

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 2007**

August 2007

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) Advocacy and Communications; (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:
 - (i) Highlights for the 6-month period January – June 2007;
 - (ii) Comparative key outputs summary;
 - (iii) Financial status of the Fund;
 - (iv) Outlook for the next 6 months July –December 2007; and
4. Appendices (1 to 7) contain details of the various programs and activities within each category.

II. HIGHLIGHTS

5. The major highlights for this period were:
 - (i) **In-country follow-up conference on Water Financing Program held in Viet Nam in partnership with the Ministry of Planning and Investment.** This event held in March brought together high level representatives from (a) oversight agencies involved in making investment decisions such as Ministry of Finance, and Ministry of Planning and Investment; (b) water sector agencies such as Ministry of Natural Resources and Environment, Ministry of Construction, and Ministry of Agriculture and Rural Development; (c) provincial, district and local governments; and, (d) major water utilities. With workshop sessions as the key modality, more in-depth discussions were made possible to tackle specific issues/barriers affecting rural, urban and basin water and identifying investment as well as reform and capacity building needs where ADB could help. Immediately after the conference, additional pipeline for urban water was agreed with government and project preparation TAs are now being firmed up.
 - (ii) **Visit by the Netherlands Water Partnership and AusAID.** On the first week of June, a mission comprising members of the Netherlands Water Partnership (NWP) visited ADB which resulted in the subsequent signing in Delft of a Letter of Intent for Cooperation on Developing Knowledge and Lessons for the Asia Pacific Water Forum. In addition, several other initiatives were agreed to be further developed, one of which is a possible partnership with WASTE (advisers on urban environment and development) on sanitation. Within the same period, a mission from AusAID also visited ADB to continue the discussion on its

contributions to the Water Financing Partnership Facility with their initial release expected between July to August.

- (iii) **Water Community of Practice (CoP) was sustained with five get together activities showcasing major engaging topics such as connection charges, water rights, and dams and development.** This activity continues to boost the technical capacity of ADB's water professionals, particularly in dealing with water sector issues; keeping them abreast of new developments and project information; providing a forum to debate upon specific reform topics; and serving as venue for building team relationships across the organization. It is backed up with a Catchment e-newsletter circulated within the same day to enable those unable to attend the sessions to still benefit from the knowledge exchange.
- (iv) **Additional knowledge products** were prioritized by the Water Committee for 2007. At its very first meeting in 2007, the Water Committee identified nine (9) topics around which knowledge products will be prepared in the form of technical note, issues paper, good practice paper, advocacy paper and the like. On top of the list of topics is sanitation which ADB is putting more emphasis on under the Water Financing Program. Other topics include: connection charges, tariff and cost recovery, performance benchmarking, water rights and allocation, water harvesting, private sector participation in urban water, application of new lending products to water projects and climate change. The work on climate change is being pursued in collaboration with the Earth Institute at Columbia University. Furthermore, our water website performance continues to climb. Hits averaged 230,000 per month. The *Water for All e-newsletter* which also forms an integral part of knowledge dissemination touched upon major topics included in the Water Committee's priority topics. Four (4) editions were issued to over 40,000 subscribers during the reporting period.
- (v) **Pilot and demonstration activities (PDAs)** continued to attract proponents within and outside ADB as reports on completed projects were made available on the web demonstrating how this facility under the fund has helped test and demonstrate the application of new and innovative ideas across rural, urban and basin water covering institutional development, reforms, technology options, and communication and awareness. Three proposals were approved during the reporting period with Letters of Agreement signed for 2. One is still awaiting signature by the proponent. As of end-June, there are 4 PDAs on-going, 2 of which started in December 2006 and the other two commenced in April and May. Twelve (12) proposals that have gone through screening by the Water Team were submitted to the PDA Advisory Panel for prioritization within the remaining balance of the PDA budget. On the basis of \$50,000 per proposal, only nine (9) could be funded from the remaining budget. The others could be lined up for funding under the new Water Financing Partnership Facility.
- (vi) **Partnership capacity development** was further advanced through a number of workshops and related benchmarking programs for major sector organizations such as national water sector apex bodies, water utilities and river basin organizations. The Network of Asian River Basin Organizations (NARBO) held a 4th and a 5th of a series of thematic workshop dealing with water rights. The 5th one which was held in ADB Manila served as a venue for agreeing on the key messages that will form part of a technical note that will be produced as a knowledge product to advocate the importance of water rights system in improving the governance of water as a resource. During this reporting period, peer review was completed for Philippines' Laguna Lake Development Authority

and Viet Nam's Red River Basin Organization. Preparation of utilities databook and benchmarking of utilities in India commenced in January which forms part of ADB support to India's National Urban Renewal Mission which includes water, sanitation and sewerage as priority urban infrastructures. The 2nd convention of Southeast Asia Water Utilities Network (SEAWUN) was held in May focusing on management capacity building and performance improvements.

