subsequently participated directly in construction of the WatSan facilities, with 'hands on' training being provided by construction companies. As outlined in the analysis of results under Output 2, the Project also supported broader capacity building within PUSO providing training and developing guidelines for capacity assessment.
278. The financial viability of the tripartite service delivery model at each of the target Soums is yet to be assessed. The National Water Services Regulatory Commission of Mongolia (WSRC) expressed concerns that PUSO would not be able to generate adequate revenue from water and sanitation service provision in Soums to sustain those services, due to the low population sizes. The issue of water tariffs is critical here. The head of WSRC stressed that there were two key issues, the first was whether, given the small population size of Soums, PUSO would be able to generate adequate revenue to support dedicated service provision at that level, the second, linked to this, was whether water tariffs could be raised high enough to cover operational and management expenses linked to service provision using the centralised WATSAN systems. This issue was discussed with PUSO at the 3 target sites visited during the final evaluation mission. There was a mixed response: at one site the PUSO felt comfortable that they would be able to cover their costs; at another site the PUSO felt that they would not be able to generate enough revenue from water and sanitation service provision but would be able to bolster losses through revenue generated from heating service provision for which they were also responsible; at the remaining site the PUSO expressed concern as to whether they would be able to cover operational costs.
279. At all 8 Soums supported through this ROK-UNDP MDG Trust Fund Project there is an urgent need to assess the financial viability of water and sanitation service delivery. This should be based on analysis of predicted operation and maintenance costs relative to technical data on the capacity of the systems and number of proposed users. It will then be possible for PUSO and local governments to estimate the number of users/ tariff rates required for sustainable operation. Based on this, PUSO, local authorities and WSRC will then be able to review the cash flow and liquidity of PUSO responsible for local service delivery at each site, and assess implications and options for sustainable service delivery through the tripartite model at each site.

280. Activity Area 4: Implement a Behaviour Change Communication programme for school children and Soum centre population

281. The Project established Water-Life-Participation centres in each of the 8 target Soums. These centres have had a significant impact in increasing the awareness of local residents on the importance of safe water and sanitation. The Project supported Soum authorities to upgrade existing meeting rooms, and provided equipment. Discussion forums were held and training delivered to residents and children on use of toilets, wash basins and showers installed under the Project. Information leaflets that had been produced under GoAL WaSH were printed and distributed alongside relevant training. Women in particular were encouraged to attend and to discuss health issues linked to water and sanitation. Consultation with stakeholders at the target Soums visited during the Final Evaluation highlighted the extent to which these centres were used and appreciated by local residents. The Centres will continue to function following the end of the Project with funding from local Governments and are being expanded in some areas to serve as centres for information exchange and learning on a range of livelihood support issues.

Additional Activity: Development Partners' Meeting

282. The Ministry of Construction and Urban Development (MCUD) and UNDP Mongolia co-hosted a development partners' meeting in Gurvansaikhan Soum, Dundgobi Aimag to showcase the

work undertaken by national and local partners, the ROK-UNDP MDG Trust Fund Project and ADB in development of improved water and sanitation facilities. The initiative was put forward as ‘an innovative co-investment model’ for supporting the New Soum Development Programme. Through the meeting the Project aimed to both facilitate the sharing of information and lessons learnt and to promote the co-investment model as a basis for future partnerships under the New Soum Programme. Representatives of ADB, UNDP, JICA, WH, World Vision, KfW Development Bank, UK Embassy, ACF and KOICA were present at the meeting along with MCUD and local development partners.



Leaflets distributed through the Water Life Participation Centres



Renovated Information Centre

Evaluation of Output 3 Results against the Indicators in the Project's Monitoring Matrix

Project Indicator	Status at EOP
Indicators: Water supply & sanitation facilities established in the target Soums.	<p>As outlined in Part IV and V of this report, the scope, scale and approach of Project support under Output 3 was changed during Project inception. All Output 3 deliverables agreed between MCUD and UNDP, and sanctioned by the Project Board, have been completed by the Project to a good standard and to the satisfaction of MCUD and local partners.</p> <p>However, this Output 3 indicator requires the Project to have ‘established’ functional water and sanitation facilities, thus contributing to the overall Output objective to ‘expand water and sanitation services’ at the target sites. This result and impact will only be possible to determine following the end of the Project, once Project partners have completed works to install the WATSAN facilities, and once these are functional and providing services. An ex post evaluation is necessary to assess achievement of this indicator.</p>
% of population that have access to safe water and adequate sanitation in target soums	<p>Here again, at the time of this Final Evaluation the full development impact of Project support is not yet apparent.</p> <p>Once all WATSAN facilities are installed and functioning in the target Soums, it will be possible to determine the increase in the % of the population that have access to safe water and adequate sanitation.</p> <p>At the end of the Project, one Soum (Buren) out of eight has an operational WATSAN system. The public service buildings in this Soum are now connected to the centralised water and sanitation facilities which Project support helped to install. The capacity of the public service buildings in Buren Soum is 610 people. At the end of the Project therefore 610 direct beneficiaries now have access to safe water and adequate sanitation where previously they did not.</p> <p>The total population of Buren Soum is 3012; all residents of Buren Soum can be considered as indirect beneficiaries of the improved facilities in the public service buildings in that all residents benefit from the public service buildings.</p>

	<p>The total population of all 8 Soums from data in the Project baselines is approximately 22,300 people.</p> <ul style="list-style-type: none"> · 610 direct beneficiaries in Buren Soum out of a total of 22,300 people in all 8 target Soums have access to safe water and sanitation at EOP. This amounts to 2.7% of the population in target soums, where previously none had access to safe water and sanitation. · All 3012 residents of Buren Soum are indirect beneficiaries of the newly installed watan system, this amounts to 13.5% of the total population in all 8 target Soums. <p>It should be noted here that following the end of the Project an additional two Soums are reported by MCUD to have functioning WATSAN facilities, the residents of these Soums will also therefore now be benefiting from access to safe water and adequate sanitation.</p> <p>An ex post evaluation will be necessary to measure the real impact of Project support at all 8 Soums once all facilities have been installed.</p>
<p>Target: Water and Sanitation Services expanded in the target soums.</p>	<p>The same analysis applies to the Target. At the end of the Project, water and sanitation services had been 'expanded' in 1 out of 8 target Soums. Following the end of the Project two additional Soums now also have expanded water and sanitation services. At the time of finalisation of this evaluation report therefore three out of eight target Soums now have operational WATSAN facilities. MCUD have confirmed that they are committed to support the remaining 5 target Soums to establish operational WatSan facilities by the end of 2015.</p> <p>The Project has supported each of the 8 Soums to establish service delivery agreements, using the tripartite model. These will guide service delivery once the centralised systems have been installed and are functional in all Soums.</p> <p>The real development impact of Project support in establishing operational WATSAN facilities and service delivery mechanisms, providing expanded water and sanitation services, to target Soums will however only become evident following the end of the Project.</p>

283. The actual development impact of Project support under Output 3, in terms of piloting a water and sanitation service delivery model that increases access to safe water and adequate sanitation at the eight target Soums, will only be evident following the end of the Project once all centralised WATSAN facilities have been installed and are operational.
284. The originally anticipated Project result under Output 3 was to 'establish 10 water and sanitation facilities', this was reduced to 8 following Project inception. However more significant than this, the Project approach was changed from *the establishment of* stand alone small scale water and sanitation facilities, to a *contribution by the Project to components of* 8 much larger centralised WATSAN systems under a nationally and locally led initiative.
285. It is not realistic to anticipate that all 8 centralised WATSAN systems would be established and operational in 6 months, especially given the short construction window in Mongolia and the fact that contracting by MCUD was completed 3 months prior to the end of the Project.
286. Lengthy discussions were held with the Project team relative to indicator 1, as to whether toilets, sinks, water towers and pipelines could be considered as 'facilities' if they were not functional. This is to some extent semantics. The Oxford and Cambridge dictionary describes a 'facility' as 'a place, often a building, where a particular activity happens' – in this case water & sanitation. What is important at the time of this Final Evaluation however lies not so much in the definition of a facility, but in whether Project support has enabled local authorities and MCUD to pilot systems for improved water and sanitation service delivery and whether Project

support has achieved the Output objective: 'Water and Sanitation Services expanded in the selected areas'.

287. The indications at EOP are that Project support will do so: the strong leadership by national and local partners, strong ownership of anticipated results, national implementation, participatory decision making processes and effective capacity building, all point to a strong likelihood of positive development impact. However at the time of the Project's Final Evaluation overall development impact under Output 3 and achievement of the anticipated Output result 'water and sanitation services expanded in selected areas' can not be confirmed; it needs to be determined through an ex-post evaluation once all target sites have operational WATSAN facilities.

PART SIX: CONCLUSIONS AND LESSONS LEARNT

Conclusions on Project Relevance, Effectiveness, Efficiency and Sustainability

Relevance *Rating: Good (2)*

288. The Project's focus on improving local service delivery for rural water and sanitation contributes directly to reducing disparities in access to safe drinking water and sanitation under CPAP Outcome 3, Output 5; and to CPAP Outcome 2, Output 1 by strengthening local government capacity for service delivery, and by strengthening the policy and institutional framework for decentralised service provision for rural water and sanitation.
289. The Project also contributes to national water and sanitation targets within Mongolia's National Development Strategy (NDS) which incorporates the MDG7 objective to "halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation". Within this the Project is closely aligned with the Government's action plan for implementation of the NDS which places a strong focus on infrastructure improvements in Aimags and Soums, including for water and sanitation, and with the National Water Programme (NWP).
290. The Project aims to address major disparities in rural and urban access to safe water and sanitation, particularly at the Soum level. With MCUD as its Implementing Partner, the Project is working to support and build the capacity of the Ministry responsible for rural water and sanitation service provision. The three Project Outputs address priority areas and build on analysis and gaps identified in previous projects: Capacity building for local service delivery; support to improve oversight, monitoring, policy coordination and service delivery at all levels; and the establishment and piloting of facilities and systems for rural water and sanitation service provision in poor rural areas. These Outputs address key issues to support Mongolia in scaling up support to local service delivery for rural water and sanitation.

Effectiveness *Rating: Satisfactory (3)*

291. Effectiveness looks at the extent to which the Project has achieved intended results and the way in which Project implementation processes have supported achievement of results and impact.
292. The Project has achieved a remarkable amount in a very short timeframe. The fact that a number of intended results and impacts have not been achieved by EOP can be seen to be clearly rooted in the fact that the scope, scale and approach of Project support was changed during inception, and consequently inadequate time was available for achievement of originally anticipated results and impacts before EOP.
293. The changes made during Project inception built on, and indeed strengthened, the Project implementation principles established in the Project Document, and reflect good development practice. They aligned Project implementation closely with national strategies and programmes, encouraged strong ownership of Project objectives and results, built capacity and worked through existing representative political structures and participatory decision making processes.
294. Project support has been incorporated within the 'New Soum' sub-programme under Mongolia's 'New Development Medium Term Programme'. Participatory planning and decision making are embedded in the governance structures at the local Soum and Aimag levels and the Project has worked effectively to enhance the capacity of local authorities and Soum residents for participatory planning, supporting application of the Local Development Fund (LDF) at the target sites. It also helped to raise the profile of the water and sanitation agenda at all levels and to increase understanding of water and sanitation issues and potential solutions in the 8 target Soums.
295. In both design and implementation the Project has effectively built on the results and lessons learnt under a range of water and sanitation initiatives in Mongolia. In particular the Project supported MCUD and local governments at the 8 targets sites to apply systems, approaches and tools for water and sanitation service provision that were developed under previous UNDP

supported initiatives⁵⁴. Application of these models was supported through feasibility analysis and detailed design studies at each of the target sites.

296. The Project has effectively used a range of mechanisms to support capacity building including: training, workshops, learning through doing and the development of tools, guidelines and an overall capacity development framework. It has been effective in building capacity both at the national and local levels in a range of areas, in particular for financial management, procurement, planning, oversight and co-ordination of initiatives to support water and sanitation service provision in Soums. All Project partners now have increased understanding of, and ability to implement, initiatives to establish centralised WATSAN systems in Soums; this includes both increased technical understanding of the WATSAN systems themselves and for overall project management. Impacts can be seen at the level of MCUD and within Aimag and Soum Governments. Impacts at the level of the Aimag governments at target sites are particularly evident due to the increased capacity of PSU staff.
297. The effectiveness of the Project in achieving the overall results and impacts originally anticipated in the Project Document has, however, been significantly affected by the changes made to the scope, scale and approach of Project support at target sites, during inception, and by the time involved in establishing the agreements necessary to support the NIM modality.
298. At the time of the Project's Final Evaluation its effectiveness in supporting strengthened service delivery for rural water and sanitation, in particular at the target sites, is not possible to assess. Effectiveness will depend on i) whether national partners complete installation of the WATSAN facilities and these therefore become operational at all target sites, ii) whether, once facilities become operational, the model for service delivery at the target sites is financially sustainable and iii) whether the various studies and guidelines produced under the Project are used by national and local partners to increase the effectiveness of local service delivery for rural water and sanitation. At the time of this Final Evaluation all of these key factors are unknown; they will only become evident following EOP. An ex-post evaluation is required to fully assess the effectiveness of the Project in achieving anticipated development impacts towards establishing functional water and sanitation facilities at target sites and expanded water and sanitation services.

Efficiency Rating: Good (2)

299. The Project has been implemented through a partnership approach, with strong ownership by national and local governments. By integrating Project support directly within national and local programmes and systems, UNDP harnessed a real opportunity for the relatively small amount of Project funding to contribute, in a short timeframe, to a much more substantial nationally led initiative.
300. Through UNDP's NIM modality, MCUD and Aimag governments were responsible for all management and procurement related to installation of the WATSAN facilities at the target sites. Pooling of funds with those of local development partners and ADB supported efficient implementation at target sites, enabling local Aimag governments to manage infrastructure developments as part of their own development processes. The establishment of PSU within Aimag Governments was very efficient both in supporting adaptive management of Project activities at target sites and as a capacity building mechanism. PSU provided a team of dedicated staff 'on the ground' co-ordinating and managing Project activities in the target Soums, and facilitating efficient communication between local stakeholders and PIU/MCUD in UlaanBaatar.
301. The Project worked directly through representative political structures and participatory decision making processes at the local level, supporting implementation of the New Soum initiative and helping to build the capacity of local governments to apply Local Development Funds (LDF) for improved water and sanitation service provision. This enabled the Project to efficiently target Project support within locally agreed Plans and processes.

