

**ASIAN DEVELOPMENT BANK**

**TAR: OTH 38538**

**PROPOSED**

**TECHNICAL ASSISTANCE**

(Financed by the Cooperation Fund for the Water Sector)

**FOR**

**PROMOTING EFFECTIVE WATER MANAGEMENT POLICIES AND  
PRACTICES—PHASE 4**

**November 2004**

## ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
NGO	–	nongovernment organization
PDA	–	pilot and demonstration activity
RSAN	–	Agriculture, Natural Resources, and Social Sectors Division of the Regional and Sustainable Development Department
RSDD	–	Regional and Sustainable Development Department
TA	–	technical assistance
WAP	–	Water Awareness Program

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Water
<b>Subsector</b>	–	Water
<b>Themes</b>	–	Sustainable economic growth, gender and development, and environmental sustainability

## NOTE

In this report, “\$” refers to US dollars.

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## 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. Besides 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 helping assess the water sector and exchange data, enhance awareness and understanding of water sector issues and each country's needs, and support 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). The Fund is a multi-donor umbrella facility to promote effective water management policies and practices at the regional, subregional, and country levels, and thereby catalyze the implementation of ADB's water policy in the Asia and Pacific region. The Fund finances a coherent program of activities—designed to add value to the water projects carried out by ADB's regional departments. The activities seek to increase synergy in ADB's water sector operations through better awareness, knowledge management, capacity building to support generic sector reforms, pilot demonstration, water partnerships, 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. Donor contributions to the Fund are made in annual tranches, and these are accessed through a series of regional technical assistance (TA) projects, Promoting Effective Water Management Policies and Practices prepared annually. The Government of the Netherlands has made three annual contributions for a total of \$13 million, and the Government of Norway has committed approximately \$2 million equivalent over 3 years starting in 2003. Since 2002, three regional TA projects have been approved under the Fund: TA 6031 (\$4 million),<sup>2</sup> TA 6093 (\$1 million),<sup>3</sup> and TA 6123 (\$4.3 million).<sup>4</sup> The activities approved under these TAs 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. TA 6031 is substantially completed, TA 6093 completed and about to be closed, and TA 6123 almost fully committed. ADB's Water Sector Committee has recommended that a fourth TA be processed in 2004 to access the most recent donor contributions to the Fund. This TA has been prepared to support further activities of the program under the Fund. The TA framework is in Appendix 1.<sup>5</sup>

## II. ISSUES

4. The Board paper establishing the Fund identified three areas of priority assistance in implementing 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 demonstration of 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 ADB's internal capacity to target the water sector more holistically, with greater synergy through knowledge management and collaboration with development partners. The third area is strengthening regional cooperation and awareness of important water issues, trends, and policies, and catalyzing 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

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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> ADB. 2003. *Technical assistance for Promoting Effective Water Management Policies and Practices (Phase 3)*. Manila.

<sup>5</sup> The TA first appeared in *ADB Business Opportunities* (Internet edition) on 28 August 2004.

Summit on Sustainable Development in Johannesburg in 2002 underline the urgency of helping 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.

5. The Water Sector Committee has prioritized Fund use, under the overall guidance and strategic direction of a steering committee comprising directors of the concerned divisions in ADB's regional departments, Regional and Sustainable Development Department (RSDD), and Office of External Relations. The steering committee approved the detailed design and implementation arrangements of major programs, subprojects, or activities, with an estimated cost of over \$400,000. A medium-term strategy for Fund-financed activities has been prepared and will be updated in response to evolving needs for assistance and to lessons learned by DMCs and ADB in implementing its water policy. The progress of the program is summarized in Appendix 2 and regularly updated on ADB's water Web site, <http://www.adb.org/water>.

6. Funding requests from ADB's regional departments for activities in the DMCs have continued to increase during the past year, and ADB's water focal point in RSDD has streamlined Fund administration, including by delegating activities to regional departments in response to their specific demands, while maintaining the principle of additionality in fund use. Procedures and guidelines are in place to accommodate and prioritize funding requests from DMCs and ADB staff. ADB is coordinating regularly with the other multilateral development banks that have similar water fund facilities.

7. The Fund's program was reviewed on three occasions in 2003. The Water Sector Committee conducted an in-house assessment as part of its interim review of ADB's water policy implementation.<sup>6</sup> The committee found that the Fund had provided a strategic framework and much-needed financial resources to implement the water policy by adding value and creating greater synergy in ADB's water operations. In October 2003, the Netherlands Ministry of Foreign Affairs conducted a review of its Water Unit, from which ADB receives a major contribution for the Fund. The assessment was positive, highlighting good results in implementing water and poverty programs developed in connection with the 3<sup>rd</sup> World Water Forum. After the review, the Netherlands Ministry of Foreign Affairs expressed an interest in replenishing the Fund. The Norwegian Ministry of Foreign Affairs conducted a progress review consultation with ADB staff in December 2003, and has expressed satisfaction with the progress of the Fund's program.

8. This is the third year of implementing the Fund, and while too early to be definitive about the Fund's outcomes and influence on the sector, preliminary indications are that the Fund's activities are supporting ADB's operational objectives. Lessons learned from the Fund's program, and early indications of impact are in Appendix 2. The Fund's progress will be further assessed when ADB's water policy implementation is comprehensively reviewed in 2005. 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**

9. The TA will continue the program to promote effective water management policies and practices at regional, subregional, and country levels, thereby catalyzing the implementation of ADB's water policy in the Asia and Pacific region, including within ADB. Poverty reduction is a crosscutting objective in all the proposed activities. The program activities are targeted at a range of stakeholders in the region, including policymakers, planners, water service providers and resource managers, ADB's

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<sup>6</sup> ADB. 2004. *Interim Review of ADB's Water Policy Implementation*. Manila.

decision makers, civil-society organizations, the media, the public, ADB staff, and development partners. The program will help ADB and DMCs achieve the Millennium Development Goals for water and poverty reduction.

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

10. **Promotion and Public Awareness.** The Water Awareness Program (WAP), which has gained momentum and yielded encouraging results since its launch in 2002, will continue to be a major program under this component. Journalists attending the DMC water media workshops viewed the WAP favorably, and the public has been receptive to the television documentary series, print publications, Web site, and electronic newsletter. The WAP will continue to disseminate ADB's water policy and key development messages in the water sector, advocate priority water reforms to policy- and decision makers, increase public awareness and stakeholder dialogue on water policy and reform issues, improve press coverage and media networking on water issues and initiatives, educate youth about the water crisis, and support community water education pilot activities in DMCs. Increasingly, the program focus will promote awareness activities as integral to national water sector reform and to DMC water sector projects, complemented by products to support regional awareness and cooperation programs.

