



Letter of Intent for Cooperation on Water Activities in the Asia-Pacific region

This letter forms the basis of cooperation between the

Asian Development Bank

and

Global Water Partnership

A. The Cooperation Partners

1. The Asian Development Bank ("ADB") and the Global Water Partnership ("GWP") have a mutual interest in achieving effective and relevant policies and programming in international development. ADB is a broad-based development institution for the Asia and Pacific region ("the Region"), committed to reduce poverty through lending and non-lending activities to support pro-poor sustainable economic growth, good governance and inclusive social development. The Global Water Partnership is a worldwide network created in 1996 whose mission is to support countries in the sustainable management of their water resources through the adoption of an Integrated Water Resources Management (IWRM) approach. The GWP has four Regional Water Partnerships covering the Asia Pacific region that will participate in the collaboration with ADB: GWP-South Asia, GWP-S E Asia, GWP-China and GWP-Central Asia and the Caucasus as well as several country Water Partnerships.

2. ADB manages a Water Partnership Program, which is part of a regional technical assistance project for promoting effective water management policies and practices, financed by the Cooperation Fund for the Water Sector, a multi-donor umbrella fund administered by ADB.

B. Core Areas of Cooperation

3. ADB and GWP acknowledge that the cooperation they seek to foster will facilitate the realization of their aims for improved water governance and the expansion of service delivery.



4. Given the mutually supportive goals of ADB and GWP, the parties desire to establish a basis for collaboration in the Asia-Pacific region in the following areas:

- Implementation of the Hashimoto Action Plan. The collaboration will respond to the Compendium of Actions developed by the United Nations Secretary General's Advisory Board ("UNSGAB"), now known as the Hashimoto Action Plan which calls for breakthrough action in order to achieve the MDG targets. A key initiative is the implementation of a Water Operators Partnership (WOP) program in the region;
- Implementation of IWRM. IWRM is a long-term process to optimize the development, management and use of water resources to advance sustainable development. ADB and GWP agree to promote IWRM in the Region, in particular in the development of IWRM plans and strategies and development of river basin management in 25 basins in Asia as envisioned under ADB's WFP.
- Asia Pacific Water Forum. The Asia-Pacific Water Forum was launched by the Japan Water Forum in Mexico on the occasion of the 4th World Water Forum. The APWF is a regional network for water in the Asia-Pacific region and will serve as a venue for the identification and adoption of solutions to water issues in the region. The GWP regional water partnerships in South Asia, Southeast Asia and, Central Asia and Caucasus have been instrumental in promoting IWRM in the region and ADB and GWP will support the activities of the APWF and help to organize a Summit meeting in 2007;
- Support to ADB's Water Financing Program (WFP). In recognition of the rapidly growing water needs in the region and in response to the calls of the Camdessus Panel and the Gurria Task Force, ADB has recently launched the WFP aimed at doubling overall investments in the water sector. GWP has been a key sponsor of the global efforts to increase financing for water and will work with ADB in the implementation of the WFP through the mobilization of additional resources and the expansion of networks and partnerships that can assist with the implementation of the Program.

C. Initial Activities of Cooperation

5. The first activity the ADB and GWP intend to collaborate on is the implementation of the WOP program in the region. Among the actions identified by the Hashimoto Action Plan is the need "to help water operators improve service delivery through a structured program of cooperation amongst strong and weak operators, based on a concept of mutual support

among them, on a not-for-profit basis through the implementation of the WOP¹ program in the Asia-Pacific region. The WOP program will address management and institutional reforms to improve operations and financial viability through twinning and capacity building activities.

- Organize workshops for the introduction of WOP and facilitate the establishment of water utilities networks in South Asia and Central Asia & Caucasus. The activity will include the organization of workshops for the introduction of the WOP program to participating utilities as well as the development of institutional arrangements to implement the program. The parties will work with Southeast Asian Water Utilities Network² (SEAWUN) for the implementation of the WOP program in Southeast Asia. The activity also aims to facilitate the replication of SEAWUN in South and Central Asia & Caucasus, should this be accepted by participating utilities.
- Coordination among utilities in the region. The activity will build on on-going discussion with Singapore's Public Utilities Board (PUB), Phnom Penh's Water Supply Authority, Manila Water, as well as begin discussions with Australian and European operators to draw support for WOP. PUB and Manila Water have earlier signified their intention to participate in this endeavor. The activity will identify utilities in South and Central Asia and coordinate with professional water utilities associations in the region. The activity will also develop a strong relationship with international and local water utilities associations to assist in the implementation of the WOP;
- Liaison with other Donors and organizations. The parties will liaise with other donors and organizations to coordinate similar initiatives as well as work towards securing grant funds from other Donors in support of the WOP implementation and in relation to ADB's WFP;
- Coordination with UNSGAB. The parties will continue to closely coordinate with UNSGAB throughout the implementation process to ensure consistency with their guidelines on WOP implementation. The support of UNSGAB is likewise recognized as essential in the successful implementation of WOP. Coordination with the United Nations Department of Economic and Social Affairs (UNDESA) on

¹ UNSGAB Compendium of Actions

² A regional network of 47 utilities from Indonesia, Lao PDR, Malaysia, the Philippines, Thailand, and Vietnam supported by the ADB. SEAWUN has organized itself to meet the principal mandate of improving service delivery, operational and management efficiency and financial viability of its member utilities

the development of a database and internet interface for the operation of WOP will also be made.

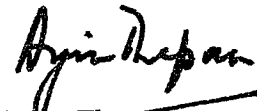
6. To facilitate the development and implementation of the cooperation and its activities, ADB and GWP will jointly develop work programs and letters of agreement, as appropriate. The implementation of this Cooperation shall initially be for a period of one year commencing on the date of signature of this Letter of Intent.

7. The Parties will each contribute the amount of US Dollars 50,000 to launch this cooperation. Specific costs that will be borne by each Party will be contained in the Work Plan that will be prepared.

Signed on _____ in Stockholm, Sweden



Emilio Gabbrielli
Executive Secretary
Global Water Partnership



Arjun Thapan
Deputy Director General
Southeast Asia Department
Chair, Water Committee
Asian Development Bank


Date Signed: _____

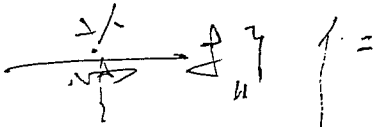
19/8/2006


**Letter of Intent for Cooperation on
Water Activities in the Asia-Pacific region
(signed on 19 August 2006)**

We, the undersigned, confirm our full support for the decision of the Asian Development Bank (ADB) and the Global Water Partnership (GWP) to establish a basis for increased cooperation on water activities in our respective regions.

We stand ready to work with ADB and GWP colleagues on the further development of work programs and in implementing agreed activities to improve water governance and expand service delivery.


S. S. WIYANANDA
Chair GWP-SPS


Chair of GWP China
GWP PACENA


GWP SEA-SC