⁵⁴ This followed MCUD's decision to adopt WATSAN systems developed through the UN Joint Programme and GoAL WaSH initiatives as 'the model' for national application.

302. The efficiency of the Project's implementing approach is however blurred by the fact that the short timeframe available for Project implementation means that at the end of the Project many anticipated results are not visible.
303. The fact that the scope, scale and approach of Project support was changed during inception, without any subsequent amendments to the Project Document, and anticipated results, targets and indicators, complicates the assessment of efficiency. In the short time available for implementation, the Project has efficiently adapted implementation mechanisms to meet the needs of national partners. The overall approach is fully in line with ROK-UNDP MDG Trust Fund guidance on good development practice. However, the time that it has taken to complete the assessments and put the mechanisms in place to support this, means that at EOP efficiency has not yet resulted in the achievement of all anticipated impacts. The fact that the changes to the scope, scale and approach of Project implementation encouraged strong ownership of Project objectives and anticipated results, and that Project implementation was directly integrated within national processes and strategies through NIM, all support the likelihood that national Project partners will continue with water and sanitation support, to achieve anticipated results following the end of the Project. MCUD have confirmed that 'from here on MCUD is responsible for ensuring the systems at the target Soums to be fully functional and operational under tri-partite model within 2015',⁵⁵

Impact

Rating: Project Timeframe inadequate for adequate assessment of Impact at EOP

304. At the time of this Final Evaluation a number of key areas of intended impact are not yet evident. The changes to Project scope, scale and approach during inception mean that at the end of the Project (EOP) achievement of intended impacts in terms of actual improvements to water and sanitation service provision requires both a longer timeframe and relies on further inputs by the Project's implementing partners.
305. Under Output 1 the Project has commissioned a number of important studies, with associated recommendations and strategic guidance to MCUD and local Governments on mechanisms for 'improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation'. A number of externalities have meant that these studies were published shortly before EOP, the actual *uptake, use and impact* of these studies will therefore only become evident following EOP.
306. Under Output 2 the Project has strongly supported capacity building for the design, implementation and monitoring of rural water and sanitation service delivery initiatives, within MCUD, local Aimag and Soum Governments, PUSO and for residents at target sites. This is likely to also have a broader impact in strengthening capacity for participatory local development planning. Whether it will result in an impact whereby the 'capacity of local institutions (has been) strengthened *for improved service delivery*', particularly at the target sites, will only become evident following EOP once water and sanitation facilities have been installed, are operational and services are being 'delivered'.
307. Under Output 3 the Project has *contributed* to the installation of centralised WATSAN facilities at each of the target sites and has provided all component parts of those facilities that were agreed with MCUD, to a good standard. Support has also been provided through the Project for the development of a Soum level service delivery model at each of the target sites. Under Output 3, the Project has also supported awareness raising and had an impact in increasing the understanding of water and sanitation issues and solutions through the establishment of Water-Life-Participation Centres as part of a behaviour change initiative for school children and the Soum Centre Population at each of the target sites. Whether these contributions will result in an impact whereby 'water and sanitation services (have been) *expanded* in the selected areas' will only become evident following EOP, once all WATSAN facilities have been installed by Project partners and once 'water and sanitation services' are being delivered at all target sites and facilities are being used.

⁵⁵ Reference letter Annex 13

308. The overall aim of the Project, to which the three Outputs contribute is described in the Project Document as: 'to foster capacity development by enabling local governments to fully undertake their assigned functions in rural water and sanitation, enhance local resources mobilization, improve the quality and access of service delivery, thus contributing to the achievement of the national MDG target by 2015.
309. The Project has helped to 'foster capacity development' and 'enhance local resources mobilisation'. However, the fact that Project partners are still completing installation of WATSAN facilities at five of the target sites, means that the impact of Project contributions to those facilities, in terms of achieving actual improvements to rural water and sanitation service provision, that 'enable local governments to fully undertake their assigned functions in rural water and sanitation....and improve the quality and access of service delivery'⁵⁶ will only become evident following the end of the Project. An ex-post evaluation is strongly recommended to evaluate Project impact.

Sustainability

Rating: Project Timeframe inadequate for adequate assessment at EOP

310. Evaluation of the likelihood of sustainability assesses whether project support is likely to result in long term positive impacts following the end of the Project. Four aspects of sustainability are examined: institutional, financial, social and environmental.
311. Assessment of the likely sustainability of Project results in terms of strengthened service delivery for rural water and sanitation is not possible to determine at EOP given that a) water and sanitation facilities are still being installed by Project partners in five of the Project target sites b) at the majority of target sites WATSAN facilities are therefore not operational and the sustainability of service provision arrangements can not be determined and c) insufficient time has elapsed for institutional impacts of the studies, guidelines and tools developed under the Project to be evident.

Institutional Sustainability

312. The Project's implementation approach supports the likelihood of sustainable institutional impacts, with strong local ownership, corresponding commitment by the national and local institutions that are responsible for rural water and sanitation service delivery, and also due to increased capacity of these institutions, built through Project support. The likelihood that these institutions will retain and build on their increased capacity for the design, management and coordination of WATSAN initiatives is good. Once WATSAN facilities are installed and operational in all target sites this is also likely to support strengthened service delivery.

Financial Sustainability

313. Financial sustainability is almost impossible to assess at this stage. The financial sustainability of service delivery at each of the target sites will only become clear once WATSAN facilities at all target sites have been installed and are operational, and once operation and maintenance costs of service provision have been assessed.
314. Assessment of financial sustainability also requires analysis of the financial stability of service providers at each of the sites, namely PUSO, and assessment of the extent to which they will be able to cover the costs of service provision to the target Soums, through the tripartite model.
315. At all 8 Soums it will be important for MCUD, Aimag and Soum level Partners to assess the predicted costs of service delivery to the public service buildings that are/will be connected to the centralised WATSAN systems, and to assess financial implications of increasing the number of residents connected into the system. In relation to this it will be important to assess the cash flow and liquidity of PUSO responsible for local service delivery at each site, and the implications of this for revenue generation through water tariffs. This will enable local and national authorities, and PUSO, to assess the financial sustainability of the tripartite model at each site, and to identify mechanisms to ensure sustainable service provision at each site.

⁵⁶ particularly at the 8 Project target sites

316. Analysis of the financial sustainability of service provision at the 8 target sites will in turn help to guide MCUD in assessing the financial viability of scaling up the model to other Soums, through the New Soum Programme.

Social Sustainability

317. Assuming that all WATSAN facilities are installed and become operational in the near future, the social impact in terms of improving living conditions for the residents of the Soums will be substantial. Actual assessment of the sustainability of social impacts in terms of increased access to safe water and sanitation at target sites, however, requires WATSAN facilities to be operational and for service delivery to be sustainable. At EOP this is not possible to determine; at the majority of Project target sites, operational water and sanitation facilities are still being installed.
318. At Buren Soum the social and health impacts of the WATSAN facility are clearly evident: where previously students and officers using public service buildings had to use pit latrines and fetch water by hand from wells, they now have functional toilets and clean, piped water. Local authorities and the PUSO confirmed that they felt that operation and maintenance of the WATSAN system would be sustainable.
319. The social impact of the Project in strengthening awareness and understanding of water and sanitation issues through Water-Life-Participation hubs at all target sites is evident at EOP and is likely to be sustained and scaled up.

Environmental Sustainability

320. Assuming all WATSAN are installed and become operational, the Project is likely to contribute to increased environmental sustainability at the Project target sites, compared with the baseline. However, again, improved environmental sustainability at all target sites can only be confirmed once the WATSAN facilities are installed and operational, and improved services are being sustained.
321. Design of the WATSAN systems involved environmental impact assessments. The Project baseline describes a situation where effluent was disposed of in old or under capacity cesspits and pit latrines. The new treatment plants being installed with Project support have around 90% treatment of effluent. Some targets Soums also have plans to use the treated wastewater to support greening of the area.
322. The involvement of local stakeholders in all aspects of feasibility, design and development of the WATSAN systems, and the Water-Life-Participation Centres established through the Project, has also helped to increase residents understanding of the environmental impacts of waste disposal. Increased awareness and understanding of environmental issues linked to water and sanitation will also help to support environmental sustainability.

Lessons Learnt

323. The following section highlights **lessons learnt** through this independent Final Project Evaluation. These are intended to provide, UNDP, the ROK-UNDP MDG Trust Fund, MCUD and local partners with analysis to support both the sustainability of impacts under this Project and to guide the design and implementation of future initiatives.

The importance of documenting significant changes to the scale, scope and/or approach of a project in an addendum to the Project Document, and the need to amend anticipated results and impact indicators to reflect this

324. In future initiatives UNDP is strongly advised to ensure that any significant changes to the scale, scope and approach, and therefore intended results and impact, of a project are clearly documented within an official agreement that is signed by all key parties. Ideally this should be an addendum to the Project Document that is signed by the Project Board/ Steering Committee.
325. Relevant indicators, activities and resources allocated within the Results and Resources Framework and Quality Criteria Table should also be updated to reflect the changes. It is important for Project teams and UNDP to assess whether indicators are specific, measurable,

achievable, relevant and time-bound (SMART). Sound indicators are important to support monitoring and evaluation of the level of achievement of project results and impacts. Effective monitoring is, in turn, essential to support project teams in results based management. It may be useful for the ROK-UNDP MDG Trust Fund to develop clear guidance in this area

The importance of including Quality Criteria, SMART Performance Indicators and a Clear Monitoring and Evaluation Framework within Project Design

326. The analysis in this Final Evaluation report across all intended result areas highlights the need for clear definition of project results and targets, the inclusion of specific, measurable, achievable, relevant and time-bound (SMART) indicators, and a clear M&E framework within Project Documents.
327. In relation to this it may be useful for the ROK-UNDP MDG Trust Fund to consider developing a Project Design / Project Document Template that clearly aligns with the guidance provided in UNDP's Handbook on Planning, Monitoring and Evaluating for Development Results, in particular under Chapter 2: Planning for Results.

The positive impact of incorporating local PSU where staff are part of local beneficiary organisations

328. The Project Support Units (PSU) established under the Project in each of the target Aimags played a key role in supporting stakeholder engagement and partnership building at the Aimag and Soum level. PSU staff were responsible for co-ordination of all Project activities in the Soums, and consulted regularly with Soum governors, local authorities and beneficiaries. In so doing PSU played an important role in facilitating adaptive management of the Project at target sites, and maintained a continuous communication channel between PIU in Ulaanbaatar and stakeholders in target Aimags and Soums. Their direct employment under the Project also served as an important vehicle for capacity building, enabling PSU to build skills through 'hands-on' experience in project management. The associated training under the Project and on-going mentoring by PIU was also key here. This is a useful model for re-application in future local development projects.

Where Projects are contributing to components of broader, nationally led and implemented initiatives with a longer timeframe than that of the project, there is a need to carefully consider and define realistic 'project' results and impacts and / or include ex-post evaluation as standard

329. In projects such as the current one where ROK-UNDP MDG Trust Fund Projects are contributing to broader national initiatives, particularly where the results and impact of those initiatives are unlikely to be seen within the life of the project, it is important that the specific anticipated results and impact of 'the project' are clearly defined.
330. The implementation approach established under this Project is sound; it follows good development practice, supporting strong ownership of Project results through a nationally led and implemented initiative that aligns closely with national and local development priorities; and it works through and supports participatory processes within representative political decision making frameworks. MCUD and UNDP CO see this as a co-investment model for future initiatives.
331. There are a number of important lessons from this Project for consideration by UNDP and the ROK-UNDP MDG Trust Fund, however, relative to the challenge of defining results and development impacts that can be achieved by projects as discrete time bound entities, while at the same time contributing to broader, nationally led development initiatives with a lifespan extending beyond that of the project. This is particularly an issue for projects with short timeframes.
332. The analysis of results, impact and sustainability within this Final Evaluation demonstrates how in projects with a short timeframe such as the current one, impact and development results in terms of 'a describable or measurable development change resulting from a cause-and-effect relationship' may only become evident after the end of the project.

333. The experience of this Project under Output 3 in particular underlines the fact that where impacts from infrastructure developments form part of intended development results, it is essential for projects to have timeframes that enable completion of, and operation of, those facilities. The short construction period in Mongolia due to climatic conditions, and the challenges of construction in rural areas which are often not connected by road, need to also be highlighted here.
334. UNDP and the ROK-UNDP MDG Trust Fund are urged to consider the implications of the above. It may be sensible to consider including provisions for ex-post evaluation as standard within shorter Projects where real development impacts are unlikely to be evident at EOP.

Donors should recognise that short project timeframes and deadlines can increase risk taking by national/local agencies

335. Projects can, and often are designed to, play a catalytic role in support of sustainable development and poverty alleviation objectives. This catalytic role can have significant positive outcomes. In the case of infrastructure projects however, the requirement for local co-financing commitments can also result in risk taking by local partners, particularly where project timeframes are short.
336. This is evident in this Project under Output 3 where the decision was made by local governments to go ahead with installation of the WATSAN facilities, even though it was not clear whether total financing for completion of those facilities would be available. Consultation with stakeholders at Delertsogt Soum indicated that part of the reason for this decision was the fact that if they delayed starting construction until total finances had been identified, they would lose the opportunity to incorporate ROK-UNDP MDG Trust Fund Project funding.
337. UNDP and the ROK-UNDP Trust Fund are urged to consider the implications of this and to issue guidance in relation to provision of support to national and local partners in risk assessments.

PART SEVEN: RECOMMENDATIONS

Recommendation 1:

UNDP is strongly urged to consider the benefits of undertaking an ex-post evaluation of this Project in one to two years time. UNDP and KOICA might like to consider the potential benefits of combining an ex-post evaluation with a scoping study for potential future support to rural water and sanitation in Mongolia, building on the results and lessons learnt from this Project.

Opportunities exist for UNDP and KOICA to build on the partnerships that they have forged under this Project in order to develop and increase the impact of their work in support of water and sanitation service provision within sustainable rural development agendas. In 2016 KOICA Mongolia Office will be developing a new Country Partnership Strategy with a likely increased focus on rural development. They view UNDP as an important partner in this area. UNDP Mongolia Country Office will also be developing a new CPAP. There would be significant benefits for both organisations in close collaboration during the development of their respective strategic directions, to explore opportunities for harmonisation.