11. **Knowledge Base and Capacity Building.** Work in this area has produced good results in the comparative analysis of water sector reforms in the DMCs, analysis of water in Asian cities, design of a knowledge management system, a capacity assessment, and guidelines to support the preparation of water sector road maps. The TA will (i) develop ADB's WaterNet into an effective knowledge management system for the water sector's community of practice linked to ADB's water operations; (ii) support a second phase of comparative analysis of water sector reforms in DMCs, and a water sector capacity development program to enhance core competencies in DMCs and ADB to reform water policies; (iii) develop a program to finance water with advocacy materials and good-practice tools to catalyze good policies and decision making in DMCs in connection with ADB's water operations; and (iv) support (a) small-scale private water providers; (b) knowledge management work for dams and development; (c) capacity building for credible water regulators; (d) ADB's Water Week; and (e) further development and application of tools to assist operations staff on a demand basis, such as in water sector assessments, water sector road maps, policy dialogue, water governance studies, and diagnostic assessments of capacity in DMC water sector agencies.

12. **Pilot and Demonstration Activities.** A total of 16 pilot and demonstration activities (PDAs) have been approved, and demand from ADB's regional departments is increasing. The TA will continue to support innovative, highly replicable development approaches. Most 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. The TA will support field-based applied research by local stakeholders, including nongovernment organizations (NGOs), and national and subregional water partnerships. Examples of preferred topics are (i) national and local policy reform, (ii) public awareness, (iii) appropriate technology, (iv) gender and development, (v) water services for the poor, and (vi) institutional development. PDA results will guide and encourage change among water sector stakeholders and will inform policy dialogue between ADB and DMCs.

13. **Water Partnerships.** With support from the Fund, ADB has been able to lead and build several development partnerships in the water sector. The TA will support this work on a demand basis to initiate or strengthen national and regional water partnerships such as Water for the Poor–Partnerships for Action, Gender in Water Partnership, Network of Asian River Basin Organizations, Southeast Asia Water Utilities Network, and Water for Asian Cities Program; cooperation among national water sector apex bodies; national and subregional water partnerships linked to the Global Water Partnership; water partnership activities of the Mekong River Commission and the greater Mekong subregional cooperation program; water cooperation among Pacific island countries; and other partnership activities that help catalyze the implementation of ADB's water policy.

14. **Regional Events.** Forty-two regional events have received support to catalyze the implementation of ADB's water policy. Support will be continued selectively for inter-country dialogues, exchange visits, subregional workshops on important water reform topics of common interest, and regional and international water forums that help catalyze the implementation of ADB's water policy in the region and add value to ADB water operations.

15. **Program Coordination, Monitoring, and Evaluation.** Drawing on lessons learned, the TA will enhance and maintain the monitoring and reporting system for the Fund to provide updated information on inputs, outputs, outcomes, and financial management. ADB's water Web site will continue to be central to the monitoring and reporting system. The monthly E-newsletter for policy and decision makers in DMCs, and the international water community will be refined and its distribution expanded. The TA will support the 2005 comprehensive review of ADB's water policy implementation, including consultation workshops and dialogues with NGOs and other stakeholders. The impact of the WAP on its target audiences will be determined. Annual reviews of WAP activities will continue with the Fund's contributors. The TA will support the water focal point in RSDD to continue the administration, coordination, monitoring, and technical support of the WAP through RSDD's water team. Coordination with the other multilateral development banks will continue.

### C. Cost and Financing

16. The total cost of the TA, estimated at \$5.6 million, will be financed on a grant basis by the Cooperation Fund for the Water Sector and will be administered by ADB.<sup>7</sup> The cost estimates and financing plan are in Appendix 3.

### D. Implementation Arrangements

17. ADB will be the Executing Agency of the TA, provided, however, that in the case of a PDA, ADB will enter into a separate letter of agreement with each national or international organization or NGO that will implement such PDA. Each national or international organization or NGO selected by ADB for a PDA will be designated as the executing agency for such PDA and will be responsible for implementing and completing it. 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, will be responsible for all TA activities, and will maintain a water team of consultants to support the Fund's program of activities. The Water Sector Committee, or its successor as determined during the review of ADB's reorganization, will continue to guide the Fund's activities in consultation with the Water Sector Network. TA activities can be proposed by DMC government agencies and NGOs, by other development partners, and by ADB staff. Activity proposals will be reviewed and prioritized by the Water Sector Committee or its successor, 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, with administrative and technical support provided by RSAN's water team. The existing steering committee will supervise TA activities and use of the Fund, including its medium-term strategy, and will approve the detailed design and implementation arrangements of major programs, subprojects, or activities of the TA before they start.<sup>8</sup> Approval by the steering committee is by consensus, and minutes of the meeting recording the approval are kept.

18. RSAN will serve as the TA office. Approximately 111 person-months of international and 200 person-months of domestic consultants will be needed for the regional departments and RSAN to implement the activities of the TA. The required areas of expertise are expected to include policy,

<sup>7</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 such as consultation and training workshops and pilot demonstration activities.

<sup>8</sup> The steering committee may invite representatives of other ADB departments/divisions—e.g., for private sector operations, evaluation, and economics and research—to participate in its meetings. Major programs, subprojects, or activities are estimated to cost over \$400,000, and they are indicated in the outline terms of reference (Appendix 4).

institutional, technical, economic and financial disciplines related to water reforms. Coordination and implementation of the TA will be supported by a team leader, water policy adviser, water fund monitoring specialist, knowledge management adviser, media and publications specialist, web site manager, website technical specialist, monitoring and evaluation specialist for pilot and demonstration activities, accountant, and administrative assistants, financed by the TA. Further 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. ADB and, in the case of PDAs, the executing agencies of PDAs, will recruit consultants in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to the ADB for the recruitment of domestic consultants. The engagement of consultants by the executing agencies of PDAs shall also be subject to detailed eligibility criteria determined in consultation with COCS. Before engaging consultants, executing agencies of PDAs will submit their curriculum vitae to ADB for approval. In the case of activity proposals selected by the Water Sector Committee or its successor for water partnership support and for regional events, consulting services by international and national organizations and NGOs will be directly selected by ADB. Outline terms of reference are shown in Appendix 4. Equipment and materials to be financed by the TA will be procured by the consultants, ADB or in the case of PDAs, the executing agencies of PDAs, in accordance with ADB's *Guidelines for Procurement* or other procedures acceptable to ADB. Ownership of the equipment and materials that have been purchased for specific activities, such as under the PDA or for training, will normally be transferred to the executing agencies and beneficiaries which will be clearly spelled out on a case by case basis in the letters of agreement and consulting contracts, in accordance with ADB's normal procedures for technical assistance projects.

