



DANUBE  
WATER  
PROGRAM

Smart policies, strong utilities, sustainable services



**2018 ANNUAL REPORT**  
**DANUBE**  
**WATER**  
**PROGRAM**

March, 2019

# I. SUMMARY

1. This is the Danube Water Program (DWP)'s sixth Annual Report. The report covers activities that took place under the Program between January and December 2018. During this year, the focus of the program was directed at: i) the roll-out and consolidation of the Danube Learning Partnership (D-LeaP) for sustainable water and sanitation services which has brought together, under a structured program, all the capacity building activities initiated under phase I and new curricula developed under Phase II; ii) the continuation and finalization of several of the DWP's second phase analytical work; iii) the support to the continuation of performance data collection and benchmarking activities; iv) the dissemination of knowledge through the Danube Water Conference 2018 and other key regional events and workshops; and v) the preparation of the DWP's third phase.

2. As most second phase program activities had been concluded in December 2018, disbursement levels reached 94% against Phase II funds. The remaining undisbursed balance correspond to commitments for activities that were postponed to 2019 (i.e finalization of State of the Sector Report Update, Danubis DCM, etc) or to savings in staff costs and in activities where additional resources were secured. During the last year, the Program has facilitated knowledge exchanges among more than 250 sector professionals and policy makers in the region and beyond, has seen the publication of two regional analytical pieces, has benefitted more than 170 utilities under the D-LeaP and has successfully facilitated more than 20 capacity building events, conferences and trainings in the region. The program continues to share information on utilities in the region, sector news, events and other topics of interest through DANUBIS.org.

3. On May 2-3, the Danube Water Program organized the 2018 Danube Water Conference - "Achieving Sustainable Water and Sanitation Services for All: Progress, Challenges and Future Actions". The conference brought together around 160 participants from 24 countries in the region and beyond, representing national and local government institutions, utilities, regulatory agencies and professional associations. The conference report with summaries and links to the presentation can be found [here](#). The IAWD and WB team begun discussions in November 2018 for the preparation of the 2019 Danube Water Conference, which is programmed for May 20-21, 2019, (with business meetings happening on May 22) and will focus on the topic of resiliency in water and sanitation utilities.

4. Under component 1 (Bank Executed), the Bank team has satisfactorily advanced with the completion and development of the analytical pieces planned for this period. The regional analytical piece on water and sanitation services for those beyond the utility reach (i.e. rural areas) has been finalized, published and presented during the 2018 Danube Water Conference and all seven country notes (in draft format) have been published in the DWP website. The regional study on wastewater management has been presented in various conferences and events, and feedback received from the EC has been incorporated in the final version. The final piece has been approved by bank management and has been published at [www.danubis.org](http://www.danubis.org). The preparation of the state of the sector report update also advanced during this period. The data collection for latest sector information on the sixteen countries covered by the report was well advanced and preliminary analysis of the data began by the end of December 2018. It is expected that the SoS 2018 report will be ready to be launched at the 2019 Danube Water Conference. Support for the development of a national utility performance indicator system and benchmarking activities continue to be a priority of the DWP. The roll out of the Data Collection and Management System is ongoing and the majority of participating utility associations and regulators had submitted their latest performance data. The policy dialogue/advisory sub-component continues to advance in Albania, BiH, Romania, Moldova, Macedonia and Montenegro. At the regional level, the Bank team organized in October a study tour to Portugal to learn from the lessons coming out of the Portuguese experience in the regulation and aggregation of water and sanitation services. The delegation comprised twelve representatives from ministries, regulatory agencies and some water utility companies of Albania, Croatia, Macedonia and Montenegro. The team also organized on October 15, a roundtable discussion with three utilities from Kosovo, Romania and Albania where the results of a gender and age assessment carried out by EDGE were discussed and where guidance for the preparation of individual action plans was provided. A webinar for further dissemination of these results was planned for March 2019.

5. Under component 2, IAWD continued implementing its capacity building activities. At the beginning of the year, IAWD contracted an individual consultant that supported the roll out of the D-LeaP in different countries and who has been key for identifying implementation challenges. These were discussed during

the Roundtable of Danube Region Water Utility Associations and D-LeaP Committee Council Meeting in March 2018. Since the last semi-annual report, the Aquasan Network in BiH delivered the final Non-Revenue Water program workshop for 15 representatives from 7 water utilities on November 29, 2018, thus completing the second training cycle under the D-LeaP NRW Program. As such, in two training cycles that have been carried out in 2017 and 2018, a total number of 38 employees and managers from 18 participating water utilities in Bosnia and Herzegovina have enhanced their competences to address high NRW levels. In the frame of the Belgrade Water Expo, UTVSI launched the Water Safety Planning (WSP) program (Bank-supported) to 6 utilities from Serbia and BiH. The workshop was an introduction to the program with the expectation that further activities will take place in the coming year. The Energy Efficiency program was delivered in BiH by Aquasan and a further Training of Trainers took place on 12-15 December in Albania where the program will be launched in the upcoming year. The final seminar of the fourth cycle of the utility benchmarking program with the Ukrainian Benchmarking Hub was also been delivered on November 21-23. Regarding the competitive grant window, nine out of the eleven contracted grants have been completed. The remaining two have implemented a portion of the grant but will not complete them. Under the association support activity, eight national associations out eleven have started the implementation of at least one priority action identified in the Business Plans that were prepared with support from the program.

