

**ASIAN DEVELOPMENT BANK**

**TAR: OTH 37150**

**PROPOSED**

**TECHNICAL ASSISTANCE**

(Financed by the Cooperation Fund for the Water Sector)

**FOR**

**PROMOTING EFFECTIVE WATER MANAGEMENT POLICIES AND  
PRACTICES—PHASE 3**

**September 2003**

## ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
GWP	–	Global Water Partnership
NGO	–	nongovernment organization
OER	–	Office of External Relations
PDA	–	pilot and demonstration activities
RSAN	–	Agriculture, Natural Resources, and Social Sectors Division
RSDD	–	Regional and Sustainable Development Department
TA	–	technical assistance
WAP	–	Water Awareness Program
WWF	–	World Water Forum

## NOTE

In this report, "\$" refers to US dollars.

This report was prepared by W. Lincklaen Arriens, lead water resources specialist, RSAN (Chair, Water Sector Committee) with input from the members of the Water Sector Committee.

## I. INTRODUCTION

1. On 16 January 2001, the Board of Directors approved the water policy<sup>1</sup> of the Asian Development Bank (ADB), following extensive consultations with stakeholders over several years. In addition to promoting national water sector reforms, integrated water resources management, and better water services for the poor, the policy commits ADB to regional and subregional cooperation by assisting with water sector assessments and exchange of data, enhancing awareness and understanding of the water sector issues and needs of each country, and supporting water partnerships in ADB's developing member countries (DMCs).

2. On 10 December 2001, the Board approved the establishment of the Cooperation Fund for the Water Sector. The Fund is a multidonor umbrella facility to promote effective water management policies and practices at the regional, subregional, and country levels and thereby to catalyze the implementation of ADB's water policy in the Asia and Pacific region. The Fund will finance a coherent program of activities designed to add value to the water projects carried out by ADB's regional departments. The activities will increase synergy in ADB's water sector operations as a whole through better awareness, knowledge management, capacity building to support generic sector reforms, pilot demonstration, regional cooperation, monitoring, and coordination. The Program aims to add value to ADB's water operations, and the Fund is not intended to replace resources for regular operational activities.

3. In December 2001, the Government of the Netherlands made an initial contribution of \$4 million to the Fund for the Program's activities in 2002, for which technical assistance (TA) 6031-REG was approved by ADB's Board.<sup>2</sup> The initial contribution of \$4 million has been committed, and the activities approved under the TA cover all six approved categories of the Program, including (i) promotion and public awareness; (ii) knowledge base and capacity building; (iii) pilot and demonstrations; (iv) water partnerships; (v) regional events and initiatives; and (vi) program coordination, monitoring, and evaluation.

4. The Government of the Netherlands made a second contribution to the Fund in December 2002 in the amount of \$4 million, and the Government of Norway has agreed to provide approximately \$2 million equivalent over 3 years starting in 2003. Donor contributions are generally made in annual tranches, and these are accessed through regional TA projects. ADB's Water Sector Committee has recommended that two regional TAs be processed in 2003 to support the Program's further activities. Accordingly, TA 6093-REG was approved by ADB's Board to support the organization of the 3<sup>rd</sup> World Water Forum (WWF) held in Japan on 16-23 March 2003.<sup>3</sup> This proposed second TA has been prepared to support other activities of the Program. The TA framework is in Appendix 1.<sup>4</sup>

## II. ISSUES

5. The Board paper establishing the Fund identified three areas of priority assistance in the implementation of ADB's water policy and the national water policies in the Asia and Pacific region. The first area is assistance to DMCs for water sector assessments and national water action agendas, to design and implement critical water sector reforms; and for demonstrating these reforms through pilot initiatives at the appropriate levels, involving national water partnerships and river basin organizations to ensure broad stakeholder participation. The second area concerns revising ADB's business processes and strengthening its internal capacity to target the water sector more holistically in its operations, with greater synergy through knowledge management and collaboration with development partners. The third area is to strengthen

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<sup>1</sup> ADB. 2001. *Water for All: The Water Policy of the Asian Development Bank*. Manila.

<sup>2</sup> ADB. 2002. *Technical Assistance for Promoting Effective Water Management Policies and Practices*. Manila.

<sup>3</sup> ADB. 2003. *Technical Assistance for Promoting Effective Water Management Policies and Practices—Phase 2*. Manila

<sup>4</sup> The TA first appeared in *ADB Business Opportunities* in April 2003.

regional cooperation and awareness of important water issues, trends, and policies, and to catalyze a new generation of water sector investments that follow from effective water management policies and sector reforms. The Millennium Development Goals adopted at the World Summit on Sustainable Development in Johannesburg in 2002 underline the urgency of helping to improve the water security of the poor through safe drinking water, improved sanitation, water for production and income generation, sustainable environmental management, and reduced vulnerability to water-related disasters.

6. To prioritize the use of the Fund in response to these needs, the Water Sector Committee has coordinated the Program's activities in the six categories, therein supported by five subcommittees. A steering committee comprising directors of the concerned divisions in ADB's regional departments and Regional and Sustainable Development Department (RSDD) has provided overall guidance and supervision to the Program's direction and activities, and has approved the detailed design and implementation arrangements of major components with an estimated cost of over \$400,000. Upon the request of the steering committee, the Water Sector Committee has prepared a medium-term strategy for activities financed from the Fund. This strategy will be updated in response to evolving needs for assistance and lessons learned in DMCs and ADB in implementing ADB's water policy. The initial progress of the Program is summarized in Appendix 2. Progress is also being published on ADB's water web site, <http://www.adb.org/water>.

7. Funding requests from ADB's regional departments for activities in the DMCs have increased significantly during the past year, and the main lesson learned in administering the Fund is to organize the delegation of activities to regional departments in response to their specific demands, while maintaining the principle of additionality in the use of the Fund. Procedures and guidelines have been developed to accommodate and prioritize funding requests from DMCs and ADB staff. Coordination was established with the other multilateral development banks that have similar funding facilities. Joint reviews of the Fund's activities by ADB and contributing donors are expected to start in January 2004 in conjunction with ADB's second "Water Week". A comprehensive review of the Fund is expected in 2005 in conjunction with the comprehensive review of ADB's water policy implementation in that year.