19. Participation in the TA is open to all DMCs. Each participating DMC will designate the water sector apex body, or national agency assigned to coordinate water sector activities, as the national counterpart agency. The agency will coordinate the country's participation in the TA, drawing on the interest and expertise of water stakeholders, 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 propose TA activities through ADB regional departments for review and prioritization by the Water Sector Committee and RSAN.

20. The TA will be implemented over 18 months, from November 2004 to April 2006. Progress reports on the program and use of the Fund will be prepared by RSAN semiannually 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**

21. The President recommends that the Board approve ADB administering technical assistance not exceeding the equivalent of \$5,600,000 to be financed on a grant basis by the Cooperation Fund for the Water Sector for Promoting Effective Water Management Policies and Practices—Phase 4.

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<sup>9</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>10</sup> The required expertise is highly diverse and simultaneously needed in several regional departments.

<sup>11</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
<p><b>Goal</b> Promote effective water management policies and practices, thereby catalyzing 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 road maps in DMCs</p> <p>Improved performance for indicators on the Millennium Development Goals for water and poverty</p>	<p>World and regional water forums, associated global water sector reviews, and international Millennium Development Goal review panels</p>	
<p><b>Purpose</b> Continue to increase synergy in ADB's overall water sector operations (internal), and raise public awareness of water issues (external), through the use of the Cooperation Fund for the Water Sector (the Fund) objectives</p>	<p>Improved consistency of ADB-financed water projects with ADB's water policy</p> <p>Development of water sector road maps in ADB's DMCs</p> <p>Effective regional cooperation programs in support of ADB's water policy</p> <p>Dissemination of key messages in implementing ADB's water policy in the DMCs</p>	<p>Integration of ADB's water policy in ADB's country strategies and programs</p> <p>Comprehensive review of ADB's water policy implementation (2005)</p> <p>Reviews of ADB's Water Awareness Program (WAP)</p> <p>Review missions by the Fund's contributors</p>	<p>DMCs sustain their commitment to water sector reforms, increased public awareness, effective regional cooperation.</p> <p>ADB allocates adequate resources and coordinates sectors.</p>
<p><b>Output Categories</b> 1. Promotion and public awareness, under the WAP</p> <p>2. Knowledge base and capacity building</p>	<p>Media workshops in three or more DMCs, regional journalists network, two documentary films and distribution of earlier films, TV ad spots, articles in the media, ADB water publication series, user-friendly information materials, regional newsletter, exhibits, survey of WAP impact</p> <p>ADB WaterNet knowledge management system for the water sector's community of practice</p>	<p>Technical assistance team's monitoring system for the Fund, guidelines for pilot and demonstration activities, monthly and semiannual 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>See above</p>	<p>Target groups are receptive to the WAP's materials and messages.</p> <p>Operations staff contribute to WaterNet.</p>

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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions
<p>3. Pilot and demonstration activities</p> <p>4. Water partnerships</p> <p>5. Regional events</p>	<p>Second phase of the comparative study on water sector reforms in the region</p> <p>Water sector capacity development program</p> <p>Financing water program</p> <p>Small-scale water providers action research</p> <p>ADB Water Week</p> <p>Water sector tools to assist operations staff</p> <p>Water sector roadmap preparation assisted in four DMCs</p> <p>Ten activities in the DMCs, including four on water awareness and community water education, with lessons learned for ADB's water operations</p> <p>Support provided to the Water for the Poor–Partnerships for Action, Gender in Water Partnership, Network of Asian River Basin Organizations, Southeast Asia Water Utilities Partnership, Water for Asian Cities program, cooperation among national water sector apex bodies, and Mekong River Commission</p> <p>Six events, including inter-country dialogues, and thematic and regional workshops</p>	<p>See above</p> <p>See above</p> <p>See above</p>	<p>Consultants are available on time.</p> <p>Training needs are prioritized.</p> <p>Governments are committed to change policies.</p> <p>Diagnostic assessments are used in city water strategies.</p> <p>Water sector tools are useful to water operations staff</p> <p>Staff members are willing to use tools on sustained basis.</p> <p>Regional departments have the resources for water sector assessments.</p> <p>Regional departments have staff resources.</p> <p>DMCs sustain their commitment to and have the resources for regional cooperation.</p> <p>DMCs sustain their commitment to and have the resources for follow-up actions to the regional events.</p>

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<b>Design Summary</b>	<b>Performance Indicators/Targets</b>	<b>Monitoring Mechanisms</b>	<b>Assumptions</b>
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>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>Departments responsible for the individual activities implement them effectively and report on them on time.</p> <p>The Water Sector Committee and steering committee provide effective guidance.</p> <p>Consultants are available on time, and dialogue with stakeholders is successful.</p> <p>Regular consultation meetings are held in connection with ADB's Water Week.</p>
<p><b>Activities</b></p> <p>TA activities are classified under the six output categories. Details of each activity will be proposed and submitted by ADB's departments through a demand-driven approach.</p>	<p>Timetable of activities and milestones for outputs as per terms of reference of each proposal and activity</p>	<p>Monthly and semi-annual progress reports, Fund monitoring system, Web site, minutes of the Water Sector Committee and other relevant meetings</p>	<p>Consultants give their inputs on time.</p>
<p><b>Inputs</b></p> <p>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 \$5.6 million from the Fund</p>	<p>TA team, Water Sector Committee, and network, and steering committee</p>	<p>Internal cooperation among departments is effective.</p>

