

ASIAN DEVELOPMENT BANK

TAR: OTH 36671

TECHNICAL ASSISTANCE

(Financed by the Cooperation Fund for the Water Sector)

FOR

**PROMOTING EFFECTIVE WATER MANAGEMENT POLICIES AND
PRACTICES – PHASE 2**

January 2003

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
MLIT	–	Ministry of Land, Infrastructure, and Transport
RSAN	–	Agriculture, Natural Resources, and Social Sectors Division
TA	–	technical assistance
TOR	–	terms of reference
WWF	–	World Water Forum

NOTE

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

This report was prepared by W. Lincklaen Arriens, Lead Water Resources Specialist, RSAN (Chair, Water Sector Committee) with input from the members of the Water Sector Committee.

I. INTRODUCTION

1. On 16 January 2001, the Board of Directors approved the Asian Development Bank's (ADB) policy on water¹ following extensive consultations with stakeholders over several years. In addition to promoting national water sector reforms, integrated water resources management, and better water services for the poor, the policy commits ADB to regional and subregional cooperation by assisting with water sector assessments and exchange of data, enhancing awareness and understanding of the water sector issues and needs of each country, and supporting water partnerships in its 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-agency umbrella facility to promote effective water management policies and practices at the regional, subregional, and country levels and thereby to catalyze the implementation of ADB's water policy in the Asia and Pacific region. The Fund will finance a coherent program of activities (the Program) designed to add value to the water projects carried out by ADB's regional departments. The activities will increase synergy in ADB's water sector operations as a whole through better awareness, knowledge management, capacity building to support generic sector reforms, pilot demonstration, regional cooperation, monitoring, and coordination.

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

4. The Government of the Netherlands made a second contribution to the Fund in December 2002 in the amount of \$4 million. ADB's Water Sector Committee has recommended that two regional TAs be processed to utilize this second contribution for the Program's activities in 2003. The first regional TA will support the organization of the 3rd World Water Forum (WWF), to be held in Kyoto, Japan, on 16-23 March 2003. The TA framework is in Appendix 1.³ A second TA will be prepared to support other activities of the Program.

II. ISSUES

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

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

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

³ The TA first appeared in *ADB Business Opportunities* in December 2002.

strengthen regional cooperation and awareness of important water issues, trends, and policies, and to catalyze a new generation of water sector investments that follow from effective water management policies and sector reforms. The formulation of the Program is driven by priority assistance needs identified on an annual basis in these three areas, and indicators are being developed to monitor progress in each area.

6. In strengthening regional cooperation among DMCs and ADB in the water sector, the Program takes advantage of the ongoing preparations for the WWF. The WWF is being convened to raise awareness of the critical water issues of the looming water crisis in the 21st century, and to mobilize actions and resources to address these issues. The 3rd WWF will focus on specific actions being taken around the world to implement the vision and framework for action prepared at the 2nd WWF in March 2000 in The Hague, the Netherlands, with specific and increased attention to water and poverty as a key element to attain the millennium development goals.

7. ADB's water sector operations are highly relevant to the themes of the WWF, and ADB has already taken a leading role in organizing several thematic sessions in close collaboration with its development partners, supported by TA 6001-REG.⁴ These themes include (i) water and poverty, (ii) water in cities, (iii) water in small island countries, (iv) regional cooperation for shared water resources management, and (v) flood management. Preparatory activities in 2002 have included regional consultations with DMC stakeholders and development partners for each of these themes. A Water Awareness Program was also developed to support the preparations in each of the thematic areas through media relations, promotional materials, television documentaries, and an exhibit at the World Summit on Sustainable Development in Johannesburg.

8. ADB has also undertaken to organize the Water Development Partners Panel at the WWF to facilitate dialogue among leaders of development financing institutions, including ADB, and WWF stakeholders on the subject of water and poverty reduction. ADB has also joined the World Panel on Water Infrastructure Financing, which will make its recommendations at the WWF. A ministerial conference will be held at the conclusion of the WWF on 22-23 March 2003, at which ADB has been invited to participate, as well as in a meeting of agriculture ministers to be held on 21 March 2003. In preparation for the ministerial conference, ADB staff participated in preparatory meetings during 2002.

9. From an operational perspective, it is desirable that the 3rd WWF facilitate specific water sector reforms, actions, and programs undertaken by DMCs, international organizations, and nongovernment organizations that can be further promoted through ADB's water sector operations. In this connection, several initiatives have already been identified and prepared for the WWF in the thematic areas indicated in para. 7 as a result of the regional consultation workshops held in 2002.

