

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font on a dark blue square background.

Regional and Sustainable Development Department  
Sustainable Infrastructure Division

# Cooperation Fund for the Water Sector Six-Monthly Progress Report July to December 2008

A photograph of three children playing in shallow water, splashing and laughing. The water is clear and blue, and the children are in various playful poses. The image is positioned in the lower-left quadrant of the cover.

Asian Development Bank  
January 2009

## I. BACKGROUND

1. The Cooperation Fund for the Water Sector (the Fund) is a multi-donor umbrella fund established on 10 December 2001 to help the Asian Development Bank (ADB) promote effective water management policies and practices at the regional, subregional, and country levels; and thereby catalyze the implementation of ADB's water policy in the Asia and Pacific region.
2. The Fund finances activities under six components: (i) advocacy and communications; (ii) knowledge base and capacity building; (iii) pilot and demonstration activities (PDAs); (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. The Fund resources are accessed through a series of regional technical assistance (RETA). Five RETAs were processed, of which four have been completed. The fifth and last RETA is scheduled for completion in December 2009 which will also serve as the Fund's official closing date.
4. The main report sets out:
  - (i) Highlights for the 6-month period July–December 2008;
  - (ii) Comparative key outputs summary;
  - (iii) Outcomes achieved to date;
  - (iv) Financial status of the Fund; and
  - (v) Outlook for the next 6 months January–June 2009.
5. Appendixes 1–6 contain details of the various programs and activities within each category.

## II. HIGHLIGHTS

6. The major highlights for this period were:
  - (i) **Water Committee Expanded and Working Groups Formed.** The membership of the Water Committee was expanded in mid-2008 to include more members from operations departments, including from the Private Sector Operations Department (PSOD). The Committee continues to be chaired by an operations department but is now strengthened with a co-chair from PSOD. Furthermore, recognizing the need to focus on specific strategic priorities, the following working groups have been formed in addition to the Rural, Urban and Basin Streams that were earlier organized following the launch of the Water Financing Program in 2006.

**Sanitation Action Group.** This group was formed in 2007 immediately after the Stockholm World Water Week where ADB launched its sanitation initiative as articulated in the advocacy paper: "Dignity, Disease and Dollars". This Group is tasked to serve as focal point for moving the sanitation agenda forward to help ramp up sanitation investments by ADB, government clients and other development partners. During the reporting period, this Group actively engaged its members and other ADB staff involved in sanitation projects, including those from environment and health communities of practice, in discussing, among

others, its 2009 Work Program. It also began preparations for the major sanitation initiatives in 2009, including the Sanitation Conference scheduled in March with high level delegations from ADB's developing member countries (DMCs).

**Climate Change Working Group.** Organized before the end of 2008, this Working Group serves as focal point for accelerating ADB's action on water and climate change. Among its activities in 2008 included the initial review of proposals received from developing member countries (DMCs) for climate change adaptation and initial preparation for a regional technical assistance (RETA) on Water and Climate Change proposed to be funded from the Water Financing Partnership Facility this year.

- (ii) **Work on Accelerating Sanitation Sustained.** In addition to the activities being spearheaded by the ADB's Sanitation Action Group as described in para 6(i) above, a cost-benefit analysis of sanitation options in Indonesia, Philippines and Viet Nam commenced in mid-2008 in cooperation with Water and Sanitation Program for East Asia and the Pacific (WSP-EAP). A parallel initiative is also in progress in India, Bangladesh and Pakistan, in partnership with WSP South Asia, but funded from the Water Financing Partnership Facility. Both form part of the Economics of Sanitation Initiative. Completion of both reports is expected within 2009.

As part of ADB's support to the International Year of Sanitation, the Fund supported the holding of 2<sup>nd</sup> Sanitation Summit in the Philippines which focused on advancing action in implementing the provisions of Clean Water Act with respect to septage management as minimum requirement and accelerating preparation of water safety plans. Following this, ADB has been requested to support the preparation of National Sewerage and Septage Management Program.

Furthermore, during the reporting period, work continued on the preparation of the Sanitation Databook which began in late 2007, in collaboration with CityNet. Completion is targeted before March 2009, in time for the Sanitation Conference.

- (iii) **Support to Gender.** To sustain the gains from the Fund-supported establishment of Gender and Water Network (GWANET) in Central Asia, a follow-up proposal was received from the Network and is currently being reviewed for possible funding consideration under the Water Financing Partnership Facility. Possible collaboration with Gender in Water Alliance is also being explored as a follow-up to the ADB-GWA program of cooperation in 2003 which was also financed from the Fund.
- (iv) **Three PDAs Ended and One Commenced Implementation.** During the reporting period, three pilot and demonstration activities (PDAs), were completed. These are:
  - (a) Thailand – Piloting Adaptive Management Approach to Implementing IWRM in Yom River Basin;
  - (b) Cambodia – Adaptation and Verification of Arsenic Mitigation Technology; and



(c) PNG: Implementing Integrated Catchment Management for Lake Kutubu.