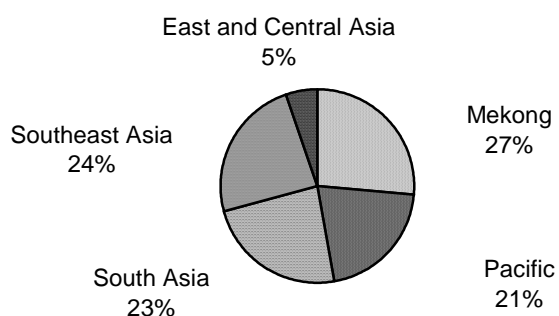
## COOPERATION FUND FOR THE WATER SECTOR SUMMARY OF PROGRESS

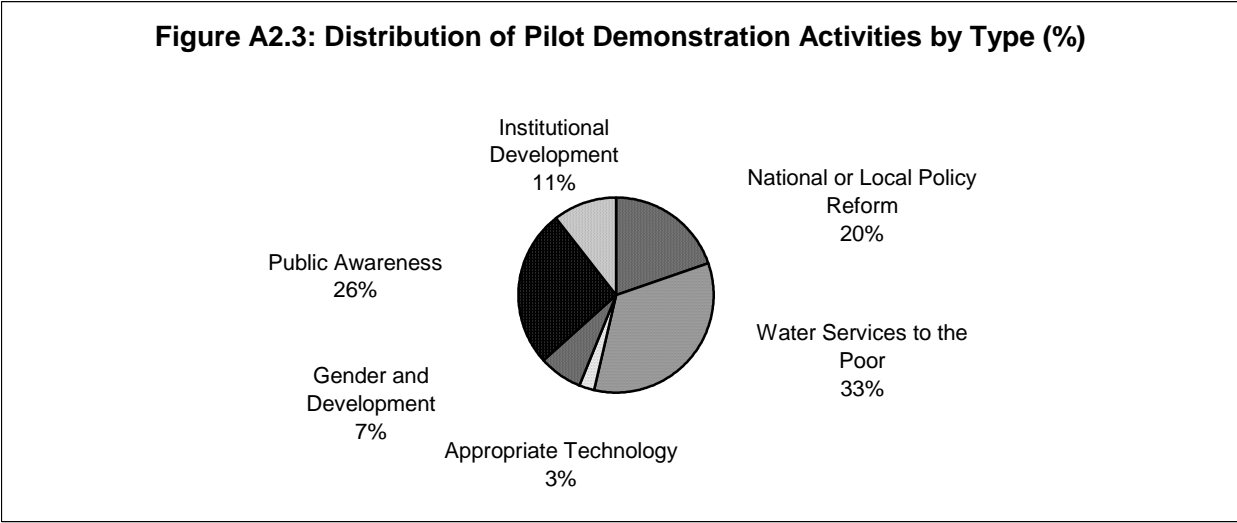
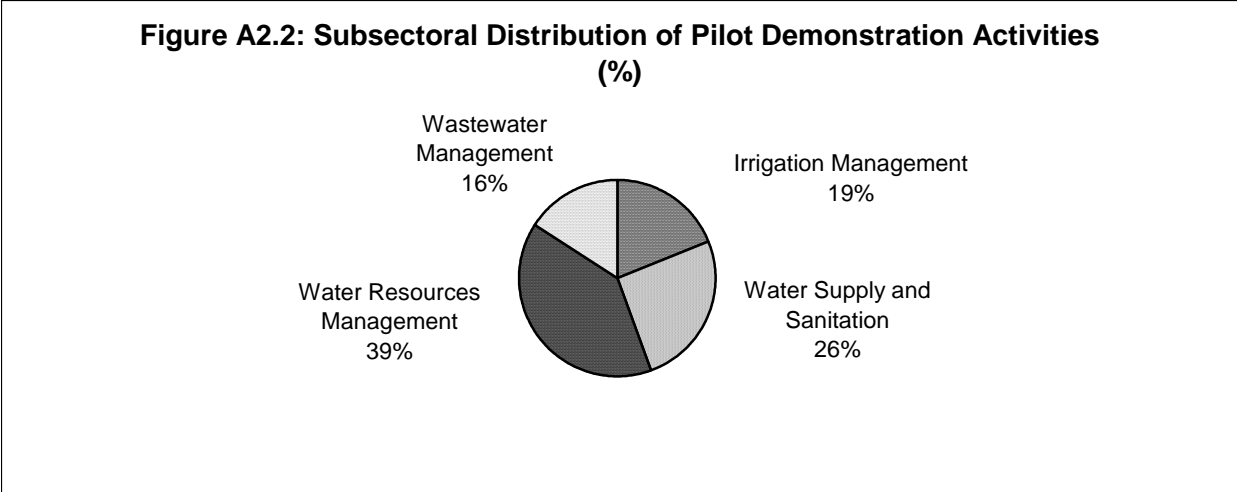
1. **Promotion and Public Awareness.** The Water Awareness Program (WAP) of the Asian Development Bank (ADB) has gained momentum and yielded encouraging results. The first and second phases of the WAP supported the production of seven short films under the Water Voices television documentary series (the eighth is under production). Ten volumes of the *Water for All* series have been completed, the *Water for All* Web site developed and regularly updated (<http://www.adb.org/water>), and a monthly electronic newsletter launched in November 2003, now reaching over 11,000 subscribers. One regional and six national journalist workshops were conducted on water issues, various articles on water published in the media, and a series of one-page water briefs prepared. Exhibitions at important water events, and publicity materials for the 3<sup>rd</sup> World Water Forum raised public awareness about water during ADB Water Weeks and follow-up actions in the region. Feedback from developing member countries (DMCs) on the multimedia products of the WAP was positive—from, among others, journalists who attended the water media workshops, and several Asian broadcast companies interested in showing the Water Voices documentaries on national television. The WAP is jointly managed by ADB's Regional and Sustainable Development Department and Office of External Relations.

2. **Knowledge Base and Capacity Building.** The Fund has supported initiatives to improve knowledge management and capacity building for DMC counterparts as well as for ADB staff. Externally, these efforts included a comparative analysis of DMC water sector reforms, an analysis of water services in Asian cities, and guidelines for water sector road maps to support ADB's water operations in its DMCs, which produced good results. Internally, this component supported ADB's Water Sector Network, an assessment of water sector capacity building needs in DMCs and within ADB, the design of ADB WaterNet as a knowledge management facility for the water sector community of practice, and the organization of the first and second ADB Water Weeks.

3. **Pilot and Demonstration Activities.** Demand from ADB's regional departments for pilot and demonstration activities (PDAs) has increased, and 16 have been approved by ADB's Water Sector Committee (WSC) for implementation under the leadership of regional department staff. Eight more proposals are under consideration. The Fund will continue to support introducing and validating new or innovative, highly replicable development approaches that add value to ADB's operations. Figures A2.1 to A2.3 show the cumulative distribution of approved PDAs by subregion, subsector, and type.