- (vii) **South Asia Water Utilities Network (SAWUN) established.** SAWUN was launched in April in Islamabad as part of ADB-GWP partnership on Water Operators Partnership (WOP) Program for Asia, participated in by officials from 40 water utilities in the region. A draft charter was discussed and members of the Steering Committee, Chairperson and Executive Director elected.
- (viii) **Preparation of Asian Water and Development Outlook (AWDO) began.** Following the launch of Asia Pacific Water Forum in September 2006 coinciding with the Water Partnership Program Conference, ADB spearheaded the commencement of AWDO preparation, with funding support from another RETA funded from Japan Special Fund. AWDO will be presented and discussed at the First Asia Pacific Water Summit scheduled in December 2007.
- (ix) **World Water Day in March saw our Water Public Service Announcements (PSAs) broadcast.** Seventeen broadcasters took up our PSAs to broadcast as part of ADB's celebration of World Water Day. Further, we achieved distribution of our multimedia product on YouTube.
- (x) **Major Change in Scope of Phase 5 RETA on Promoting Effective Water Management Policies and Practices was approved in April.** As a result of foreign exchange gains, an additional \$1.1 million was made available by the Netherlands MFA. In addition, \$100,000 savings were realized from the financial closure of RETA Phase 2 and 3. To be able to utilize this additional \$1.2 million, a major change in scope of RETA 5 was processed.
- (xi) **ADB has received the total contributions from Netherlands and Norway MFA amounting to a total of \$21.5 million including foreign exchange gains.** A total of about US\$21.5 million has been received, all of which has been allocated. Of this, US\$2 million was allocated to direct operations (effectively topping up operations department's selected technical assistance grants to gain incremental benefits), a further US\$400,000 was for promoting sound environmental management in the aftermath of tsunami disaster in Maldives and the balance of \$19.1 million went, via five RETA tranches to finance Water Policy implementation through the programs approved under the Fund. Actual commitments are 82% of the \$19.1 million as of June 2007. It is expected that unexpended funds will be spent going out to December 2008 to correspond with activity durations. The Fund was set up for a five year period ending December 2006 but this has been extended to December 2008 to accommodate the range of activities it has financed.

6. More detailed comments on activities are 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	0	0
	Media workshops	Number	0	0
	Size of media network	Members	448	448
	Broadcaster agreements in place	Number	21	21
	Distribution of multimedia	Number	164 (CD) 2,556 (DVD)	182 (CD) 687 (DVD)
Knowledge Base and Capacity Building	Inventory of publications	Number	16 volumes	16 volumes
	Distribution of publications	Number	600	1,891
	Studies completed	Number	0	0
	Website hits	Monthly Ave	229,099	204,865
	E-newsletter distribution	Number	55,116 (4 issues)	40,227 (3 issues)
Community of Practice (CoP)	Number	5	6	
Water Partnerships	Apex Bodies events	Number	1	0
	NARBO events	Number	2	4
	SEAWUN events	Number	1	1
	Gender and Water events	Number	0	0
	Water for Asian Cities events	Number	0	0
Regional Events and Initiatives	Events supported	Number	7	5
	Dissemination to ADB Staff	Bluebags	via CoP	via CoP
Pilot and Demonstration Activities	Completed	Number	1	3
	Being implemented	Number	10	9
	Finalizing contracts to start	Number	1	1
	Withdrawn	Number	0	2
	Feedback events for ADB	Number	0	1

^aData in this column refers to final outputs rather than degree of activity. Therefore, "0" does not mean no activity.

8. As in previous reports, the quoted outputs tend to be quantitative than qualitative. Our use of qualitative indicators has so far been limited to determining client satisfaction with our services within ADB and public awareness products within and outside ADB.

9. Much of the activities under the Knowledge Base and Capacity Building centered on the following: (i) initiating development of knowledge products based on the topics prioritized by the Water Committee for 2007; (ii) providing incremental range of skills through the "water expert pool facility" which proved to be of great help to operations departments; and (iii) capacity development aimed at improving performance of sector agencies

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

IV. FINANCIAL STATUS

11. 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 2007	Cumulative % committed and reserved to June 2007
Promotion & Public Awareness Category	2,864	6	15%	18%
Knowledge Base and Capacity Building	6,458	806	34%	28%
Water Partnerships	3,486	243	18%	20%
Regional Events & Initiatives	2,141	149	11%	14%
Pilot & Demonstration activities	2,267	108	12%	9%
Project Coordination, Monitoring and Evaluation	1,883	155	10%	12%
Total*	19,100	841	100%	100%

*Total is for five RETAs covering the six categories.