8. To promote water awareness and strengthen regional cooperation among DMCs and ADB in the water sector, the Program has supported the organization of the 3<sup>rd</sup> WWF in March 2003, which was convened to raise awareness of the critical water issues of the looming water crisis in the 21<sup>st</sup> century, and to mobilize actions and resources to address these issues. President Chino led ADB's delegation to the 3<sup>rd</sup> WWF, and the results of ADB's participation are reported in a separate Board information paper and published on ADB's water web site.

9. Additional TA resources are required from the Fund to continue the Program's activities in each of the six categories, in accordance with the medium-term strategy prepared by the Water Sector Committee, and in response to requests by ADB's regional departments.

### **III. THE PROPOSED TECHNICAL ASSISTANCE**

#### **A. Purpose and Output**

10. The proposed TA will continue the Program to promote effective water management policies and practices at regional, subregional, and country levels and thereby catalyze the implementation of ADB's water policy in the Asia and Pacific region, including within ADB itself. Poverty reduction is an objective crosscutting the proposed activities. The proposed Program activities are targeted at a range of stakeholders in the region, including policy makers, planners, water service providers and resource managers, ADB's decision makers, civil society

organizations, the media, the public at large, ADB staff, and development partners. The Program includes follow-up initiatives to the 3<sup>rd</sup> WWF and will help ADB and DMCs achieve the MDGs related to water and poverty reduction.

## **B. Methodology and Key Activities**

11. The proposed TA comprises the following activities under the six Program categories.

12. **Promotion and Public Awareness.** ADB's Water Awareness Program that was launched in 2002 under TA 6031 will be further developed to disseminate ADB's water policy and key development messages in the water sector, increase public awareness and stakeholder dialogue on water reform issues, improve press coverage of water issues and initiatives, educate youth about the water crisis, and support community-level water education pilot activities in ADB-financed water projects in the DMCs. The Water Awareness Program will also support follow-up initiatives to the 3<sup>rd</sup> WWF and promote water awareness activities as integral parts of national water sector reform processes and of individual water sector projects in the DMCs.

13. **Knowledge Base and Capacity Building.** Further support will be given to developing ADB's water information and knowledge management systems to support its water operations, and to assist regional departments in undertaking water sector assessments and preparation of water sector roadmaps. The systems will use the Internet as well as an intranet for ADB and DMC staff use, as part of ADB's knowledge management initiatives. Further support will be given to comparative analysis of water sector reforms in the region, including (i) water sector assessments and the preparation of national water sector profiles and water sector roadmaps; (ii) studies on water governance, involving the establishment and performance of water sector apex bodies, water policies, water laws, water sector action agendas, river basin organizations, and diagnostic methods to assess the capacity and performance of water sector agencies; and (iii) comparative studies to support follow-up initiatives to the 3<sup>rd</sup> WWF, as prioritized by the Water Sector Committee. A water sector capacity building program will be initiated to enhance core competencies in DMCs and ADB to implement water policy reforms.

14. **Pilot and Demonstration Activities.** Support will be given for introducing and validating new or innovative development approaches that are highly replicable. Most of this support will go to water project teams in ADB's regional departments, and will strengthen core operations including policy dialogue, country programming, and project preparation and implementation. Support will also be given to field-based applied research by local stakeholders, including nongovernment organizations (NGOs) and where possible using the regional technical advisory committees of the Global Water Partnership (GWP). Examples of preferred topics are (i) national and local reform processes, (ii) approaches to effective awareness and community education programs, (iii) appropriate technology, (iv) gender and development approaches, (v) participatory and inclusive approaches, (vi) connecting services to the poor, and (vii) civil society actions for good water governance. Pilot and demonstration activity results will guide and encourage positive change among water sector stakeholders and will inform policy dialogue between ADB and the DMCs.

15. **Water Partnerships.** Several activities will be supported on a demand basis to initiate or strengthen national and regional water partnerships. Examples can include the Southeast Asia Water Utilities Network, the Network of Asian River Basin Organizations, the Gender in Water Partnership, and assistance to the countries of the lower Mekong River basin in the development of a flood management partnership in collaboration with the Mekong River Commission and the Royal Netherlands Embassy in Hanoi. The development of national and regional water partnerships can be supported in collaboration with the GWP.

16. **Regional Events and Initiatives.** Support will be provided on a demand basis for ADB's follow-up initiatives to the 3<sup>d</sup> WWF in the DMCs, including the Water for Asian Cities Program, the Water for the Poor–Partnerships for Action, the Network of Asian River Basin Organizations, the Gender in Water Partnership, and other initiatives prioritized by the Water Sector Committee. The level of support for each initiative will be determined by the demand in the DMCs. Support will also be provided to the organization of ADB's "Water Weeks", for ADB's water dialogue with NGOs, for dialogues among neighboring DMCs on common reform issues, and for thematic workshops and subregional water forums that help to catalyze the implementation of ADB's water policy in the region, as requested by the regional departments.

17. **Program Coordination, Monitoring, and Evaluation.** The monitoring and reporting system for the Fund will be further developed and maintained to provide updated information on inputs, outputs, outcomes, and financial management. ADB's water web site will play a central role in the monitoring and reporting system. The comprehensive review of ADB's water policy implementation in 2005 will be supported. An annual review of the Program's activities will also be organized with the Fund's contributors in conjunction with ADB's "Water Weeks". The water focal point in RSDD will be supported to continue the administration, coordination, monitoring, and technical support of the Program. Coordination with the other multilateral development banks will also be continued.

### C. Cost and Financing

18. The total cost of the TA, estimated at \$4.3 million, will be financed on a grant basis by the Cooperation Fund for the Water Sector through the channel financing facilities of the governments of the Netherlands, for \$3 million, and Norway, for \$1.3 million, and will be administered by ADB.<sup>5</sup> The cost estimates and financing plan are in Appendix 3.