Recommendation 2:

There is a need to ensure that Project Documents clearly outline intended impacts and results; this includes the need to incorporate specific, measurable, achievable, relevant and time bound (SMART) indicators and targets, as a means of measuring project results and impact. This is essential for effective monitoring and evaluation of project results and in order to guide results based management during project implementation. The ROK-UNDP MDG Trust Fund might like to look at developing guidance to strengthen Project Design templates for UNDP Country Offices and partner organisations to ensure that Project Documents incorporate clear Result and Impact indicators, and that Project monitoring and evaluation frameworks meet international standards.

Recommendation 3:

Where significant changes to the scale, intended impact or focus of a project are made during or following inception, corresponding amendments should be made to the Project Document, or an addendum added to the Project Document, agreed with all relevant parties, and signed off by the Project Board/Steering Committee. Risk assessment should be undertaken to assess the implications of changes to the scale, scope or approach of a Project. Impact indicators should correspondingly be amended in the project's monitoring and evaluation framework. It would be useful for UNDP and/or the ROK-UNDP MDG Trust Fund to develop guidance in this area.

Recommendation 4:

Adequate timeframes are required to support water and sanitation infrastructure projects of this scale in Mongolia, particularly given the short construction season. Timeframe is obviously relative to scale of infrastructural development proposed, but it is important that this is fully considered as part of Project design, including comprehensive risk assessment.

Recommendation 5:

Donors and national/local funding agencies are advised to fully assess total funding required to establish operational WATSAN systems, prior to commissioning their installation. Following completion of, and based on, the Detailed Design Drawings for Construction (DDDC), donor and national partners will be able to assess the funds required for completion of functional WATSAN facilities. This information would strongly support risk assessment by all partners.

Where a donor funded project is contributing to construction of elements of WATSAN systems, the evaluator suggests that it would be sensible for project funds to be released only once other sources have been identified to meet total funding required to complete the facilities. This approach would significantly reduce the risk of insufficiency of funds to complete WATSAN systems following the end of a project.

At the five remaining Soums supported through this ROK-UNDP MDG Trust Fund Project, there is an urgent need for MCUD and local authorities to find the funds required to complete the installation of centralised WATSAN facilities, and to ensure that these become operational.

Recommendation 6:

It is important that donors and national/local agencies assess the financial viability of operation and maintenance of WATSAN systems as part of decision making on whether to install them or not. The decision on whether to install a centralised WATSAN should include assessment of the financial viability of service delivery (based on technical data relative to the capacity of the system / number of proposed users). It will then be possible for decision makers to estimate the number of users/ tariff rates required for sustainable operation, as part of feasibility analysis.

At all 8 Soums supported through this ROK-UNDP MDG Trust Fund Project, there is an urgent need to assess the predicted costs of service delivery to the public service buildings that are/will be connected to the centralised WATSAN systems, and to assess financial implications of increasing the number of residents connected into the system. In relation to this it will be important to assess the cash flow and liquidity of PUSO responsible for local service delivery at each site, and the implications of this for revenue generation through water tariffs. This will enable local and national authorities, and PUSO, to assess the financial sustainability of the tripartite model at each site, and to identify mechanisms to ensure sustainable service provision at each site.

ANNEXES

Annex 1: Stakeholders consulted during the TE

UNDP Mongolia

Name	Position	Organization
Sezin Sinanoglu	Resident Coordinator/ Resident Representative	UN/UNDP
B. Bunchingiv	Environment Team Leader	UNDP
Eun Jung Oh	Gender specialist	UNDP

International organizations

Name	Position	Organization
Mr. Kyu Cheol Eo	Deputy Country Director	KOICA

Ministry of Construction and Urban Development

Name	Position	Organization
R. Erdenetsetseg	Deputy Director of Department of Construction and Public Utility Policy	MCUD

Aimag and Soums

Name	Position	Aimags/Soums
Batchuluun. U	Head, Dep.t of Development Policy, Aimag Government (PSU Engineer)	Tov Aimag government
Batchantsal. B	Senior procurement Officer, Aimag Government (PSU Procurement Officer)	
Erdenebaatar	Deputy Governor, Zuunmod Soum (the capital of Tov Aimag), Tov Aimag	Zuunmod Soum government, Tov Aimag
Odonchimeg. Ch	Bagh Governor, Zuundelger bagh, Zuunmod Soum	Zuunmod Soum, Tov Aimag
Dulamsuren. O,	Principal of school # 4, Zuundelger bagh	
Togtokhbayar. S	Principal, Kindergarten, Zuundelger bagh	
Purev-Ochir	Engineer, Comfort-Impex Co.ltd (Contractor)	
	Engineer, BUTI Co.ltd (sub-contractor)	
Erdene. D	Soum Governor	Buren Soum, Tov Aimag
Enkhtuvshin. S	Deputy Governor, Buren Soum	
Tsogtsaikhan	Director, "Tov Chandmani" PUSO	Tov Aimag
Odgerel. S	Principal, Secondary school	Buren Soum, Tov Aimag
Ariuntuya	Principal, Kindergarten	
Undrakh-Erdene	Director, Culture Center	
Dorjpalam	Technician	
Baatarsuren. S	Soum Governor	Delgertsogt Soum
Ish-Yondon. B	Deputy Governor	
Bayarsukh. N	Principal, Secondary school	
Tumendemberel. J	Investment and Procurement Officer, Dep.t of Development policy (PSU Procurement Officer)	Aimag Government
Enkhmaa. R	Director, "Dundgobi Water" PUSO (PSU engineer)	
Lkhagvasuren	Engineer, Atimos Co.ltd (sub-contractor)	

Enkhjargal	General Accountant	
Zagas. S	Head, Citizens Representative Khural	Buregkhangai Soum, Bulgan Aimag

National Consultants, contractors and other stakeholders

Name	Position	Organization
Erdenechimeg. Ch	Chairperson,	Water Services Regulatory Commission of Mongolia
Gerelchuluun. J	Head, Tariff and Rate Department	
V.Udval	Legal environment and policy expert,	
B.Mainbayar	Finance and economical researcher,	
Ch. Byambadorj	Monitoring and Evaluation expert,	
P. Batimaa	Consultant on Capacity Development	
D. Odonchimeg	Consultant on Knowledge Management	
Batbayar	Engineer, (Designer/Author of DDDC and pre-feasibility study)	Prestige Engineering Co.ltd
Davaatseren. J	Director, (Designer/Author of DDDC and pre-feasibility study)	ZAD Co.ltd

Rural Water and Sanitation Project

Name	Position	
G.Otgonbayar	National Project Coordinator	MON/13/302 project
Munkhbaatar. D	Senior Technical Officer	MON/13/302 project
Munkhjargal. Ts	Capacity Development Officer	MON/13/302 project
Zolzaya. L	Administrative and Finance Officer	MON/13/302 project
G.Delgertsetseg	Translator/Secretary	MON/13/302 project
Khishigjargal Batjantsan	Monitoring and Evaluation Officer	MON/13/302 project

Annex 2: Documents consulted by the TE

Action Plan for the implementation of the Mongolian National Water Plan

ADB (2011) Project validation report Mongolia: Integrated development of Basic Urban services in Provincial Towns Project

Andrea Rechenburg (2012) WHO Collaborating Centre for Health Promoting Water Management and Risk Communication Paper No 20

Arnaud Heckmann (2010) Ulaanbaatar Water and Sanitation Services and Planning Improvement TA 7591-MONJapan Fund for Poverty Reduction Technical Assistance Completion Report

Basandorj, D.; Singh, S. (2008): Improving local service delivery for the millennium development goals. Restoring the image of Blue Mongolia: Rural Water Supply & Sanitation. UNICEF; UNDP. Ulan Bator, Mongolia.

Franziska Bock (2014) Action Contre la Faim (ACF) Mongolia 'Water Supply, Sanitation and Hygiene in Mongolia an institutional analysis'

Gabriel Regallet (2011) UNDP GoALWaSH Programme: Governance, Advocacy and Leadership for Water, Sanitation and Hygiene – Decentralised WSS Management Options Paper

Gawel, Erik; Sigel, Katja; Bretschneider, Wolfgang (2011): Affordability of Water Supply in Mongolia – Empirical Lessons for Measuring Affordability. Helmholtz-Centre for Environmental Research

UNDP (2013) GoALWaSH Programme: Governance, Advocacy and Leadership for Water, Sanitation and Hygiene Final Report

KOICA (2008) Development Cooperation Evaluation Guideline

Law of Mongolia on Procurement of Goods, Works and Services with State and Local Funds

Ministry of Construction and Urban Development (MCUD) 2014 Plan for Capacity Building of PUSOs

Mongolian Law on Utilization of Urban Settlements Water Supply and Sewage

Mongolia National Water Programme

Ole Bruun, Ole Odgaard 2012 Mongolia in Transition: Old Patterns, New Challenges

Pre Feasibility Studies for Gurvansaikhan and Delgertsogt Soums of Dundgovi Aimag; Bayangol and Sant Soums of Uvurkhangai Aimag; Zuundelger 4th Bagh of Zuunmod Soums and Buren Soum of Tuv Aimag

ROK-UNDP Trust Fund Agreement

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Annual Reports 2013 and 2014 and Annual Work Plans

ROK-UNDP MDG Trust Fund Project Document 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Baseline Studies

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Knowledge Management Assessment

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Minutes of Local Project Appraisal Committee (LPAC) meeting – April 2013

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Pre-feasibility studies, Tuv, Dundgobi and Uvurkhangai Aimags

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation – Project Board Meeting Minutes

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation: Study and activity mapping of institutional arrangements and the legal environment for water and sanitation and a review of the implementation of service standards

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation: Strategic review and recommendations on legal, monitoring and evaluation and financial aspects of water and sanitation service delivery

ROK-UNDP MDG Trust Fund Project 'Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation Project Monitoring Progress Report 2014

Satyajit Singh Capacity Development framework for water and sanitation services in Mongolia

Terms and Definitions from the National Water and Sanitation Assessment Methodology

UN Development Assistance Framework Mongolia (UNDAF) 2012 - 2016

UNDP (2014) Micro-assessment report of MCUD's Procurement Capacities

UNDP GoAL WaSH Programme: Governance, Advocacy and Leadership for Water, Sanitation and Hygiene Final Report

UNDP Mongolia Country Programme Document (CPD) 2012 -2016

UNDP Mongolia Country Programme Action Plan (CPAP) 2012 -2016

UNDP Mongolia Monitoring Strategy

UNDP Mongolia Country Office Report: Water and Sanitation in Mongolia 2008 - 2011

UN Joint Programme on Water and Sanitation Roadmap to MDG 7 target 16 on water and sanitation Mongolia

WHO Collaborating Centre for Health Promotion Report: Towards an integrated concept for monitoring and improvements in water supply, sanitation and hygiene (WASH) in urban Mongolia

Annex 3: Letter from MCUD confirming selection of the 8 Project Sites and local Cost Sharing Commitment. Project Board / Steering Committee meeting notes showing confirmation of the selection.

Unofficial translation

From: MCUD

To: UNDP CO Mongolia

Subject: Selection of the target soums

Date: 03 January 2014

The ProDoc of "Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation" project was signed by Bayarsaikhan. Ts, the Minister of MCUD, and Sezin Sinanoglu, Resident Representative of UNDP, on 26 April 2013. As per Mongolia's MDG, it is targeted 'to halve the proportion of people without sustainable access to safe drinking water and basic sanitation'. According to the statistical data on Water Supply and Sanitation at soum, aimag and national levels, soums of Bulgan, Tov, Uvurkhangai and Dundgobi aimags have the lowest percentage of population provided with safe water and adequate sanitation. Therefore, within the implementation framework of the project, necessary steps and preparations have been taken by MCUD to construct and establish Centralized Integrated WSS system and Wastewater Treatment Facility in soums and settlements in these aimags, to which public buildings would be connected.

When selecting soums, MCUD visited to the soums of abovementioned aimags that have the lowest percentage of population provided with safe water and adequate sanitation. Based on site visits and mutually agreed criteria, the following eight soums in total are selected by MCUD as the target soums of the project.

- Teshig and Buregkhangai soums of Bulgan aimag
- Sant and Bayangol soums of Uvurkhangai aimag
- Delgertsogt and Gurvansaikhan soums of Dundgobi aimag
- Buren soum and Zuundelger 4th bagh, Zuunmod soum of Tov aimag

In addition, MCUD and soum and aimag government authorities agreed to jointly fill the funding gaps by utilizing additional funding from other sources and co-financing the construction of integrated water and sanitation system.

Enclosed:

Introduction of the selected target soums and other related information.

Regards,
Erdeneburen. R
State Secretary
MCUD

JOINT STEERING COMMITTEE OF THE PROJECTS

1

MEETING MINUTES

07. Jan.2014

01/2014

Ulaanbaatar city

Meeting of Joint Steering Committee of the projects was held on the conference hall of MCUD under the administration of Mrs. R.Erdenetsetseg, Director of Housing and Public Utilities of Policy Implementation Coordination Department (HPUPICD).

Discussed:

The Project Inception Report, Annual Workplan (AWP) for the year of 2014 and other main issues related to "Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation-MON/13/302" Project.

Decisions made:

1. To confirm the final selection of the Project target soums.
2. To approve Project Annual Workplan for the year of 2014.
3. To submit the proposed options on the establishment of the Project Support Unit, consisting of 3 staff at each target aimag with certain amount of wage duration of the project to the Secretariat of Aimags' Governors.

Appendix: 5 pages.

Signature:

Secretary of State of MCUD

Chairman of Joint steering committee of the Projects

/signed/

R. Erdeneburen

Director of HPUPICD

/signed/

R. Erdenetsetseg

Deputy Resident Representative, UNDP

/signed/

T. Eriksson

Written by:

Secretary of Joint Steering Committee of the Projects

/signed/

R. Batchimeg

Annex 4: Letters from MCUD and UNDP that outline 'official agreements' to change the scope, scale and approach of the Project from one that establishes small scale stand alone WATSAN facilities, to one that *contributes* to the establishment of larger integrated WATSAN facilities in each of the Project sites, as part of the national New Soum Programme.

United Nations Development Programme



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Resilient nations.*

No: 167

Date: May 19, 2014

Dear Mr. R. Erdeneburen,

Subject: Funding heating systems design work in three target soums of the MON/13/302 "Scaling up Support to local Service Delivery for the MGDs: Rural Water and Sanitation" Project

Thank you for your letter No. 3/47 dated on 12 May 2014.

On behalf of UNDP Mongolia, I am very pleased to express our appreciation for a successful partnership with your Ministry on the above mentioned project. It is very encouraging to see that the rural water and sanitation issues are being prioritized by the Government and project is well owned by the Ministry as an Implementing partner. The fact that the project supported interventions are aligned with that of the "New Soum" programme, already illustrates the successful ownership of the project by your Ministry.