**Figure A2.1: Regional Distribution of Pilot Demonstration Activities (%)**





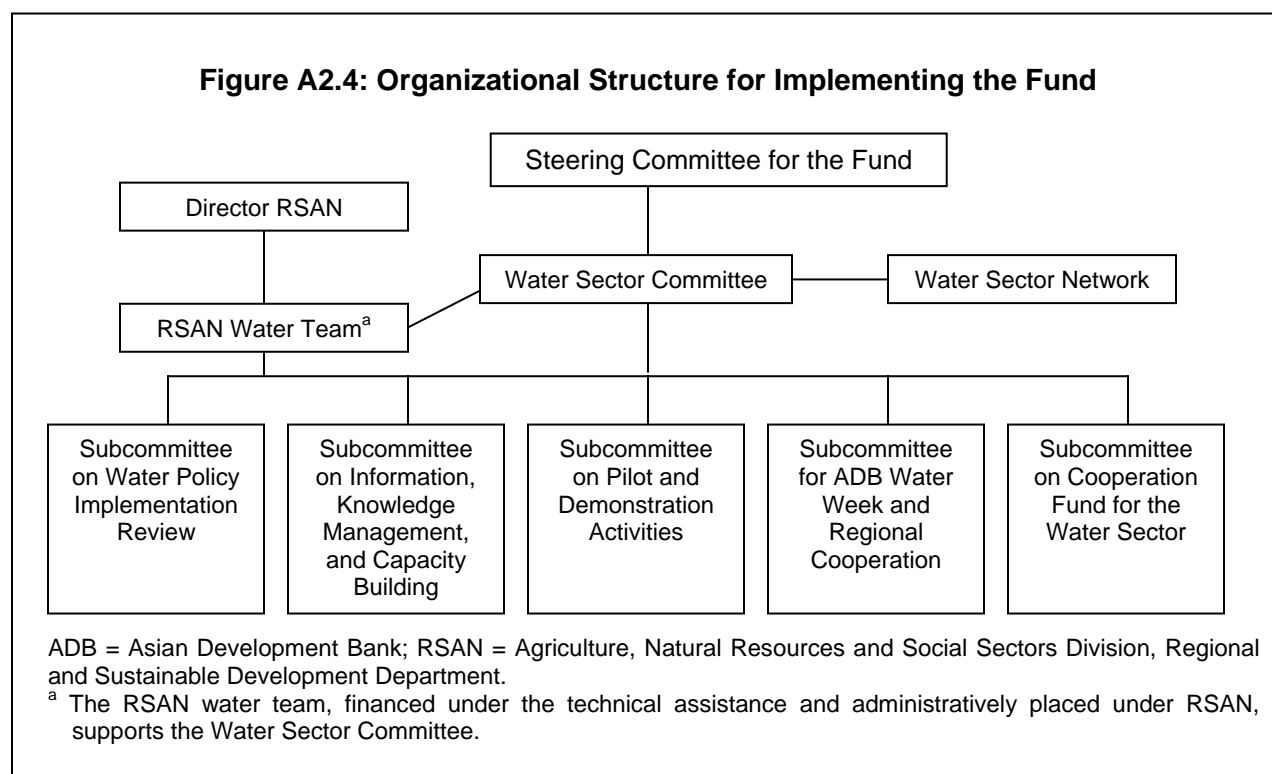
4. **Water Partnerships.** In accordance with ADB’s evolving strategy to promote partnerships in managing for development results, several partnerships have been developed to catalyze ADB’s water policy implementation in the region. Some of these partnerships were launched at, or in follow-up to, the 3<sup>rd</sup> World Water Forum in 2003. Partnership programs developed to date include (i) Water for the Poor–Partnerships for Action, focusing on improving the water security of the rural poor, with pilot implementation demonstrated in Viet Nam; (ii) Gender in Water Partnership, in collaboration with the Gender and Water Alliance, which has started to review gender mainstreaming in ADB’s water operations; (iii) Network of Asian River Basin Organizations, in collaboration with the Japan Water Agency and the ADB Institute, with more than 40 organizations from the region signing up as members to jointly build capacity for integrated water resources management; (iv) regional cooperation among national water sector apex bodies, initiated during the first regional meeting of such bodies in Asia in May 2004; (v) Southeast Asia Water Utilities Network, hosted by Viet Nam; (vi) support to implement the Pacific Regional Water Action Plan, with assistance of the South Pacific Applied Geoscience Commission; and (vii) Water for Asian Cities Program in collaboration with UN–Habitat, which has started activities in India. The Cooperation Fund for the Water Sector (the Fund) has also helped catalyze subregional water cooperation in the Pacific, among central Asian countries, for

