

# **LAW OF MONGOLIA**

## **ON WATER**

April 22, 2004  
Ulaanbaatar

### **CHAPTER ONE**

#### **GENERAL PROVISIONS**

##### **Article 1. Purpose of the law**

1.1. The purpose of this law is to regulate relations pertaining to an effective use, protection, and restoration of water and water basin.

##### **Article 2. Legislation on Water**

2.1. The legislation on water shall consist of the Constitution of Mongolia<sup>1</sup>, Law on Environmental Protection<sup>2</sup>, Law on water supply of cities and urban settlement and utilization of sterilization facility<sup>3</sup>, this law and other legislative acts issued in conformity with them.

2.2. If an international treaty to which Mongolia is a party indicates otherwise than in this law, then the provisions of the international treaty shall prevail.

##### **Article 3. Definitions**

3.1. The following terms used hereby in this law shall be interpreted as follows:

3.1.1. “Water reserve” means all surface and underground waters for current and potential future utilization;

3.1.2. “water basin” means area where surface water drains and rock-strewn area containing underground water ;

3.1.3. “water resources land” means land areas composed of lakes, ponds, bottom of former lake, rivers, streams, springs, glaciers, glacial rivers ;

3.1.4. “special and ordinary protected zone” means area of land set for protection of water source, spring from depletion or pollution;

3.1.5. “sanitary zone” means area set for protection of water source from pollution ;

3.1.6. “transboundary water” means surface and underground water located alongside or crossing state border;

3.1.7. “water reservoir” means water facilities, artificial lakes, ponds built for the purpose of water collection and utilization ;

---

<sup>1</sup> Constitution of Mongolia,”State News” Bulletin, <sup>1</sup> 1, 1992.

<sup>2</sup> Law on Environmental Protection, “State News” Bulletin, <sup>1</sup> 5-6, 1995.

<sup>3</sup>Law on water supply of city and urban settlement and utilization of sterilization facility,”State News” Bulletin, <sup>1</sup> 25, 2002.

3.1.8. “water facility” means ordinary and engineering construction to regulate water discharge, storage, transfer, distribution, provision, sterilization, purification, improving its quality, exploration of underground water, protection from water disasters;

3.1.9. “irrigation system” means a comprehensive water facility and equipment system designed for collection, transfer, distribution, provision of surface and underground water for irrigation of pastures, crops and hay-fields and removal of excess water;

3.1.10. “potential reserve for utilization” means maximum volume of water that can be used for specified period of time with a condition to keep eco-system balance of water basin;

3.1.11. “water audit” means activities to determine water loss and possibilities to economically save water, assessment of the required financial costs and water utilization assessment;

3.1.12. “water management plan” means policy document for effective use, protection and restoration of water;

3.1.13 “ecology-economic assessment of water” means monetary value of water resources, its quality and consumption worth;

3.1.14. “water user” means a citizen, economic entity and organization that uses a water or water environment for profit in industry and service operations;

3.1.15. “water consumer” means a user who utilizes water or water environment for not profit seeking necessity such as drinking, household purposes, herding and agriculture.

#### **Article 4. Water Reserve**

4.1. Water reserve fund of Mongolia shall consist of all surface and underground waters within national borders of the state.

4.2. Water reserve shall have ecology-economic evaluation.

#### **Article 5. Hydrological Exploration and Research**

5.1. Water resources and its potential reserve for utilization shall be determined by hydrological exploration and research.

5.2. Hydrological exploration and research of water resources and its potential reserve for utilization shall be implemented based on system of water source origin and its variables financed from a state budget and in accordance with a water management plan.

5.3. The following bodies shall issue a decision on conducting a hydrological exploration and research:

5.3.1 a decision for hydro-geological and hydrological exploration and research of water resources for economic zone and water basin area; for centralised water supplies for cities, towns, villages and urban settlements and pastures, crop field and hay-fields irrigation shall be issued by the Government;

5.3.2. a decision for hydrological exploration and research of water resources for household and industrial use of citizens, economic entities, and organizations shall be issued by Governor of soum or district based on conclusion of aimag and capital city environment protection department.

