

Licences and permits

Any licenses or permits required for the implementation of the project will follow the established policies and processes by the Government. The Government signed a Standard Basic Assistance Agreement (SBAA) with UNDP in 1976. Consistent with the Article X of the SBAA, the Government is expected to facilitate prompt issuance without cost of necessary visas, licenses or permits, necessary for the speedy and efficient execution of UNDP assistance. Water use withdrawals from 0 to 50 m3 per day will be authorized by aimags Governors and soums; 50 to 100 m3 by the Water Basin administration and above 100 m3 by the Ministry of Environment and Tourism. Project interventions are not expected to exceed 50 m3 and will be planned as per the Integrated River Basin Management Plans devised in partnership with the River basin administrations. For implementation of Output 2, licensed entities will be commissioned on a competitive basis for specialized activities, namely for hydraulic engineering construction (geo-ecological surveying, engineering water well establishment and rehabilitation, water harvesting structures.) and reforestation (specialized forest entity).

Tax Considerations for UN-supported Projects

Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for utilities services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. Goods and services within the UN-supported projects are tax-exempt in Mongolia, according to the National Law on Tax and SBAA. This applies to the proposed project and its interventions.

Foreign Exchange and Insurance

UNDP's currency hedging policy is based on the use of natural hedges (matching cash flows (i.e. revenues and expenses) in non-USD currencies) to the extent possible. UNDP Country Office bank account balances are managed not to exceed approximately one month's disbursement requirements to minimize risk. Consistent with the Article X of the SBAA, the responsibility for the safety and security of the Implementing Partner (executing entity) and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner (executing entity). Ministry of Environment and Tourism, Ministry of Food, Agriculture and Light Industry and National Emergency Management Agency will be the main government entities implementing this proposed project.

Equipment and physical structures such as wells, water harvesting structures, fenced hay making areas and natural spring protection, for which insurance is not a requirement, will be transferred to either local government or the beneficiary communities. As owners, local government and communities, are responsible for operations and maintenance (O&M). An O&M Plan including costs has been developed for investments.