### D. Implementation Arrangements

19. The TA will be implemented by ADB. The Agriculture, Natural Resources, and Social Sector Division (RSAN) of RSDD, in association with concerned divisions in the regional departments and the Office of External Relations (OER), will be responsible for all TA activities. The Water Sector Committee will serve as the TA team, in consultation with the Water Sector Network. The lead water resources specialist of RSAN will coordinate the team's activities. TA activities can be proposed by government agencies and NGOs in the DMCs, by other development partners, and by ADB staff. Activity proposals will be reviewed and prioritized by the Water Sector Committee according to criteria and procedures published on ADB's water web site. The initiation and implementation of TA activities will be delegated to operations divisions concerned as appropriate, with administrative and technical support provided by the water focal point in RSAN. The existing steering committee comprising directors of the concerned divisions in ADB's regional departments, OER, and RSDD will supervise the TA activities and use of the Fund, including its medium-term strategy, and will approve the detailed design and implementation arrangements of major components of the TA prior to their commencement.<sup>6</sup>

20. The water focal point in RSAN will serve as TA office. Approximately 50 person-months of international and 173 person-months of domestic consultants will be needed for the regional

<sup>5</sup> The governments of the DMCs that will participate in the TA are expected to provide in-kind contributions to facilitate implementation of TA activities taking place in them, such as consultation and training workshops and pilot demonstration activities.

<sup>6</sup> The steering committee may invite representatives of other ADB departments/divisions, e.g., the private sector operations department, evaluation divisions, and economics and research divisions, to participate in its meetings as appropriate. Major components are defined as having a cost estimate of more than \$400,000, and these components are indicated in the outline terms of reference in Appendix 4.

departments and RSAN to implement the activities of the TA.<sup>7</sup> The required areas of expertise are expected to include water policy and legal reform, institutional development, capacity building, knowledge management, information systems, water supply and sanitation, integrated water resources management and river basin organizations, flood management and insurance, managing environmental flows in rivers, watershed management, national poverty reduction strategies, gender and development, public awareness and consultations, community organizations, dams and development, public-private partnerships, tariff reform and regulatory frameworks, financing for water infrastructure and services, and related water sector reform areas. Coordination and implementation of the TA will be supported by a water policy adviser, water operations adviser, contracts administrator, finance manager, database analyst, web site manager, and administrative assistant, financed by the TA. Further short-term international and domestic consultants may be recruited to fill gaps in the TA team's expertise. The required consultants will mostly be recruited as individuals.<sup>8</sup> In the case of activity proposals selected by the Water Sector Committee for follow-up initiatives to the 3rd WWF, pilot and demonstration activities, water partnership support, and for regional events and initiatives, consulting services by international and national organizations and NGOs will be directly selected. ADB will recruit the consultants in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the recruitment of domestic consultants. Outline terms of reference are shown in Appendix 4. Equipment and materials to be financed by the TA will be procured by the consultants or ADB in accordance with ADB's *Guidelines for Procurement* or other procedures acceptable to ADB.<sup>9</sup>

21. Participation in the TA is open to all of ADB's DMCs. Each participating DMC will designate the water sector apex body, or agency assigned to coordinate water sector activities, as the national counterpart agency; this agency will coordinate the country's participation in the TA activities, drawing on the interest and expertise of relevant water stakeholders in the country, including those from central and provincial agencies, river basins, the private sector, NGOs, the academe, research and professional organizations, and other interested parties. DMCs can make proposals for TA activities through the regional departments in ADB for review and prioritization by ADB's Water Sector Committee.

22. The TA will be implemented over a period of 18 months, commencing in September 2003 and ending in February 2005. Progress reports on the Program and use of the Fund will be prepared by the water focal point in RSAN on a six-monthly basis in collaboration with the Office of Cofinancing Operations. TA activities will be monitored and reports made available through the ADB water web site.

#### IV. THE PRESIDENT'S RECOMMENDATION

23. The President recommends that the Board approve ADB administering technical assistance not exceeding the equivalent of \$4,300,000 to be financed on a grant basis by the Cooperation Fund for the Water Sector for Promoting Effective Water Management Policies and Practices—Phase 3.

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<sup>7</sup> Excluding consultancy services in support of pilot and demonstration activities, water partnerships, and production of television documentaries and public service announcements, for which requirements will be determined during implementation.

<sup>8</sup> The required expertise is highly diverse and is simultaneously needed in several regional departments.

<sup>9</sup> Equipment may include computers, software, multimedia instruments, and equipment for pilot and demonstration activities.

## TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions And Risks
<p><b>Goal</b> Promote effective water management policies and practices and catalyze the implementation of the water policy of the Asian Development Bank (ADB) in ADB's developing member countries (DMCs)</p>	<p>Implementation of ADB's water sector roadmaps in DMCs</p> <p>Improved performance for indicators on the Millennium Development Goals related to water and poverty</p>	<p>World Water Forums, regional water forums, associated global water sector reviews, and international Millennium Development Goals review panels</p>	<p>Sustained commitment of DMCs to water sector reforms, investments, and effective regional cooperation</p>
<p><b>Purpose</b> Increase the synergy in ADB's water sector operations, and raise public awareness of water issues, through the Cooperation Fund for the Water Sector (the Fund)</p>	<p>Improved consistency of ADB-financed water projects with ADB's water policy</p> <p>Development of water sector roadmaps in ADB's DMCs</p>	<p>Integration of ADB's water policy in ADB's country strategies and programs</p> <p>In-house review (2003) and comprehensive review of ADB's water policy implementation (2005)</p> <p>Review missions by the Fund's contributors</p>	<p>Sustained commitment of DMCs to water sector reforms, and effective regional cooperation, adequate resource allocation and sector coordination in ADB</p>
<p><b>Fund Categories</b></p> <p>1. Promotion and public awareness, under the Water Awareness Program (WAP)</p> <p>2. Knowledge base and capacity building</p>	<p>Media workshops in three DMCs, regional water journalists network, regional distribution of six documentary films, ADB water publication series, film on living with floods, film on ADB's water policy implementation, regional newsletter, exhibits</p> <p>Water sector roadmap preparation assisted in four DMCs</p> <p>Comparative study on water sector reforms in the region</p> <p>Training workshops for 100 participants</p>	<p>Technical assistance team's monitoring system for the Fund, guidelines for pilot and demonstration activities, monthly and six-monthly progress reports, ADB's water web site, Water Sector Committee and network meetings, steering committee meetings, and regular consultations and review missions by the Fund's contributors</p>	<p>Target groups are receptive to materials and messages produced by the WAP</p> <p>Resources available in the regional departments for water sector assessments</p> <p>Timely availability of consultants</p> <p>Availability of participants</p>