5.4.Exploration and research of water resources shall be financed from following sources:

5.4.1. activities specified in the provision 5.3.1 of this shall be financed from state budget, activities specified in the provision 5.3.2 of this law from self-funding of a client requesting such activities.

5.5. Selection of a candidate for conducting water resource exploration and research specified in the provision 5.3.1 of this law shall be carried out according to the procedures set in the Law on selection of performer for buying goods and services from the state and local budget funding.<sup>4</sup>

5.6. An organization that conducted water resource exploration and research shall submit accredited data and report on exploration and research activities to the state water databank.

## **Article 6. Water Monitoring Network**

6.1. A water monitoring network shall consist of regular functioning stations and guards that determine level of water resources, variables of quality and pollution.

6.2. State Administrative Central Organization in charge of nature and environment shall determine a number and location of water monitoring stations, guard posts, monitoring variations, methodology and programs and provide with professional management.

6.3. Supply for monitoring, operations and equipments of the water monitoring network shall be financed from the state central budget and economic entities and organization's funding.

## **Article 7. Water Databank and Cadastre**

7.1. Water Databank shall consist of aimags and the capital city surface and underground water resources and its reserve for utilization, water quality, its variables, data on water monitoring, water utilization and waste water removal, water resource exploration and research reports, water facility indicators.

7.2. State water cadastre shall consist of information on water resources sites, its boundaries, volume, characteristics of condition, ecology-economic evaluation, information on water consumers and users, utilization regime, records on water utilization, its quality and the state water databank.

7.3. Indicators for Water Databank and water cadastre, and its record keeping procedure shall be approved by a member of the Government in charge of nature and environment.

## **Article 8. Water Inventory**

8.1. A survey on water sources inventory, quantity and quality, records on water utilization and waste water removal shall be reviewed and recorded every year on the decision of a respective

---

<sup>4</sup> Law on selection of performer for buying goods and services from the state and local budget funding "State News" Bulletin, <sup>1</sup> 17, 2000.

Governor for aimag, capital city, soum and district scale funded from the local budget. A national survey funded from the state central budget shall be conducted every four years by a professional organization and entered in the state water databank.

8.2. A procedure for conducting inventory survey on water shall be set by member of the Government in charge of nature and environment.

8.3. Water using and consuming citizens, economic entities, and organizations shall provide with requisite information in regards to inventory surveys to competent organizations.

## **CHAPTER TWO**

### **POWERS OF STATE ORGANIZATION ON WATER RELATION ISSUES**

#### **Article 9. Powers of the State Great Khural**

9.1. The State Great Khural shall exercise the following powers on water relation issues:

- 9.1.1. To define the state policy on water;
- 9.1.2. To set fees for use of water resources;
- 9.1.3. To regulate major rivers' discharge modification and transfer;
- 9.1.4. To ratify and denounce international treaties with foreign countries on cross-border rivers and lakes.

#### **Article 10. Powers of the Government**

10.1 The Government shall exercise the following powers on water relation issues:

- 10.1.1. To organize and ensure implementation of the state policy on water;
- 10.1.2. To adopt state water management plan;
- 10.1.3. To allocate a budget for protection of water resource, restoration and irrigation from annual state budget;
- 10.1.4. To adopt water ecology-economic evaluation;
- 10.1.5. to adopt program for provision of drinking water supply for population that meets health and sanitary requirements;
- 10.1.6. To make decisions on utilization of river waters for production of electricity and energy;
- 10.1.7. Other powers provided by law.

#### **Article 11. Powers of State Administrative Central Organization in Charge of Nature and Environment**

11.1. The State Administrative Central Organization in charge of nature and environment shall exercise the following powers on water relation issues:

- 11.1.1. To confirm water exploration and research reports and adopt potential reserve for utilization;

11.1.2. To submit draft plan specified in the provision of 10.1.2. of this law to the Government;

11.1.3. to approve and implement with respective state administrative central organization rules, procedures, methods, and guidelines on water use, protection, habitat restoration, and possession and exploitation of water points and water facilities in conformity with legislation;

11.1.4. to operate water monitoring network for determining water resources, its quality, changes in reserve volume, water storage and distribution;