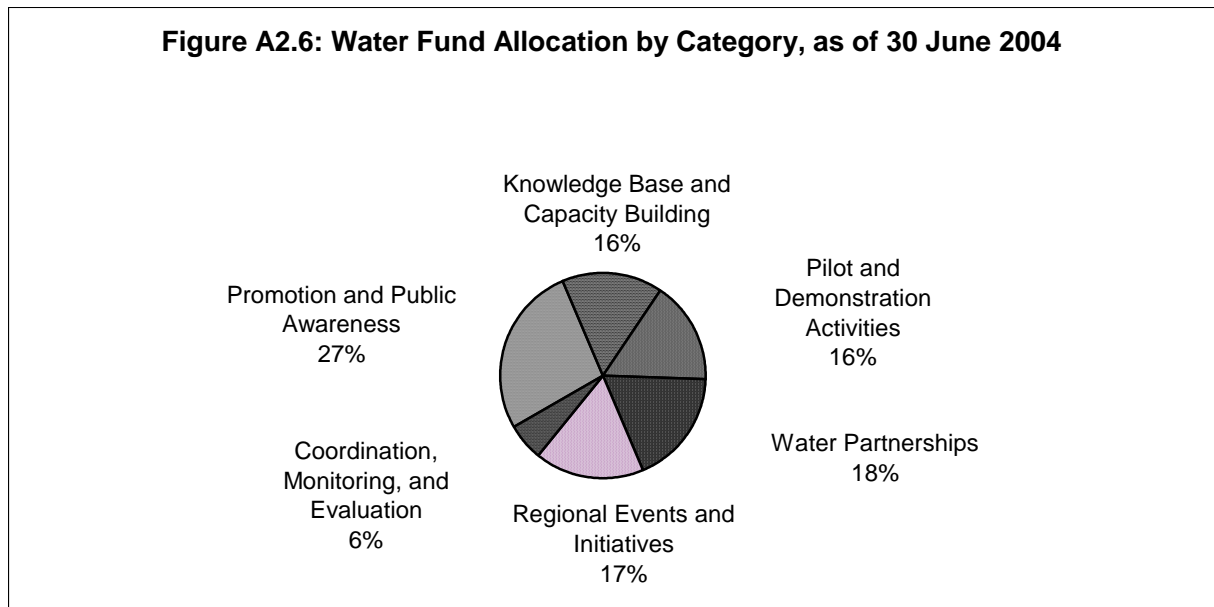
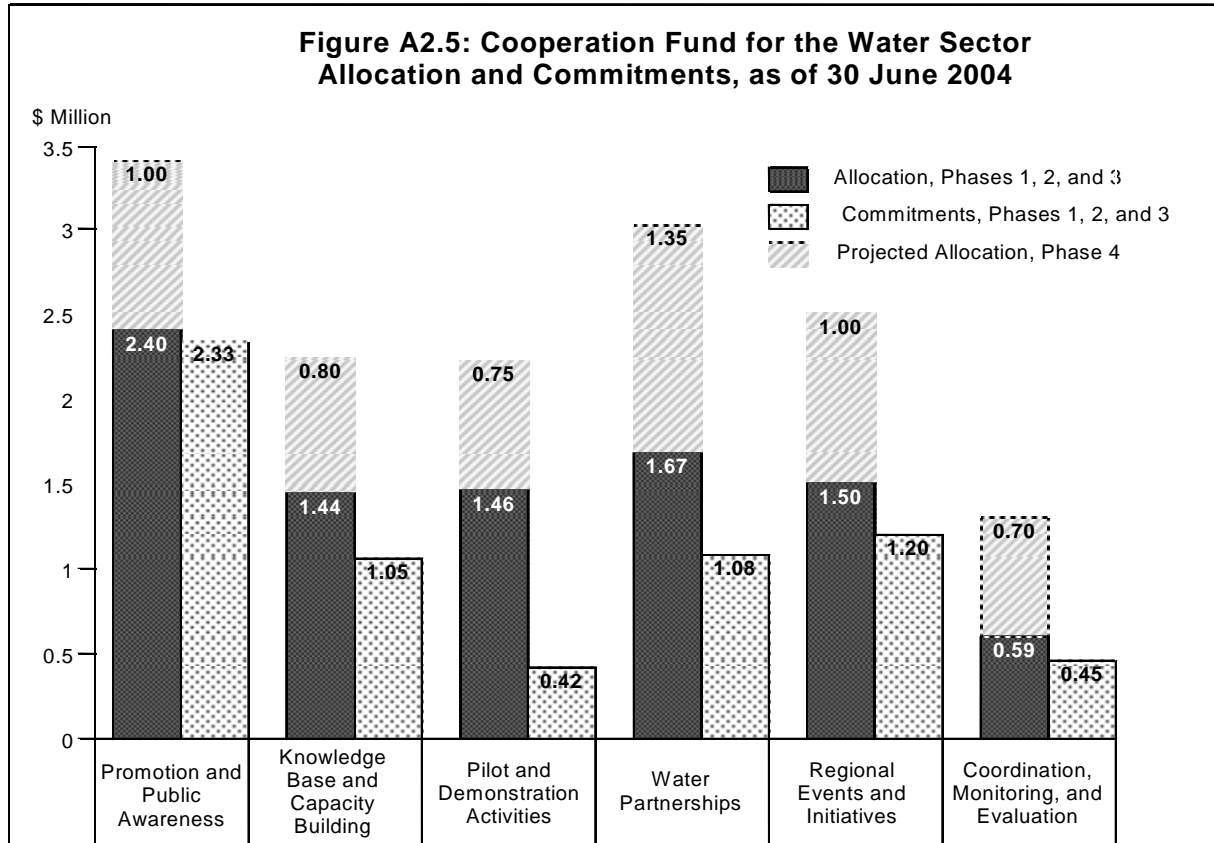
the Southeast Asia regional water partnership, and for the Mekong River Commission in flood management.

5. **Regional Events and Initiatives.** The Fund has supported a series of regional events to promote ADB's water policy. Foremost among these was the 3<sup>rd</sup> World Water Forum in 2003 in Kyoto, Japan, and its preparatory consultations and follow-up initiatives. A total of 42 subregional events were also supported, e.g., workshops on water rights, participatory irrigation management, watershed management, and other important topics. ADB staff have made presentations at important water events in the region and elsewhere to raise awareness, build capacity, strengthen partnerships, and learn from development partners' activities.

6. **Program Coordination, Monitoring, and Evaluation.** The Fund has supported annual coordination meetings with other multilateral development banks that have similar water funds, and for the organization of regular dialogue events with nongovernment organizations on water policy and operational issues. Annual reports on ADB's water sector operations have been issued by ADB's WSC, which conducted the interim review of ADB's water policy implementation in 2003. Consultants in the Agriculture, Natural Resources, and Social Sectors Division (RSAN) financed by the Fund have supported these activities.

7. The WSC has actively guided Fund use with the support the RSAN water team. The Fund steering committee, comprising directors of the concerned operations divisions in ADB's regional departments, has met regularly to guide and supervise the Fund's program of activities, and to approve the detailed design and implementation arrangements of major program components under the Fund. Figure A2.4 shows the organization structure for implementing the Fund. Figures A2.5 and 2.6 show the use of the Fund in the six categories.





8. **Lessons Learned.** As part of the 2003 interim review of ADB's water policy implementation, a survey among division directors and Water Sector Committee members indicated that the Fund has provided a strategic framework and financial support to improve water awareness, knowledge management, and capacity building as part of ADB's water operations. The Fund has also enabled ADB to finance pilot and demonstration activities, and to

improve networking and regional initiatives in support of the water policy. This was an invaluable complement to add value to increasingly scarce technical assistance (TA) resources allocated to project preparation. Implementation of the earlier three regional TAs yielded valuable lessons, further sharpening the focus of the Fund so that it increases synergy and adds value to ADB's water operations.