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

- (i) Promotion – \$6,000 relating to ADB’s sponsorship to the Wildlife Asia Film Festival for the distribution of water knowledge and advocacy products to the TV and media representatives.
- (ii) Knowledge Base - \$805,930 mainly related to (a) establishment of gender and water network in Central Asia; (b) study tour of Indian senior officials from Chattisgarh to Australia; (c) workshop on private public partnership in urban sector in India; (d) engagement of consultants for a project development plan in Pakistan, to assist Government of Armenia to review and outline existing managerial and operational arrangements for water service providers, and for databook for 30 water utilities covered under India’s Jawaharlal Nehru National Urban Renewal Mission.
- (iii) Partnerships - \$243,000 relating to SEAWUN and NARBO activities and support to Cities Alliance and to the Asian Regional Dialogue with United Nations Secretary-General’s Advisory Board (UNSGAB) on Water and Sanitation.

- (iv) Events - \$149,000 relating to support of ADB to the participation to and/or organization of regional events during the reporting period, one of which is the Water Financing Program Conference in Viet Nam.
- (v) Pilot activities - \$108,000. Three proposals were approved during the reporting period with letters of agreement signed for 2.
- (vi) Project Coordination and Monitoring – US\$155,000 relates to the extension of the contract of the Water Fund Results Manager.

13. In respect to the direct support allocation of \$2.4 million, referred to in paragraph 5(xi), the total committed amount as of June 2007 based on approved Technical Assistance projects is \$2.1 million. As of June 2007, the total committed amount under the \$2.0 million top-up facility based on approved TAs was \$1.67 million. Three (3) TAs worth \$.32 million are still awaiting approval. Upon approval of these 3 TAs, the \$2.0 million top up shall have been fully committed.

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

V. OUTLOOK FOR NEXT SIX MONTHS

15. The next six months of the CFWS will see the gradual transition from the on-going RETA activities to the programs and projects under the new Water Financing Partnership Facility. It is expected that the program quality support window of the new facility which will support: (i) knowledge, capacity and innovation services, (ii) engaging civil society, and (iii) regional partnership will build on the lessons and experiences from the CFWS-supported RETA activities.

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

(i) Water Financing Program

- (a) The holding of Indonesia Water Conference in September 2007 aimed at identifying investment projects that contribute to the WFP desired outcomes. It is hoped that other countries initially targeted under the Program will follow suit.
- (b) The operationalization of ADB's Sanitation Action Plan following its launch in Stockholm World Water Week in August 2007, to be complemented by pilot and demonstration projects, advocacy and awareness raising, and forging strategic partnership with development organizations, including with WASTE through the Netherlands Water Partnership.

(ii) Knowledge Base and Capacity Development

- (a) Release of Sanitation product and Water Review as well as a number of other knowledge products that can help operations departments in their investment and capacity development work;
- (b) Targeting selected agencies to assist them with longer term capacity development;
- (c) Mobilizing a pool of experts that can provide rapid response to Operations needs for additional help in project design and implementation;

- (iii) Partnerships
 - (a) Review past performance and develop ongoing plans for NARBO and SEAWUN. A separate planning activity is taking place for SAWUN under another TA;
 - (b) Implement new agreements with UN HABITAT and meet obligations under APWF;
- (iii) Events
 - (a) Contribute to key events such as the Stockholm Water Week in August 2007, SEA Forum (October), CityNet Conference in Manila during November and some inputs into APWF event in December. We also expect to begin advance planning to contribute to World Bank Water Week in February/March 2008;
- (iv) Monitoring and Evaluation
 - (a) Initiate evaluation of the partnership component of the Fund;
 - (b) Complete interim evaluations of direct support to Operations (\$2 million commitment);
- (v) Direct Operations Support
 - (a) Provide additional financing to gain valuable incremental outputs from already approved Operations technical projects. Such projects include the Safeguards Policy Update which is concerned with revisiting and revising ADB approach to safeguards for infrastructure projects including water. A contribution of \$100,000 is anticipated to produce specific water related outputs. Direct Operations support can also include on demand Pilot and Demonstration projects of which there are a number to be screened for funding in July 2007.

