Danube Region Water Supply and Wastewater Sector Capacity Building Program

A brief presentation

What is the Danube Water and Sanitation Sector Support Program?
The Danube Water and Sanitation Sector Support Program supports policy dialogue and capacity development in the water supply and wastewater sector in the Danube Region. The Program is jointly run by the World Bank and IAWD, the International Association of Water Supply Companies in the Danube River Catchment Area, with seed financing from the Government of Austria.

The Program works with regional, national and local stakeholders to:

- Promote an informed policy dialogue around the core challenges facing the sector; and
- Strengthen technical and managerial capacity of the sector’s utilities and institutions

Why this Program?
In the wake of the EU accession and harmonization process, the countries in the Danube Region are undergoing a process of rapid modernization that has a major impact on the status and organization of the water utility sector. Large water and wastewater capital investments and infrastructure upgrading are taking place, often with significant external financial support. However, these investments have not been matched consistently with regulatory, organizational, managerial and technical modernization in the sector’s institutions, and many utilities in the region suffer from chronic problems of overstaffing, poor financial performance, insufficient service quality, and tariff structures that fail to recover costs.

To address these challenges, new skills and knowledge are required to ensure high-quality, cost-efficient delivery of water supply and wastewater services, mobilize additional sources for investment funding, and provide incentives for better performance. Countries need to define and implement policies on topics such as reforming utility management, better targeting subsidies to low income groups, restructuring tariffs, improving regulation, professionalizing staff, and improving cost recovery, which are key ingredients for sustainable water supply and wastewater service provision. The Program seeks to facilitate this process.

Who finances the program?
The Program is financed through a Multi-Donor Trust Fund, with an initial contribution in the amount of EUR4.5 million for three years provided by the Government of Austria. Contributions from other donors are also being sought with the purpose of expanding the program’s scope, geographical reach and duration. For further information:

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Who can participate?
The Program currently covers the water supply and sanitation sector in eleven target countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, FYR Macedonia, Moldova, Montenegro, Romania, Serbia, and Ukraine. Further countries in the Region can participate but cannot directly benefit from Program funding. In each country, the Program is targeted in particular at (i) water supply and wastewater sector policy makers; (ii) senior technical and managerial staff of water supply and wastewater utilities; and (iii) senior level staff from water supply and wastewater associations.

What does the program do?
The program supports activities for both policy support (Component 1) and capacity development (Component 2) in the water supply and sanitation sector at three levels:

- At the whole Danube region’s level, through regional events and activities;
- At sub-regional level, among cities, utilities and countries sharing common challenges and interests; and
- At national level, for customized policy advice activities.

The table below describes in further details the type of activities supported by the Program. The list is not exhaustive, and further activities that contribute to the Program’s objective, can also be considered.

How does the program operate?
The program is jointly run by the World Bank and IAWD. For that purpose both have created a common Program Team hosted in Vienna, Austria. The World Bank team focuses on policy and analytical support activities, while the IAWD technical secretariat develops the capacity building activities, under the leadership of a Steering Committee representing the Donors.

The Program works with active participation of local and national stakeholders. An Advisory Committee representing the Client Countries provides overall guidance and advises on the program’s implementation; topics, types of activities and delivery mechanisms are coordinated with the respective utilities and institutions. Whenever possible, regional experiences and expertise is used, but the Program also seeks to develop exposure to internationally relevant best practices.

English is the Program’s language of choice for regional activities, but activities at sub-regional, national and local levels can also be conducted in other languages.

A brief history
The World Bank and the Government of Austria started preliminary discussions on the Program in 2011. Preparation started in earnest early 2012, with the Program Agreements formally signed between the Government and the Bank in June 2012, and between the Bank and IAWD in October 2012. The Bank Team and Technical Secretariat have been setup and are operating since early 2013, at which time the program started its first activities. The Program is currently scheduled to close in October 2015.