9. By playing a leading role in the 3<sup>rd</sup> World Water Forum, ADB has improved governance of the water sector as demonstrated in forum's follow-up actions, which include (i) Water for the Poor–Partnership for Action, (ii) Network of Asian River Basin Organizations, (iii) Gender in Water Partnership, and (iv) Water for Asian Cities Program. The events were good venues to raise the profile of ADB and to showcase the importance and quality of work done in the water sector, particularly in reducing poverty.

10. The activities undertaken in the thematic area of water and poverty were successful in Viet Nam, where the Water for the Poor–Partnerships for Action are being piloted. The results show how the design of lending programs can focus more on poverty and how the Water for the Poor–Partnerships for Action initiative can be used as leverage for accessing bilateral cofinancing, thus enhancing donor coordination in DMCs.

11. The recent Netherlands Review Mission (end of 2003) commended the accomplishments of ADB's Water Sector Committee, especially its water and poverty initiatives and focus on water and gender, and requested that this experience be shared with other multilateral development banks.

12. The Fund continues to support the participation of ADB staff and their DMC counterparts in international conferences, forums, and seminars, giving staff the opportunity to further hone their knowledge and skills, thus improving capacity.

13. The 1<sup>st</sup> and 2<sup>nd</sup> ADB Water Week held in 2002 and 2004, respectively, stimulated knowledge and information sharing on critical water sector issues, facilitated change in mindsets, and promoted good policies and sector reforms. The 2004 Water Week, in particular, has resulted in an agenda for change that will further add value to the work in the sector. This change agenda includes the following:

- (i) Changing selection criteria: working with the right information, organizations, and leaders
- (ii) Changing incentives and advocacy: empowering civil society as catalysts of reforms
- (iii) Changing regulation: from independent to credible regulation
- (iv) Changing the rules to reward efficiency: linking formal and informal water providers
- (v) Changing the focus of lending: catalyzing water investments to the rural poor
- (vi) Changing the nature of water project: investing more in nonstructural interventions
- (vii) Changing partners: from national to sub-sovereign entities.

14. More work is needed in knowledge management. Experience shows the importance of disseminating knowledge acquired, and the challenge remains to disseminate it to ADB's partners and stakeholders, and within ADB.

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

<b>Item</b>	<b>Total Cost</b>
<b>Cooperation Fund for the Water Sector Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	1,150
ii. Domestic Consultants	500
b. International and Local Travel	200
c. Reports and Communications	15
d. Surveys	20
2. Equipment	15
3. Training, Seminars, Conferences, and Events	
a. Pilot Demonstration Activities	750
b. Water Programs and Partnerships	900
c. Regional Events	150
d. Training Seminars	250
e. Media Networking	150
f. ADB Water Week	150
g. Staff Travel (as speakers/resource persons)	100
h. NGO Dialogues	150
i. Water Policy Review	200
4. Publications	
a. Print Publications and E-Newsletter	50
b. Documentaries and Training Videos	150
c. Public Service Announcements	30
d. Exhibitions, Promotions, Distribution, and Support	60
5. Miscellaneous Administration and Support Costs	50
6. Contingencies	560
<b>Total</b>	<b>5,600</b>

<sup>a</sup> Administered by the Asian Development Bank (ADB).  
Source: ADB estimates.

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

1. The outline terms of reference for consultants describe the main tasks in the six categories of the program of activities to promote effective water management policies and practices, and thereby catalyze implementation of the water policy of the Asian Development Bank (ADB) in the Asia and Pacific region. The categories are promotion and public awareness; knowledge base and capacity building; pilot and 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 (WSC) will guide the program of activities, which will be coordinated by the Agriculture, Natural Resources, and Social Sector Division (RSAN).

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

2. An international senior public relations program management specialist will be engaged on an individual and intermittent basis for 1 year to manage the third phase of ADB's Water Awareness Program (WAP), together with an associate who will support networking among journalists in the region and other media activities. The WAP's continuing objectives 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. The WAP will continue, and further strengthen, the three-fold strategy adopted in its second phase to shift water awareness activities (i) from regional to country levels, focusing more on developing member country (DMC) clients and stakeholders, working more closely with ADB operations staff, and supporting more awareness-building activities in the DMCs; (ii) from publicity to knowledge, emphasizing the dissemination of knowledge products for advocacy and better practices in ADB's water operations; and (iii) from parallel to concerted implementation, increasing the synergy among WAP tools and media, investing more to integrate activities through ADB's water Web site and other effective means of communications, and coordinating more closely with ADB's knowledge management applications.

4. The WAP will continue to use a range of suitable tools and activities to effectively communicate a range of messages to different target audiences, including (i) water sector policy and decision makers and stakeholders, including ADB staff; (ii) children and youth; (iii) poor communities; and (iv) the public in the Asia and Pacific region. The WAP will help 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 regional cooperation undertaken earlier, and from other key water themes in coordination with development partners.

5. 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 DMCs, and other complementary activities as determined by the WSC. The design and implementation arrangements of the WAP's third phase will be approved by the Cooperation Fund for the Water Sector (the Fund) steering committee before implementation starts.

6. International specialists (with expertise in public and media relations; multimedia production; and information, education, and communication, with strong writing ability) will be engaged as individuals to work on the WAP team. They will work together with domestic consultants, including a media and publications specialist, Web site manager, Web site technical specialist, and other specialists as needed, who will be engaged on an individual basis. The leader of RSAN's water team will coordinate the day-to-day activities of the WAP consultants in RSAN. In close collaboration with ADB's Office of External Relations, WSC, Water Sector Network, and other operations staff in the regional departments, the WAP team will work in RSAN to undertake the following tasks:

- (i) Help ADB staff further develop and effectively use 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; crosscutting subjects such as gender, water rights, private sector participation, and financing; thematic issues such as water quality, dams, and development; and supporting topics in subsectors such as groundwater management, flood management, and watershed management.
- (ii) Help ADB regional department staff disseminate development messages derived from pilot and demonstration activities (PDAs) in DMCs in relation to water sector reforms or water-related project preparation and implementation.
- (iii) Help ADB regional department staff members conduct PDAs 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) Conduct workshops for journalists reporting on water issues in DMCs, and support networking among such journalists in the region, in close collaboration with ADB resident missions and regional department staff.
- (v) Help ADB further develop and manage 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 *Water for All* print 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) Help ADB develop and place a series of articles on important water issues in national, regional, and international media, and in *ADB Review*.
- (ix) Help ADB publish its monthly *Water for All* electronic newsletter, 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) Help ADB distribute the earlier Water Voices television documentary series.
- (xi) Produce two additional television documentaries on water issues for the Water Voices series, on topics to be determined by RSAN in consultation with ADB's regional departments.
- (xii) Continue to produce and place ADB public service announcements for regional and international broadcasters based on the television documentaries.
- (xiii) Start helping DMC radio stations promote water messages and programming.
- (xiv) Organize exhibitions at regional and international events as needed.
- (xv) Help ADB develop partnership programs with other organizations to promote and catalyze water awareness activities in the Asia and Pacific region.