17. Attached are the following appendixes:

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

Appendix 7: Direct Support to Operations – List of Projects Supported

PROMOTION AND PUBLIC AWARENESS CATEGORY

1. Broadcast agreements with 10 TV networks have been signed and a promotional DVD and other publicity materials were completed. Two TV networks from Viet Nam will broadcast two ADB video documentaries: "China's Water Challenge" and "Saving Cambodia's Great Lake." The latter was also shown at the first Cambodia Environment Film Festival in June, and has led to a broadcast agreement with Apsara TV Cambodia. The Resident Mission in Cambodia has also requested 100 DVD copies of the film to meet in-country demands and as a give away to visitors. All of ADB's films on water were showcased at the Wildlife Asia Film Festival in Singapore.
2. About 19 Asian broadcasters have aired the Water for Life public service announcements (PSAs). Some showed the PSAs on World Water Day (March 22) while others opted to broadcast them at a later date. To reach more viewers, the water films and PSAs have been uploaded to the worldwide web and are now available for viewing online at Yahoo, YouTube, Google, and iFilm websites.
3. ADB participated in **Wildlife Asia**, an environmental film festival in Singapore, 13-16 March 2007. The festival brought together three sectors: filmmakers/producers, TV broadcasters (such as Nat Geo, Discovery, BBC, etc.) and leading organizations concerned with the environment (World Wildlife Fund, United Nations Environment Program, WCS, etc.). The objective of the festival is to generate new films and programming to create public awareness. The festival was an excellent opportunity to raise the profile of ADB through showcasing the water films and to seek further broadcast distribution opportunities.

KNOWLEDGE BASE AND CAPACITY BUILDING

1. **ADB water web site.** The first 6 months of the year saw some changes in the water website (<http://www.adb.org/water>) to enhance its usability. New databases to facilitate search for pilot projects, water reform stories, and knowledge products were introduced. The homepage usability was likewise enhanced with the addition of new features such as search bar and water trivia. The monthly hits during the reporting period averaged at 229,099, peaking at 270,430 hits for June. The page views averaged at 106,240, peaking at 127,000 page views in June. The reporting period also saw a steady increase in the number of website users, starting at 10,000 users in January and increasing to 14,000 in June. In comparison with the over 260 sub-sites in ADB's websites, the water website remains consistently the most popular sectoral site and the 6th most popular of the 260 subsites.
2. **ADB E-newsletter Water for All News.** 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. As of June 2007, 30 issues of the e-newsletter have been circulated. Four e-newsletters were prepared for the reporting period, covering the following topics: connection fees as a barrier to providing water supply to the poor (May), pilot and demonstration activities (April), wastewater reforms (March); and ADB's Water Financing Program (January) reaching 13,779 subscribers.
3. **Knowledge Products** – For 2007, two sets of knowledge products were developed—one set to be undertaken by the water focal point in RSDD, and another set to be undertaken by ADB's Water Committee. The target audiences for these products range from the ADB staff, to government decision makers, to water practitioners, and the general public. Most of the products to be produced in collaboration with ADB's Water Committee are still in various stages of preparation, with delivery dates ranging from August to November 2007. For those to be undertaken by the water focal point, the following have been produced: (i) magazine- ADB Review issue on water, distributed since January to roughly 17,000 subscribers; (ii) water briefs – distributed online, through seminars, and per request, covering the following topics: (a) integrated water resources management; (b) nonrevenue water; (c) small piped water networks; (d) brochures - distributed online, through seminars, and per request, covering the following topics: (a) Water Financing Partnership Facility; and (b) South Asia Water Utilities Network.
4. **Establishment of Gender and Water Network (GWANET) in Central Asia and Capacity Development of Sector Organizations on Gender Mainstreaming.** ADB and the Scientific Information Center of the Interstate Commission for Water Coordination in Central Asia signed a letter of agreement to collaborate under the Knowledge Base and Capacity Development Program to establish the Gender and Water Network (GWANET) in Central Asia and strengthen gender dimensions in water management in the region. The objectives of the GWANET are to (i) improved gender awareness among the water sector stakeholders at regional, national and local levels through establishment of GWANET; (ii) strengthened capacity of the water sector stakeholders for incorporation gender dimensions into the decision-making process.

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 PDA Guidelines on Selection of Proposals.
2. A total of 32 PDAs have been approved by the PDA Advisory Panel to date – 20 are completed, two of which were completed in June 2007. 10 are under implementation, 1 has yet to start. 1 was withdrawn. For more information on PDA projects, please visit <http://adb.org/water/pda>.
3. In June this year, twelve proposals under active consideration were presented to the PDA Advisory Panel for prioritization and funding from the remaining PDA funds. At \$50,000 per project, the remaining amount can finance up to 9 projects. 3 proposals that will not be accommodated within the PDA balance will be funded from the new Water Financing Facility whose program quality support window also includes pilot and demonstration projects.
4. As part of the Water Team's efforts to incorporate PDA projects and results in Water Community of Practice (CoP) discussions, one completed project – the Low-Cost Decentralized Wastewater Treatment for a Public Market in Lilo-an, Cebu, Philippines was – was presented at the monthly Water CoP Catchment Series which was devoted to discussing sanitation. The same project will be showcased at an ADB-supported CityNet Conference on Sanitation in November 2007.
5. The status of PDA processing as of June 2007 is as follows:

Status of Processing of PDAs as of June 2007	
PDA Process Stage	Number
Evaluated, revised by proponent	2
Evaluated/revised by proponent but not proceeded with	0
Reviewed by PDA Advisory Panel	14
Approved by PDA Advisory Panel	11*
Letter of Agreement executed	2
Awaiting government approval	0
LOA signed but not yet implemented	1
PDAs being implemented according to original schedule	6
PDAs being implemented according to revised (extended) schedule	4
PDAs completed during this period	2
PDAs completed to date, awaiting post evaluation	6

Note: Nine (9) of the 11 proposals approved in principle

WATER PARTNERSHIPS

1. **Network of Asian River Basin Organizations (NARBO).** ADB continued to support NARBO activities to share knowledge and build capacity for Integrated Water Resources Management (IWRM) in river basins throughout Asia. The following activities were supported:

- (i) **4th Thematic Workshop on Water Rights and Water Allocation, Saitama, Japan, 22-27 January.** The workshop drafted an action plan to address the challenges on water rights and water allocation in the six participating countries. Subject event was the last in the series of 4 workshops on the theme of “water rights and water allocation”.
- (ii) **NARBO Workshop on Water Rights, ADB HQ Manila, Philippines, 29-31 May.** The workshop provided valuable inputs to help finalize the technical paper on water rights and water allocation. Subject event was a follow-up to the series of workshops on water allocation and water rights held from the period December 2005 - January 2007.
- (iii) **NARBO Secretariat Meeting, ADB HQ Manila, Philippines, 1 June.** The meeting reported NARBO activities after the 2nd General Meeting (February 2006) and discussed the future orientation of NARBO. The meeting reiterated the need for the NARBO secretariat to make efforts (i) to promote and expand the network; (ii) to organize more events; (iii) to attract other river basin organizations (RBOs) and (iv) to strengthen membership drive.
- (iv) **Peer Review of the Laguna Lake Development Authority (LLDA), Laguna Lake Region, Philippines, 9-13 April.** The peer review evaluated the performance of LLDA using the five critical RBOs performance areas and 14 performance benchmarking indicators developed by NARBO. The peer review was preceded by a self-assessment process which began in January 2007.
- (v) **Peer Review of the Red-Thai Binh River Basin Planning Management Board (or Red RBO), Viet Nam, 12–15 June.** The peer review evaluated the performance of Red RBO using the five critical RBO performance areas and 14 performance benchmarking indicators developed by NARBO. The review was the last of the four pilot RBOs. The peer review was preceded by a self-assessment process which began in February 2007, and which resulted to the completion of the self-assessment report in May 2007.
- (vi) ADB contributed to the 10th issue of the NARBO newsletter which was circulated in March 2007.

2. **South East Asian Water Utilities Network (SEAWUN).** The 2nd SEAWUN Convention on Management Capacity Building and Performance Improvements for South East Asian Water Utilities was held on 14-16 May 2007 in Kuala Lumpur, Malaysia. SEAWUN held an inaugural convention on water and wastewater in 2005 to promote the exchange and management of knowledge among SEAWUN members and key water sector stakeholders. The convention aimed to: (i) promote exchange of experiences and best practices in management capacity building and performance improvements among water utilities in Southeast Asia; (ii) review the results of SEAWUN’s programs on performance benchmarking, full cost recovery, nonrevenue water reduction, and human resources development carried out from June 2005 to

May 2007; and, (iii) discuss and finalize SEAWUN Vision and Action Plan. Approximately 100-120 representatives from ASEAN countries attended. These included representatives from SEAWUN members, government ministries and agencies, water supply and sanitation companies, donors and foreign aid organizations, private sector consultancies and companies, and companies. The convention was organized by SEAWUN and the Malaysian Water Association, with support from Malaysia's Ministry of Energy, Communication, and Water and ADB.

3. Asia Training and Research Initiative for Urban Management (ATRIUM). ADB and International Enterprise (IE) Singapore established the ATRIUM to promote cooperation and knowledge sharing in urban infrastructure and water management among developing countries. Specifically, it aims to (i) create a platform to stimulate discussions and knowledge sharing among governments, industries, and international organizations on innovative and sustainable urban management solutions; and, (ii) promote public-private partnerships in urban management. The partnership will provide a flexible framework of cooperation between ADB and IE Singapore, under which knowledge sharing programs and demonstration projects can be undertaken. It will be guided by the following principles: (i) share knowledge on lessons learned, and plan and evaluate cooperation activities in urban management for Asia Pacific countries; (ii) leverage and pool resources, expertise and facilities to mutual advantage and benefit; and, (iii) evaluate the effectiveness of collaborating on respective organizational mandates and priorities.