A new PDA entitled “Pilot Study on Beneficial Use of Sludge in PRC” was approved within the 3<sup>rd</sup> quarter of 2008 and is expected to be completed after 6 months.

All in all, there are eight PDAs under implementation as of end 2008 and all of which are expected to be completed by mid-2009.

(iii) **Knowledge Products Developed.** During this reporting period, five knowledge products were completed, consisting of three brochures, one study, and one video documentary. The brochures focused on the following:

- (a) Water Operators Partnership Program (WOPs);
- (b) Nature and Progress of the WOPs’ twinning program; and
- (c) Update on the Water Financing Program as it leaves the midway mark.

The first two brochures were prepared for and initially disseminated at the 2008 World Water Forum in Stockholm.

The report/study published with Fund support, Reviving Lakes and Wetlands: Lessons Learned from the People’s Republic of China, highlights the insights gained from the study of 4 lakes and wetlands restoration in the PRC. The book is currently being translated into Chinese as per the request of PRC clients.

The video documentary, Changing Lives, focused on how community-driven rural water supply projects yielded big returns for Sri Lanka.

Three more technical notes underwent various finalization procedures (e.g. editing, concept design, etc) and are expected to be printed in the next reporting period. These are (a) Study on the Sanitation Situation in India; (b) Water Rights in Asia-Pacific; and (c) Benchmarking of Water Utilities and Apex Bodies in Asia-Pacific.

### III. COMPARATIVE KEY OUTPUTS SUMMARY

7. The table below presents the key outputs for this period:

Category	Outputs Indicator	Units	This Period <sup>a</sup>	Last Period
Promotion and Public Awareness Category	Development of multimedia and other awareness raising products	Number	1 Changing Lives (Sri Lanka))	1 (Sanitation Video – two versions – one 7 minutes and one 22 minutes)
Knowledge Base and Capacity Building	Inventory of publications	Number	16 volumes (Water for All Series) 3 Water Briefs	16 volumes (Water for All Series) 2 Good Practice Papers 3 Water Briefs

Category	Outputs Indicator	Units	This Period <sup>a</sup>	Last Period
	Distribution of publications	Number	4,633	4,633
	Studies completed	Number	1 (Reviving Lakes and Wetlands)	1 India Utilities Databook
	Website hits	Monthly Ave	276,457	285,373
	E-newsletter distribution	Number	57,408	56,544
	Community of Practice (CoP)	Number	6	6
	Knowledge Hubs	Number	13	12
Water Partnerships	Apex Bodies events	Number	1	0
	NARBO events	Number	1	3
	SEAWUN events	Number	0	1
	SAWUN Events	Number	0	1 (July)
	CASCWUA	Number	2	1
	GWP	Number	1	2
Regional Events and Initiatives	Events supported	Number	3	10
	Dissemination to ADB Staff	Bluebags	1 <sup>1</sup>	via CoP
Pilot and Demonstration Activities	Completed	Number	3	2
	Being implemented	Number	5	10
	Finalizing contracts to start	Number	0	0
	On-hold	Number	1	1

<sup>a</sup>Data in this column refers to final outputs rather than degree of activity. Therefore, "0" does not mean no activity.

#### IV. OUTCOMES ACHIEVED TO DATE

8. Achievement of the Fund objective to promote effective water management policies and practices at regional, subregional, and country levels by catalyzing the implementation of ADB's Water Policy in the Asia and Pacific Region continued to be demonstrated in the various projects and activities financed by the Fund during the reporting period.

9. Support to the implementation of the Water Financing Program 2006-2010 was sustained. The achievement of the targeted outcomes as of 31 December 2008 with respect to the number of people targeted to benefit from water investments did not change from the last reporting period. However, the number of river basins in which to introduce IWRM recorded a significant increase from 14 river basins in June 2008, to 24 by end of the same year. Updated report is shown in Table 1 below.

**Table 1 – Progress on Outcome Achievements, as of 31 December 2008**

Expected Outcomes	Target (end 2010)	Anticipated benefits/ outcomes from projects approved as of 31 Dec 2008
Number of people with safe drinking water and improved sanitation	200 million	63.5 million
Number of people with reduced risks to flood	100 million	34.6 million
Number of people with more productive and efficient irrigation and drainage services	40 million	5.6 million
Integrated water resources management introduced in river basins	25 river basins	24 river basins

<sup>1</sup> Blue bag: Managing Water-Related Disasters, ADB HQ Rm 4210, 6 October

10. With respect to the target investments of well over \$2 billion annually during the period 2006–2010 or a total of over \$10 billion in five years, Table 2 below shows the status as of 31 December 2008.

