



ASIAN DEVELOPMENT BANK
REGIONAL AND SUSTAINABLE DEVELOPMENT DEPARTMENT
Energy, Transport and Water Division

COOPERATION FUND FOR THE WATER SECTOR
SIX-MONTHLY PROGRESS REPORT
January–June 2006

15 August 2006

I. BACKGROUND

1. The Cooperation Fund for the Water Sector (the Fund) is a multi-donor umbrella facility established on 10 December 2001 to help the Asian Development Bank (ADB) promote effective water management policies and practices at the regional, sub-regional, and country levels; and thereby catalyze the implementation of ADB's water policy in the Asia and Pacific region.
2. The Fund finances activities under six programs: (i) Promotion and Public Awareness; (ii) Knowledge Base and Capacity Building; (iii) Pilot and Demonstration Activities; (iv) Water Partnerships; (v) Regional Events and Initiatives; and (vi) Coordination, Monitoring and Evaluation. The activities are designed to add value to the water projects carried out by ADB's regional departments and increase the synergy in ADB's water sector operations.
3. This report sets out:
 - ☞ Highlights for the 6-month period January–June 2006;
 - ☞ Comparative key outputs summary;
 - ☞ Financial status of the Fund;
 - ☞ Outlook for the next 6 months July–December 2006; and
4. Appendices (1 to 6) contain details of the various programs and activities within each category.

II. HIGHLIGHTS

5. The major highlights for this period were:
 - ✓ **The final report on ADB water policy implementation review was released.** The Independent review panel was financed by the Fund and has held wide-ranging consultations as part of its process. The panel put forward the following specific recommendations where ADB should do more and do better:
 - Increase ADB's commitments, and develop ADB's capacity. ADB needs to double investments in water with parallel capacity development intervention and major public awareness campaign.
 - Develop long-term partnerships with stakeholders in DMCs and among donors. ADB should focus on building broad-based support for the Water Policy's principles through regional and in-country programs, which should be long term, rather than project-centric types.
 - Focus the implementation of integrated water resources management (IWRM) on stakeholder needs and ownership. ADB should provide continued support to promoting IWRM through IWRM training, planning, and implementation to build these up. The panel further recommends that ADB should aim to complete IWRM planning and implementation in five countries or five river basins by end of 2006 to showcase this priority.

- Promote "business unusual" through innovations to increase access, affordability, efficiency, and cost effectiveness. ADB should come up with new financial instruments under the Innovation and Efficiency Initiative (IEI); and at the same time redefine existing elements in the Water Policy that are not clear, e.g. subsidies. ADB should also work harder at expediting service delivery to the poor, which would help countries meet their relative MDG target levels. One way is to require alternative projects that may have shorter gestation periods.
 - Improve ADB processes to ensure effective policy implementation. ADB's internal processes should be streamlined in such a way that the Water Policy is integrated into operations and they could directly connect to the projects in the DMCs. ADB to also address skills-mix through the recruitment of specialists, strengthening of staff through training and an incentives system that recognize initiatives that improve water operations.
- ✓ **ADB announced its Water Financing Program (WFP) at the Mexico 4th World Water Forum.** Attending representatives also presented papers in 3 high level meetings (including a speech by the VP at the ministerial meeting) and 8 technical sessions, organized 1 press conference and 11 lunch time seminars. ADB also sponsored a number of award-winning journalists to the event. During the conference World Water Day occurred and was celebrated at ADB by activities to highlight the importance of water;
 - ✓ **Detailed planning took place for the WFP September Conference.** This event will bring together decision makers from targeted countries to discuss barriers, possible strategies and investment opportunities to deliver on the WFP stated outcomes;
 - ✓ **Additional knowledge products** were produced and distributed. These products include: (i) video documentary on PRC's Water Challenge, (ii) Brief on ADB's Water Financing Program. Other products are still in production and scheduled for the next reporting period;
 - ✓ **Water Community of Practice (CoP) was successfully launched in March 2006.** This CoP comprises around 200 Bank staff. Monthly meetings have been well attended and are helping sustain ADB water knowledge;
 - ✓ **Our water website performance continues to improve.** Hits over the six-monthly period registered an increase of 50% over the previous reporting period and now has monthly hits of 200,639. Site redesign has taken place.
 - ✓ **A media workshop was held in Bangkok in February 2006.** Ten journalists attended and the event rating was 3.8 out of 5. Subsequently, there were a number of articles published in the key news media of countries.
 - ✓ **A survey and initial report was completed on the Water Awareness Program.** The survey data indicated that the program had been successful in lifting awareness among targeted audiences and has provided input into fine tuning advocacy and awareness activities;