10. The WWF is expected to attract more than 8,000 participants from around the world, and about 150 ministers for the ministerial conference. ADB's preparatory activities for the WWF have been undertaken in close collaboration with agencies concerned in Japan, including the Secretariat of the WWF and the Ministry of Land, Infrastructure, and Transport (MLIT), which will host the ministerial conference. Following the successful completion of the regional consultation workshops in 2002, ADB has been requested by the WWF Secretariat to finance a significant number of participants from developing countries to attend the WWF in Kyoto,

⁴ ADB. 2001. *Technical Assistance for Regional Consultations for the 3rd World Water Forum*. Manila.

especially for the sessions organized with ADB support. The Government of the Netherlands has been consulted on the use of the Fund for this purpose and has no objection to support participants in connection with ADB-organized sessions at WWF.

11. Additional TA resources are therefore required from the Fund to support the ADB-organized sessions at the WWF, including the participation of presenters, DMC stakeholders, development partners, and resource persons (including ADB staff concerned); the organization of exhibits and publicity; and the initiation of follow-up activities to ensure that the main lessons learned from the WWF can be applied in ADB-financed water sector operations in the region.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

12. The TA will support the ADB-organized sessions at the WWF and the initiation of follow-up activities to implement WWF lessons in ADB-financed water sector operations in the region.

B. Methodology and Key Activities

13. The TA comprises the following activities:

14. **Travel Support for Selected DMC Participants.** About 150 participants from DMCs are expected to share their experiences in the various sessions on (i) water and poverty, (ii) water in cities, (iii) water in small island countries, (iv) regional cooperation for shared water resources management, and (v) flood management, as well as in the Water Development Partners Panel session. The participants to be supported will be selected based on their involvement in these themes, in which ADB has taken a leading role.

15. **Travel Support for Staff Invited as Speakers and Resource Persons.** A number of ADB staff have been invited as speakers and resource persons in the various sessions and dialogues at the WWF. In addition to the ADB-organized sessions, these include (i) water and governance, led by the Global Water Partnership; (ii) integrated water resources management; (iii) flood management, in collaboration with the Japanese International Cooperation Agency, MLIT, and the World Meteorological Organization; (iv) the dialogue for water and climate, led by the Government of the Netherlands; and (v) the dialogue on water for food and environment, led by the International Water Management Institute.

16. **Exhibits and Publications.** ADB's Water Awareness Program, which was launched in 2002 under TA-6031, has produced publicity materials, videos, a web page, and publications to disseminate ADB's water policy and key development messages in the water sector, and to increase public awareness and stakeholder dialogue on water reform issues, including the themes organized by ADB for the 3^d WWF. Printing and distribution for the WWF will be arranged, an exhibit will be organized at the WWF, and journalists from DMCs will be invited to cover the ADB-organized and related sessions at the WWF.

17. **Initiation of Follow-Up Activities.** Follow-up activities will be initiated, with the assistance of consultants, to ensure that the main lessons learned from the WWF can be applied in ADB-financed water sector operations in the region.⁵

18. **Administrative, Logistics, and Other Supporting Activities.** These activities include administrative, shipping, local support, reporting, and miscellaneous costs in connection with the WWF.

C. Cost and Financing

19. The total cost of the TA, estimated at \$1.00 million, will be financed on a grant basis from the Cooperation Fund for the Water Sector, to be administered by ADB. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

20. The TA will be implemented by ADB. The Agriculture, Natural Resources, and Social Sectors Division (RSAN) of the Regional and Sustainable Development Department, in association with concerned divisions in the regional departments, will be responsible for all TA activities. The Water Sector Committee will serve as the TA team. The lead water resources specialist of RSAN will coordinate the team's activities.

21. The water focal point in RSAN will serve as TA office. Approximately 9 person-months of international and 12 person-months of domestic consultants will be needed for the implementation of the activities of the TA by RSAN. The areas of expertise that may be required for WWF follow-up activities include water policy and institutional development, water sector capacity building, knowledge management and information systems, rural water supply and sanitation, integrated water resources management, flood management, water supply and utility management, natural resources economics, social research and development, and related disciplines. It is expected that approximately three international consultants will be required, one each for the five areas mentioned in para. 15, supported by approximately five domestic consultants in the DMCs that express interest in follow-up activities as a result of the WWF. The consultants will be recruited as individuals.⁶ ADB will recruit the consultants in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the recruitment of consultants. Outline terms of reference are shown in Appendix 3. Equipment and materials to be financed by the TA will be procured by the consultants or ADB in accordance with ADB's *Guidelines for Procurement* or other procedures acceptable to ADB.⁷

22. The TA will be implemented over a period of 6 months, commencing in February 2003 and ending in August 2003. A final report will be prepared in August 2003. The report will be published in the ADB website.