11. The approved lending in the last 3 years fell short of the target. The challenge is to increase the 2009 and 2010 pipeline if the more than \$10 billion target investment is to be reached. Resources from the Water Financing Partnership Facility are expected to play a crucial role in facilitating preparation of additional projects.

**Table 2 – Progress on Achievement of Target Investments, as of 31 December 2008**

<b>Water Financing Program Investments</b>	<b>2006 \$billion</b>	<b>2007 \$billion</b>	<b>2008 \$billion</b>	<b>2009-2010 \$billion</b>	<b>Total 2006- 2010 \$billion</b>
Target	>2	>2	>2	>4	>10
Programmed	3.1	2.1	2.9	4.6	12.7
Approved	1.5	0.74	1.65		

12. With respect to the initial target of \$100 million contributions to the Water Financing Partnership Facility, the total committed contributions from financing partners as of 31 December 2008 stood at \$43 million. ADB is closely coordinating with existing and potential financing partners to raise the balance of \$57 million.

13. The Fund support to improving the quality of project preparation and implementation continued to benefit operations departments, primarily through the water expert services pool that allows engagement of incremental expertise. In addition to those reported in the previous six monthly report, two more experts were engaged to provide legal and financial support for strengthening capacity of PRC's state-owned enterprises. Support to Pakistan was sustained during the reporting period to help develop the communication strategy for the Sindh Cities Improvement Investment Project – a \$300 million multitranche financing facility (MFF) that was approved in December 2008. Funding for capacity development also continues to play a significant role in improving the performance of key water sector organizations as well as executing/implementing agencies.

14. While Fund support to the network of water utilities was slowly phased out in 2008 in view of the approval of a dedicated RETA for supporting the Water Operators Partnerships Program (WOPS), there is no doubt that the Fund's significant role in supporting their establishment cannot be overemphasized. Among the major accomplishments during the reporting period include: (i) the enlisting of 16 water utilities to pursue the WOPS' twinning program – a partnership between a strong and a weak utility. The 16 utilities constitute the 8 twins currently implementing specific improvement programs. The twinning program is designed in such a way that each twin agrees on a specific aspect of utility operations that will be targeted for improvement, i.e. nonrevenue water reduction, (ii) the continuous improvement and benchmarking of utilities, (iii) technical training – last year's focus was the workshop series on non-revenue water reduction. The feasibility of establishing utilities network for East Asia covering PRC and Mongolia is still under consideration. Improved efficiency in the delivery of water supply services by these utilities is the outcome envisioned under this WOPs initiative, eventually resulting in more people being benefited through increased access to safe water supply and improved sanitation.

15. Introduction of IWRM in river basins and mainstreaming into government policy and strategy continues to be supported by the Fund through the Network of Asian River Basin Organizations (NARBO).

#### IV. FINANCIAL STATUS

16. Below is the overall financial status of the Fund under the five RETAs.

Category	Allocated Amount (\$'000)	Committed since last period (\$'000)	Percent of total allocation as at Dec 2008	Cumulative % committed to Dec 2008
Promotion & Public Awareness Category	2,889	10	15%	16%
Knowledge Base and Capacity Building	7,114	348	34%	33%
Water Partnerships	3,486	29	17%	17%
Regional Events & Initiatives	2,236	178	11%	13%
Pilot & Demonstration activities	2,252	30	12%	10%
Project Coordination, Monitoring and Evaluation	2,342	118	11%	11%
<b>Total</b>	<b>20,319*</b>	<b>714</b>	<b>100%</b>	<b>100%</b>

\*Total is for five regional (RE) TAs covering the six categories, inclusive of the \$1.1 million foreign exchange gain and \$1.04 interest earnings which were utilized through the RETA 6325 (Phase 5) 1<sup>st</sup> major change in scope in 2007 and 2<sup>nd</sup> major in scope in 2008, respectively.

17. The major commitments and reserved funds incurred during this period were as follows:

- (i) Promotion and Awareness – additional \$10,284 for continuing the services of a Development Communication Specialist engaged under the Fund to support the development of communication strategy for Pakistan’s Sindh Cities Improvement Investment Project.
- (ii) Knowledge Base and Capacity Development - \$348,193 for: (a) legal and financial capacity strengthening of PRC’s state-owned enterprises; (b) partnership with Lee Kuan Yew School of Public Policy for the Executive Leadership Program for City Water Managers; (c) capacity building on irrigation and IWRM, through a study tour for India officials to Australia; (d) continuation of partnership with WSP on economics of sanitation initiative; (e) completion of the technical paper on benchmarking of water utilities and apex bodies in Asia and the Pacific; and continuing engagement of technical support for water website.
- (iii) Partnerships - \$28,861 for (a) additional support to the Network of Asian River Basin Organizations (NARBO) for their 2008 training program, and (b) Water-Related Disaster Management Workshop relating to the collaboration with UNESCO-IHE and Singapore PUB on Developing Water Knowledge Hub.
- (iv) Events - \$178,437 relating to ADB’s involvement in and/or organization of regional events during the reporting period which included: (a) Philippine Consultations on Strengthening Regulation; (b) Philippines 2<sup>nd</sup> National Sanitation Summit; (c) 2008 Stockholm World Water Week 2008; (d) World Toilet Summit Expo 2008; and (e) support to the Regional Meeting on Hydro-informatics and Developing Knowledge Hub Networks.