- ✓ **Pilot and demonstration activities** recorded 1 completed, 7 on-going and 5 in processing;
- ✓ **Partnership capacity development** was advanced through a number of workshops and related benchmarking programs in Apex bodies (benchmarking and peer review of Thailand's apex body in February 2006 and briefing on peer review for Malaysia's in May 2006) and NARBO (NARBO General Meeting in February 2006 and Water Rights Workshop in June 2006);
- ✓ **A major conference on Financing – conducted in partnership with GWP was held in May 2006. Over 200 persons attended the event and its satisfaction rating was 3.7 (out of 5).** Other events supported included MAPES (Melbourne) at which urban water and sanitation was discussed by Asian mayors, Adelaide sanitation and wastewater field visit for selected Asian officials, and Vancouver in June on urban water issues;
- ✓ **The Netherlands Ministry of Foreign Affairs (MFA) issued its report on its Fund review.** It generally concluded that the Fund had achieved results and significantly contributed to Water being a highly visible sector and being declared a major strategic priority in the ADB's Medium Term Strategy II;
- ✓ **A RETA was designed to use the final tranche (\$3 million) of the Fund's contributions.** Its focus of activities and outputs favor ADB operations more than regional beneficiaries, a strategy in line with MFA views;
- ✓ **All of the \$20 million contributed to the Fund to date has been committed.** \$2.4 million was earmarked for direct support to ADB ongoing technical assistance and \$17.7 million through RETAs to finance the six service categories. Of the \$17.7 million, \$3 million refers to the most recent RETA that will not become operative until July 2006. Of the balance of \$14.7 million allocated to specific activities, 91% is firmly contracted and 9% reserved, pending issuance of contracts.
- ✓ **A Fund Manager was appointed to the Water Team in February with the mandate to strengthen its results-based focus.** To date, service standards have been developed and funding screening criteria made explicit and applied. Continuous improvement practices were introduced into the work of the Water Team (who are financed by the Fund) to enhance the delivery of knowledge and communication products and services.

6. More detailed comment on activities is described in the appendices.

III. COMPARATIVE KEY OUTPUTS SUMMARY

7. This period outputs compared to the previous six months is set out below:

Category	Outputs Indicator	Units	This Period ^a	Last Period
Promotion and Public Awareness Category	Media Network attendance	Persons	36	82
	Media workshops	Number	1	3
	Size of media network	Members	448	448
	Broadcaster agreements	Number	21	21
	Distribution of multimedia	Number	628 (CD) 1344 (DVD)	1447 (CD) 2247 (2DVDs)
Knowledge Base and Capacity Building	Inventory of Publications	Number	16 volumes	15 volumes
	Distribution of publications	Number	1009	8513
	Studies completed	Number	1	1
	Website hits	Mthly No.	Ave. 200,639	95,000-171,000
	E-newsletter distribution	Number	53,488 (4 issues)	51,028 (4 issues)
	Community of Practice (CoP)	Number	4	not applicable
Water Partnerships	Apex Bodies events	Number	2	1
	NARBO events	Number	2	3
	SEAWUN events	Number	0	0
	MDG meetings	Number	0	1
	Gender and Water events	Number	0	1
	Water for Asian Cities event	Number	1	0
Regional Events & Initiatives	Events supported	Number	2	6
	Policy Consultations	Number	0	4
	Dissemination to ADB staff	Bluebags	0	1
Pilot & Demonstration Activities	Completed	Number	15	14
	Being Implemented	Number	7	8
	Finalizing contracts to start	Number	5	5
	Withdrawn	Number	3	3
	Feedback events for ADB	Number	2	2

^a: 'None' this period refers to final outputs rather than degree of activity.