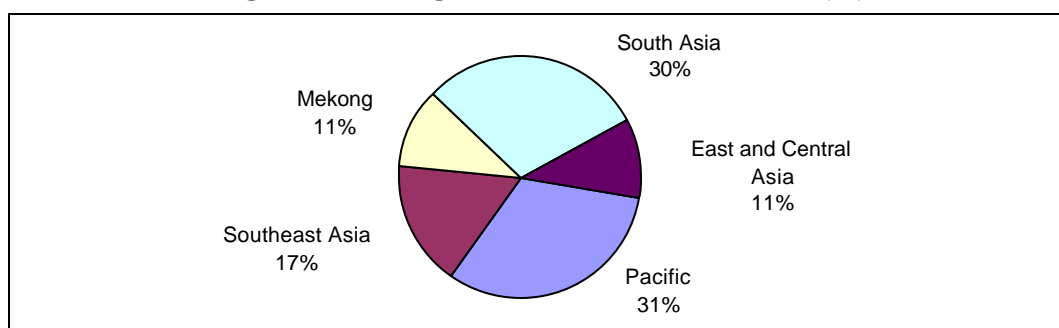
Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions And Risks
3. Pilot and demonstration activities	<p>World Water Forum follow-up studies in water infrastructure financing and small-scale water service providers</p> <p>ADB knowledge management applications under Water Net</p> <p>20 activities in the DMCs, including four on water awareness and community water education, with lessons learned for ADB's water operations</p>		<p>Sustained commitment to the World Water Forum's recommendations</p> <p>Staff willingness to use the knowledge management applications on a sustained basis</p> <p>Staff resources available in the regional departments</p>
4. Water partnerships	<p>Support provided to the Southeast Asia Water Utilities Partnership, Network of Asian River Basin Organizations, Gender in Water Partnership, Mekong Flood Management Partnership, and Global Water Partnership's activities in the region</p>		<p>Sustained commitment and available resources in DMCs for regional cooperation</p>
5. Regional events and initiatives	<p>Follow-up initiatives to the 3<sup>rd</sup> World Water Forum, including the Partnerships for Action on Water for the Poor, the Water for Asian Cities Program, NGO Dialogue on Water, ADB "Water Week", and selected events in the DMCs, including the 1<sup>st</sup> Southeast Asia Water Forum</p>	See above	<p>Sustained commitment and available resources in DMCs for these initiatives and follow-up actions to the regional events</p>
6. Coordination, monitoring, and evaluation	<p>Comprehensive and transparent monitoring and reporting system for the Fund's activities</p> <p>Updated medium-term strategy for the Fund in response to priorities in ADB's regional departments</p>		<p>Effective implementation and timely reporting by the departments responsible for the individual activities</p> <p>Effective guidance by the Water Sector Committee and the steering committee</p>

<b>Design Summary</b>	<b>Performance Indicators/Targets</b>	<b>Monitoring Mechanisms</b>	<b>Assumptions And Risks</b>
	<p>Preparation for the comprehensive review of ADB's water policy implementation in 2005</p> <p>Coordination meetings with other multilateral development banks and with contributing and interested donors</p>		<p>Timely availability of consultants and successful dialogue with stakeholders</p> <p>Regular consultation meetings in connection with ADB "Water Week"</p>
<p><b>Activities</b> Details will be provided in the proposals submitted by ADB's departments, including for the WAP, pilot and demonstration activities, partnerships, and regional events and initiatives</p>	<p>Time table of activities and milestones for outputs as per terms of reference</p>	<p>Monthly and six-monthly progress reports, Fund monitoring system, web site</p>	<p>Timely consultant inputs</p>
<p><b>Inputs</b> Consulting services, workshops, training, administrative support</p> <p>Details will be provided in the individual activities</p>	<p>Use of Funds in each activity will be shown in the activity proposals and reports prepared by the department concerned</p> <p>Total of \$4.30 million from the Fund</p>	<p>TA team, Water Sector Committee and network, and steering committee</p>	<p>Effective internal cooperation among departments concerned</p>

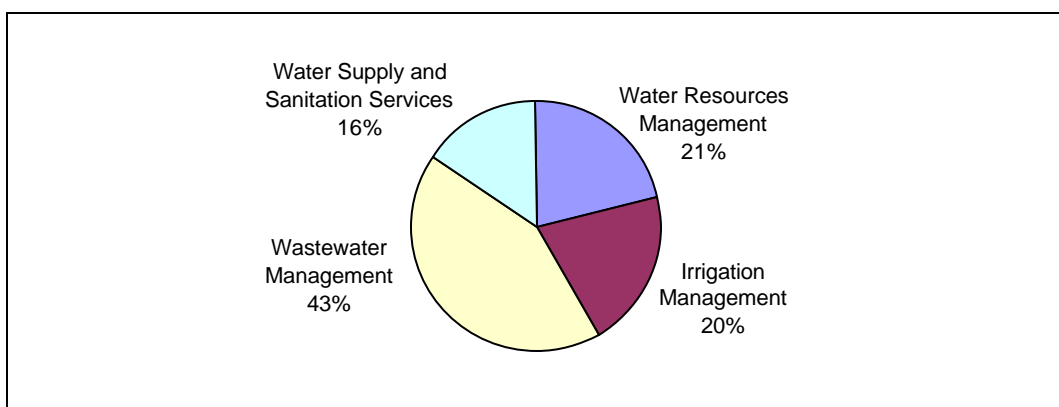
## COOPERATION FUND FOR THE WATER SECTOR SUMMARY OF PROGRESS

1. **Promotion and Public Awareness.** The first phase of the Water Awareness Program (WAP) has supported the participation of the Asian Development Bank (ADB) in the World Summit on Sustainable Development and the 3<sup>rd</sup> World Water Forum (WWF). Outputs included a series of television documentaries, web site development (<http://www.adb.org/water>), briefs on water issues, publicity materials, public service announcements, print publications, media relations, and exhibitions. More than 18,000 WAP outputs were distributed at the 3<sup>rd</sup> WWF. Several improvements and updates on the web site continue since its launching in 2002. Plans have been initiated for a second phase of the WAP.
2. **Knowledge Base and Capacity Building.** Several initiatives were undertaken to start knowledge management, including the formation of the Water Sector Network, a participatory capacity assessment, the design of a water information system for use by ADB and developing member country (DMC) staff in support of ADB's water operations, and comparative studies on several topics including water in Asian cities. Guidelines were also developed for water sector roadmaps in DMCs.
3. **Pilot and Demonstration Activities.** Pilot and demonstration activities (PDAs) were initiated in 2002 and the demand from ADB's regional departments for support for such activities has grown rapidly. Figures A2.1-A2.3 show the distribution of pilot and demonstration activities approved by the Water Sector Committee, by subregion, subsector, and type. After gaining experience with the first batch of activities, the Water Sector Committee adopted guidelines for selection of such activities in May 2003.