11.1.5. To monitor maintenance of state water databank and cadastre;

11.1.6. to distribute and limit water use for industrial purpose or temporarily prohibit water resource utilization for water resources and habitat restoration in zones where its natural restoration cycle degraded based on conclusion of the professional organization;

11.1.7. to organize implementation of programs for supply of a population with drinking water that meets health and sanitary requirements in collaboration with relevant state administrative central organization;

11.1.8. to grant or suspend a right for water exploration and research to professional organization;

11.1.9. to carry out water resource management policy and regulation for ensuring natural and ecological balance;

11.1.10. to conclude with neighbouring countries agreement on establishment of cross-border water stations and guards and to take preventive measures from flood and other disasters;

11.1.11. to develop and implement integrated scientific and technological policy on water resource research;

11.1.12. to plan, distribute, evaluate and finance performers of research and exploration specified in the provision 5.1.3 of this law.

11.1.13. to perform selection and appointment of a candidate for conducting research and exploration activities specified in the provision 5.3.1. of this law.

## **Article 12. Powers of Government Agency in Charge of Water Issues**

12.1. Within the competence of the Minister in charge of nature and environment the Government agency in charge of water issues shall operate.

12.2. A Government agency in charge of water issues shall exercise the following powers on water issues:

12.2.1. To develop management plan for integrated water resources utilization, protection and habitat restoration;

12.2.2. to develop plans for water research and exploration, mapping, scientific studies and research;

12.2.3. to adopt and ensure implementation to economize water resources, its reutilization duties, set monitoring quantity by each utilizer and by river basins;

12.2.4. to develop ecology- economic evaluation for water;

12.2.5. to develop and submit for adoption technical status and standards for purifying waste waters of industries and services that use chemicals based on advanced technological and scientific progress;

12.2.6. to provide with professional management water basin council, water professional

organizations, aimag and capital city authorities in charge of nature and environment;

12.2.7. to organize ecological assessment of water in water basins areas range;

12.2.8. To make professional evaluation on temporary or partial alterations of river channel, regulation of river discharge and utilization of water basin land;

12.2.9. To monitor and research changes in water resources, to maintain water databank and cadastre, to provide citizens, economic entities and organizations with information on water condition;

12.2.10. to develop and ensure compliance of technical condition for recycling of industrial waste water;

12.2.11. to monitor research and exploration activities specified in the provisions 5.3.1 and 5.3.2 of this law and validate its implementation reports;

12.2.12. to provide professional evaluation on exploration, research and projects for construction of irrigation system for pastures, crops and hay fields, and submit to state administrative central organization in charge of nature and environment and agriculture;

12.3. other powers provided by law.

12.4. Aimag and Capital City's Department of Environment shall exercise the following powers:

12.4.1. to monitor implementation of a legislation on water and report to Governor of aimag and capital city and government agency in charge of water issues;

12.4.2. to maintain aimag and capital city water databank and submit data to government agency in charge of water issues;

12.4.3. to monitor water resources utilization, habitat restoration and protection;

12.4.4. to submit to a respective level Governor proposal to grant or prohibit a permit to drill a borehole for the purpose of water utilization;

12.4.5. to organize water inventory within its territory.

12.5. Soum and district environment ranger shall exercise the following powers on water relation issues:

12.5.1. to conclude contract with water user, to issue him/her a license based on a decision of soum and district Governor and register this in the water databank;

12.5.2. to impose a fee for use of water resource in accordance with a legislation and ensure its implementation.

### **Article 13. Powers of Aimag and Capital city Citizens' Representatives' Khural**

13.1. Citizens' Representatives' Khural of aimag and capital city shall exercise the following powers:

13.1.1. to monitor implementation of a legislation on water and execution of its resolutions and to discuss report of a Governor on this matter and make evaluations;

13.1.2. to discuss and adopt evaluations and programs submitted by Water Basin Council and Governor on effective use of water resources, protection, habitat restoration, and prevention from water disasters;

13.1.3. based upon a proposal of a Governor, to take surface water under local protection and set borders of protection zone;

13.1.4. other rights provided by law.