8. Quality output measurements are still in development. Events, particularly, were subjected to an attendee evaluation on their satisfaction in meeting expectations. A scoring scale of 1-5 was used and an initial 'desirable' score of 3.5 or better was set as a benchmark. To date, the results for key events during this period were:

- Mexico 4th World Water Forum (feedback from journalists) – Rating: 3.8
- GWP Financing Conference – Rating: 3.7
- NARBO –Water Rights Workshop – Rating: 3.9
- Adelaide – Exposure Visit on Sanitation and Wastewater - Rating: 4.4
- MAPES – Mayor discussions on water and sanitation - Rating: 3.6

The evaluation system was not applied effectively in all cases, for example in the case of MAPES which has a less than satisfactory response rate. This can be overcome in future by tying funding contributions into receipt of evaluation reports.

9. Outcomes are measured when actual projects and programs are completed.

IV. FINANCIAL STATUS

10. The overall status of the Fund financials is set out overleaf with amounts expressed in US\$ thousands.

Category	Allocated Amount	Dollar change in committed and reserved since last period	Percent of total allocation as at June 2006	Cumulative % committed and reserved to June 2006
Promotion & Public Awareness Category	2,514	150	17%	20%
Knowledge Base and Capacity Building	3,923	196	27%	24%
Water Partnerships	3,261	231	22%	19%
Regional Events & Initiatives	2,036	40	14%	15%
Pilot & Demonstration activities	1,502	294	10%	9%
Project Coordination, Monitoring and Evaluation	1,463	304	10%	13%
Total (Note 1)	14,699	1,215	100%	100%

Note 1 – Total is for RETAs covering the six categories.

11. The major commitments and reserved funds occurring during this period were due to:

- Promotion – Mexico 4th WWF, conduct of regional media workshop and production of dual language documentaries – on *China's Water Challenge* and *Saving Cambodia's Great Lake*.
- Knowledge Base – Engagement of an advisor for civil society involvement in water and a team of consultants for the pilot project on small piped water network.
- Partnerships – Collaboration with GWP and GTZ; support to SEAWUN program; support to NARBO activities (2nd general meeting and thematic workshop on water rights and letter of agreement with IWMI on benchmarking OF RBOs); and a conduct

of benchmarking and peer review of Thailand's apex body and orientation briefing for the same for Malaysia's apex body.

- Events – MAPES Conference on Urban Water Issues, GWP Water Financing Conference, Adelaide Exposure Visit, World Urban Forum
- Coordination – finalizing the water policy implementation review, increasing the results focus by engaging a Fund manager and facilitating the MFA review; and engagement of water operations support coordination to manage PDA and top-up facility.

12. Detailed analyses of costs are available, if required.

V. OUTLOOK FOR NEXT SIX MONTHS

13. The outlook firstly comments upon (i) issues that need to be addressed followed by (ii) major activities that the Fund will be engaged in.

14. The major issues facing the Fund are:

- Need to implement the plans embodied in the latest \$3 million tranche, including the greater focus on assisting ADB Operations on communications, through CoP and direct support to projects;
- Contribution to detailed strategies to obtain donor support for a much bigger Water Fund (\$100 million) that would allow ADB to more effectively implement its WFP and achieve its desirable outcomes;
- Increased action to operationalise the WFP including diagnostics, in country support for projects and agencies, the planned WFP conference to identify incremental water investment potential and supportive knowledge products and services;
- Assisting in the realization of the management decisions taken on the recommendations made in the water policy implementation review and points arising from the MFA Fund review;
- Following through on a commitment to partnering with the Asia Pacific Water Forum (APWF) was held up in complying with required procedures.

15. The major activities expected in the near future are:

- The holding of DMC-ADB Water Financing Conference in September 2006 which aims to gather senior representatives from the 6 countries initially targeted under the program. The target participants are those who can make or influence investment decisions. The major output of this conference is a tentative incremental investment target over and above what is in the country strategy and program. The program will also tie in with an expected visit of the Gurria Task Force to Manila and a second round of donor meetings to attract contributions to the Water Financing Partnership Facility;
- Participation in the World Water Week in Stockholm in August 2006 during which ADB and GWP are to sign an agreement to collaborate on supporting water utilities

in the region through the Water Operators Partnership. ADB will also make a presentation to donors, as a side event, of the Water Financing Partnership Facility;

- Launch of the Asia Pacific Water Forum in September 2006 during the Water Financing Conference;
- Production and distribution of a number of knowledge products, including one on Sanitation.