- (v) Pilot and demonstration activities - \$30,489 for PRC's PDA: Pilot Study on Beneficial Use of Sludge which commenced implementation in November 2008.
- (vi) Project Coordination, Monitoring and Evaluation – \$117,510 for continued engagement of Water Fund Administrator cum PDA Manager, Accounting Assistant and Results-Based Management Specialist.

18. A list of projects financed from the \$2.4 million direct operations support/top-up facility is presented in Appendix 7.

19. The Status of Grant is being submitted together with this report as Appendix 8.

## **V. OUTLOOK FOR NEXT SIX MONTHS**

20. The last of the five RETAs financed from CFWS was due to end on 31 December 2008. However, its completion date was extended by another year following approval of a major change in scope to utilize the interest earnings from donor contributions and unspent amount from RETA Phase 3 (RETA 6123).

21. The major activities expected in the next 6 months are as follows:

- (i) Promotion and Awareness
  - a. Completion of support to Pakistan on the development of communication strategy for Sindh Cities Improvement Investment Project; and
  - b. Initiating support to Nepal's West Seti hydropower project in undertaking stakeholder analysis and development of communication plan.
- (ii) Knowledge Base and Capacity Development
  - a. Completion of the capacity development support to PRC's state-owned enterprises;
  - b. Start of upstream support to Bangladesh for the preparation of Chittagong Hill Tracts Rural Development Phase 2;
  - c. Initiating support to PRC in preparing 1<sup>st</sup> and 2<sup>nd</sup> tier municipalities for subsovereign lending;
  - d. Providing support to the Private Sector Department in engaging environmental expert for the preparation of PPP projects in India;
  - e. Completion of on-going support to Viet Nam for pre-implementation assistance to provincial government prior to loan effectiveness of Integrated Rural Development Project in Central Provinces which includes rural water supply and irrigation components;
  - f. Completion of the impact evaluation of rural water supply in Pakistan;



- g. Completion of the Sanitation Databook; and
  - h. Continuation of knowledge products development, particularly those prioritized by the Water Committee for 2009.
- (ii) Partnerships
- a. Continuation of support to NARBO to carry out the 2009 work program, particularly for the continuation of training program; and
  - b. Sustaining assistance to the Asia Pacific Water Forum (APWF), including the preparation of the Asian Water Development Outlook 2010 as a key discussion document for the 2<sup>nd</sup> Asia Pacific Water Summit.
- (iii) Events
- a. The Fund is expected to finance part of the cost of the ADB-DMC Sanitation Conference in March 2009 and the planned follow-up in-country dialogues.
  - b. Support to ABD's participation in the 5<sup>th</sup> World Water Forum in Istanbul where ADB intends to present the initial report on the on-going assessment of irrigation and drainage in Asia, in partnership with the International Water Management Institute (IWMI). IWMI is the knowledge hub for irrigation reforms.
  - c. Support to the organization of day-long Asia Day at the 2009 Stockholm World Water Week. Asia Day was first introduced last year and is intended to be an annual feature of the World Water Week. It aims to call the attention of world water sector leaders, experts and practitioners to the issues and challenges confronting Asia.
- (v) Pilot and Demonstration Activity (PDA)
- Completion of the remaining 8 PDAs.

22. Attached are the following appendixes:

Appendix 1: Promotion and Public Awareness

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 Operations Support

## PROMOTION AND PUBLIC AWARENESS CATEGORY

1. **Launch of New Water Video.** The "Changing Lives: Rural Water Schemes in Sri Lanka" video documentary was launched during the August 2008 Water Community of Practice Catchment meeting. The video shows the different stages of ADB's engagement in rural water, focusing on Sri Lanka's completed 3rd Rural Water Supply and Sanitation (WSS) Project and ongoing Secondary Towns and Rural Community-Based WSS Project.
2. **Water Videos on the Web.** ADB's water video documentaries and public services announcements, which were uploaded in April 2007 at Youtube, Yahoo videos, Google videos, and Spike/iFilm, gained a broader Internet distribution network. Video sharing websites such as Truveo, Leechvideo, and AOL videos, among others promote ADB's water videos either by establishing reciprocal links or through video embedding. ADB's Water for All Channel at Youtube has reached almost 2,000 channel views.
3. **Water Videos DVDs Dissemination.** ADB continues to receive regular requests for DVD copies of ADB's water videos from academe, research organizations, private sector, and individuals. ADB's Water Voices Documentary Series, China's Water Challenge, and Saving Cambodia's Great Lake are the most requested DVDs.
4. **Water Publications Dissemination.** Various ADB water publications were disseminated during the 2008 World Water Week in Stockholm, and the Asia-Pacific Regional Synthesis Meeting for the 5th World Water Forum in December in Tokyo. These include ADB Water Briefs, Asian Water Development Outlook and translations, Asia-Pacific Water Forum Knowledge Hubs flyers, and other publications.