As per your inquiry, UNDP Mongolia has no objection in funding the detailed design of centralized heating systems additionally for Teshig soum of Bulgan, Gurvansaikhan soum in Dundgobi, and Buren soum in Tuv aimag. Within the approved budget of the MON/13/302 project, the additional activity can be funded by the project. Furthermore, we have no objection to have the additional work executed by the companies already under contract to develop the centralized water supply and sanitation systems in the above mentioned soums, given that the additional work will not impact the timely delivery of the current assignment and the contract for heating system is issued with the Ministry.

We hope for your continued leadership in successful implementation and completion of the project activities within this year.

Yours sincerely,

Thomas Eriksson
Deputy Resident Representative

Mr. R. Erdeneburen
State Secretary
Ministry of Construction and Urban Development
15170 Bariigachdiin talbai 3,
Chingeltei district
Ulaanbaatar, Mongolia



MINISTRY OF CONSTRUCTION
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E-mail: info@mcud.gov.mn, http://www.mcud.gov.mn

Date 2014.05.12
Ref. 3/47

MS. SEZIN SINANOGLU,
UN RESIDENT COORDINATOR,
UNDP RESIDENT
REPRESENTATIVE

Dear Ms. Sinanoglu,

Subject: Request for No Objection on detailed design for the additional works under the MON/13/302: Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation Project

As you are aware of, the Consulting companies for the preparation of Feasibility Studies and construction detailed design of external water supply and sewerage system, waste water treatment plant, and for internal water supply and sewerage system of social service facilities in eight soums were selected and the works were commenced upon the signing of the Contract on 18th April 2014, under the MON/13/302: Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation Project being jointly implemented by UNDP. We are expecting to receive by 9th June 2014 a final report by the Consultants along with the complete design as attested by the expertise.

The Ministry of Construction and Urban Development considers the captioned project as an integral part of the "Soum Center Renovation Project" initiated and being implemented by the Transition Government of Mongolia. Hence, we are confident in its successful implementation with our joint efforts.

Within this framework, the preparation of Development Master Plans, and detailed design for and construction of water supply and sewerage systems and heating systems (generation and pipelines) for 16 soum centers under the "Soum Center Renovation Project" shall be carried out as indicated in the 2014 Budget Law of Mongolia. From our side we are fully encouraging initiatives to develop under concession agreement the utility infrastructure, including power plants and waste water treatment plants, which are being challenged by the financing constraints.

Under the scope of the captioned project, preparation of the detailed design for and construction of the heating system (heat generation and pipeline) are not included. Out of project's eight soums in four aimags, five soums, except for Teshig soum in Bulgan, Gurvansaikhan soum in Dundgobi, and Buren soum in Tuv aimag, are partially served with centralized heating system, whereas, a detailed design for one soum has been completed.

Thus, we would like to kindly request your NO OBJECTION on the additional works and their financing for detailed design of centralized heating systems (heat generation and pipeline) for the aforementioned three soums of the captioned MON/13/302 project, so as to follow the model of the 16 soums to be rehabilitated in 2014 under the "Soum Center Renovation Project". We would like to request your further NO OBJECTION to get the requested additional works be executed by "Z.A.D" LLC, "Tatakh Khuch" LLC and "Naran

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Pls. follow up on discussed.
2014/05/14

the model of the 16 soums to be rehabilitated in 2014 under the "Soum Center Renovation Project". We would like to request your further NO OBJECTION to get the requested additional works be executed by "Z.A.D" LLC, "Tatakh Khuch" LLC and "Naran Rashaan" LLC - the Consultants awarded the contract for the detailed design of water supply and sewerage system under the MOH/13/302 Project.

This request has been made to us by the respective Aimag and Soum Governors via the MOH/13/302 Project Unit. Meantime, the aforementioned design companies are also in agreement with this proposal.

Your kind consideration and cooperation for the above request will be highly appreciated.

Sincerely yours,



R.ERDENE BUREN
STATE SECRETARY



*Empowered lives.
Resilient nations.*

Reference: MON/13/302

Letter No: 323

Date: 5 September 2013

Dear Ms. Erdenetsetseg Radnaabazar,

Subject: UNDP supported project implementation

First of all, I would like to sincerely thank you for all effort and ownership towards the implementation of the UNDP supported project: Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation.

With this letter, I would like to share with you some key information and reference documents that should guide us for the nationally implemented projects supported by UNDP.

As per the newly launched UNDP guidelines and procedures (Enclosure 1), the Government is primarily responsible for the management and delivery of the project activities to achieve the project outputs. Therefore, the government rules and regulations apply to project implementation to the extent that they do not contravene the principles of the Financial Rules and Regulations of UNDP.

UNDP and the Implementing Partner may agree to divide responsibilities where UNDP can serve as responsible party for certain activities or outputs. Hence, UNDP rules and regulations apply for the activities where UNDP is selected as responsible party in the Project Annual Work Plan.

In addition, UNDP provides support at the request of the Implementing partner in the areas where potential shortcomings determined as a result of capacity assessment of the implementing partner which is concluded by the UNDP staff members in close consultation with your organization. The support services in this case should be provided in line with the UNDP rules and regulations.

Ms. Erdenetsetseg Radnaabazar
National Project Director, Rural Water Sanitation Project
Director, Housing and Public Utilities
Policy Implementation and
Coordination Department of MCUD

/...

Enclosure:

- NIM guidelines
- Order # 86, dated 14 April 2011, Minister of Finance, Mongolia

UN House, United Nations Street-12, Sukhbaatar District, Ulaanbaatar 14201, Mongolia
Tel: +976 (11) 327585; Fax: +976 (11) 326221; Satellite Tel: 873 382 420 350/1; Satellite fax: 873 382 420 352
Website: <http://www.undp.mn/>, e-mail: registry.mn@undp.org

In relation to the government rules and regulations, we have been informed by the Ministry of Finance that the main implementation procedure to be followed for all projects funded by loans and grant aid extended by the donor countries and international organizations (including UNDP) is the Finance Minister's Order #86, dated 14 April 2011 (Enclosure 2).

With the new UNDP policy on the project implementation, we are shifting into a new arrangement for project account opening which now has become a responsibility of the Implementing partner. In this regard, Ministry of Finance advised us that the following two options are available for the Implementing partners.

These options are based on the Chapter 6, Article 35, the revised Budget Law dated 23 December 2013 and Chapter 4, Article 10. Project payment reconciliation section of the Finance Minister's Order # 86:

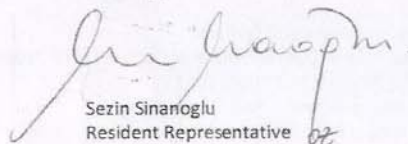
- Option 1. Opening an account with the Treasury Single Account or
- Option 2. A separate bank account as authorized by the State Central Administrative Body responsible for Finance and Budget matters / Ministry of Finance.

Currently, we have UNDP supported "National Development Policy and Planning Project" implemented by the Ministry of Economic Development exercising the Option II and the project account is opened with the State Bank as facilitated by the Ministry of Finance. All relevant information has been shared with Ms. Chimeg Junai, Programme Analyst for your reference.

Herein I am attaching the above mentioned guidance and procedures for your information and I would like to extend my support anytime you need. Ms. Otgonstetseg Zundui, Assistant Resident Representative (Operations) can also assist you with questions or clarifications related to the implementation guidelines and procedures. She can be contacted at Otgonstetseg.zundui@undp.org, tel: 327585 ext: 134 or 99101223.

Taking this opportunity, let me extend my sincere gratitude to your leadership and effort to implement this very important projects for the sustainable development in Mongolia.

Sincerely,



Sezin Sinanoglu
Resident Representative

Annex 5: Letter from MCUD demonstrating Cost Funding agreements to support the establishment of integrated WATSAN facilities in each of the project sites and actual co-financing at EOP

Unofficial translation

From: MCUD
To: UNDP CO Mongolia
Subject: Co-financing MON/13/302 project

Date: 10 January 2014

No. 3/68

Within the implementation framework of UNDP supported "Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation" project, MCUD and PIU officials visited to the eight target soums of Bulgan, Dungobi, Tov and Uvurkhangai aimags.

As a result, soum and aimag governments agreed to fill the funding gaps by co-financing the construction of Integrated Water Supply and Sanitation system. Table annexed to this letter summarizes the amounts allocated by the target soums and aimags into their 2014 local budgets.

Enclosed

Annex 1: Cost sharing commitment of the target soums

Regards,

Erdeneburen. R
State Secretary
MCUD

2014.01.10

Cost-sharing commitment of the target soums and aimags to the implementation of MON/13/302 project, amounts allocated to the 2014 local budget.

#	Aimag	Soum	Allocated amount to the 2014 local budget, Million MNT		Total	Remarks
			Soum	Aimag		
1	Bulgan	Teshig	100.0	100.0	200.0	Resolution of aimag and soum governors has been issued.
2		Buregkhangai	100.0	100.0	200.0	
3	Dundgobi	Delgertsogt	200.0	200.0	400.0	
4		Gurvansaikhan	200.0	200.0	400.0	
5	Tov	Buren	50.0	50.0	100.0	
6		Zuunmod, Bagh#4		100.0	100.0	
7	Uvurkhangai	Sant	100.0	100.0	200.0	
8		Bayangol	100.0	100.0	200.0	
	Total		850.0	950.0	1800.0	

Annex 6 Agreement by UNDP CO to hand over procurement responsibilities under the project to MCUD

United Nations Development Programme



*Empowered lives.
Resilient nations.*

No: 226

Date: 24 June 2014

Your Excellency,

Subject: Outcome of Micro-assessment for the Ministry's Procurement Capacity

Herewith, I am pleased to inform you that UNDP's Procurement Micro-assessment of your Ministry has just been completed. The assessment resulted in a "Moderate" rating with an average score of 2.4 out of 3. The assessment covered five core areas of technical capacities required to ensure sound, efficient and transparent procurements through the Ministry, including a) institutional arrangements; b) leadership; c) knowledge; d) accountability; and d) the procurement cycle.

Based on the assessment findings and the fact that the national procurement system is, in general, compliant with international public procurement standards, UNDP is handing over the procurement responsibilities related to the soum level construction work under the "Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation MON/13/302" project to your Ministry. As part of the capacity development goal of the project, we look forward to working together with your Ministry to strengthen the procurement capacity in the areas indicated in the assessment.

As per UNDP's National Implementation guidelines, UNDP will conduct assurance activities as required.

We look forward to our continued cooperation for the successful implementation and completion of the project activities within this year.

Please accept the assurances of my highest considerations.

Yours sincerely,

Sezin Sinanoglu
Resident Representative *oz*

H.E. Mr. Ts. Bayarsaikhan
Minister of Construction and Urban Development

UNDP Office, UN House-14201, United Nations Street-14, Sukhbaatar District, Ulaanbaatar, Mongolia,
Tel: +976 (11) 327585 Fax: + 976 (11) 326221 Website: <http://www.undp.mn>, e-mail: registry.mn@undp.org

Annex 7 List of Project Deliverables at each Target Site as agreed between UNDP and MCUD

Барилга, хот байгуулалтын яам НҮБ-ын Хөгжлийн хөтөлбөртэй хамтран хэрэгжүүлж буй
 МОН/13/302 "Хөдөөгийн ус хангамж, ариун цэврийн байгууламжийн төсөл"-ийн хүрээнд НЭМЭЛТ САНХҮҮЖИЛТЭЭР
 барилга угсралтын ажил гүйцэтгэх тухай мэдээллийн хүснэгт

ҮНДСЭН ГЭРЭЭНИЙ ТУХАЙ МЭДЭЭЛЭЛ				НЭМЭЛТ САНХҮҮЖИЛТЭЭР ХИЙГДЭХ АЖЛЫН ТУХАЙ		
Д/д	Байршил	Гэрээний дугаар	Үндсэн гэрээний нэр	Гэрээний дүн /төг/	Хийгдэх ажлууд*	Нэмэлт санхүүжилтийн хяналтын төсөв
1	БУЛГАН аймаг	МОН/13/302-2014-П-ББ	Булган аймгийн Бүрэгхангай сумын төвийн гадна ариутгах татуургын шугам сүлжээний барилга угсралтын ажил	276,000,000	Цэвэрлэх байгууламжийн гадна цахилгаан	70,000,000
2		МОН/13/302-2014-П-БГ	Булган аймгийн Тэшиг сумын төвийн гадна ариутгах татуургын шугам сүлжээний барилга угсралтын ажил	277,367,320	Нийгмийн үйлчилгээний барилгуудын дотор УХАТ**-ын холболт, ариун цэврийн өрөөний засвар шинэчлэлт	108,000,000
3	ДУНДГОВЬ аймаг	МОН/13/302-2014-П-ДГ	Дундговь аймгийн Гурвансайхан сумын төвийн ус түгээх байр, насос станц, усан сан, гадна ариутгах татуургын шугам сүлжээний барилга угсралтын ажил	286,000,000	Цэвэрлэх байгууламжийн БУА***	166,000,000
4		МОН/13/302-2014-П-ДД	Дундговь аймгийн Дэлгэрцогт сумын төвийн насос станц, усан сан, цэвэрлэх байгууламжийн барилга угсралтын ажил	286,620,232	Нийгмийн үйлчилгээний барилгуудын дотор УХАТ-ын холболт, АЦӨ****-ний засвар шинэчлэлт	86,000,000
5	ӨВӨРХАНГАЙ аймаг	МОН/13/302-2014-П-ӨБ	Өвөрхангай аймгийн Баянгол сумын төвийн гүний худгийн засвар, гадна ус хангамжийн шугам сүлжээний барилга угсралтын ажил	269,970,223	Нийгмийн үйлчилгээний барилгуудын дотор УХАТ-ын холболт, АЦӨ-ний засвар шинэчлэлт	50,000,000
6		МОН/13/302-2014-П-ӨС	Өвөрхангай аймгийн Сант сумын төвийн гүний худгийн засвар, гадна ус хангамжийн шугам сүлжээний барилга угсралтын ажил	256,040,651	Нийгмийн үйлчилгээний барилгуудын дотор УХАТ-ын холболт, АЦӨ-ний засвар шинэчлэлт, ус түгээх байр (шинээр 1ш)	50,000,000
7	ТӨВ аймаг	МОН/13/302-2014-П-ТБ	Төв аймгийн Бүрэн сумын төвийн гадна ариутгах татуургын шугам сүлжээ, даралтат цамхаг, дотор холболтын барилга угсралтын ажил	285,548,270	Гадна ариутгах татуургын шугам сүлжээ, цэвэрлэх байгууламжийн гадны цахилгааны ажил	108,000,000
8		МОН/13/302-2014-П-ТЗ	Төв аймгийн Зуунмод сумын Зүүндэлгэрийн 4-р багийн гадна ус хангамж, ариутгах татуургын шугам сүлжээний угсралтын ажил, даралтат цамхагийн барилга, нийгмийн үйлчилгээний барилгуудын дотор сантехникийн холболтын ажил	271,878,924	Цэвэрлэх байгууламжийн БУА	50,000,000

*Хийгдэх ажлууд: БХБЯ болон орон нутгийн удирдлагуудын саналыг тууган тодорхойлсон болно.