## **Article 14. Powers of Aimag and Capital City Governor**

14.1. Aimag and capital city Governor shall exercise the following powers:

14.1.1. to estimate a budget for implementation of and submit for approval to the Citizens' Representatives' Khural activities for water collection, water resources restoration and effective use, protection of water quality, prevention from water disasters and elimination of damages;

14.1.2. To finance from local budget for prevention of soil water depletion in aimag centre and capital city and undertake requisite measures to protect from flood;

14.1.3. To issue an order for exploration and research of water resources for centralised water supplies in cities and urban settlements and submit it to the state administrative central organization in charge of nature and environment and construction and urban development;  
(Paragraph was amended January 27, 2005)

14.1.4. to manage activities on water and water environment exploitation, protection, restoration and building of water facilities;

14.1.5. other powers provided by law.

## **Article 15. Powers of Citizens' Representatives' Khural of Soum and District**

15.1. Citizens' Representatives' Khural of soum and district shall exercise the following powers:

15.1.1. To monitor implementation of legislation on water and execution of its resolutions within its territory and to discuss report of the Governor on this matter and make evaluations;

15.1.2. to approve an expenditure budget for implementation of a program specified in the provision 14.1.1 of this law and monitor its implementation thereof;

15.1.3. to set water service fees based on negotiation with an owner or possessor of water facilities;

15.1.4. other powers provided by law.

## **Article 16. Powers of Soum and District Governor**

16.1. Soum and District Governor shall exercise the following powers:

16.1.1. to plan a budget for approval to the Citizens' Representatives' Khural activities for water collection, water resources restoration and effective use, protection of water quality, prevention from water disasters and elimination of damages and ensure its implementation within its territory thereof;

16.1.2. To terminate water utilization for industrial purpose and drilling a borehole without permission;

16.1.3. To set waste water removal points based on recommendation of professional organization;

16.1.4. to make decision on prohibition of utilization of water in the event of water shortages, depletion and pollution of rivers, streams, lakes, springs, wells; on measures for restoration, reforestation, nurturing and on compensation payments for damages to the environment;

- 16.1.5. To set sanitary, special and ordinary zones for protection of local water sources and mark signs;
- 16.1.6. To raise awareness for protection, effective use and restoration of water resources;
- 16.1.7. To receive a request from citizens, economic entities and organizations for drilling a borehole for water utilization and deliver its decision within 14 days;
- 16.1.8. to make a decision for grant of utilization of water based on conclusions of government agency in charge of water issues, aimag and capital city's department of environment and environment ranger;
- 16.1.9. Other powers provided by law.

## **Article 17. Powers of Bagh and Khoroo Public Meeting**

17.1. Public Meeting of Bagh and Khoroo shall exercise the following powers:

- 17.1.1 To discuss report of a Governor of bagh and khoroo on enforcement of a legislation on water within its territory;
- 17.1.2. to regulate possession and use of wells, water resevoir, irrigation system within a bagh territory, to make decisions on Governor's proposals for making a well, creation of irrigation system for watering pastures, crop fields and hay-fields;
- 17.1.3. other powers provided by law.

## **Article 18. Powers of Bagh and Khoroo Governor**

18.1. A Governor of Bagh and Khoroo shall exercise the following powers:

- 18.1.1. To organize enforcement of a legislation on protection of water resources from depletion and pollution, effective use and restoration within its territory, and implementation of other decisions issued by competent authorities;
- 18.1.2. to engage a public in restoration and caretaking activities of sources of rivers, streams, and springs, afforestation and plantation of seedlings, augmenting source of water, and prevention from pollution;
- 18.1.3. To monitor use, protection, possession of water sources within its territory;
- 18.1.4. To regulate compliance of special and ordinary protection and sanitary zone regimes;
- 18.1.5. other rights provided by law.

## **Article 19. Water Basin Council**

19.1. Water Basin Council (hereinafter referred to as "basin council") shall be established to engage citizens in local water management for protection of water resources, its effective use and restoration.