## KNOWLEDGE BASE AND CAPACITY BUILDING

1. **ADB water website.** Work on the water website (<http://www.adb.org/water>) in the last reporting period focused on applying the new design and color scheme to the rest of the pages, improving usability features such as expanded databases to facilitate the search for contents within the site, and beefing up the metatags to make it easier for search engines to find the pages. Major tabs, as gateways to more specific information, continued to be revamped to resurface buried data. The website's knowledge contents were expanded through constant updating of existing pages, development of new directories, sections, and webpages, and immediate uploading of conference materials for quick and easy reference of both participants and non-participants.
2. As of 31 December 2008, the water website has 14,965 files, representing a 22% content expansion from the June 2008 figure of 12,219 files. The monthly hits during the reporting period averaged at 276,457, and peaked at 290,136 hits in October. Some 17,677 users visited the site monthly. In comparison with the over 220 sub-sites in ADB's websites, the water website remains consistently the most popular sectoral site and the 5<sup>th</sup> most popular overall.
3. **ADB Water for All News E-newsletter.** Four issues were released this period, each one carrying the new design and usability features introduced in the previous reporting period. Content-wise, the e-newsletter continues to receive words of appreciation from subscribers, citing the usefulness of the champion and reform stories regularly featured there. As of December 2008, 41 issues of the e-newsletter have been circulated. The four issues for this reporting period focused on the following: (i) Making Public-Private Partnerships Work (July), (ii) Institutions on the Go (September), (iii) Dealing with Disasters (October), and (iv) The Price and Prize of Innovations (December). Each issue of the e-newsletter gets to 14,352 subscribers.
4. **Knowledge Products** – ADB continues to produce knowledge products for a range of target audiences that include ADB staff, government decision makers, water practitioners, and the general public. For the reporting period, ADB has completed the following products:
  - (i) Briefs: Performance Benchmarking Through Twinning; Water Operators' Partnership Program; Update on the Water Financing Program 2006-2010
  - (ii) Publications: Reviving Lakes and Wetlands: Lessons Learned from the PRC
5. Work ranging from research, writing, design and initial print drafts was also undertaken for the following knowledge products scheduled for release within the next reporting period:
  - (i) Technical Note: Sanitation in India: Progress, Differentials, Correlates
  - (ii) Technical Note: Water Rights and Allocation
  - (iii) Technical Note: Performance Benchmarking and Peer Review

### 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 41 PDAs have been approved to date – 32 are completed and 1 was withdrawn. Of the 32 completed to date, three (3) were completed during the reporting period. As of end December 2008, 8 are under implementation.

3. The status of PDA processing as of December 2008 is summarized below:

<b>Status of Processing of PDAs as of 30 June 2008</b>	
<b>PDA Process Stage</b>	<b>Number</b>
Approved by PDA Advisory Panel	41
Letter of Agreement executed	41
Awaiting government approval	0
LOA signed but not yet implemented	1 <sup>2</sup>
PDAs completed during this period	3
PDAs completed to date, awaiting post evaluation	32
Under Implementation	8

4. PDAs completed recently have started adopting the report template developed as part of the PDA outcome evaluation exercise. Using this template allows more results-based reporting.

5. The allocation to PDA is already used up by the end of this reporting period. Additional PDAs proposed have been programmed under the Water Financing Partnership Facility whose program quality support window also finances PDAs. Before the end of 2008, a RETA supporting PDAs was approved for funding under the Facility.

6. Demand for PDA support was consistently high, particularly during the last 2 years when outcomes have proven helpful in supporting on-going and pipelined projects.