2,209,425,620

688,000,000

*Хийгдэх ажлууд: БХБЯ болон орон нутгийн удирдагуудын саналыг тусган тодорхойлсон болно.

**УХАТ: ус хангамж, ариутгах татуурга

***БУА: барилга угсралтын ажил

****АЦӨ: ариун цэврийн өрөө

Жагсаалттай танилцаж, зөвшөөрсөн:

БХБЯ:

/гарын үсэг, огноо/

/гарын үсэг, огноо/

НҮБХХ:

/гарын үсэг, огноо/

/гарын үсэг, огноо/

Боловсруулсан:

УХАЦБ, МОН/13/302 төсөл

/гарын үсэг, огноо

Төрийн нарийн бичгийн дарга Р. Эрдэнэсүрэн

ОСНААБХЭГ-ын дарга бөгөөд Төслийн үндэсний захирал Р.Эрдэнэсүрэн

БҮ багийн ахлагч Б. Бунчингия

ХШҮ-ний мэргэжилтэн Б. Хишингаргал

Төслийн зохицуулагч Г. Отгонбаяр

Unofficial translation

**List of additional civil works to be constructed and funded with supplementary funding at project target sites
Rural Water and Sanitation Project MON/13/302**

Information on the main contract					Information on additional civil works	
Nº	Location	Contract number	The main contract name	Contract amount /MNT/	Additional civil works* to be constructed at the target soums	Estimated budget MNT
1	Buregkhangai soum, Bulgan aimag	MON/13/302-2014-II-BB	Construction work of sewerage main pipelines of Buregkhangai and Teshig soums of Bulgan aimag	276,000,000.00	Installation of power source to the WWT facility	70,000,000.00
2	Teshig soum, Bulgan aimag	MON/13/302-2014-II-BT		277,367,320.00	Indoor WatSan** system network sand WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	108,000,000.00
3	Gurvansaikhan soum, Dundgobi aimag	MON/13/302-2014-II-DG	Construction work of sewerage main pipelines and water distribution kiosk and maintenance of deep well of Gurvansaikhan soum center, DU aimag	286,000,000.00	Construction of WWT facility*** (equipment funded by ADB)	166,000,000.00
4	Delgertsogt soum, Dundgobi aimag	MON/13/302-2014-II-DD	Construction work of pump station, water reservoir and water treatment facilities of Delgertsogt soum center, DU aimag	286,620,232.00	Indoor WatSan system networks and WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)****	86,000,000.00
5	Bayangol soum, Uvurkhangai aimag	MON/13/302-2014-II-UB	Construction work of sewerage main pipelines & maintenance & reconstruction work of deep well of Bayangol & Sant soums' centers, UV aimag	269,970,223.00	Indoor WatSan system networks and WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals)	50,000,000.00
6	Sant soum, Uvurkhangai aimag	MON/13/302-2014-II-US		256,040,651.00	Indoor WatSan system networks, WC rooms of public buildings (WC rooms with faucets, shower, latrine, urinals) and water distribution kiosk (1-new)	50,000,000.00
7	Buren soum, Tuv aimag	MON/13/302-2014-II-TB	Construction work of sewerage main pipelines, water pressure tower indoor connections of Buren soum center, Tuv aimag	285,548,270.00	The main sewerage pipelines and installation of power source to the WWT facility (extension	108,000,000.00

8	Zuundelger 4th Bag of Zuunmod soum, Tuv aimag	MON/13/302-2014-II-TZ	Construction work of water supply and sewerage main pipelines and indoor pipelines & facilities connection work of Zuundelger's 4th bag of Zuunmod soum, Tuv aimag	271,878,924.00	Construction of WWT facility (equipment funded by ADB)	50,000,000.00
	Total amount			2,209,425,620.00		688,000,000.00

*Based on request s of target soum and aimag authoriti

es and MCUD.

** Water supply and sanitation

*** Construction

**** Toilets

Reviewed and agreed by:

MCUD R. Erdeneburen, State Secretary, MCUD

R. Erdenetsetseg, Director of Department of Housing, Public Utility Policy implementation and Coordination, and NPD

UNDP Bunchingiv. B, Environment Team leader

Khishigjargal. B, M&E Specialist

Prepared by:

Otgonbayar. G, NPC, RWS project

Барилга, хот байгуулалтын яам НҮБ-ын Хөгжлийн хөтөлбөртэй хамтран хэрэгжүүлж буй "Хөдөөгийн ус хангамж, ариун цэврийн байгууламжийн төсөл" /МОН/13/302/-ийн хүрээнд зарлагдах
ТЕНДЕРИЙН нэр, дугаар, хийгдэх ажлууд

Барилгын зураг төслийн компаниудаас ирүүлсэн хяналтын төсвийг судалж үзээд, тендер зарлах ажлуудаа тодотгосон болно.

Д/д	Байршил	Тендерийн дугаар	Тендерийн нэр	Хийгдэх ажлууд									
				Гүний худал /засвар шинэчлэл/	Гадна ус хангамжийн шугам сүлжээ /уртааш метр/	Гадна ариутгах татуургын шугам сүлжээ /уртааш метр/	Ус түгээх байр	Насос станц /хүчин чадал/	Даралтат цамхаг /хүчин чадал/	Усан сан /хүчин чадал/	Цэвэрлэх байгууламж /хүчин чадал/	Дотор холболт	Дүн
			ТЗ-бүтдэнд нь 2.2.3 болон 2.2.4 нэмэлтээр тус бүрт нь	2.1.2+2.3.1	2.2.4	2.2.3	2.1.2	2.1.2	2.1.2	2.3.1	2.2.3	2.2.1+2.2.2	
1	Булган аймгийн Бүрэгхангай сум	МОН/13/302-2014-II-ББ	Булган аймгийн Бүрэгхангай сумын төвийн гадна ариутгах татуургын шугам сүлжээний (2125м) барилга угсралтын ажил			НҮБХХ							
							407,201,484						407,201,484
2	Булган аймгийн Тэшиг сум	МОН/13/302-2014-II-БТ	Булган аймгийн Тэшиг сумын төвийн гадна ариутгах татуургын шугам сүлжээний (1700м) барилга угсралтын ажил			НҮБХХ							
							375,928,838						375,928,838
3	Дундговь аймгийн Гурвансайхан сум	МОН/13/302-2014-II-ДГ	Дундговь аймгийн Гурвансайхан сумын гүний худгийн засвар (3ш), ус түгээх байр (шинээр-2ш), гадна ариутгах татуургын шугам сүлжээний (910м) барилга угсралтын ажил.			НҮБХХ*	НҮБХХ	НҮБХХ					
							147,838,757	17,157,896	120,963,347				285,960,000
4	Дундговь аймгийн Дэлгэрцогт сум	МОН/13/302-2014-II-ДД	Дундговь аймгийн Дэлгэрцогт сумын төвийн насос станц, усан сан (60м3), цэвэрлэх байгууламжийн (50м3/хон) барилга угсралтын ажил.					НҮБХХ			НҮБХХ		
								120,883,050			191,240,000		312,123,050
5	Өвөрхангай аймгийн Баянгол сум	МОН/13/302-2014-II-ӨБ	Өвөрхангай аймгийн Баянгол сумын 2ш гүний худгийн засвар шинэчлэл, гадна ус хангамжийн шугам сүлжээний (1630м) барилга угсралтын ажил	НҮБХХ	НҮБХХ*								
				52,231,415	233,768,585								286,000,000
6	Өвөрхангай аймгийн Сант сум	МОН/13/302-2014-II-ӨС	Өвөрхангай аймгийн Сант сумын 2 ш гүний худгийн засвар шинэчлэл, гадна ус хангамжийн шугам сүлжээний (1.33км) барилга угсралтын ажил	НҮБХХ	НҮБХХ								
				57,888,494	242,980,760								300,869,254
7	Төв аймгийн Бүрэн сум	МОН/13/302-2014-II-ТБ	Төв аймгийн Бүрэн сумын төвийн гадна ариутгах татуургын шугам сүлжээ (1090м), даралтат цамхаг, дотор холболтын барилга угсралтын ажил			НҮБХХ*			НҮБХХ			НҮБХХ	
							216,441,874		117,222,093			44,595,442	378,259,349
8	Төв аймгийн Зуунмод, Зүүндэлгэрийн 4-р баг	МОН/13/302-2014-II-ТЗ	Төв аймгийн Зуунмод сумын Зүүндэлгэрийн 4-р багийн гадна ус хангамж, ариутгах татуургын шугам сүлжээний (1.5км) угсралтын ажил, нийгмийн үйлчилгээний барилгуудын дотор сантехникийн холболтын ажил		НҮБХХ	НҮБХХ			НҮБХХ			НҮБХХ	
					62,137,600	78,221,819			112,430,566			44,595,442	297,385,427

*ДУ, Гурвансайхан: ус түгээх байр 8.598.948*2ш+насос станц, усан сан 120.963.347=138.161.243 (286сая-с 147.838.759). Нийт 363.593.612 тог-нийг 2230м-ээс ноогдох нь 910м
*ӨВ, Баянгол: гүний худал 52.231.415 (286сая-с 233.768.585). Нийт 501.169.504тог-нийг 3508.4м-ээс ноогдох нь 1630м.
*ТӨ, Бүрэн: дотор холболт 44.595.442 (286сая-с 241.404.558). Нийт 216.404.874 тог 626м, үүнээс зөрүү үлдэгдэл 24.999.684.

Жагсаалттай танилцаж, зөвшөөрсөн:

НҮБХХ:

БХБЯ:

УХАЦБ, МОН/13/302 төсөл

/гарын үсэг, огноо/

/гарын үсэг, огноо/

/гарын үсэг, огноо/

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/гарын үсэг, огноо/

/гарын үсэг, огноо/

БО багийн ахлагч Б. Бунчинтв

ХШҮ-ний мэргэжилтэн Б. Хишигжаргал

ОСНААБХЗГ-ын дарга Р.Эрдэнэцэцэг

СХОХ-ийн дарга Д. Гантулга

Төслийн зохицуулагч Г. Отгонбаяр

02 July 2014

Unofficial translation

**List of tender to be announced to construct WatSan facilities at the target sites
under the Rural Water and Sanitation Project-MON/13/302 project**

№	Target soums	Tender no.	Tender name	List of facilities to be constructed									
				Renovation of deep wells	The main water supply pipeline networks	The main sewerage pipeline networks	Water distribution kiosk	Water pump station	Water tower	Water reservoir	Water treatment facility	Indoor WatSan system networks and WC rooms of public buildings	Total
1	Bureghangai soum, Bulgan aimag	MON/13/3 02-2014-II-BB	338. The main sewerage pipelines (2125 meter)			UNDP							
			339.			407,201,484							407,201,484
2	Teshig soum	MON/13/3 02-2014-II-BT	The main sewerage pipelines (1700 meter)			UNDP							
						375,928,838							375,928,838
3	Gurvansaikhan soum, Dundgobi aimag	MON/13/3 02-2014-II-DG	Renovation of deep wells (3), construction of water distribution kiosks (2) and the main sewerage pipelines (910 meter)			UNDP*	UNDP	UNDP					
						147,838,757	17,157,896	120,963,347					285,960,000
4	Delgertsogt soum, Dundgobi aimag	MON/13/3 02-2014-II-DD	Water pump station, water reservoir (60 cub.m) and construction of WWT facility equipment (50.0 cub.m/day)					UNDP			UNDP		

								120,883,050				191,240,000		312,123,050
5	Bayangol soum, Uvurkhangai	MON/13/3 02-2014-II-UB	The main water supply pipelines (1630m), restoration of two deep wells	UNDP	UNDP*									
				52,231,415	233,768,585									286,000,000
6	Sant soum, Uvurkhangai	MON/13/3 02-2014-II-US	The main water supply pipelines (1330m) and restoration of two deep wells	UNDP	UNDP									
			340.	57,888,494	242,980,760									
7	Buren soum, Tuv aimag	MON/13/3 02-2014-II-TB	The main sewerage pipelines (1090m), water tower and Indoor WatSan system networks and WC rooms of public buildings			UNDP*			UNDP			UNDP		
						216,441,874			117,222,033			44,595,442		378,259,349
8	Zuundelger's 4th Bag of Zuunmod soum, Tuv aimag	MON/13/3 02-2014-II-TZ	The main water supply and sewerage pipelines (1500m) and Indoor WatSan system networks and WC rooms of public buildings		UNDP	UNDP			UNDP			UNDP		
					62,137,600	78,221,819			112,430,566			44,595,442		297,385,427

341.

342. *only certain parts will be constructed

343. * Gurvansaikhan, Dundgobi: Water distribution kiosk 8,598,948*2+water pump station and water reservoir 120,963,347=138,161,243 (out of 286,000,000 147,838,759). In total, it is estimated to cost 363,593,612 for total of 2230m, but the project will cover 910 m only.

344. * Bayangol, Uvurkhangai: deep well 52,231,415 (out of 286,000,000, the remaining is 233,768,585). It is estimated to cost 501,169,504 for 3508.4 meter pipelines, but the project will cover 1630m only.

345. * Buren, Tov: indoor system networks 44,595,442, (out of 286,000,000, the remaining is 241,404,585). It is estimated to cost 216,404,874 for 626 m, the project will cover the whole 626m. and there would be the remaining balance of 24,999,684.

346.