4. South Asian Water Utilities Network (SAWUN). Twenty-three water utilities from Bangladesh, Bhutan, India, Maldives, Pakistan, and Sri Lanka established the South Asian Water Utilities Network (SAWUN) at the Workshop on Supporting Water Operators Partnerships in Asia organized by ADB. SAWUN is a new organization of water utilities in South Asia whose vision is to measurably improve their performance in the delivery of water supply and sanitation services to meet Target 10 of the Millennium Development Goals (MDGs). During the workshop, held in Islamabad, Pakistan on 23-24 April, 2007, participants adopted the SAWUN Charter and elected their representatives to the SAWUN Steering Committee (SAWUN SC). The first SAWUN SC Meeting was immediately held after the workshop. Karachi Water Supply and Sewerage Board (KWSSB) were elected Chair of SAWUN. Decisions on the location of Secretariat and Executive Director were deferred, while ADB's offer to perform the functions of the Secretariat for a period of three months along with the development of a draft Business Plan was accepted unanimously. The SAWUN website (www.sawun.org) was developed and is now fully operational.

REGIONAL EVENTS AND INITIATIVES

1. Mostly on demand by ADB's operations departments, 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/organized:

A. Regional events organized by ADB

- (i) **Inception Workshop on Benchmarking and Water Utilities Data Book for India, 17-18 January 2007, Chennai, India.** ADB and the Government of India have agreed that more knowledge is needed on selected Jawaharlal Nehru National Urban Renewal Mission (JNNURM) cities that have the most potential for ADB involvement. Such knowledge would be useful in identifying projects in support of the JNNURM program. One initiative identified is a benchmarking program for 30 selected water utilities in India. This benchmarking program will be supervised by the Ministry of Urban Development (MoUD) and supported by ADB. Data collected from the project will feed into the JNNURM and enable utilities to better access MoUD assistance. The benchmarking program results will be published as a water utilities data book similar to the Second Water Utilities Databook: Asian and Pacific Region (October 1997) and the Data Book of Southeast Asian Water Utilities (June 2005). The data book will contain profiles of each water utility, comparison of performance among the utilities, and a profile of the sector. To set the benchmarking program for India's water utilities in motion, an inception workshop was held in Chennai, with 55 participants, speakers, and observers attending. After the workshop, MoUD expressed its strong commitment to the Project. MoUD also requested the utilities to cooperate with ADB to expedite the project's implementation. A project team has finalized the questionnaire which was subsequently sent to the utilities through MoUD.
- (ii) **Water Financing Program (WFP) Conference in Viet Nam, 22-23 March 2007, Hanoi, Viet Nam.** This in-country WFP Conference in Viet Nam built upon the outcomes of the 2006 WFP Conference to help the country achieve the Millennium Development Goals. The conference came up with the following outputs, (a) suggestions to strengthen Viet Nam's Water Sector Roadmap; (b) a list of key projects and activities in the water sector for external assistance and issues that need to be resolved; (c) draft concept notes on projects for possible ADB assistance to help the Government of Viet Nam and ADB during the Country Programming Mission in May 2007 and operational programs for 2008-2010; (d) an indicative timeframe for the implementation of the tentative ADB 2008-2010 operational program; and (e) a list of possible funding resources from ADB, and funding gaps. The conference was organized by the Viet Nam Resident Mission of the ADB, and the Government of Viet Nam's Ministry of Planning and Investment and Office of the National Water Resources Committee.
- (iii) **Singapore/ADB/People's Republic of China Forum on Urban Water and Environmental Management, 13-16 March 2007, Singapore.** A new partnership between the Asian Development Bank (ADB) and the International Enterprise (IE) Singapore promotes cooperation and knowledge sharing in urban infrastructure and water management. The partnership is anchored on the Asia

Training and Research Initiative for Urban Management (ATRIUM). As one of ATRIUM's initial undertakings, this forum brought together senior officials from the People's Republic of China (PRC) and Singapore, and representatives from ADB to share experiences in urban and water management. The objectives of the forum were to (a) enable Singapore to share with senior PRC officials its development experience on water and environmental management; and (b) enable PRC officials to network, share views, and forge collaboration with key representatives of major urban and water environmental agencies in Singapore. Government of Singapore and ADB jointly organized the forum.