- Appendix 1: Promotion and Public Awareness Category
- Appendix 2: Knowledge Base and Capacity Building
- Appendix 3: Pilot and Demonstration Activities
- Appendix 4: Water Partnerships
- Appendix 5: Regional Events and Initiatives
- Appendix 6: Program Coordination, Monitoring, and Evaluation

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Appendix 1: Promotion and Public Awareness Category.

1. The Promotion and Public Awareness program (i) disseminated ADB's water policy and key development messages in the water sector; (ii) increased public awareness; (iii) improved the capacity of journalists to write on water issues; and (iv) supported community-level water education pilot projects. The Water Awareness Program (WAP) was a key element under this program which worked towards the changing of attitudes and mindsets on water issues and concerns. WAP products continue to be disseminated through the ADB water web site and are also widely distributed at regional events supported and/or organized by ADB.

2. **National Water Journalist Workshops.** The total number of Asian journalists that have attended these workshops is now more than 400. For the reporting period January to June 2006, ADB organized and supported one regional water media workshops in Bangkok. The ADB has now held 14 journalist workshops in Asia and the Pacific. Recent research shows that these journalist workshops are helping journalists to better understand and write more frequently on water issues.

3. **Asia Water Wire.** Subsequent to the Agreement made on February 2005 with Inter Press Services, Asia-Pacific (IPS), 74 water-related stories were published in the Asia Water Wire with over 65% written by journalists from the ADB Water Media Network. see www.asiawaterwire.net.

4. **Documentary films.** A video documentary on "China's Water Challenge" was completed. Distribution of earlier documentaries continued. A significant portion of the DVDs were given to participants at various water sector workshops and conferences, while the rest were given on requests based on word-of-mouth publicity and from information on ADB's water web site.

Appendix 2: Knowledge Base and Capacity Building.

1. The Knowledge Base and Capacity Building program supported the development of ADB's knowledge management work in the water sector.
2. **ADB water web site.** The ADB water web site (<http://www.adb.org/water>) continues to be updated and expanded. The monthly hits during the reporting averaged approximately 200,639 representing a 50% increase from the 133,000 monthly hits in the last reporting period. Recent research indicates that policy makers and stakeholders in Asia and beyond widely use the website as a knowledge and training resource, refer to it in meetings and discussions with colleagues, and use it to keep abreast with what ADB thinks as relevant. Even the media reports a high use of the website as reference.
3. **ADB E-newsletter Water for All News.** The number of subscribers for the monthly electronic newsletter Water for All News has increased to 13,347, up by 2% from the last reporting period. The e-newsletter continues to feature water champions and stories on successful water initiatives in ADB's developing member countries (DMCs); as well as articles on water actions on the ground. The number of e-newsletters circulated as of June 2006 since its launch last November 2003 now totals 23. Recent research reveals that the e-newsletter enjoys wide readership among policy makers and stakeholders in Asia and beyond. They use it as a resource, to keep in touch with broad stakeholders in the region, and to keep in touch with what ADB thinks is important. ADB staff, policy makers and stakeholders in Asia, and audiences beyond Asia generally recommend the e-newsletter (and website) to others.
4. **Publication Series.** The Water Team has been working on a Sanitation Toolkit and a Summary of the Expert Review Panel Report to add to its array of products. These additional publications are expected to be completed by September 2006 in time for the Water Financing Program Conference. The publications are available in the water web site.
5. **Water Financing Program (WFP).** ADB's Water Financing Program 2006-2010 was launched in March 2006 which is aimed at doubling ADB investments in water. Over a five-year period 2006-2010, the WFP aims to realize the following outcomes: (i) to improve access to water and sanitation for approximately 200 million people and make a significant contribution to meeting the water MDGs through targeted project components for the unserved rural and urban poor; (ii) to improve the productivity and efficiency of irrigation and drainage services affecting the livelihoods of 40 million people; (iii) to reduce flood risk to approximately 100 million inhabitants in rural and urban areas and reduce recurring damage to vital infrastructure; (iv) to double the interventions to introduce IWRM in river basins, reduce wastewater pollution, and improve river ecosystems; and, (v) to double the number of ADB's programs to improve water governance through national water sector reforms and capacity development. Knowledge work during the period to support this program has included analyses of past lending, proformas for forward investment potential estimation, water skills capacity survey and country profiling.
6. **ADB Water Statistics.** Monitoring of water statistics on ADB projects continues and is uploaded on the water web site. Analysis on the water statistics are reflected in several ADB staff presentations, reports and knowledge papers. Efforts are now being directed at being able to track the outcomes of ADB loans using the same indicators as those used in formulating the WFP – numbers of persons who benefit in water, sanitation, irrigation and flood management.