<sup>2</sup> For Azerbaijan PDA that was withdrawn



## WATER PARTNERSHIPS

1. **Network of Asian River Basin Organizations (NARBO).** NARBO continued to focus its work on its core activities of thematic workshops, training courses, performance benchmarking of RBOs, promotional activities, and knowledge networking. NARBO has started working closely with the Asia Pacific Water Forum's regional water knowledge hubs in Asia to achieve excellence in water resources management at the river basin level.
2. Under the ongoing ADB regional technical assistance (RETA6470 Managing Water in Asia's River Basins: Charting Progress and Facilitating Investment), NARBO is helping to pilot a roadmap advisory service which would introduce IWRM elements in stages in five river basins across the region, and to prepare roadmaps for long-term integrated river basin investment programs. NARBO is also finalizing the IWRM Guidelines technical document that would reflect, among others, the rich and diverse IWRM experiences across the region. The guidelines are expected to help RBOs develop locally appropriate solutions to IWRM challenges in river basins.
3. A Letter of Intent between ADB and Japan Water Agency (JWA) aims to promote more projects and activities that improve water security in river basins through an integrated approach to water resources management. The LOI will continue and strengthen ADB's collaboration with JWA in support of NARBO.
4. The second workshop on water-related disaster management was conducted in Manila from 7-10 October (details below). A fifth IWRM training course piloting a case study approach for the Vu Gia Thu Bon river basin in central Viet Nam is planned for February 2009, with support from Australia's International WaterCentre, the APWF's regional knowledge hub on healthy rivers and aquatic ecosystems.
  - a. **2<sup>nd</sup> Workshop on Water-Related Disaster Management, Manila, 7-10 October.** NARBO held its 2<sup>nd</sup> workshop on water-related disaster management in Manila from 7-10 October. Eight water professionals representing eight countries from river basin organizations (RBO) and government agencies participated in the workshop which was hosted by the Laguna Lake Development Authority. The workshop discussed the conditions and experiences on water-related disaster management of represented countries; and evaluated the issues and challenges, as well as the proposed strategies to address the issues.

## REGIONAL EVENTS

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:

- (i) **Asia-Pacific Water Forum: Regional Meeting on Hydro-informatics and Developing Knowledge Hub Networks, Zhengzhou, People's Republic of China, 15-17 October.** ADB supported the regional meeting on hydro-informatics and developing knowledge hub networks which was held in the People's Republic of China from 15-17 October. 125 water professionals representing 21 countries participated in the regional meeting which was hosted by the Center for Hydro-informatics in River Basins (CHIRB) of the Yellow River Conservancy Commission (YRCC), the APWF's regional water knowledge hub on decision support systems for river basin management. The event shared experience in the applications of hydro-informatics for IWRM in the Yellow River Basin and in other selected river basins in Asian countries; (ii) identified the development principles and process; and formulated action plan and communication strategies of the CHIRB hub network; and (iii) reviewed and improved the APWF knowledge hubs' business plans.
- (ii) **2008 Stockholm World Water Week.** Held on 17-21 August 2008, this premier annual water event introduced for the first time the ADB-led Asia Day which is aimed at calling attention of world water experts and practitioners to the challenges confronting Asia-Pacific Region. Asia Day is expected to be a feature of the coming year's world water week.
- (iii) **Philippines' Conference on Improving Regulation** held in July 2008 to improve accountability of service providers, resulting in more people being benefited by improved water supply services.
- (iv) **Philippines' 2<sup>nd</sup> National Summit** aimed at accelerating sanitation initiatives and operationalizing the intent and objective of the Clean Water Act.
- (v) **2008 World Toilet Summit and Expo.** Through resources from the Fund, ADB co-convened with the World Toilet Organization the 2008 World Toilet Summit in Macau, on 4-6 November 2008. This served as a year-end event to cap the International Year of Sanitation.

**PROGRAM COORDINATION, MONITORING, AND EVALUATION**

1. The Water Team closely coordinated with the Office of Cofinancing Operations and Controller's Department for the preparation of financial reports, including coordinating the processing of major change in scope in the last quarter of 2008 to utilize the interest earnings from donor contributions.

**DIRECT OPERATIONS SUPPORT**

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

1. The \$2.4 million direct support to operations approved by CFWS donors in 2005 were fully committed as of 30 June 2008, as shown in the list below.

TA No.	TA Title	TA Type	TA Amount (US\$)
<b>Bangladesh</b>			
4651	Dhaka Water Supply	PPTA	160,000
4863	2 <sup>nd</sup> Urban Governance and Infrastructure Improvement (Sector)	PPTA	100,000
<b>India</b>			
4678	North Eastern Region Urban Development (Phase II)	PPTA	160,000
4779	Project Implementation and Urban Management in the North Eastern Region (Phase 1)	PPTA	120,000
4815	Orissa Integrated Irrigated Agriculture and Water Management	PPTA	110,000
4896	North Eastern Integrated Flood and Riverbank Erosion Management	PPTA	50,000
<b>Maldives</b>			
4614	Promoting Sound Environmental Management in the Aftermath of the Tsunami Disaster	AOTA	400,000
<b>Nepal</b>			
4893	Kathmandu Valley Water Distribution, Sewerage and Urban Development	PPTA	160,000
<b>Pakistan</b>			
4642	Punjab Irrigated Agriculture Development Sector	PPTA	90,000
4534	Sindh Basic Urban Services Project	PPTA	80,000
<b>People's Republic of China</b>			
4586	Guiyang Integrated Water Resources Management	PPTA	160,000
4327	Flood Management Strategy Study	AOTA	49,600
4604	Nanjing Water Utility Long-Term Capital Finance in Commercial Markets	AOTA	110,000
4971	Songhua River Basin Pollution Control and Management Project	PPTA	196,000
<b>Sri Lanka</b>			
4049	Strengthening the Regulatory Framework for Water Supply and Sanitation	AOTA	40,000
4853	Small Towns and Rural Arid Areas Water Supply and Sanitation	PPTA	120,000
7078	Institutional Strengthening for Decentralized Service Delivery in the Water Sector	AOTA	50,000
<b>Viet Nam</b>			
3528	Capacity Building for Water Resources Management	AOTA	150,000
<b>Regional</b>			
6285	Strengthening Country Safeguard Systems	RETA	100,000