19.2. A chairman and members of the Basin Council shall be appointed and dismissed by the following competent authorities:

- 19.2.1. A basin council of a river that flows crossing territories of two and more aimags shall be appointed by a member of the Government in charge of nature and environment based on submission of Presidiums of respective aimag Citizens' Representatives' Khural;
- 19.2.2. A basin council of a river that flows crossing a territory of two or more soums

within one aimag shall be appointed by Presidium of aimag or capital city Citizens' Representatives' Khural;

19.2.3. A basin council of a river that flows within the territory of one soum shall be appointed by Presidium of the Soum Citizens' Representatives' Khural;

19.3. A basin council shall have a four- years mandate and depending on performance of its duties, can be reappointed.

19.4. A basin council shall consist of a chairman, secretary, 5-15 members representing local administration, environment department, agriculture and industry representatives, non-government organizations, citizens, scientists, researchers, environment rangers, professional inspection agency and professional organization on water issues.

19.5. A basin council' decisions shall have an evaluation and resolution form.

19.6. A basin council shall exercise the following powers:

19.6.1. To make evaluation for water user on its fulfillment of the agreement and its duties specified in the article 24 of this law;

19.6.2. to formulate a plan for effective use of water basin resources, its protection, restoration and submit it to the respective level Citizens' Representatives' Khural for approval and monitor its implementation thereof;

19.6.3. To monitor implementation of water user's duty on water restoration imposed by environmental impact assessment;

19.6.4. To monitor performance of a regime for special and ordinary protection and sanitary zones;

19.6.5 To participate in organizing caretaking and afforestation of sources of water with support and initiatives of citizens and professional organization;

19.6.6 to withhold and suspend for 14 days water utilization license of an individual who failed to fulfill its duty specified in the article 24 of this law, to submit proposal on elimination of unlawful activities to competent officials and organizations;

19.6.7. to submit recommendation to withhold a project or drawing on building of water facilities in the event professional organization's evaluation reports adverse impacts on water resources;

19.6.8. To provide citizens, economic entities and organizations with technical assistance on proper water utilization, habitat restoration and protection;

19.6.9. To make an evaluation for license revocation of water utilization who failed to follow duties imposed by competent official or organization specified in the provision 19.6.6 of this law and submits it to the Citizens' Representatives' Khural upon discussion of Basin Council's meeting. Citizens' Representatives' Khural within 7 business days shall discuss evaluation of a Basin Council and delegate to a respective Governor a duty to take relevant measures ;

19.6.10. Member of the Government in charge of nature and environment shall approve bylaws of water basin council.

## **Article 20. Professional Organization on Water**

20.1. Professional organization on water shall perform water exploration and research, drilling borehole for water, drafting water construction and facility drawings, sketches, building these facilities, supplying equipments, introducing new technologies for economizing water resources, conducting water sampling and auditing.

20.2. A member of the Government in charge of nature and environment shall approve a scope of function and duties of a professional organization on water.

20.3. State administrative central organization in charge of nature and environment shall grant authorization for professional organization on water for 5- years mandate and with competent performance of its duties to be extended for 5 years.

## **CHAPTER THREE**

### **WATER UTILIZATION AND EXPLOITATION**

#### **Article 21. Purpose of Water Utilization**

21.1. Mongolian citizen, economic entity, organization, foreign legal entity, foreign citizen, stateless person according to legislation shall have a right for water utilization for certain purpose, term, condition upon contractual basis.

21.2. Depending upon a purpose for water utilization, citizens, economic entities and organizations shall be classified as follows:

21.2.1. Water consumer citizen, economic entity, organization;

21.2.2. Water user citizen, economic entity, organization;

21.3. Relations pertaining to utilization of mineral water and spring resources for medicinal purposes shall be regulated by special law.

21.4. Utilization and protection of transboundary water shall be regulated by international treaties.

#### **Article 22. Water Consumer**

22.1. Soum or district Governor shall grant a license to consumers for drilling a borehole for underground water use.

22.2. Water consumer has a right to water supply that meets quality norms.

#### **Article 23. Water User**

23.1. A right of a citizen, economic entity, and organization for water utilization shall begin by signing a contract and receiving its license.