Reviewed and agreed by:

UNDP Bunchingiv. B, Environment Team leader
 Khishigjargal. B, M&E Specialist

MCUD R. Erdenetsetseg, Director of Department of Housing, Public Utility Policy implementation and Coordination, and NPD
 Director, Department of Finance and Investment, MCUD

PIU Otgonbayar. G, NPC, RWS project

347. 02 July 2014

Annex 8: Revised Monitoring and Evaluation Matrix developed under the Project

Expected Results	Planned activities	Timeframe				WHAT to monitor		HOW to monitor		
		Q1	Q2	Q3	Q4	Indicators, Baseline, Targets		M&E Event - data collection	Means of verification	Resource
Output 1. Improved oversight, monitoring, policy coordination and service delivery arrangements for rural water and sanitation 1.1. Review of Functional Assignment completed and recommendations made; 1.2. Policy recommendations made on service provision modalities, including that of private providers; service standards set and monitoring tools available.	1.1 Conduct a study on activity mapping of institutional arrangements and legal environment, review implementation of service standards and draft a strategy for water sanitation services		Jun-Sep			Indicator: - Activity mapping and Policy Recommendations - # of policy recommendations fed into activity mapping - Revised Policy guidance for PUSOs	Baselines: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most soum centers. Target: -Review of Functional Assignment completed and recommendations made; -Policy recommendations made on service provision modalities, including that of private providers; service standards set and monitoring tools available.	Performance review Report review Policy recommendations	Study report Strategy draft	no specific budget required for monitoring (consultancy contract)

	1.2 Conduct a study on knowledge management system for water sanitation services, develop recommendations and support in establishment of advocacy cabinets in 8 soums		Jun-Sep			- Increased channel of knowledge sharing platforms - knowledge shared via interactive website and information center at the target soums		Performance evaluation Reviews	Study report Advocacy cabinet report (no. of visitors and informations shared)
	1.3 National Forum on the project achievements				Nov	- Improved understanding of service delivery arrangements for rural water and sanitation			

Output 2. Capacity of local institutions strengthened for improved service delivery 2.1. Capacity development needs assessment conducted 2.2. Aimags received CD support and recommendations for policy reforms made to the Government	2.1 Develop a rapid capacity assessment tool			Sep-Oct	Indicator: - A set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools developed followed by the recommendations made from the CD needs assessment - Enhanced Capacity of Aimags Baselines: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most soum centers. Target: - Capacity Development needs assessed - Aimags received CD support and recommendations for policy reforms made to the Government.			As per WP
	2.2 Conduct a capacity building training for Project's Support Units' personnel in 4 aimags		Jun			Training assessment	PSU report Training assessment Training report	As per WP
	2.3 Donor meeting at Gurvansaikhan soum in Dundgovi aimag		Jun			Field visit to the host soum	Meeting report BTOR	As per WP
	2.4 Develop a rapid capacity assessment tool, conduct needs assessment survey and develop a set of participatory planning, budgeting, procurement and expenditure monitoring and management guideline			Jun-Sep		CD needs survey	CD needs survey report Tools and guidelines developed	As per WP

	2.5 Organize a joint Training for Trainers and a study tour on participatory decision making with cooperation of UNDP's "Capacity strengthening of local self-governing bodies" project in 4 aimags and Gurvansaikhan soum of Dundgovi aimag			Jul-Sep			Training assessment	Training and study tour report	As per WP
	2.6. Publication of advocacy materials, promotion books, guidelines, booklets and brochures			Aug-Dec					As per WP

Output 3. Water and Sanitation Services expanded in the selected areas	3.1 Conduct feasibility study, baseline survey on customer satisfaction and develop DDDC by assessing the community-based needs in each target soum	Feb-Jun			Indicator: - Water supply and sanitation facilities established in the target soums. - % of population that have access to safe water and adequate sanitation in target soums	Baselines: Little rural sector policy guidance or financing strategy; little capacity, poor services and little revenue in small towns. Sanitation services non-existent in most soum centers. Target: Water and Sanitation Services expanded in the target soums.	Reviews of the report and DDDC	Expertise's conclusion and evaluation Performance evaluation	As per WP
	3.2 Provide technical support in project management, engineering design, survey and construction supervision		Apr-Sep						As per WP

	3.3 Support in provision of capacity building trainings for soum personnel to be responsible for water and sanitation services		Jun-Sep				Training assessment	Training report	As per WP
	3.4 Facilitate capacity development in project financial management and procurement		Jun-Sep				Training assessment Procurement status report	PSU report Procurement status report	As per WP
	3.5. Procurement and Construction		Jul-Nov				- Review of tender process - Spot checks - Monitoring visits - Performance evaluation - Visit to PIU	Tender evaluation committee report Spot check report BTOR On every installement	As per WP
	3.6. Author's control		Jul-Nov				Site visit	Visit report	As per WP
	Independent Evaluation						Evaluation	Report	As per WP
	Independent audit						Audit	Report	As per WP

Annex 9: Members of the PIU outlining cost sharing agreements with the GoAL WaSH initiative

Title	Contracted period	Summary of Roles and responsibilities
Project implementation Unit		
National Project Coordinator	01.10.2013 – 31.01.2015 (Although her contract with RWS project started in 01.10.2013, she was performing duties of NPC of RWS project once the ProDoc was signed as she already had contract with UNDP. Meaning that her remuneration was fully charged to a previous project until 01.10.2013 and then 50% of her remuneration was charged to RWS project budget till the end of 2013). Since then fully RWS project.	<p>Oversee overall management of the project activities.</p> <ul style="list-style-type: none"> - Develop annual and quarterly work plans in line with project objectives; prepare quarterly and annual progress reports; - Undertake procurement of goods and services in accordance with the relevant UNDP and national procedures, including preparing terms of references or technical specifications, monitoring performance, and ensuring quality and timely delivery; - Ensure quality and relevance of studies, reports, training content/materials and other outputs of the project; - Lead effective and efficient organization of project related events, such as workshops or trainings; - Oversee asset registry and use of assets for designated purposes; - Coordinate among different implementing agencies and partners and facilitate exchange of information; - Review financial data of annual and quarterly plans and reports, and if necessary, initiative budget revisions; - Provide financial report to UNDP on monthly and quarterly basis; - Facilitate auditing and evaluation of the project;
Administrative and Finance Officer	01 December 2013 - 31.01.2015 (salary charge and contract commencement date are same as NPC)	<p>Mainly responsible for Finance and administrative related duties</p> <p>Financial management of the project</p> <ul style="list-style-type: none"> - Ensure that all the project's financial and administrative processes are carried out timely and in accordance with UNDPs regulations - Responsible for the project's financial accounting, transactions and reporting system for the project in accordance with the Mongolian Government, and UNDP's financial rules and regulations. - Maintain financial records and monitoring systems to record and reconcile expenditures, balances, payments, statements and other data. - Maintenance and reporting of equipment ledgers and other data base for the project - Ensure that all financial transactions, both in project field and main offices, are in compliance with the applicable financier rules and procedures. - Preparation of internal and external travel arrangements for project personnel - Identify training needs of and organize training provision for Aimag Administrative and Financial Officers in undertaking financial management activities and applying monitoring

		<ul style="list-style-type: none"> results. - administrative duties.
Senior Technical Specialist	01.10.2013 – 28.02.2015 (the same condition was applied to this position between May and October 2013. Salary was charged to a previous project until October 2013).	<ul style="list-style-type: none"> - Overall, technical specialist was responsible for activities conducted under the component 3 of the project. - Provide water and sanitation engineering expertise to the Project - Be in charge of the policy related interventions of the project - local capacity building in areas related to water supply and sanitation and WASH - Prepare all initial technical specifications of WatSan facilities to be built in the target soums. - Ensure quality of DDDCs - Monitor construction of water and sanitation facilities in the project target site <p>348.</p>
Monitoring and Evaluation Specialist	08.05.2014-31.12.2014	<ul style="list-style-type: none"> - Monitoring and evaluation of the project. - Provide guidance to the RWS PIU focusing on quality control over the effective management of the project - Oversee the compliance of the National legislations and UNDP policy and regulations at all stages during the project implementation. - Ensure quality assurance in implementation of the project, comprising but not limited to: <ul style="list-style-type: none"> - Review and clearance of TOR, study, research and assessment reports, observation and guidance of recruitment and procurement processes, undertake M&E activities, participate in technical meetings - Financial and substantive oversight of the project, identification of operational and financial problems, - Provide regular updates on the project implementation to the KOICA Specialist at UNDP CO, as necessary, and provide input to reports to KOICA. - Review and finalize quarterly and annual reports, such as reports to Korea and MCUD progress reports and other reports requested by UNDP CO, implementing partner and other stakeholders.


Capacity Development Officer	07.04.2014-31.12.2014	<p>Overall, CDO was primarily responsible for activities conducted under component 1 and 2 of the project.</p> <p>1) Contribute to policy making and coordination for service delivery:</p> <ul style="list-style-type: none"> - Conduct activity mapping along the levels of the government and allocation of functions, funds and personnel in policy, provision and production arrangements for water and sanitation, feeding into the functional review carried out by the GOM; - Coordinate review of service standards and the monitoring framework, including performance indicators with baseline and targets; - Develop and test tools for obtaining customer feedback on effectiveness of local public utilities management arrangements; - Provide technical support to pricing and cost-recovery policies, <p>2) Coordinate capacity development activities of local institutions:</p> <ul style="list-style-type: none"> - Finalize and update the capacity development framework to reflect changing needs, and support the implementation of the plan; - Develop a set of participatory planning, budgeting, procurement and expenditure monitoring and management guidelines and tools, user-friendly training materials – for Soum and Aimag authorities; - Coordinate piloting of newly developed procedures that fit legal and institutional framework for local government; - Set up a knowledge management system to support experience sharing and analyses of lessons emerging from field operations, and to contribute to policy advocacy (seminars, targeted study tours, etc); - Provide technical guidance and operational support to management information system of local authorities to track service delivery performance and provide quality assurance; - Identify, codify and disseminate best practices and lessons learned for knowledge sharing and potential scaling up; - Prepare reports on progress of capacity building activities
Procurement Specialist	01.05.2014-31.12.2014	<ul style="list-style-type: none"> - Procurement and tender related duties. - Promote local ownership by ensuring compliance of local government procedures and processes in participatory planning and budgeting, procurement of goods and services, management and monitoring of service delivery and reporting - Support the PSU and the project target Aimag and Soum Government Offices in drafting of bidding documents, preparing bill of quantities and scope of work of the planned professional services/equipment procurements based on the FS and DDDC; - Provide guidance on preparation, publishing of bidding announcements and consultation of pre-bid meeting for Civil works, through clearance by the PIU, UNDP Country Office and MCUD and site visits for the actual construction procurement;

		<ul style="list-style-type: none"> - Support the PSU for organizing bid evaluation meetings as follows: (1) arrange a venue and the timing of bid evaluations with evaluation panel members, (2) prepare necessary bid evaluation packages (bid documents, proposals, evaluation sheets and etc.) and distribute them to evaluation panel members, (3) attend bid evaluation meetings as a note taker and keep the minutes of the meetings, and (4) provide other necessary technical supports to facilitate the service/equipment procurements; - Guide the PSU and ensure quality throughout the procurement processes of: <ul style="list-style-type: none"> i. Preparation of Bidding Appraisal Committee establishment according to the binding laws; ii. Formulation of the summary of the technical proposals submitted by the Service Providers to the Appraisal committee, and; iii. Examination and analysis of the Contractor's procurement plan for construction materials and verify that all items have technical certificates or specifications/Authorization letter/Certificate of Origin such as ISO certificate etc by closely working with the PSU; - Support the project target Aimag Government Offices in bid opening of the procurement by attending the bid opening and supporting compilation and registration of submitted bid documents under the guidance from the MCUD, UNDP CO Procurement Unit and the PIU. - Support MCUD, UNDP Procurement Unit and PIU/PSU in checking the quality of procured items upon provision by Service Providers, and, if not satisfied, ensure taking action to replace by the equipment or materials in compliance with the specifications stated in the proposals; <p>349. <u>Capacity Building of the Project Support Unit (PSU) and Beneficiaries:</u></p> <ul style="list-style-type: none"> - Participate in technical meetings and provide recommendation to improve the project implementation in terms of procurement based on capacity development needs; - Ensure timely delivery of procurement capacity building training within the Capacity Development strategies and that procedures are consistent with the legal and institutional framework for local government; - Support in developing and testing tools to receive customer/local community feedback on performance and effectiveness of local Public Utilities Management. <p>350. Assurance of Compliance of the Financial and Procurement Procedures of UNDP:</p> <p>351.</p>
Translator/Secretary	01.10.2013-28.02.2015 (the same condition was applied	<p style="text-align: right;">Translation and secretariat related duties.</p> <p><u>Translator and Interpreter task:</u></p>




	to this position between May and October 2013. Salary was charged to a previous project until October 2013).	<ul style="list-style-type: none"> Translate written materials from English to Mongolian and vice versa Act as an interpreter during field missions as required, and; <u>Communication</u> <ul style="list-style-type: none"> Maintain communication with the project field staffs and follow-up; Maintain administrative files relevant to his/her duties; <u>Office management</u> <ul style="list-style-type: none"> Set up and assist in the smooth management of the project office, maintenance of office equipment (photocopiers, telephones, printers and fax machine); Organize the storage of supplies and equipment; Keep regular check-up for project main e-mail and takes follow up actions <u>Travel and other activities</u> <ul style="list-style-type: none"> Be responsible for travel arrangements (air ticket etc.), accommodation, and scheduling of briefing and other official meetings, for project staff, consultants and visitors (liaison with PIU/UNDP operation teams); Take minutes of project meetings and distribute them within 1 week after the meeting, and; Assist in the organization of in-country training activities, ensuring logistical arrangements
Driver	01.10.2013-28.02.2015 (the same condition was applied to this position between May & October 2013. His salary was charged to a previous project until October 2013).	Driver and messenger
Project Support Unit		
Procurement Officer (4)	21.07.2014-31.12.2014	Preparation and coordination of the project's procurement and tender related activities in their aimags.
Finance Officer (4)	21.07.2014-31.12.2014	Mainly responsible for Finance and administrative related duties by ensuring that financial management of the project is in accordance with national and UNDP rules and regulations.
Engineer (4)	21.07.2014-31.12.2014	Monitoring of construction works at target soums Capacity building of technicians, who were trained by the project, and local authorities and communities in WatSan and WASH related areas Ensure facilities are built in compliance with national construction norms, standards and codes and according to DDDCs.