## Statement 1

ASIAN DEVELOPMENT BANK  
ADMINISTRATOR FOR  
TECHNICAL ASSISTANCE GRANT FUND  
COOPERATION FUND FOR THE WATER SECTOR

STATUS OF GRANT (CONTRIBUTION)

As of 31 December 2008

(Amounts in US dollar)

TOTAL CONTRIBUTION COMMITTED		21,445,144.48 <sup>a/</sup>
Gain (Loss) arising from change in value of currency		<u>219,621.33</u>
Amount received - Gov't. of Netherlands	19,424,872.97	
Amount received - Gov't. of Norway	<u>2,239,892.84</u>	
NET CONTRIBUTION AVAILABLE		21,664,765.81
Add: Income from investments	1,338,469.83	
Interest income	249,662.72	
Net gain/(loss) on foreign exchange transactions	<u>(6,051.50)</u>	<u>1,582,081.05</u>
TOTAL AMOUNT AVAILABLE		23,246,846.86
Amounts utilized for:		
Project expenditures	(18,580,191.64)	
ADB administration cost	(950,309.58)	
Financial expense - bank charges	<u>(9,620.00)</u>	<u>(19,540,121.22)</u>
UNUTILIZED BALANCE		3,706,725.64 <sup>b/</sup>
Less: Outstanding commitments	(3,396,946.63)	
Reserve for ADB administration cost	<u>(169,847.33) <sup>c/</sup></u>	<u>(3,566,793.96)</u>
UNCOMMITTED BALANCE		139,931.68
Less: TA Approved But Not Yet Effective		
7078/SRI: Institutional Strengthening for Decentralized		
Service Delivery in the Water Sector	(50,000.00)	
Reserve for ADB administration cost	<u>(2,500.00) <sup>c/</sup></u>	<u>(52,500.00)</u>
UNCOMMITTED BALANCE AVAILABLE FOR NEW COMMITMENTS		<u><u>87,431.68</u></u>

<sup>a/</sup> Represents the sum of utilized and unutilized contributions expressed in US\$ equivalents.

<sup>b/</sup> Represented by:

Cash in bank		3,084,365.56
Interfund receivable		6,790.03
Advances		639,997.27
Accrued expense	(6,000.00)	
Interfund payable	<u>(18,427.22)</u>	<u>(24,427.22)</u>
		<u><u>3,706,725.64</u></u>

<sup>c/</sup> Represents 5% of outstanding commitments/TA approved not yet effective.

ASIAN DEVELOPMENT BANK  
Statement of TA Expenditures - Cooperation Fund for the Water Sector  
As of 31 December 2008  
(Expressed in US dollars)