23.2. A contract on water utilization shall be concluded for 20 years term and a license of water user who duly performed his/her duties as specified in the article 24 of this law shall be extended for every 5 years.

23.3. A right of a citizen, economic entity or organization on land possession shall not entail to a right for water utilization on its land possession territory.

23.4. A citizen, economic entity and organization may jointly utilize a source of water upon contractual basis.

## **Article 24. Requirements to Water Utilization**

24.1. A citizen, economic entity and organization that submitted a request for water utilization shall fulfill the following requirements:

- 24.1.1. to have facilities for sterilizing waste water to standards level;
- 24.1.2. to have a technology for economising and recycling of waste water ;
- 24.1.3. to have paid all requisite fees for water utilization;
- 24.1.4. to have a water meter equipment placed at the point of water pump
- 24.1.5 water consumer and user shall pay water service fee

24.2. Water pipes for industrial utilization shall be separated from pipes that provide water supply for cities;

24.3. It shall be prohibited to construct or utilize a water facility, reservoir, dam, or a man-made channel, lake or pond that has no protection amenity for biological resources or could potentially make a soil boggy or salinated.

24.4 An economic entity, organization that utilizes water for mining operations shall not damage a river bank and its channel, and shall utilize water through pipes.

## **Article 25. A Request Application for Water Use**

25.1. Citizens, economic entities and organizations meeting requirements specified in the article 24 of this law shall submit an application for water utilization to soum or district Governor.

25.2. A request application shall include the following items attached:

- 25.2.1. A map indicating a water source to use and its geographical location;
- 25.2.2. A water resource reserve and quality assessment;
- 25.2.3 A volume of water to be used per day;
- 25.2.4. A water facility drawing and project;
- 25.2.5 A production capacity, technical and economic indicators
- 25.2.6 An environmental impact assessment.

## **Article 26. Authorization for Water Use**

26.1. A decision on water per day use for more than 100 m<sup>3</sup> shall be made by the Government agency in charge of water issues, for per day use of 50-100 m<sup>3</sup> - by aimag or capital city department of environment, per day use less than 50 m<sup>3</sup> – environment ranger may grant a permission for hand-making of a well, creating artificial lake and channel.

26.2. An entity specified in the provision 26.1 of this law shall make a decision on authorization for water use within 15 days upon submission of an application.

26.3. Upon conclusion of a contract, authorization for water use shall be issued to a contractor and registration data shall be added in water databank.

26.4. A citizen, economic entity and organization that do not meet requirements specified in the article 24 of this law shall not be authorized to use water.

## **Article 27. Contract on Water Utilization**

27.1. Soum or district environmental ranger shall establish a contract on water utilization with user according to the provision 16.1.8 of this law.

27.2. A contract on water utilization shall include the following items:

- 27.2.1. Soum or district Governor's decision for water utilization license;
- 27.2.2. A purpose and per day volume of water utilization;
- 27.2.3. Site of water source, drawings and project of a water facility;
- 27.2.4. Amount of waste water to be discharge, technology for purification and economizing water, level of purification;
- 27.2.5. Condition, quality and composition of water;
- 27.2.6. water use fee for per 1 m<sup>3</sup> volume use;
- 27.2.7. Prevention measures against depletion and pollution of water resources and estimated budget for such measures;
- 27.2.8. Rights and obligations of parties' signatory to a contract;
- 27.2.9. Other requisite items.

## **Article 28. Cancellation of Water Utilization Contract**

28.1. A contract agreement for water utilization concluded with a citizen, economic entity and organization shall be annulled by an initiative of authorized personnel prior to agreement ending on the following grounds:

- 28.1.1. failed to fulfill its obligations specified in the contract;
- 28.1.2. violated a legislation on environment protection and water;
- 28.1.3. failed to pay a water utilization fee within the deadline;
- 28.1.4. polluted water source;
- 28.1.5. water user has not installed water meter equipments or made erroneous calculation of utilized water;
- 28.1.6. by an evaluation of water basin council.

## **Article 29. License for Water Use**

29.1. Right of a citizen, economic entity, and organization for water utilization starts upon conclusion of a contract and receiving a license.