Appendix 3: Pilot and Demonstration Activities.

1. The Pilot and Demonstration Activities (PDA) program supports the introduction and validation of innovative and highly replicable development approaches that add value to ADB's water operations. Selection of PDA proposals follows the normal procedure as stipulated in the PDA Guidelines on Selection of Proposals.

2. A total of 30 PDAs have been approved by the Water Sector Committee (WSC) to date—15 are completed, 8 are under implementation, 3 are under processing, 3 were withdrawn, and 1 yet to start. For more information on PDA projects, please visit <http://adb.org/water/pda>.

3. In early March, a presentation was made to Operations staff on PDA. The key messages conveyed were that (i) there is demand for such a facility and that is easy to access and deliver; (ii) there are tangible results for the immediate beneficiaries and potential for ADB to upscale and replicate into its loan and technical assistance products; and, (iii) a little money can achieve a lot although more needs to be done to disseminate the experiences and leverage the results.

4. Subsequently, a new coordinator was appointed on an intermittent basis to continue providing the PDA services; and a greater effort was made to ensure Operations staff knows about the facility and its benefits. An explanatory leaflet was developed as part of this marketing effort.

5. While the program continues in a satisfactory manner, a number of improvements are being sought – particularly to avoid delays in getting Government consent to a proposed PDA, to streamline the processes and introduce the thinking of the MFA review which suggested that PDA can be much more strategic. This would be achieved by considering where research could be beneficial and then seeking out proposals – rather than reacting to ad hoc requests that may not provide a coherent pattern or synergy. A forum to discuss these matters is scheduled for the next reporting period.

6. The status of PDA processing PDA as of June 2006 and the financial status is set out below:

Table 1. Status of Processing of PDAs as of 30 June 2006	Number
PDA Process Stage	
Evaluated, being revised by proponent	2
Evaluated/revised by proponent but not proceeded with	4
Approved by PDA Committee	1
Letter of Agreement executed	3
Awaiting government approval	2
LOA signed but not yet being implemented	2
PDA being implemented according to original schedule	1
PDA being implemented according to revised (extended) schedule	4
PDA completed during this period	1
PDA completed to date, awaiting post evaluation	2

Table 2. Financial Status of PDA as 30 June 2006 (in US\$)						
	RETA 6123¹	%	RETA 6219¹	%	New RETA July 06	%
PDA Allocation	500,000		600,000		600,000	
Committed Amount	460,152		466,838		48,349	
Unused/Uncommitted Amount	39,848	8	133,162	22	551,651	
Disbursed Amount	328,763	71	113,230	24	0	
<i>Liquidated</i>	<i>286,970</i>	<i>87</i>	<i>68,230</i>	<i>60</i>		
<i>Outstanding Advances</i>	<i>41,793</i>	<i>13</i>	<i>45,000</i>	<i>40</i>		
Of the committed amount:						
Completed	226,827 (5 projects)	49	42,488 (1 project)	9		0
Ongoing	133,325 (3 projects)	29	249,350 (5 projects)	53		0
Still to commence	100,000 (1 project)	22	175,000 (3 projects)	38	48,349 (1 project)	100

¹ Closing dates of these RETAs are December 2006 and April 2007 (with possible extension to December 2007), respectively.

² Based on PDA Committee approval of projects.

7. A PDA that has yet to commence under RETA 6123 for \$100,000 is now being considered for cancellation this month (August 2006) as repeated efforts to obtain government approval have not borne fruit and it has run out of time to be commenced and completed by the RETA closing date.