Annex 10: A Summary list of documents produced or re-produced under the Project

List of the documents developed and distributed under the ROK-UNDP MDG Trust Fund Project

Description and use of the documents	
<p>The current institutional arrangement and legal environment of the Public Utilities Service Sector.</p> 	<p>This document presents findings of a series of studies conducted by national consultants of the project. The document consists of 4 chapters, beginning with findings of the study that looked at activity mapping of institutional arrangements, legal environment and implementation of service standards. It then presents the findings of the study that looked at monitoring and evaluation system of Public Utility Service and Water and Sanitation sector. Chapter 3 presents findings of a review that analyzed the performance and effectiveness of PUSOs, pricing and cost recovery policies. Some useful lessons, experiences and efforts taken to ensure sustainability of public services sector in Thailand, Malaysia and other countries are also provided. A set of recommendations to national and local governments, MCUD and PUSOs is presented in this chapter as well. Finally, a draft strategy for Public Utility Service sector is presented. The strategy identifies and prioritizes short (2015-2018) and medium term (2019-2021) goal and objectives of the sector. Four main objectives proposed in this strategy include:</p> <ol style="list-style-type: none"> 1. Reforms in legal environment, policy and institution 2. Set better and fair pricing policy 3. Capacity building of the sector 4. Better monitoring and evaluation framework <p>Under each of these objectives, specific set of actions to be taken by national and local governments, PUSOs, citizens and other stakeholders are identified and presented in the strategy.</p>
<p>Capacity development needs of PUSOs</p>	<p>This document presents findings of the study that reviewed knowledge management system of WatSan sector. A set of recommendations to MCUD and other relevant stakeholders to improve knowledge management in the sector is also provided in this chapter. Chapter 2 presents findings of a review that assessed capacity of PUSOs.</p>
<p>A rapid capacity assessment tool and Participatory planning, budgeting, procurement and expenditure monitoring and management guideline</p>	<p>This document consists of two chapters, beginning with introduction to a rapid capacity assessment tool. It introduces objectives, scope, structure and use of the tool. It then describes 5 steps to assess capacity needs of public utility organizations. Chapter 2 presents Participatory planning, budgeting, procurement and expenditure monitoring and management guideline.</p>

List of the documents developed under earlier projects, which were republished and distributed under the ROK-UNDP MDG Trust Fund Project

Description and use of the documents	Project
<p>Safe Sanitation Systems</p> <p>An album of technical options for safe and environmentally friendly sanitation practices. This was re-published by RWS project and disseminated through Information Center established at the target soums.</p> 	GoAL WaSH
<p>A catalogue on water and energy efficient plumbing equipment and apparatus</p> <p>A catalogue on water and energy efficient plumbing equipment and apparatus (e.g., sink, flash toilet and shower boiler etc.) was developed and published by GoAL WaSH project. But there were many requests or demands from stakeholders to re-publish and distribute it. Hence, it was re-published by RWS project and disseminated to stakeholders, policy makers, business owners and general public.</p> 	GoAL WaSH
<p>Access to water supply and sanitation</p> <p>Although this nationwide data presenting document was developed and published by a previous project, a 2nd edition was required as some significant rural development projects that improved the access have been implemented since the first edition. Nationwide access level data were gathered by National Statistics Office and MCUD using a consistent methodology. Hence, the second edition/update was published and distributed to relevant stakeholders. The most up-to-date data on access to water supply and adequate sanitation can be found in this document.</p> 	GoAL WaSH

<p>National Standard for Small scale Wastewater Treatment</p> 	<p>A national standard for Small-scale Wastewater Treatment Plants was developed by GoAL WaSH project and approved by the National Standardization Committee on 15 December 2011 based on the Technical Specification. This standard specifies requirements for developing monotype small-scale wastewater treatment facilities at household, institutional and soum levels. Although this standard was developed by an earlier project, it was not published and distributed to stakeholders. Realizing the needs, the project published it again and distributed to stakeholders.</p>	<p>GoAL WaSH</p>
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Annex 11 Confirmation Letters from MCUD that infrastructure works will be completed in 2015

* ADB amounts include considerable investment in the development and installation of centralised heating systems in a number of target Soums.

Unofficial translation

To: Sezin Sinanoglu,
Resident Representative,
UNDP CO Mongolia

From: MCUD
Subject: Project implementation

Date: 05 February, 2015
No: 3/334

Within the implementation framework of UNDP supported "Scaling up Support to Local Service Delivery for the MDGs: Rural Water and Sanitation" project, in 2014 a total of MNT 11,747,695,156.0 was utilized and co-invested in the construction of Integrated WSS systems and WSS system networks and facilities and installation of faucets of public buildings of the target eight soums (please refer to attached). In order to successfully implement the project, funds utilized from the following sources were:

- UNDP – MNT 2,894,746,041.12
- ADB – MNT 4,504,700,000.00
- Local Development Fund – 1,832,600.00

As per estimates of DDDCs, the remaining balance of MNT 2,515,649,144.9 still needs to be invested in the target soums to complete the construction works.

However, we would like to inform and assure UNDP that MCUD in partnership with local authorities is fully committed to complete the integrated WSS systems of the project target soums within 2015 by utilizing funds from local and international sources.

We hope for our continued partnership.

Enclosed:

Co-investment in the construction of Integrated WSS system of the target soums, by sources

Kind regards,

Erdeneburen. R

State Secretary

MCUD

Annex to MCUD's State Secretary letter No. 3/334 dated on
05 February 2015

Co-financing of the construction of integrated WSS system of the Project target soums, by funding sources, USD
Rural Water and Sanitation -MON/13/302 Project

UN Operational Rate of Exchange for December 2014: MNT 1876

№	Location	Total estimated Budget required for completion of the ingerated Watsan system	Funding by sources, USD			
			UNDP	ADB*	LF	Total utilized
1	Buregkhangai	719,171.24	184,434.97	79,957.36	106,609.81	371,002.13
2	Teshig	935,835.01	205,252.66	426,332.62	106,609.81	738,195.09
3	Gurvansaikhhan	884,073.40	240,938.17	962,153.52	213,219.62	1,416,311.30
4	Delgertsogt	787,258.41	194,376.81	-	213,219.62	407,596.42
5	Bayangol	967,121.16	170,559.82	227,078.89	106,609.81	504,248.52
6	Sant	674,124.44	163,008.70	199,520.26	106,609.81	469,138.76
7	Buren**	796,633.98	209,700.57	426,226.01	86,673.77	722,600.36
8	Zuundelger	497,880.00	174,769.91	79,957.36	37,313.43	292,040.70
	Total	6,262,097.63	1,543,041.60	2,401,226.01	976,865.67	4,921,133.28
						1,340,964.35

Remarks:

* Includes costs of construction and equipment of heating system of Gurvansaikhhan, Buren and Teshig soums that were funded by ADB. It also includes funds spent for construction of road in Gurvansaikhhan soum.

** Although it appears there is still funding needs for Buren soum as actual contract cost was lower than budget estimated by DDDC.

Annex 12: Data on the Status of Works and Financing Available to Complete Construction and Installation of WatSan Facilities at the Project Target Sites, provided by MCUD to the Evaluation on 6th April 2015

Consolidated Report on the Status of Civil Construction Works and Financing for the Centralized Water and Heat Supply, Sewerage Pipeline System and Facilities connected to the Public Buildings and Roads

Procured within the implementation framework of the Rural Water and Sanitation MON/13/302 Project funded by UNDP

Нэгдсэн Үндэстний байгууллагын Хөгжлийн хөтөлбөртэй хамтран хэрэгжүүлсэн "Хөдөөгийн ус хангамж, ариун цэврийн байгууламж - MON/13/302" төслийн хэрэгжилтийн хүрээнд ус, дулаан хангамж, ариутгах татуургын гадна шугам сүлжээ, барилга байгууламж, нийгмийн үйлчилгээний барилгуудын дотор сантехник, засвар шинэчлэл, авто замын ажлын нэгдсэн гүйцэтгэл, санхүүжилтын тайлан

By Million Tugrugs										UNORE: 1948MNT				
Aimag Name Аймгийн нэр			1. Bulgan Булган		2. Dundgovi Дундговь		3. Uvurkhangai Өвөрхангай		4. Tuv Төв		GRAND TOTAL НИЙТ ДҮН	EXECUTION ГҮЙЦЭТГЭЛ/ FINANCING САНХҮҮЖИЛТ (%)		
Soum Name Сумын нэр			1.Buregkhangai Бүрэгхангай	2.Teshig Тэшиг	3.Gurvansaikhan Гурвансайхан	4.Delgertsogt Дэлгэрцогт	5.Bayangol Баянгол	6.Sant Сант	7.Buren Бүрэн	8.Zuundelger Зүүндэлгэр				
Estimated Budget Төсөвт өртөг			1,349.17	2,017.16	2,922.99	1,476.90	1,814.32	1,264.66	1,723.92	934.02	13,503.14			
Source of Finance Санхүүжилтийн эх үүсвэр	UNDP НҮБХХ		Contracted amount: Гэрээний дүн	346.00	385.05	452.00	364.65	319.97	305.80	393.40	327.87	2,894.74	100% / 100%	
	ADB АХБ			150.00	799.80	1,805.60	-	426.00	374.30	799.70	150.00	4,505.40	92.8% / 49.27%	
	GoM МУЗГ	State Улс		-	-	-	-	-	-	-	-	-	-	-
		Aimag (LDF) Аймаг (ОНХС)		200.00	200.00	200.00	200.00	-	-	60.00	70.00	930.00	100% / 91.7%	
		Soum (SDF) Сум (СХС)		300.00	300.00	200.00	200.00	-	-	40.00	-	1,040.00	100% / 80%	
GRAND TOTAL Нийт дүн	Contracted amount: Гэрээний дүн		996.00	1,684.85	2,657.60	764.65	745.97	680.10	1,293.10	547.87	9,370.14			
	Execution Гүйцэтгэл (%)		98%	98%	100%	100%	95%	95%	100%	98%				
	Financing		85%	54%	91%	100%	66%	68%	79%	97%				
Operational Status Ашиглалтад орсон эсэх			No	No	Yes	No	No	No	Yes	Yes				
Difference between the estimated budget and contracted amount Төсөвт өртөг, гэрээний дүнгийн зөрүү			353.17	332.31	265.39	712.25	1,068.35	584.56	430.82	386.15	4,133.00	Төсөвт өртгөөс бага үнийн саналаар гэрээг байгуулсан. Зарим сумын 2, 3 дугаар ээлжийн ажлыг хойшлуулж, төсвийн дагуу танах боломжтой		
Required fund Шийдвэрлэх шаардлагатай санхүүжилтийн дүн			350.00	305.00	260.00	605.90	766.7	248.80	348.10	121.40	3,005.90			
			\$ 0.18	\$ 0.16	\$ 0.13	\$ 0.31	\$ 0.39	\$ 0.13	\$ 0.18	\$ 0.06	\$ 1.54			

Aimag Name Аймгийн нэр	1. Bulgan Булган		2. Dundgovi Дундговь		3. Uvurkhangai Өвөрхангай		4. Tuv Төв	
Soum Name Сумын нэр	1.Buregkhangai Бүрэгхангай	2.Teshig Тэшиг	3.Gurvansaikhan Гурвансайхан	4.Delgertsogt Дэлгэрцогт	5.Bayangol Баянгол	6.Sant Сант	7.Buren Бүрэн	8.Zuundelger Зүүндэлгэр
Remaining works lack funding sources Санхүүжилт шаардлагатай ажлууд	WWTP Construction work (ЦБ-ийн угсралт)	Water Reservoir and Pump Station (Усан сан, насос станц)	Indoor Watsan system and WC rooms (Дотор сантехникийн холболт, засвар шинэчлэлт)	1.2km water main (1.2км ЦУ-ны шугам)	1.9km water main (1.9км гадна ЦУ-ны шугам)	0.6km sewerage main (0.6км гадна ариутгах татуургын шугам)	0.9km heating pair main (0.9км гадна дулааны хос шугам)	Remaining WWTP construction work (ЦБ-ийн угсралтын үлдэгдэл ажил)
		Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Sewerage main (гадна бохирын шугам)	2.5km sewerage main and booster pump station (2.5км ариутгах татуургын шугам, бохирын өргөлтийн насос станц)	Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)		Outdoor electrical grid for WWTP (ЦБ-ийн гадна цахилгаан)
		Lagoon (Шүүрүүлэх талбай)		Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)		
Remarks Тайлбар	LDF/SDF ОНХС/СХС	State Budget УТХО			LDF/SDF ОНХС/СХС		State Budget УТХО	LDF/SDF ОНХС/СХС

Out of which:
Үүнээс:

By State Budget
УТХО-аар

1,519.00

By LDF/SDF
ОНХС/СХС-аар

1,486.90

Note:

The actual construction works have been completed in those project sites are in functional and operational. Although works completed, not paid to the companies due to the lack of funding. From the Remarks row, it is displayed that where the financing will be sourced.

Annex 13 Comments on the draft evaluation report provided by UNDP and MCUD, and the Evaluation Response to those comments

1: Comments provided by the Ministry of Construction and Urban Development (MCUD) on 4th March 2015

The Ministry of Construction and Urban Development (MCUD):

- Overall, agrees with the findings and suggestions/recommendations.
- Strongly agrees with the idea to conduct an ex-post evaluation in one or two years. So that all parties, donors, national, local partners can see the results and impacts-benefiting from the system.

2: Comments provided by the United Nations Development Programme (UNDP) Mongolia Country Office on 22nd March 2015

Thank you for the report which contains a wealth of information and we acknowledge the depth of analysis done. Also, please rest assured that we are not in any way trying to intervene with the independency of the evaluation. What we are doing is to provide you with our perspective and views for you to take into account when you finalize the report. We hope that this is a constructive approach that can work to make the report stronger.

The CO have now reviewed the last version of the report (version from 6 March) in detail and please find it attached with comments in this regard. As you can see, there are cases where we have provided further factual clarifications and other suggestions.

Overall, it is encouraging to see that you recognize the fact that we have accomplished a tremendous amount of work in a short implementation time. This also applies to the physical WatSan structures as agreed with the project implementing partner and stakeholders to be delivered within Outcome 3. As tabulated in the report, you have acknowledged the agreed facilities have been established at each target site through UNDP project funds. Also, I hope you have received the attached letter from the MCUD committing itself to ensure the completion and full operations of all WatSan facilities in remaining soums in 2015. While this is of course occurring outside of the scope of the project and the evaluation cannot ensure that it will actually take place, it could perhaps be reflected in the report that there is indeed such an agreement. In addition, we have been informed recently by MCUD that:

- Two additional soums will put their systems into operation by 20 March.
- All other 5 soums have the investment needs met within 2015 budgets whereof 2 soums have already started the final installation work .