29.2. Each license shall be registered in the state water databank;

29.3. A format of a license for water use document shall be adopted by member of the Government in charge of nature and environment.

### **Article 30. Fees for Water Use and Pollution**

30.1. A citizen, economic entity and organization shall pay a water use fee.

30.2. A maximum and minimum fees for water utilization, exemption from and discounts on fees shall be set by law.

30.3. A citizen, economic entity and organization that polluting water shall be subject to a water pollution compensation fee.

30.4. Amount of water pollution fee shall be set by law.

## **CHAPTER FOUR**

### **PROTECTION OF WATER RESOURCES AND ITS QUALITY, HABITAT RESTORATION**

#### **Article 31. Protection of Water Resources and Quality**

31.1. A water user shall maintain a volume of water resource required to sustain its natural and ecological balance.

31.2. Special protected zone shall be created around sources of water.

31.2.1. It shall be prohibited to conduct activities such as construction of buildings and facilities, industrial digging, explosion, exploration and mining for mineral resources, cutting plants, trees, extracting sand and gravel, collecting plants for medical or industrial purposes or creating point for washing animals or producing agricultural products in the special zone;

31.3. Sanitary zones shall be set not less than 100 meters from banks of water reservoir area and ordinary protection zone shall be set not less than 200 meters.

31.4. A member of the Government in charge of nature an environment and health shall set protection regimes for special, ordinary and sanitary zones of reservoirs and sources of water resources.

31.5. Decisions to take rivers, streams, sources of water resources, and river basins under national and local special protection shall be regulated by the Law on Special Protected Areas.

31.6. Any industrial or service activities' technologies that do not meet national standards shall be prohibited for water utilization.

31.7. It is prohibited to permanently alter natural channel of rivers, washing mineral resources in river channel and exploration of mineral resources without authorization from state administrative central organization in charge of nature and environment.

31.8. A citizen, economic entity, and organization shall seal completed pit and transfer to the Governor of soum and district;

### **Article 32. Protection and Effective Use of Water Resources During Drought and Desertification Periods**

32.1. In the event of natural drought and desertification when water resources are reduced, all level governors shall organize water collection facilities, dams, artificial lakes to collect water from rain, snow based on the initiative of local citizen, economic entities, and organization.

32.2. Level of drought and desertification of concerning year shall be set by aimag and capital city Governor in collaboration with the state administrative central organization in charge of nature and environment.

32.3. The procedure for determining level of drought and water resources management during such time shall be established by the Government.

### **Article 33. Effective Use of Water Resource and Protection From Depletion**

33.1. To ensure effective use of water resources, each water user shall have water meter tool.

33.2. In the event a natural restoration and purification capacities of a given water source are reduced, by professional organization's recommendation, soum or district governor shall terminate industrial water utilization and organize habitat restoration in collaboration with water user.

33.3. Water user that utilizes more than 50 m<sup>3</sup> volume water per day shall employ manager in charge of introducing technology for recycling and saving water, and complying with a regulation on technology for waste water purification.

### **Article 34. Safeguards against Water Pollution**

34.1. It is prohibited to discard radioactive and infectious wastes, store hazardous and chemical wastes, discharge polluting substances and industrial waste waters in water basins.

34.2. Citizens, economic entities, and organizations water users shall use separation system for disposal of industrial waste water in accordance to the regulations set by member of the Government in charge of nature and environment and health.

### **Article 35. Incentives for Water Protection and Restoration**

35.1. Aimag and capital city Citizens' Representatives' Khural based on proposal of a respective level Governor shall give to water users the following discounts and incentives:

35.1.1. To encourage initiatives of citizens, economic entities, and organizations on water protection, its effective use and habitat restoration;

35.1.2. citizens, economic entities and organizations that collected rain and snow water by creating artificial lakes, dugged wells, repaired old irrigation system or water disposal stations on self funding basis, have a privilege over other customers on using such facility;

35.1.3. citizens, economic entities and organizations that effectively use water, purified waste water up to required standards, recycled water and applied technology friendly to the environment and human health shall have a privilege for water use;

35.1.4. A water user, who funded activities for water resource and quality protection from its funding and applied environmentally friendly technology shall be rewarded;

35.2. A member of Government in charge of nature and environment shall adopt a regulation on rewards and incentives specified in the provision 35.1.1, 35.1.2, and 35.1.3.