TA Title	TA No./Type	Date of Approval	TA Amount <sup>v</sup>	Amount Received	Project Expenditures <sup>v</sup>			Expected TA Completion Date	Completed TAs	
					Cumulative up to 31/12/07	Transactions 01/01-31/12/08	Cumulative up to 31/12/08		Outstanding Commitments	Utilized Commitment (Savings)
			(A)	(B)	(C)	(D)	(E) = (C) + (D)	(F) = (A) - (E)	(H) = (A) - (E)	(I)
<b>Bangladesh</b>										
Dhaka Water Supply	4651/PP	22Sep05	160,000.00	-	-	75,012.09	75,012.09	-	84,987.91	30-Nov-08
Second Urban Governance and Infrastructure Improvement (Sector) Project	4863/PP	07Nov06	100,000.00	90,566.00	9,434.00	100,000.00	-	-	-	31/10/2008
<b>India</b>										
North Eastern Region Urban Development (Phase II) Project	4678/PP	31Oct05	160,000.00	117,743.90	35,221.03	152,964.93	7,035.07	7,035.07	-	31/12/2007
Project Implementation and Urban Management in the North Eastern Region (Phase 1)	4779/AO	11Apr06	120,000.00	-	14,145.97	14,145.97	105,854.03	105,854.03	-	31/10/2009
Orissa Integrated Irrigated Agriculture and Water Management Project	4815/PP	18Jul06	110,000.00	72,276.15	1,222.82	73,498.97	-	-	36,501.03	10-Jul-08
North Eastern Integrated Flood and Riverbank Erosion Management Project	4896/PP	14Dec06	50,000.00	-	37,468.91	37,468.91	12,531.09	12,531.09	-	30/11/2008
<b>Maldives</b>										
Promoting Sound Environmental Management in the Aftermath of Tsunami Disaster	4614/AO	19Jul05	400,000.00	361,719.90	-	361,719.90	-	-	38,280.10	30-Aug-07
<b>Nepal</b>										
Kathmandu Valley Water Distribution, Sewerage and Urban Development Project	4893/PP	13Dec06	160,000.00	-	-	1,719.75	1,719.75	158,280.25	-	30/06/2010
<b>Pakistan</b>										
Punjab Irrigated Agriculture Development Sector	4642/PP	01Sep05	90,000.00	87,869.21	-	87,869.21	-	-	2,130.79	31-Mar-08
Sindh Basic Urban Services (JSF)	4534/PP	23Dec04	80,000.00	-	44,739.25	44,739.25	35,260.75	35,260.75	-	30/04/2009
<b>People's Republic of China</b>										
Guiyang Integrated Water Resources Management	4586/PP	16May05	160,000.00	159,451.37	-	159,451.37	-	548.63	-	30/06/2009
Flood Management Strategy Study	4327/AO	14Apr04	49,600.00	43,398.00	-	43,398.00	-	-	6,202.00	11-Sep-06
Nanjing Water Utility Long-Term Capital Finance in Commercial Markets	4604/AO	28Jun05	110,000.00	85,063.29	22,575.00	107,638.29	-	-	2,361.71	30-Apr-08
Songhua River Basin Water Pollution Control and Management Project	4971/PP	28Sep07	196,000.00	-	196,000.00	196,000.00	-	-	-	30/07/2009

**Sri Lanka**

Strengthening the Regulatory Framework for Water Supply and Sanitation	4049/AO	18Dec02	40,000.00	-	40,000.00	-	30-Apr-08
Small Towns and Rural Aid Areas Water Supply and Sanitation	4853/PP	23Oct06	120,000.00	19,258.19	110,625.19	9,374.81	30/11/2008
<b>Viet Nam</b>							
Capacity Building for Water Resources Management	3528/AO	10Oct00	150,000.00	-	124,624.51	25,375.49	29-Feb-08
<b>Regional</b>							
Promoting Effective Water Management Policies and Practices	6031/RG	26Apr02	4,000,000.00	-	3,774,185.00	225,815.00	11-Aug-06
Promoting Effective Water Management Policies and Practices - Phase 2	6093/RG	31Jan03	1,000,000.00	-	903,373.08	96,626.92	31-Aug-05
Promoting Effective Water Management Policies and Practices - Phase 3	6123/RG	03Oct03	4,300,000.00	11,004.59	4,120,819.22	179,180.78	30-Sep-08
Promoting Effective Water Management Policies and Practices - Phase 4	6219/RG	20Dec04	5,600,000.00	4,415,167.26	4,976,976.11	623,023.89	30/04/2008
Strengthening Country Safeguard Systems	6285/RG	12Dec05	100,000.00	3,104.47	67,978.12	32,021.88	30/04/2009
Promoting Effective Water Management Policies and Practices - Phase 5	6325/RG	14Jul06	5,419,000.00	1,483,204.13	3,005,983.77	2,413,016.23	31/12/2009
<b>Total Approved and Effective TAs</b>			<u>22,674,600.00</u>	<u>21,664,765.81</u> <sup>3/</sup>	<u>15,962,927.90</u>	<u>18,580,191.64</u>	<u>697,461.73</u>

**Add: TA projects/programs approved but not yet effective**

7078/SRI: Institutional Strengthening for Decentralized Service Delivery in the Water Sector

**GRAND TOTAL**

**Contributions:**

Government of Netherlands							
Per CFA dated 13 Dec 2001							
Add'l contribution dated:							
19 Dec 2002							
29 Dec 2003							
29 Dec 2003							
28 Dec 2004							
25 Aug 2006							
Total - Government of Netherlands							
Government of Norway							
19 Aug 2003							
28 Sep 2004							
02 May 2005							
Total - Government of Norway							
TOTAL CFWS CONTRIBUTION							
NLG	10,000,000.00	US\$	4,038,623.92				
		US\$	4,000,000.00				
			5,000,000.00				
			13,038,623.92				
		US\$	110,975.00				
			5,151,280.00				
			1,123,994.05				
			6,386,249.05				
		US\$	19,424,872.97				
		US\$	404,489.83				
			883,882.78				
			951,520.23				
		US\$	2,239,892.84				
			21,664,765.81				

<sup>1/</sup> US\$ equivalent of TA Grant at the time of TA approval.

<sup>2/</sup> Actual disbursements.

<sup>3/</sup> Represents actual US\$ equivalent of contributions received.