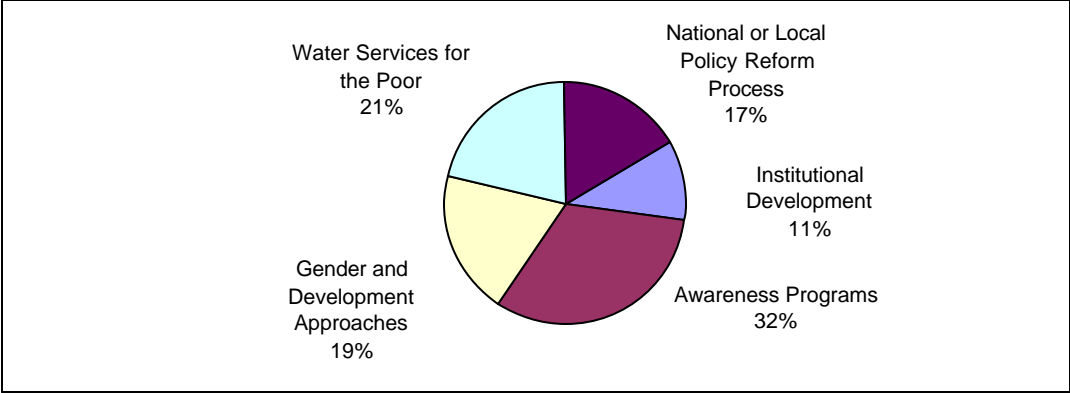
**Figure A2.1: Regional Distribution of PDAs (%)**



**Figure A2.2: Subsectoral Distribution of PDAs (%)**



**Figure A2.3: Distribution of PDAs by Type (%)**

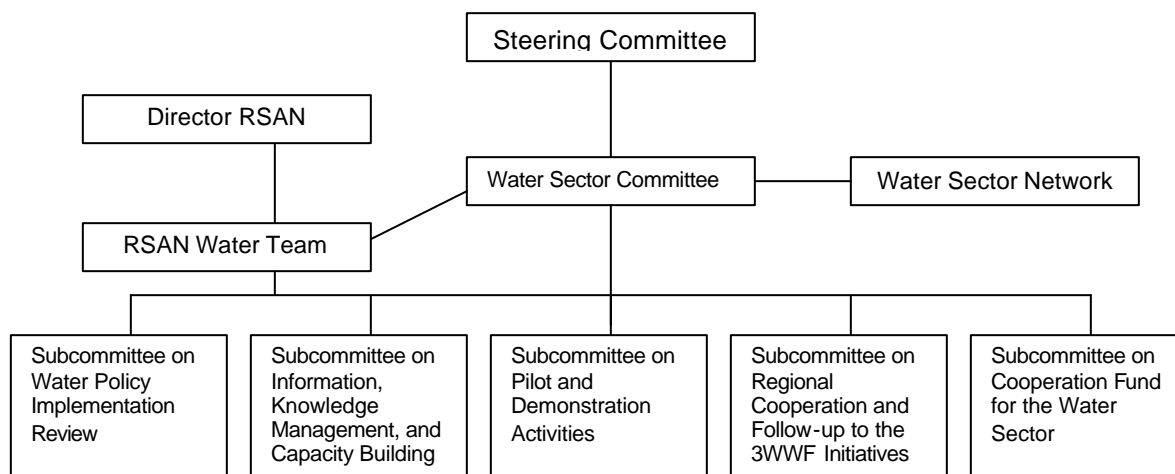


4. **Water Partnerships.** Several activities were undertaken to initiate or strengthen national and regional water partnerships in the Pacific, Southeast Asia, and Mekong. In the Pacific region, an existing partnership of atoll island countries affected by climate change and the rise in sea level was supported through a pilot study on national water resources assessment and coastal zone planning for Kiribati. Support was provided to the Global Water Partnership Southeast Asia Technical Advisory Committee for strengthening community-based institutions that have demonstrated replicable and sustainable strategies in integrated water resources management in five countries in the region and for documenting their activities. Funds were allocated to support the countries of the lower Mekong River basin in their new flood management initiative, with ADB support focusing on the poverty reduction interventions as part of the initiative.

5. **Regional Events and Initiatives.** The participation of ADB in the 3<sup>rd</sup> WWF was supported to help promote the implementation of ADB’s water policy in the region. ADB’s participation (i) showcased projects in DMCs; (ii) provided knowledge, experience, and lessons learned; (iii) supported DMCs to participate and learn; (iv) strengthened collaboration with partners; and (v) increased awareness and raised ADB’s profile. ADB organized five themes: (i) Water and Poverty, (ii) Water and Cities, (iii) Water in Small Island Countries, (iv) Poverty and Floods, and (v) Regional Cooperation for Shared Water Resources Management in central Asia. ADB organized 15 thematic sessions, participated in the World Panel on Financing Water Infrastructure, and convened the Water Development Partners Panel. ADB also participated in and supported regional initiatives, such as on water rights; dialogue for water, food, and environment; and water governance.