35.3 Measures on protection of water resources and restoration shall be financed from state, local budget, environment protection fund, economic entity and organization's funding, foreign aid and loan money.

## **CHAPTER FIVE**

### **WATER FACILITIES**

#### **Article 36. Water Facilities**

36.1. Development of a drawings, projects and construction of water facilities shall be performed only by the professional organization.

36.2. Decisions on building water facilities of state importance except those specified in the article 36.8 of this law shall be issued by the state administrative central organization in charge of construction and urban development on the basis of environmental impact assessment by proposal of aimag and capital city Governor. *(Paragraph was amended January 27, 2005)*

36.3. Water facilities may be given to citizens, economic entities and organizations for possession and use on contractual basis.

36.4. A license for possession and use of water facilities shall be granted up to 20 years and with 5 years duration extension.

36.5. Citizens, economic entities and organizations that own or possess a water facility shall provide water needs to others upon the contract and soum or district Governor shall terminate the contract in the event of failure to fulfill its obligations under its contract by possessor or user.

36.6. Upon a certain permission, a water facility built or repaired by citizens, economic entities and organizations from self-funding can be their own property, however, a water resource shall be a public use.

36.7. A main water facility designed for centralized water supplies for a public, sanitization and water disposal regulation shall be a property of the State.

36.8. Decision on building, reforming and repairing an irrigation system shall be issued by the state administrative central organization in charge of agriculture based on environmental impact assessment and proposal by aimag or capital city Governor.

36.9. An owner or possessor of a water facility shall provide water needs of citizens, economic entities and organizations upon request on contractual basis.

36.10. Every water facility shall have a passport.

## **CHAPTER SIX**

### **LIABILITIES**

#### **Article 37. Liabilities for Violation of the Legislation.**

37.1. In the event an individual or entity was not charged with a criminal liability for violation of legislation, violator shall pay compensation for damages and a judge or an inspector for environmental protection shall charge administrative punishments as follows:

37.1.1. a failure to deliver on time reports and information on water research and exploration to competent organizations or officials a fine of 10,000 tugrigs shall be charged for individuals, for economic entities or organizations up to 80,000 tugrigs ;

37.1.2. a failure to submit on time data and reports on registration of water utilization and waste water by a respective official shall be charged a fine up to 10,000 tugrigs;

37.1.3. A violation of the articles 22.1, 23.1, 24.1 of this law by a citizen shall be charged a fine up to 20,000 tugrigs;

37.1.4. A violation of the article 31.3 of this law by an official shall be charged a fine up to 20,000;

37.1.5. In the event of industrial utilization of water without appropriate license or exceeded the amount of utilization under its contract, illegal earnings shall be confiscated and citizens shall be charged a fine of 30,000 tugrigs, 50,000 to 250,000 tugrigs for economic entities or organizations;

37.1.6. a failure to pay on time water use fee or misused water for unauthorized purpose by the license, citizens shall be charged a fine of 30,000 tugrigs, 50,000 to 250,000 tugrigs for

economic entities or organizations;

37.1.7. Transfer or trade of water use license to others, citizens shall be charged a fine of 30000 tugrigs, officials up to 50000 tugrigs;

37.1.8. a failure to comply with requirements for protection of water resource from pollution or violated a regime of special, ordinary and sanitary zones of water sources, a citizen shall be charged a fine of 20,000 tugrigs, 50,000 to 200,000 tugrigs for economic entities or organizations;

37.1.9 For violation of the articles 31.2.1, 31.7 of this law, citizens shall be charged a fine of 30,000 tugrigs, 50,000 to 200,000 tugrigs for economic entities or organizations and shall compensate expenses of restoration of a special and ordinary protection zones.

#### **Article 38. Effective date of this Law**

38.1. This law shall enter into force since of July 1, 2004.

VICE SPEAKER OF THE PARLIAMENT

J. BYAMBADORJ