- (iv) **Conference on Establishing the South Asian Water Utilities Network, 23-24 April 2004, Islamabad, Pakistan.** As part of their partnership agreement to fast-track developments in the Asia-Pacific's water sector, the Asian Development Bank (ADB) and the Global Water Partnership (GWP) plan to establish such networks in South and Central Asia. The networks will rely on insights from the experience of South East Asian Water Utilities Network (SEAWUN), established by ADB in 2003. An initial workshop held in New Delhi, India, on 8-9 December 2006 discussed the possibility of such a network for South Asian water utilities. Participants at this workshop concluded unanimously that a South Asian Water Utilities Network (SAWUN) should be established as soon as possible. This conference formally established SAWUN. The objectives of this conference were to (a) review, discuss, and endorse a draft charter that will establish and govern a South Asian Water Utilities Network; (b) elect the network's Chairperson, Steering Committee members, and Executive Director; (c) develop and discuss a business plan for SAWUN for 2007-2008; and, (d) discuss financing mechanisms for sustaining the network in the long term. ADB and GWP organized the conference.

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.

B. Other events where ADB Staff and government officials' participation were supported by ADB through CFWS:

- (i) **World Congress on Advancing Sustainable Hydropower, 29-31 March 2007, Antalya, Turkey.** The event was the International Hydropower Association's inaugural international congress, providing a forum for dialogue between hydropower companies, investment and development banks, non-governmental organizations (NGOs) and other stakeholders involved in the development and operation of hydropower projects for discussion of technical hydropower innovation; social and environmental performance; the role of the public and private sectors; social responsibility; and certification of good practice in the hydropower sector. Participants to the congress addressed various topics, including the potential and progress of renewable energy; hydropower development and technical innovation; national perspectives on hydropower development; the social and environmental performance of hydropower; the role of the public and private sectors in hydropower development; business and social responsibility; and certification of good practice in the hydropower sector. Over the course of three days, more than 320 participants, representing governments, industry, international organizations, financial and legal entities, conservation NGOs and research institutions, took part in the congress.

- (ii) **8th Session of the UN Secretary General’s Advisory Board (UNSGAB)—Asian Dialogue on Water and Sanitation, 31 May-1 June 2007, Shanghai, PRC.** In May 2006, UNSGAB requested ADB to lead the implementation of the Water Operators Partnership in Asia and support the 8th UNSGAB session in Shanghai in May 2007. ADB agreed to both requests. ADB Vice President for Knowledge Management Ursula Schaefer-Preuss participated in the 8th session, specifically the Asian Dialogue on Water and Sanitation, and discussed key challenges and ADB’s contributions in solving the global lack of safe drinking water and sanitation. Among these challenges are: (a) financing the rehabilitation and expansion of projects; (b) investing in structural reform of water utilities and building their capacities to enable international quality performance. A Joint Statement was announced as consummation of discussion and shared understanding of the participants in the Dialogue. VP Schaefer-Preuss and UNSGAB Chair, the Crown Prince of Orange, also issued a joint statement on 1 June on ADB’s support for the Hashimoto Action Plan implementation in Asia and the Pacific. The session was jointly hosted by the PRC’s Ministry of Water Resources and UNSGAB, with support from ADB.
- (iii) **International Symposium on Water for a Changing World Seminar on Water Knowledge Networking, 14 June 2007; Delft, The Netherlands.** For its 50th Anniversary, the UNESCO-IHE Institute for Water Education organized the “International Symposium on Water for a Changing World: Enhancing Local Knowledge and Capacity” on 13-15 June 2007 in Delft, The Netherlands. The Symposium aimed to promote an understanding among stakeholders of the challenges for sustainable water management that are expected to happen in the next two decades, and to identify knowledge, capacity, strategies, and opportunities that could address these challenges. The Symposium focused on (a) five leading themes related to water adopted by the UNESCO-IHE: urbanization, water security, environmental integrity, governance, and information and communication systems; and (b) three themes related to the symposium theme “Enhancing Local Knowledge and Capacity” —knowledge and capacity for development, knowledge sharing, and knowledge generation and research. The Symposium’s results were presented and discussed at a plenary session on the third day. At the close of the Symposium, a High-Level Panel that included HRH Prince Willem-Alexander, the Netherlands Crown Prince and Chair of the UN Secretary-General’s Advisory Board on Water and Sanitation, reflected on the Symposium results. ADB was invited to contribute to the Symposium in the field of knowledge sharing. The seminar on Water Knowledge Networking was among these contributions.
- (iv) **Study Tour Program to Introduce High Level Officials of the Ministry of Water Resources of the Indian State of Chattisgarh to Water Management Experience in Australia, 2-8 May 2007.** The objective of the tour was to (a) expose the Chattisgarh officials who are involved in the planning and funding and implementing water sector projects to the international best practices; and (b) provide an opportunity for the participants to discuss water sector issues with Australian government officials, planners, scientific research institutions and private operators and to identify options for improving the performance of the ongoing and planned water sector projects in Chattisgarh. Overall, the study tour provided an excellent opportunity for the delegation to observe and discuss advanced water sector reforms and “state-of-the art” resources management during the worst water crisis in Australian history. The lessons gathered and issues discussed helped to understand better ADB’s water policy and investment

requirements. These issues have relevance to ongoing and planned ADB activities in the Chattisgarh water Sector.