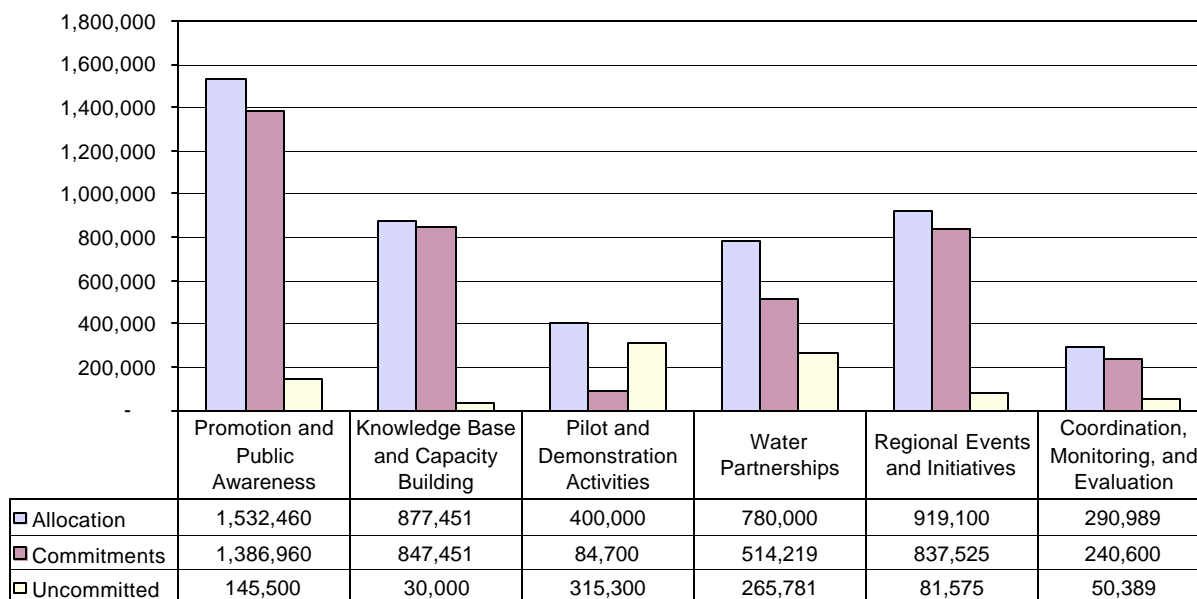
6. **Program Coordination, Monitoring, and Evaluation.** The use of the Fund is coordinated by the Water Sector Committee and supported by ADB’s water focal point located in the Agriculture, Natural Resources and Social Sectors Division, according to the medium-term strategy for the Fund. A steering committee comprising directors of the concerned operations divisions in ADB’s regional departments provides overall guidance and supervision to the Program activities, and approves the detailed design and implementation arrangements of major Program components. Figure A2.4 shows the organization structure for implementing the Fund.

**Figure A2.4: Organizational Structure for Implementing the Fund**

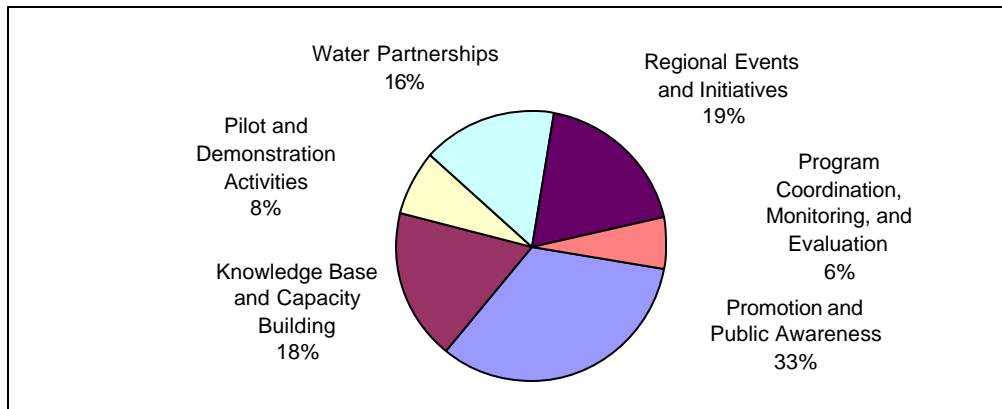


7. Figures A2.5 and 2.6 show the use of the Fund in the six categories. The Water Sector Committee has recently approved the guidelines for pilot and demonstration activities, which will boost the use of the Fund for such activities.

**Figure A2.5: Water Fund Allocation and Commitments by Category, as of 30 June 2003**



**Figure A2.6: Fund Allocation by Category, as of 30 June 2003 (%)**



**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Total Cost
<b>Asian Development Bank Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	690
ii. Domestic Consultants	405
b. International and Local Travel	205
c. Reports and Communications	5
d. Surveys	20
2. Equipment	20
3. Training, Seminars, Conferences, and Events	
a. Pilot and Demonstration Activities	1,000
b. Water Partnerships Support	500
c. Country Exchange Dialogues and Thematic Workshops	200
d. Training Seminars	150
e. In-Country Media Workshops	50
f. ADB Water Weeks	100
g. Staff Travel as Speakers/Resource Persons	75
h. NGO Dialogues	50
i. Water Policy Review Workshop	50
4. Publications	
a. Print Publications and Electronic Newsletter	60
b. Documentaries and Training Videos	120
c. Public Service Announcements	30
d. Exhibitions, Promotions, Distribution, and Support	60
5. Miscellaneous Administration and Support Costs	50
6. Contingencies	460
<b>Total</b>	<b>4,300</b>

<sup>a</sup> Financed by the Cooperation Fund for the Water Sector.  
Source: Asian Development Bank estimates.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

1. The outline terms of reference for consultants describe the main tasks in each of the six categories of the program of activities to promote effective water management policies and practices in the region and thereby catalyze implementation of the water policy of the Asian Development Bank (ADB) in the Asia and Pacific region. The six categories are promotion and public awareness; knowledge base and capacity building; pilot demonstration; water partnerships; regional events and initiatives; and program coordination, monitoring, and evaluation. Poverty reduction is a crosscutting priority in all tasks. ADB's Water Sector Committee will guide the program of activities, which are coordinated by the Agriculture, Natural Resources, and Social Sector Division (RSAN).

### **A. Promotion and Public Awareness**

2. An international public relations specialist will be engaged on an individual basis for 1 year to manage the second phase of ADB's water awareness program (WAP). The WAP's objectives, in continuation of its first phase, are to (i) promote public understanding of water issues and disseminate ADB's water policy, (ii) facilitate dialogue among water stakeholders on the water reform agenda in the region, (iii) help educate children and youth on water issues and their role in finding solutions, and (iv) support small pilot and demonstration activities for community water education.