⁵ Areas in which follow-up activities are expected include (i) the proposed Water for Asian Cities Program, for which the President and the Executive Director of United Nations Habitat signed a letter of intent at the World Summit on Sustainable Development in Johannesburg; (ii) the proposed Rural Water and Poverty Action Program, which was conceived at the Regional Consultation Workshop on Water and Poverty in Dhaka in September 2002; (iii) subregional flood management initiatives of the Mekong River Commission; and other activities as needed and deemed appropriate.

⁶ The required expertise is diverse, with inputs required in different themes that are led by ADB staff in several departments and offices.

⁷ Equipment may include computers, software, multimedia instruments, and equipment for demonstration projects.

IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,000,000 to be financed on a grant basis by the Cooperation Fund for the Water Sector for Promoting Effective Water Management Policies and Practices – Phase 2, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions And Risks
Goal Promote effective water management policies and practices and catalyze the implementation of the Asian Development Bank's (ADB) water policy.	Achieving the international water development goals	3 rd World Water Forum (WWF) and associated global water sector reviews	Sustained commitment of developing member countries (DMCs) to water sector reforms, and effective regional cooperation
Purpose Support the ADB - organized sessions at the WWF and the initiation of follow-up activities to implement lessons learned in ADB-financed water sector operations in the region.	Effective participation of DMCs in the 3 rd WWF and initiation of follow-up activities as part of ADB's water sector operations	3 rd WWF Program and Technical Assistance (TA) progress reports	Sustained commitment of DMCs to water sector reforms, and effective regional cooperation and follow-up activities Adequate resource allocation and sector coordination in ADB
Components Travel of DMC participants Staff travel as speakers and resource persons Exhibits and publications Initiation of follow-up activities	150 participants Paper presented and travel report Copies of exhibits and publications Letters of intent signed with DMC agencies and development partners in the areas indicated in para. 15	3 rd WWF Program and TA progress reports	Effective presentation of papers Effective dissemination of materials and messages Timely availability of consultants and resource persons Sustained DMC commitment and contributions to regional cooperation and follow-up activities
Activities Details as per terms of reference (TOR) for consulting services	Details as per TOR, including session reports	Final TA report	Timely consultant inputs
Inputs Consulting services Administrative support	\$1.00 million from Water Sector Cooperation Fund	TA team, Water Sector Committee	Effective internal cooperation among team members concerned

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Cooperation Fund for the Water Sector Financing	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	90
ii. Domestic Consultants	50
b. International and Local Travel	40
2. Travel support of selected DMC participants	525
3. Travel support for ADB staff invited as speakers / resource persons	30
4. Office rental, shipping, and local support costs	40
5. Exhibit development and rental	40
6. Publications	15
7. Miscellaneous administration and support costs	20
8. Contingency	150
Total	1,000

ADB = Asian Development Bank, DMC = developing member country.
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. International and domestic short-term water sector specialists will be engaged to work in the Agriculture, Natural Resources, and Social Services Division and regional departments concerned to undertake the following tasks, in close collaboration with and guided by the Asian Development Bank's (ADB) Water Sector Committee.

A. International Consultants

2. The international consultants will

- (i) support the ADB-organized sessions at the 3^d World Water Forum (WWF), including thematic and panel sessions, ministerial meetings, and associated media events;
- (ii) consult with developing member country (DMC) stakeholders and development partners to mobilize commitment for follow-up activities after the WWF, in particular for the proposed (a) Water for Asian Cities Program, for which the President and the Executive Director of United Nations Habitat signed a letter of intent at the World Summit on Sustainable Development in Johannesburg in 2002; (b) Rural Water and Poverty Action Program, which was conceived at the Regional Consultation Workshop on Water and Poverty in Dhaka in September 2002; (c) subregional flood management initiatives of the Mekong River Commission; and (d) other follow-up activities to be agreed upon as a result of the WWF;
- (iii) prepare letters of intent and memoranda of understanding among ADB, DMC agencies, and development partners for such follow-up activities;
- (iv) for agreed upon follow-up activities, prepare detailed proposals including objectives, project framework, scope, cost estimates and financing plan, implementation plan and arrangements, and terms of reference for consulting services, and advise ADB about the initiation of the activities as needed; and
- (v) prepare a final report on ADB's support to the WWF and the follow-up activities agreed upon, outlining the preparatory activities and summarizing the sessions.

B. Domestic Consultants

3. The domestic consultants will assist the international consultants in DMCs that express an interest in follow-up activities as a result of the WWF, through data collection, consultations, and proposal development with agencies and development partners in the DMCs concerned.