For these reason, the statement "WatSan facilities are not installed" is much too strong in our view

With regards to some other specific issues:

- We acknowledge the lack of formalizing the changes in the RRF particularly relating to the results indicators.
- We think it is correct to include the car accident in the report as it represent a fact that seriously affected the project implementation.

I hope you have received the MCUD comments. In our discussions with them, they told us they will send their comments to you including additional information on the status of the larger facilities and possible local Government confirmation about funding already allocated to completing the project.

Finally, thanks again for your dedicated hard work, and your patience, and we hope to receive and review the next version including the appendixes soon.

3: Additional Information, Comments and an Update on Progress at Project Target Sites provided by MCUD on 6th April 2015

Consolidated Report on the Status of Civil Construction Works and Financing for the Centralized Water and Heat Supply, Sewerage Pipeline System and Facilities connected to the Public Buildings and Roads
Procured within the Implementation framework of the Rural Water and Sanitation MON/13/302 Project funded by UNDP
Нэгдсэн Үндэстний байгууллагын Хөгжлийн хөтөлбөртэй хамтран хэрэгжүүлсэн "Хөдөөгийн ус хангамж, ариун цэврийн байгууламж - MON/13/302" төслийн хэрэгжилтийн хүрээнд ус, дулаан хангамж, ариутгах татуургын гадна шугам сүлжээ, барилга байгууламж, нийгмийн үйлчилгээний барилгуудын дотор сантехник, засвар шинэчлэл, авто замын ажлын нэгдсэн гүйцэтгэл, санхүүжилтын тайлан

Aimag Name Аймгийн нэр		1. Bulgan Булган		2. Dundgovi Дундговь		3. Uvurkhangal Өвөрхангай		4. Tuv Төв		By Million Tugrugs UNORE: 1948MNT	
Soum Name Сумын нэр		1.Buregkhangal Бүрэгхангай	2.Teshig Тэшиг	3.Gurvansaikhan Гурвансайхан	4.Delgertsogt Дэлгэрцогт	5.Bayangol Баянгол	6.Sant Сант	7.Buren Бүрэн	8.Zuundelger Зүүндэлгэр	GRAND TOTAL НИЙТ ДҮН	EXECUTION ГҮЙЦЭТГЭЛ/ FINANCING САНХҮҮЖИЛТ (%)
Estimated Budget Төсөвт өртөг		1,349.17	2,017.16	2,922.99	1,476.90	1,814.32	1,264.66	1,723.92	934.02	13,503.14	
Source of Finance Санхүүжилтийн эх үүсвэр	UNDP НҮБХХ	346.00	385.05	452.00	364.65	319.97	305.80	393.40	327.87	2,894.74	100% / 100%
	ADB АХБ	150.00	799.80	1,805.60	-	426.00	374.30	799.70	150.00	4,505.40	92.8% / 49.27%
	State Улс	-	-	-	-	-	-	-	-	-	-
	Aimag (LDF) Аймаг (ОНХС)	200.00	200.00	200.00	200.00	-	-	60.00	70.00	930.00	100% / 91.7%
	Soum (SDF) Сум (СХС)	300.00	300.00	200.00	200.00	-	-	40.00	-	1,040.00	100% / 80%
Contracted amount: Гэрээний дүн		996.00	1,684.85	2,657.60	764.65	745.97	680.10	1,293.10	547.87	9,370.14	
GRAND TOTAL Нийт дүн	Execution Гүйцэтгэл (%)	98%	98%	100%	100%	95%	95%	100%	98%	98% / 80%	
	Financing	85%	54%	91%	100%	66%	68%	79%	97%		
	Operational Status Ашиглалтад орсон эсэх	No	No	Yes	No	No	No	Yes	Yes		
Difference between the estimated budget and contracted amount Төсөвт өртөг, гэрээний дүнгийн зөрүү		353.17	332.31	265.39	712.25	1,068.35	584.56	430.82	386.15	4,133.00	Төсөвт өртөгөөс бүтэ урьдчил саналгаар гэрээг байгуулсан. Зарим сумын 2,3 дугаар эвлэлийн ажлаар байгуулсан, төслийн дүгнэ тэнхэ болонгоод
Required fund Шийдвэрлэх шаардлагатай санхүүжилтийн дүн		350.00	305.00	260.00	605.90	766.7	248.80	348.10	121.40	3,005.90	
		\$ 0.18	\$ 0.16	\$ 0.13	\$ 0.31	\$ 0.39	\$ 0.13	\$ 0.18	\$ 0.06	\$ 1.54	

Aimag Name Аймгийн нэр	1. Bulgan Булган		2. Dundgovi Дундговь		3. Uvurkhangai Өвөрхангай		4. Tuv Төв	
Soum Name Сумын нэр	1.Buregkhangai Бүрэгхангай	2.Teshig Тэшиг	3.Gurvansaikhan Гурвансайхан	4.Delgertsogt Дэлгэрцогт	5.Bayangol Баянгол	6.Sant Сант	7.Buren Бүрэн	8.Zuundelger Зүүндэлгэр
Remaining works lack funding sources Санхүүжилт шаардлагатай ажлууд	WWTP Construction work (ЦБ-ийн угсралт)	Water Reservoir and Pump Station (Усан сан, насос станц)	Indoor Watsan system and WC rooms (Дотор сантехникийн холболт, засвар шинэчлэлт)	1.2km water main (1.2км ЦУ-ны шугам)	1.9km water main (1.9км гадна ЦУ-ны шугам)	0.6km sewerage main (0.6км гадна ариутгах татуургын шугам)	0.9km heating pair main (0.9км гадна дулааны хос шугам)	Remaining WWTP construction work (ЦБ-ийн угсралтын үлдэгдэл ажил)
		Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Sewerage main (гадна бохирын шугам)	2.5km sewerage main and booster pump station (2.5км ариутгах татуургын шугам, бохирын өргөлтийн насос станц)	Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)		Outdoor electrical grid for WWTP (ЦБ-ийн гадна цахилгаан)
		Lagoon (Шүүрүүлэх талбай)		Indoor watsan system and WC room (дотор сантехник, засвар шинэчлэлт)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)	Outdoor electrical substation for WWTP (ЦБ-ийн гадна цахилгаан)		
Remarks Тайлбар	LDF/SDF ОНХС/СХС	State Budget УТХО			LDF/SDF ОНХС/СХС		State Budget УТХО	LDF/SDF ОНХС/СХС

Out of which:
Үүнээс:

By State Budget
УТХО-аар

1,519.00

By LDF/SDF
ОНХС/СХС-аар

1,486.90

Note:

The actual construction works have been completed in those project sites are in functional and operational. Although works completed, not paid to the companies due to the lack of funding. From the Remarks row, it is displayed that where the financing will be sourced.



**MINISTRY OF CONSTRUCTION
AND URBAN DEVELOPMENT
OF MONGOLIA**

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Date 2015. 04. 01
Ref. 3/09

SOPHIE VAN DER MEEREN,
INDEPENDENT CONSULTANT
NEW COTTAGE, BEACHERN
WOOD
BROCKENURST, S042 7QD
UNITED KINGDOM

Subject: Comments on Draft Final Evaluation Report of 'Scaling up Support to local Service Delivery for the MDG's Rural Water and Sanitation – MON/13/302' project

Dear Ms. Van der Meeren,

Thank you for sharing the first draft of the Final Evaluation Report of the above project. It is very elaborate and I would like to acknowledge your hard work and efforts you put in the report. As the Implementing Partner of the project, I would like to highlight that MCUD is extremely satisfied with UNDP's efforts in delivering tremendous amounts of works in such a short implementation time. At the same time, MCUD would like to request the following views to be considered.

As outlined in the report, responsibilities to construct and establish WATSAN facilities were delegated by UNDP to MCUD, as a part of a transition process to National Implementation Modality (NIM). What was designed in the Project document to be delivered and later approved by the Project Board was accomplished effectively and efficiently. In other words, UNDP funds were utilized for WatSan facilities in each target soum, including establishment of wastewater treatment (WWT) facility, installment of main water supply and sewerage pipelines, power source for WWT, indoor WatSan networks and WC rooms in public buildings, water distribution kiosks, water reservoir (tower) with pumping station and restoration of groundwater wells.

In this regard, MCUD is not in position to accept the evaluation finding 'water and sanitation facilities are not yet installed in the majority of target sites'. With the same reasoning, we do not agree to have the Outcome 3 rating as "Project Implementation timeframe too short to evaluate results at EOP". WatSan facilities funded by UNDP project in fact have been installed and completed at all target sites. From here on, MCUD is responsible for ensuring the systems at the target soums to be fully functional and operational under tri-partite model within 2015 and we are officially committed to allocate necessary budgets through central and local Government funds.

At the present, three soums namely Buren, Gurvansaikhan and Zuundelger bag of Zuunmodsoums are in full function (two additional soums after your mission). In the rest of the target soums, the remaining works will be constructed and in full function by June 2015 (refer to the attached consolidated table for the execution and financial status).

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UNDP's NIM modality promotes a strong national and local ownership, leadership and capacitybuilding. Through this modality, both national and local institutions have been strengthened significantly. In addition, the project's overall goal was not only to establish the physical infrastructure, in fact two components focused on strengthening institutional capacity at national and local levels. The fact that local governments heavily invested to the WatSan facilities is an evidence in itself. Therefore, MCUD believe that the impact of capacity building activities is evident and sustainable at both national and local institutions.

We look forward receiving the next version of the report fully annexed, in which above comments are addressed.

Kind regards,



R. ERDENEBUREN
STATE SECRETARY
MCUD

4: Evaluator's Response to Comments on the draft Final Evaluation report provided with submission of the final report on 12th April 2015

I would like to sincerely thank UNDP and MCUD for all comments on the draft report. I have attached to this email the proposed final version of the evaluation report.

I have taken full consideration of UNDP and MCUD concerns over rating and assessment of the level of achievement of Project results under Output 3. Following your confirmation that the Project Board fully endorsed all changes made to the scale, scope and approach of Project support during Project inception, I suggest that the most appropriate way to address these concerns is for the Final Evaluation report to focus *rating* of the level of achievement of *Output Results* on the changed deliverables that were agreed by the Project Board during inception. These were completed satisfactorily during the lifetime of the Project. The *evaluative analysis* of the results achieved under all Outputs, however, remains focussed on the Output objectives as they are outlined in the Project Document, and the targets and indicators developed to measure achievement of Output results, against the baseline.

Assessment of *Project impact, relevance, efficiency, effectiveness and sustainability* also remains focussed on the overall anticipated results and impact of the Project, as outlined in the Project Document. The changes to the scale, scope and approach of Project support, and to the deliverables under Output 3, do not alter the intended impact of the Project.

As outlined in the final evaluation report the changes made during Project inception worked to support strong national ownership and alignment with national strategies and programmes. Due to the time required to establish the modalities and agreements necessary for Project implementation through NIM, the 3 month timeframe available for installation of water and sanitation facilities at target sites *is* however too short to support the achievement of originally intended development impacts. To demonstrate that water and sanitation facilities have been *expanded* and service provision strengthened at all target sites, WatSan facilities would need to have been functional and providing services at all target sites during the life of the Project.

The evaluation report continues to strongly recommend an ex-post evaluation in order to assess development impact and sustainability of Project support on a number of levels. As outlined in the report, this is not seen as a failure by the Project, but does entail important lessons for consideration by donors and the ROK-UNDP MDG Trust Fund in the design of future initiatives.

As we discussed, assessment of the extent to which results have been achieved under the Project is complicated by the fact that the Project Document, and the indicators and targets in the monitoring matrix, retain a focus on the originally anticipated development results at design. The evaluation report has gone to some length to explain the inception process and to analyse the way in which the changes made have worked to support national and local strategic objectives and programmes, through NIM.

The difficulty comes however in rating and evaluating the level of achievement of Output results. It is normal for a project evaluation to assess achievement of results against the targets and indicators outlined in the monitoring and evaluation matrix, within the context of the anticipated development results and impact outlined in the Project Document. In the case of this Project, however, I agree that it is most sensible to focus the rating of Output results on the amended deliverables and anticipated results agreed by the Project Board during inception. In doing this it is then possible for the evaluation to come to a conclusion on the level of achievement of results under Output 3, within the timeframe of the Project. As the changes made during inception are not outlined in any amendment to the Project Document or M&E framework, I have attached the various documents outlining the agreements to change Project deliverables as Annexes 3,4,5,6, and 7.

In the Final Evaluation report, I have amended the comment against the rating for Output 3: 'Project Implementation timeframe too short to evaluate results at EOP' to a rating of 'Satisfactory'. This reflects that fact that all deliverables outlined in Annex 7 were completed during the life of the Project and also reflects MCUD's confirmation that they are extremely happy with the support provided by the Project.

I would also like to thank MCUD for the letter they sent last week with the attached table outlining the 'status of civil works and financing' for the WATSAN facilities at all target sites. Reference is given in the FE report to the fact that MCUD has confirmed that since the evaluation mission two additional target sites at Gurvansaikhan Soum and Zuundelger bag of Zuunmod Soum now have functioning WATSAN facilities. This is very good news.

I have asked for further clarification related to the fact that the table outlining the 'status of civil works and financing' indicates that there are 'remaining works, lacking funding sources' at seven Soums, including Gurvansaikhan Soum and Zuundelger bag of Zuunmod Soum. In their letter however, MCUD confirm that Gurvansaikhan Soum and Zuundelger bag of Zuunmod Soum now have functional WATSAN systems, which

would suggest that there are no longer remaining works and funding sources have been identified for these two Soums? I would be very grateful if this could be clarified.

In order to enable me to finalise the report I have made the assumption that the table outlining the Consolidated Report on the Status of Civil Works and Financing' gives the status at the end of the Project, where as the letter refers to the situation now, in April. If I am incorrect in this assumption could you urgently let me know so that I can amend the evaluation report accordingly.

I hope that these amendments address your concerns and that we can now move ahead to finalise the report. I would like to thank you all again for your valuable inputs and comments on the draft evaluation report and to congratulate the Project team and partners on all their hard work to secure Project achievements. It was a real pleasure working with everyone involved.

As outlined in the report the final evaluation has found that the Project achieved a great deal in a very short timeframe and has followed a sound approach. It is also excellent to read in the Ministry's letter last week, that they consider that 'from here on MCUD is responsible for ensuring the systems at the target Soums become fully functional and operational under the tripartite model within 2015' and that they 'are fully committed to allocate the necessary budgets through central and local Government funds'. I wish all concerned every success in this important work.

Best wishes, Sophie