3. In its second phase, the WAP will continue to use a range of suitable tools and activities to communicate a range of messages effectively to different target audiences, including (i) water sector stakeholders and decision makers, (ii) children and youth, (iii) poor communities, and (iv) the general public in the Asia and Pacific region. The WAP will also help to strengthen ADB's collaboration with the media in reaching these target audiences. The development messages will be derived from ADB's water policy, from the results of the 3<sup>rd</sup> World Water Forum (WWF), and from other key water themes in coordination with development partners.

4. The tools and activities will include ADB's water web site, a regional electronic newsletter, print publications, publicity materials and photographs, television documentaries and video productions, public service announcements, media relations and networking, exhibitions, pilot community education activities, other pilot activities to promote water awareness in developing member countries (DMCs), and other complementary activities as determined by the Water Sector Committee and the WAP team. The design and implementation arrangements of the second phase of WAP will be approved by the technical assistance (TA) steering committee prior to the start of implementation.

5. To help implement the WAP, international specialists (with expertise in public and media relations; multimedia production; and information, education, and communication) will be engaged on an individual basis to work in the WAP team. They will work together with domestic consultants, including a web site manager, media relations and networking specialists, and other specialists as needed, who will also be engaged on an individual basis. In close collaboration with ADB's Office of External Relations, the Water Sector Committee and network, and other operations staff in the regional departments, the WAP team will work in RSAN to undertake the following tasks:

- (i) Assist ADB staff in the further development and effective use of key development messages related to water sector issues and themes, covering water and poverty reduction, effective water policies; issues related to water service delivery and

- water resources management; cross-cutting subjects like gender, water rights, private sector participation, and financing; thematic issues like water quality, dams, and development; and supporting topics in subsectors like groundwater management, flood management, and watershed management.
- (ii) Assist ADB regional department staff in conducting pilot and demonstration activities in DMCs in relation to water sector reforms or water-related project preparation and implementation.
  - (iii) Assist ADB regional department staff in conducting pilot and demonstration activities on community water education as part of ADB-financed water projects, focusing on poor communities that have taken initiatives to improve water-related services for the poor and on the sustainable management of water resources.
  - (iv) Assist ADB regional department staff in conducting in DMCs media workshops for journalists reporting on water issues, and support networking among such journalists in the region.
  - (v) Assist ADB in further developing and managing its water web site as an integrated tool for providing information, raising awareness, encouraging networking, and supporting knowledge management.
  - (vi) Develop and disseminate water sector information and knowledge in a series of print publications, including the results from studies conducted in connection with ADB-organized sessions at the 3<sup>d</sup> WWF, and the results of other activities supported by the Fund, including a series of publications, reports, and briefs on important water issues and messages.
  - (vii) Develop and disseminate publicity materials to support water awareness in interested DMCs and in the Asia and Pacific region as a whole.
  - (viii) Assist ADB in developing and placing a series of articles on important water issues in national, regional, and international media, and in the *ADB Review*.
  - (ix) Assist ADB in launching a regional electronic water newsletter to provide information on water sector reforms in the region and facilitate dialogue among water stakeholders on important water sector issues, in connection with ADB's water web site.
  - (x) Assist ADB in the distribution of the television documentaries produced under the first phase of the WAP.
  - (xi) Produce two video documentaries on water issues, including (a) lessons learned from implementing ADB's water policy, and (b) new approaches to flood management.
  - (xii) Produce and place ADB public service announcements for regional and international broadcasters based on the television documentaries and video productions.
  - (xiii) Organize exhibitions at regional and international events as needed.
  - (xiv) Assist ADB in developing partnership programs with other organizations to promote and catalyze water awareness activities in the Asia and Pacific region.
  - (xv) Manage and update ADB's water reference center as the repository of print publications, manuals, guidelines, publicity materials, reports, films and television documentaries, reports, and briefs on important water sector issues for use by ADB's Water Sector Committee, network, and consultants.

6. Consulting services for the second phase of WAP are expected to comprise approximately 18 person-months of international and 32 person-months of domestic consultants. A detailed work plan will be submitted to the steering committee for endorsement.

7. The subsequent third phase of the WAP will be supporting similar type of activities, and will be finalized as further contributions to the Fund are received. The terms of reference for the third phase will be determined after a review of the second phase results, and consultant engagements will be processed accordingly at that time.

## **B. Knowledge Base and Capacity Building**

8. International water policy and institutional development specialists will be engaged on an individual and intermittent basis to do the following:

- (i) Advise staff in ADB's regional departments on supporting country water sector assessments, strategies, policy dialogue, and reforms.
- (ii) Conduct thematic and comparative analyses of ongoing water sector reforms in the region, including studies on water governance, involving the establishment and performance of water sector apex bodies, water policies, water laws, water sector action agendas, river basin organizations, regulatory bodies, and other water institutions.
- (iii) Organize capacity development programs for ADB and DMC staff on important water issues and skills, drawing on the results of the capacity and training needs assessments carried out in 2002, including training seminars and workshops, participation in training courses, recommendations for country exchange dialogues on priority water sector reform topics, the strengthening of ADB's water focal point, and the development of regional research and capacity building networks in accordance with ADB's water policy.
- (iv) Conduct follow-up studies building on the results of the 3<sup>rd</sup> WWF, e.g., in financing of water infrastructure, the role of small-scale independent service providers, and other subjects as determined by the Water Sector Committee.

9. The international specialists will work with full-time domestic specialists in RSAN, including a water policy adviser and a water operations adviser, who will also be engaged on an individual basis. These domestic specialists will also be responsible to develop existing ADB data bases into an integrated water sector information system for use by ADB and DMC staff, through the intranet and Internet, to support ADB's water operations. The system will provide water sector statistics by DMC, including national water sector profiles, policies, laws, and sector roadmaps for DMCs; a compilation of useful practices in key water sector reform topics and on poverty reduction in water sector operations; and links to water knowledge centers outside ADB. These systems will be developed as part of a Water Net under ADB's "communities of practice" approach to knowledge management.