Water Partnerships.

1. **Water for Asian Cities Program.** The ADB-UN-HABITAT annual consultation was held on 25-26 January 2006 and tentative agreements to explore the following collaboration were reached:

- Inclusion of capacity-building component in ADB loan projects in one of the Central Asian Republics.
- Collaboration for a Water Supply and Sanitation Investment Project in selected secondary towns in Cambodia, Lao PDR, Viet Nam and Yunnan Province in PRC.
- Possible support to Indonesia's Water Supply and Sanitation Project which focuses on small to medium-sized towns and Metropolitan Sanitation and Health Project.
- Possible capacity-building support to Henan Wastewater Management and Water Supply Project in PRC
- Possible capacity-building support of about US\$ 1.0 million for the Central Region Small and Medium Towns Project in Viet Nam.
- Possible use of UN-HABITAT Human Values-Based Water and Sanitation Education in ADB projects in Lao PDR, Viet Nam, Kyrgyz Republic and Mongolia involving curriculum development and/or teacher training.

2. **Gender in Water Partnership.** A gender case study was prepared for joint publication by ADB and Gender in Water Alliance, and a report on gender scan (gender operations review) was finalized and posted on the website.

3. **Network of Asian River Basin Organizations (NARBO).** The following activities were undertaken to further IWRM work in the region: (i) **2nd Thematic Workshop on Water Allocation and Water Rights, 5-9 June 2006, Manila.** Water rights and water allocation are of particular interest to NARBO which has considered thematic workshops on these subjects as among its priority activities for 2006-2007. This workshop in Manila was the second of a series of four workshops on the theme. The general goal of this series of workshops is to come up with recommendations to address pressing water rights issues. (ii) **2nd General Meeting and Workshop, 14-16 February 2006, Purwakarta, Indonesia.** The meeting was designed to (a) review the implementation of 2004-2005 action plan; (b) revisit the NARBO charter, and welcome new member organizations; (c) discuss and approve the NARBO action plan for 2006-2007; and, (d) introduce and discuss a new program to improve integrated river basin management.

4. **National Water Sector Apex Bodies.** The benchmarking and peer review of Thailand's National Water Resources Committee was completed in March 2006 while orientation training for Malaysia on the same process was carried out in May 2006.

5. **Southeast Asia Water Utilities Network (SEAWUN).** The 2nd phase of ADB's support for SEAWUN has commenced in the 1st half of 2006 with the signing of a new Letter of Agreement which will last until April 2007. ADB continues to support the network in helping water utilities in the region to improve service delivery, operational and management efficiency and financial viability. SEAWUN, with the Fund's support and ADB inputs, completed its first regional benchmarking exercise, which involved 47 water utilities from 7 countries. Under ADB guidance, the results were finalized, converted into a databook and CD-ROM package, and are currently being distributed to water utilities in Southeast Asia. SEAWUN has also started

designing the next phase of its benchmarking program, the highlights of which will include peer review/process benchmarking among member water utilities.

6. **Other regional partnerships.** Following the 4th WWF in Mexico, the Fund has been assisting in the concepts and operational scope of the announced “Asia and Pacific Water Forum” (APWF). APWF is intended as a high-level coordinating and leadership body for the whole region. It is envisaged to leverage off the work of many bodies in the region, including ADB, but go further by bringing together key government ministers in a Summit, the first of which is mooted for Japan in early 2007. ADB has been providing advice to the APWF secretariat which also allows ADB to reconsider its own range of water activities as some, like water awareness, might be more effectively carried out by the Forum

7. Support to the activities of other regional partnerships will continue based on demand from operations departments.

Appendix 5: Regional Events and Initiatives.