- (xvi) 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 WSC, network, and consultants.

7. Consulting services for the WAP's third phase are expected to comprise approximately 20 person-months of international and 40 person-months of domestic consultants. A detailed work plan will be submitted to the Fund steering committee for endorsement.

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

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

- (i) Advise ADB's regional departments on supporting country water sector assessments, sector road maps, strategies, policy dialogue, and reforms.
- (ii) Conduct thematic, in-country, 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 earlier capacity and training needs assessments, including training seminars and workshops, participation in training courses, recommendations for country exchange dialogues on priority water sector reform topics, strengthening of ADB's water focal point, and development of regional research and capacity-building networks in accordance with ADB's water policy.
- (iv) Organize ADB Water Week.
- (v) Conduct follow-up studies building on the results of the 3<sup>rd</sup> World Water Forum and ADB's Water Weeks, e.g., in financing water programs, the role of small-scale independent service providers, and other subjects as determined by the WSC.
- (vi) Promote knowledge generation and dissemination on other important water topics, including on dams and development.

9. The international specialists will generally be engaged intermittently in the areas of water governance, sector reforms, and dams and development, and work with full-time domestic specialists in RSAN, including a water policy adviser, water fund-monitoring specialist, and knowledge management adviser, who will be engaged as individuals. These domestic specialists will be responsible to develop existing ADB databases into the WaterNet community of practice system to support ADB's water operations, with links to ADB's water Web site. The system will provide water sector statistics by DMC, including national water sector profiles, policies, laws, and sector road maps 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.

10. Services for knowledge base and capacity building are expected to comprise approximately 25 person-months of international and 62 person-months of domestic consultants.

### C. Pilot and Demonstration Activities

11. International and national nongovernment organizations (NGOs) and, where needed, international and/or domestic short-term consultants (with expertise as required) will be engaged as individuals to help regional department staff conduct PDAs in DMCs, according to the WSC guidelines. PDAs will mostly complement ADB water operations and 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 road maps 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 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 Fund-supported PDAs should therefore introduce and validate new or innovative approaches that are highly replicable.

13. The PDAs constitute a small-grants program to help ADB teams develop, validate, and demonstrate 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 can be processed in connection with changes in (i) national or local water policy reform processes, (ii) WAP 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 amount to be drawn from the Fund for a PDA will normally not exceed \$50,000 equivalent. When this ceiling does not allow critical mass for the development, validation, or demonstration of the new approach under study, or activities taking place simultaneously in multiple locations within or among DMCs, a limited number of large, strongly justified PDAs can be considered, as guided by the WSC and the Fund steering committee. A PDA is expected to be implemented over 6 months on average, and 12 months at most. PDAs should not duplicate, or substitute for, ongoing or pipelined activities in the DMCs, but should be directly relevant to the "sector outcomes" cited in the country strategy program/country strategy program updates for the DMC.

16. In prioritizing requests for PDAs, the WSC will consider the following: (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 inputs for the PDA will be provided in the activity proposals to be submitted by concerned departments in ADB during TA implementation.

18. Monitoring of PDAs will be assisted by a domestic consultant, who will analyze and compile results and lessons learned for scaling-up and replication (estimated input 4 person months on an intermittent basis).

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

19. International and/or domestic water sector specialists will be engaged to help RSAN and regional department staff support selected activities of national or regional water partnerships, which are expected to include the following:

- (i) Water for the Poor—Partnerships for Action;
- (ii) Gender in Water Partnership Network of Asian River Basin Organizations;
- (iii) regional cooperation among national water sector apex bodies;
- (iv) Southeast Asia Water Utilities Network;
- (v) Water for Asian Cities Program;
- (vi) national and subregional water partnerships established on the model and with support of the Global Water Partnership;
- (vii) Mekong River Commission's flood management and other partnership activities among countries of the lower Mekong River basin;
- (viii) South Pacific Applied Geoscience Commission, mandated to assist 18 Pacific Island Countries; and
- (ix) other water partnerships as needed, including a possible partnership with the Interpress Wire Service (IPS) for the water media network.

20. 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 the TA.

21. Services for water partnerships are expected to comprise approximately 18 person-months of international and 12 person-months of domestic consultants.

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

22. International and/or domestic short-term water sector specialists will be engaged as individuals to support (sub)regional events that are important to catalyze ADB's water policy implementation. The latter may require modest consulting service inputs, and their type and duration will be provided in the proposals to be submitted by concerned departments in ADB during the TA.

23. Services for regional events and initiatives are expected to comprise approximately 6 person-months of international and 10 person-months of domestic consultants.

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

24. International and domestic specialists, including a water team leader, accountant, and members of the comprehensive water policy review panel, will be engaged as individuals to

carry out the following tasks in RSAN to help coordinate, monitor, and evaluate the program of Fund-financed activities, and ADB's water policy:

- (i) Further develop a monitoring system for the program of Fund-financed activities, covering inputs, outputs, outcomes, and financial management.
- (ii) Help monitor and organize annual reviews of the program's activities.
- (iii) Help exchange experiences and coordinate with other development partners to facilitate joint activities, as needed.
- (iv) Help prepare the annual report on ADB's water sector operations, including statistics and lessons learned, and a 3-year work program for the water sector, including analysis of challenges, constraints, and opportunities.
- (v) Organize regular dialogues between ADB and stakeholders, including NGOs, on water reform issues.
- (vi) Organize and support the comprehensive review of ADB's water policy implementation in 2005, as stipulated in the policy paper.
- (vii) Initiate a survey of the impact of WAP activities and products on a sample of the target audiences.

25. Consulting services for program coordination, monitoring, and evaluation are expected to comprise approximately 42 person-months of international and 72 person-months of domestic consultants.