10. Services for knowledge base and capacity building are expected to comprise approximately 12 person-months of international and 42 person-months of domestic consultants.

## **C. Pilot and Demonstration Activities**

11. International and/or domestic short-term water sector specialists (with expertise as required) will be engaged on an individual basis to support regional department staff in conducting pilot and demonstration activities (PDAs) in DMCs, according to guidelines developed by the Water Sector Committee. PDAs will mostly complement ADB water operations. They should be driven by the needs of ADB's regional departments and project officers, who develop the proposals for activities to be supported by the Fund.

12. Water sector roadmaps prepared under ADB's country strategy and program process highlight expected changes and achievements in the water sector. These development expectations may require the introduction of new ideas, technologies, and approaches to the sector. The changes may be at the national level (e.g., achieving national policy and reform outcomes) down to the local level (e.g., achieving widespread application of market-level technologies, approaches, and arrangements). Changes may also be possible in more than one country. Bringing innovation to bear involves (i) research and experimentation to validate the innovation, and (ii) advocacy to ensure decision makers and other stakeholders agree to the changes. The PDAs supported by the Fund should therefore introduce and validate new or innovative approaches that are highly replicable.

13. PDAs will mostly involve consultant services to support ADB missions in developing, validating, and demonstrating new approaches during the processing and implementation of project preparation and advisory TA, and loan-financed investment projects. Activities can include field-based applied research and demonstration, which are likely to be proposed by local stakeholders, including NGOs.

14. PDAs are generally expected to test or highlight new approaches, confirm their efficacy, and then implement or plan a replication program. PDAs could be processed in connection with changes in (i) national or local water policy reform processes, (ii) water awareness program approaches, (iii) appropriate technology, (iv) gender and development approaches, (v) participatory and inclusive approaches and multistakeholder representation, (vi) connecting services to the poor, and (vii) other changes catalyzed by ADB's water policy. PDAs can be related to the management of water resources and the delivery of water services.

15. The maximum amount to be drawn from the Fund will normally not exceed \$50,000 equivalent. The average implementation period for a PDA is expected to be 6 months, and the maximum allowable implementation period is 12 months. PDAs should not duplicate ongoing or pipelined activity in the DMC. PDAs should be directly relevant to the "sector outcomes" cited in the country strategy program/country strategy program updates for the DMC. If the start of a PDA is unduly delayed, the Water Sector Committee can decide that the Funds committed will be reallocated to other PDAs on the waiting list.

16. In prioritizing between requests for PDAs, the Water Sector Committee will consider the following criteria (i) originality, (ii) replicability, (iii) potential replicability (in case of pilot test), (iv) lessons learned, (v) pro-poor focus, (vi) participatory development and gender inclusion, (vii) operations support, (viii) collaborative approach using partnerships, (ix) technically strong design, and (x) consistency with ADB's water policy.

17. The type and duration of consulting inputs for the pilot and demonstration activities will be provided in the activity proposals to be submitted by concerned departments in ADB during TA implementation.

#### **D. Water Partnerships**

18. International and/or domestic short-term water sector specialists will be engaged to assist regional department staff in providing support to selected activities of national or regional water partnerships, which are expected to include the following:

- (i) national and subregional water partnerships established on the model and with support of the Global Water Partnership;
- (ii) the Southeast Asia Water Utilities Network established in 2002;
- (iii) the Network of Asian River Basin Organizations, established at the 3<sup>rd</sup> WWF;
- (iv) the Gender in Water Partnership, announced at the 3<sup>rd</sup> WWF; and
- (v) the Mekong Flood Management Partnership among countries of the lower Mekong River basin, in collaboration with the Royal Netherlands Embassy in Hanoi and other development partners.

19. The type and duration of consulting inputs for the water partnership support activities will be provided in the proposals to be submitted by concerned departments in ADB during TA implementation.

#### **E. Regional Events and Initiatives**

20. International and/or domestic short-term water sector specialists will be engaged on an individual basis to assist ADB with

- (i) starting in interested DMCs the Water for the Poor—Partnership for Action launched at the 3<sup>rd</sup> WWF;
- (ii) starting in interested cities in the region the Water for Asian Cities Program launched at the 3<sup>rd</sup> WWF;
- (iii) assisting ADB to follow up on other initiatives of the 3<sup>rd</sup> WWF, such as the recommendations of the World Panel on Financing Water Infrastructure; developing effective water quality, hygiene, sanitation, and wastewater management interventions; and introducing new approaches to flood management;
- (iv) organizing regular dialogues between ADB and NGOs on water reform issues; and
- (v) organizing “Water Weeks” in 2004 and 2005 at ADB headquarters, to convene ADB water staff and interested water staff and experts from DMCs and development partners to review policies, collaboration, and innovative practices, and to exchange information and experience.

21. Consulting services for regional events and initiatives are expected to comprise approximately 18 person-months of international and 33 person-months of domestic consultants.

#### **F. Program Coordination, Monitoring, and Evaluation**

22. Short-term international and long- and short-term domestic specialists, including two full-time domestic consultant administrator/research assistants, will be engaged on an individual basis to carry out the following tasks in RSAN in support of the coordination,

monitoring, and evaluation of the program of activities financed by the Fund, and of ADB's water policy in a broader context:

- (i) further develop and improve ADB's existing data bases to monitor and coordinate water sector operations across departments and divisions concerned;
- (ii) further develop a monitoring system for the Program of activities financed from the Fund, covering inputs, outputs, outcomes, and financial management;
- (iii) further develop checklists to assist ADB and DMC staff in water policy implementation, together with performance indicators for water policy implementation at the sector and project levels;
- (iv) help monitor and organize annual reviews of the Program's activities;
- (v) support the exchange of experience and coordination with other development partners to ensure coordination and to facilitate joint activities, as needed;
- (vi) support the preparation of annual outputs and outcomes reports on ADB's water sector operations, including relevant statistics and lessons learned, and a 3 year work program for the water sector, including analysis of challenges, constraints, and opportunities; and
- (vii) organize and support the comprehensive review of ADB's water policy implementation in 2005 as stipulated in the policy paper.

23. Consulting services for program coordination, monitoring, and evaluation are expected to comprise approximately 2 person-months of international and 66 person-months of domestic consultants.