- (v) **International Seminar on River and Development.** The International Seminar attempts to bring together experts involved in development and management of river to look into issues, problems, and solutions relating to river and its environment engineering. It is expected that international presentations in related topic will come from Asia, Europe, America, Australia as well as international agencies and networks such as World Bank, ADB, JBIC, IDB, CIDA, USAID, AUSAID, NARBO, IHE, UNESCO, Rijkswaterstaat, WRDTC, Rookee University, KOICA, JICA, etc. The objectives of seminar are : (i) to give opportunity to local and regional participants to have a better *understanding of river* & its environment, and have a *new thought* on how to adjust the development to the dynamic nature of rivers from the engineering point of view; (ii) to provide a platform for experts from all over the world to share experiences and knowledge on *the best professional judgment* on natural river based development (iii) to give opportunity to share innovations on environmentally sound river development.
- (vi) **Workshop on Transboundary Water Cooperation, 1-2 March 2007, Denmark.** The workshop addresses the challenges of national commitment and stakeholder involvement in transboundary water cooperation and focuses on the Mekong, the Nile and the SADC/Zambezi river basins. Denmark and other donors have supported transboundary water cooperation and establishment of river basin organizations for a number of years. Many advances have been made but challenges and controversies on the scope and content of transboundary water cooperation/governance remain. The objective of the workshop is collect “lessons learned” and to identify ways forward in which transboundary water cooperation can be improved.
- (vii) **World Bank Water Week 2007, 27 February-2 March 2007, Washington, D.C.** The 4-day event brought together the Bank water community, as well as invited external stakeholders, including clients, donor organizations, NGOs, and private sector representatives. The theme of 2007 Water Week was *Water Futures: Sustainability and Growth*. This year, participants were challenged to think “outside the water vessel”, to build on the integrating theme if the Bank’s newly established Sustainable Development Network, and explore the challenges and options for good water management and improved water services well into the future.

PROGRAM COORDINATION, MONITORING, AND EVALUATION

1. Program coordination monitoring and control refers to the processes that provide for approving proposals, arranging for contracts, tracking outputs and outcomes and reporting on Fund activities, including complying with all financial obligations. During the period, proposals for assistance continued to be screened for relevance using “checklists”, financial and contract tracking took place using a database management system developed for the Fund and the six monthly reporting to donors occurred as planned.
2. Evaluations will be conducted of various components of the Fund during the next six months – specifically determining a suitable methodology and applying it to direct operations support – a \$2 million segment of the Fund and also to partnerships to assess if planned outcomes have taken place.

DIRECT OPERATIONS SUPPORT

(\$2.0 Million Top-Up Support and \$400,000 Tsunami Assistance to Maldives)

List of projects supported under the Fund:

TA No.	TA Title	TA Type*	TA Amount (US\$)
Bangladesh			
4651	Dhaka Water Supply	PP	160,000
4863	2 nd Urban Governance and Infrastructure Improvement (Sector)	PP	100,000
Bhutan			
	Capacity Building for Urban Municipal Planning and Governance	AD	50,000
India			
4678	North Eastern Region Urban Development (Phase II)	PP	160,000
4779	Project Implementation and Urban Management in the North Eastern Region (Phase 1)	PP	120,000
4815	Orissa Integrated Irrigated Agriculture and Water Management	PP	110,000
4896	North Eastern Integrated Flood and Riverbank Erosion Management	PP	50,000
6108	Emergency Regional Support to Address the Outbreak of Acute Respiratory System (SARS)	RE	80,000
Maldives			
4614	Promoting Sound Environmental Management in the Aftermath of the Tsunami Disaster	AD	400,000
Nepal			
4893	Kathmandu Valley Water Distribution, Sewerage and Urban Development	PP	160,000
Pakistan			
4642	Punjab Irrigated Agriculture Development Sector	PP	90,000
People's Republic of China			
4586	Guiyang Integrated Water Resources Management	PP	160,000
4327	Flood Management Strategy Study	AO	43,398
4604	Nanjing Water Utility Long-Term Capital Finance in Commercial Markets	AO	110,000
	Songhua River Basin Pollution Control	PP	190,000
Sri Lanka			
4049	Strengthening the Regulatory Framework for Water Supply and Sanitation	AO	40,000
4853	Small Towns and Rural Arid Areas Water Supply and Sanitation	PP	120,000
Viet Nam			
3528	Capacity Building for Water Resources Management	AO	150,000
Regional TA			
6285	Strengthening Country Safeguard Systems	RE	100,000

* PP – Project Preparatory; AO – Advisory; RE - Regional