1. Mostly on demand by ADB's operations department, ADB supported the participation to and/or organization of regional events during the reporting period. ADB's participation to these events helped to catalyze the implementation of ADB's water policy, increased synergy in ADB's water operations, facilitated networking and exchange of ideas, and raised ADB's profile. The following events were supported:

- **Regional Journalists Workshop on Water Issues in Asia, 5-7 February 2006, Bangkok, Thailand.** This workshop showcased the work of Asian journalists who attended ADB's national workshops over the past two and a half years. Measures have also been taken to consolidate the journalist network and create a journalist community. This has taken the form of an on-line news group – Asia Water Wire – with Inter Press Service (IPS), which was launched in 2005.
- **GWP Water Financing Conference, 30-31 May 2006, Manila, Philippines.** More than 200 participants from Southeast Asian countries participated in the workshop that dealt with issues of financing in the water sector: what hinders increased financing and what steps should be taken to overcome the barriers. Good practice examples were showcased. The conference was jointly organized by ADB and GWP.
- **4th World Water Forum March 2006 Mexico.** Journalists and ADB staff and a water team consultant were funded to attend this event. It forms part of ADB sustaining its links and presence in the water sector and ensuring knowledge is disseminated to the Asia region.
- **World Urban Conference – 19-23 June 2006, Vancouver, Canada.** ADB staff were supported to attend this major event at which water is discussed in the context of overall urban development.
- **Mayors' Asia-Pacific Environmental Summit (MAPES) – 9-12 May 2006, Melbourne, Australia.** A contribution of \$50,000 was given to this event at which Asian Mayors convened to discuss development, urban issues and water. Similar events held by MAPES have been funded in the past from the Fund.
- **Exposure trip on Wastewater and Water Reuse Schemes in South Australia – 15-17 May 2006, Adelaide, Australia.** In partnership with the Government of South Australia (SA) and Regional Departments, a number of key regional officials were hosted for a field visit to SA. The event was highly successful, rating 4.4 (out of 5) by those who participated. Financial contributions from SA Government meant that the Fund invested very little money for an excellent result.

2. Based on demands from operations departments and the application of screening criteria that considers benefits versus costs, the Fund will continue to support the organization of regional events and activities including sponsorship for the participation of personnel from ADB and its DMCs.

Appendix 6: Program Coordination, Monitoring, and Evaluation.

1. The activities of the Fund continued to be effectively coordinated and monitored with support from the Water Team of the Regional and Sustainable Development Department (RSDD) and supervision by the Fund's Steering Committee¹ (SC). After the reorganization of the RSDD which came into effect on 1 July 2005, the WSC was replaced by a new Water Committee under Community of Practice (CoP) structure.
2. **Coordination with other multilateral development banks (MDBs).** Coordination with World Bank and the other MDBs that have established similar water funds (the Inter-American Development Bank and the African Development Bank) continued through email.
3. **Comprehensive Review of Water Policy Implementation.** As stipulated in ADB's water policy, a comprehensive review of water policy implementation to be led by an external expert review panel was launched in 2005, five years after the policy was approved. The Review Panel completed the review in April 2006 and was accepted by ADB management in May.
4. **Dutch Fund Review Mission.** In consultation and coordination with ADB and the government of Norway, the Netherlands' Ministry of Foreign Affairs (NL-MFA) commissioned a mission to comprehensively review the Fund. This review started in December and ended in February 2006. The report was issued in April and accepted by ADB. In general, the report was favorable about the effectiveness of the Fund in activities like partnerships, PDA, awareness and capacity building, as well as the way it is being managed. As to be expected, suggestions were made on how further improvement was possible.
5. **WAP Evaluation.** A survey was commissioned in October 2005 and was concluded in early 2006 together with a report on findings. A further analysis was commissioned using the survey results and that report was made available in early July. In the next report, comment will be included on how this survey and reports are informing the way water awareness activities are selected and implemented.
6. **Strengthening Results.** A decision was taken in January 2006 to strengthen the results focus and management of the Fund. One benefit of doing so is to free up time of ADB water specialists to direct their available time to assist Operations. An intermittent appointment was made. Outputs, so far, include the development of resource allocation criteria, more emphasis placed on knowledge dissemination early in the product cycle, the drafting of a results framework, tighter financial planning and tracking of outputs and specification of services and delivery performance standards. More has yet to be done on tracking outcomes and consistently applying performance measures.
7. **Audit Report** The Fund was subjected to an internal audit review and the report was issued during the January-June period. There were no substantive concerns raised.

¹ The SC is comprised of directors of the concerned operational divisions in ADB's regional departments. It approves the detailed design and implementation arrangements of major components with a cost of more than \$400,000.