6. Given the above, the program has exceeded all of its five project development objective (PDO) indicators and six out of eight of its intermediate level indicators that were initially set for phase II (please refer to the results framework in Annex 1 for further details). The intermediate level indicators corresponding to energy audits conducted for participating utilities and number of utilities that prepared business plans reached 90% and 83% of their targets respectively.

7. In December 2018, the Ministry of Finance of Austria and the World Bank management formally agreed to extend the Danube Water Program into a third phase, moving the end date to 31 December 2021, and increasing the grant amount by EUR 3.5 million. This took place after all sides agreed that a third phase of the Program would be important to ensure the achievement of a sustainable impact of the Program's supported activities under the first two phases and to expand the program scope to align it with the emerging regional strategic priorities and World Bank's Water GP vision of achieving water security. As part of this extension, and taking into account recommendations from the external review that took place in 2017, the Program's results framework was updated and can be found in the annexes. The DWP team will update the Work Plan for phase III activities in the first quarter of 2019.

8. The website ([www.danube-water-program.org](http://www.danube-water-program.org)) continues to provide updated information on the program activities and approximately 50 page views per day have been using the site. A quarterly newsletter about program activities continues to be distributed to around 270 people and has been positively received. New rules for privacy under the European GDPR have meant that the number of subscribers has been reduced.

## II. COMPONENT 1 PROGRESS

### Overall situation

1. There have been some changes in the composition and location of the team since the previous annual report. Raimund Mair has joined the team in Vienna and will be the new DWP Leader for the third phase. However, he will only physically join the team in Vienna in April 2019, after an induction period in Washington DC. Patricia Lopez relocated to Madrid in August 2018 and will continue to be the DWP Leader until Raimund joins the office in Vienna. She will continue to lead a number of activities under the water and wastewater component of the program. Stjepan Gabric will continue to be co-Task Team Leader and Elvira Broeks will continue to be the Program Analyst. The team is committed to ensuring a smooth transition and continue advancing in the implementation of the program's third phase.

### Main activities

2. The main activities under Component 1 included:

- ▶ *State of the Sector (SoS) Report 2018 Update.* The SoS 2018 concept note, which follows the same methodology as the previous 2015 edition, was approved in February 2018. The Umweltbundesamt was contracted to coordinate the data collection in the various countries, and by December, data collection was well advanced for most countries and preliminary analysis of results had already started. The team is working closely with a couple of consultants that were involved in the preparation of the previous edition to ensure efficiency in the development of the report. The report is expected to be launched in the 2019 Danube Water Conference.
- ▶ *Global study on utility aggregation (including case studies from the Danube region).* This activity has been completed under the report called “*Joining Forces for Better Services? When, Why, and How Water and Sanitation Utilities Can Benefit from Working Together*”. The report was presented in Montenegro’s Danube Region Benchmarking Workshop and celebration of World Water Day in March 2018 and it was very well received as the country designs its own utility sector reform program. The final report can be found [here](#).
- ▶ *Regional report on serving those beyond utilities’ reach (rural areas).* The final report “*Beyond Utility Reach? How to close the urban-rural access gap: A review of rural water and sanitation in seven countries of the Danube region*” was launched during the 2018 Danube Water Conference with a positive reception by participants. The report has been published in the [DWP](#) and [World Bank](#) websites. As part of the study the team prepared country page snapshots included as an annex to the report. The country reports will remain in draft format and were distributed to country counterparts for their information and feedback. In addition, the team organized country visits to Bosnia and Herzegovina, Albania, Kosovo, Romania, Ukraine and Moldova, where the results were presented to country counterparts.
- ▶ *Think piece on wastewater management in the Danube region under the EU sphere of influence.* The final think piece “*Is the UWWTD Implementation Delivering Results for the People, the Economy, and the Environment of the Danube Region? A Wastewater Management Assessment Based on the World Bank’s Engagement?*” was approved by Bank management in July 2018 and published in December 2018. The think piece is complemented by an annex with the background analysis. The study was informed and validated by discussions with different relevant stakeholders. The report and accompanying background studies can be found [here](#).

### Recent result: Publication of Review of Rural Services in the Danube Region.

The report, highlights the various service management models existing in rural areas of Albania, Bosnia and Herzegovina, Croatia, Kosovo, Moldova, Romania and Ukraine. In addition, it analyses and presents findings related to the enabling environment in which service provision takes place along the axis of institutional capacity, financing and affordability of services, asset management and monitoring and regulatory oversight.

The analysis was based on secondary data sources, documents, and existing datasets, combined with primary data collection in selected rural localities in the seven countries. Over 4,100 connected households and over 1,200 self-supply households were interviewed, 178 interviews were conducted with service providers, and 162 interviews were conducted with members of local governments.

- ▶ **Policy Support.** The Bank team continued close policy dialogue through country visits in several countries, including Albania, Bosnia and Herzegovina, Romania, Moldova, Macedonia and Montenegro. In Bosnia and Herzegovina, the DWP has supported a WSS Institutional Water Sector Review. Subsequent dialogue with government counterparts on how to implement key recommendations was on-going by December 2018 and currently the Bank is discussing with relevant line ministries and ministries of finance the preparation of a broader sector reform program implementing key recommendations, to be supported by the Bank under a new lending operation. In Romania, the DWP performed a full diagnostic of the water sector and key recommendations were discussed with national counterparts, to be further developed with Bank's technical and financial support. In Moldova, The World Bank team has provided support to develop the detailed content of a national water and sanitation strategy including rural areas. Along this process, the World Bank has engaged with other partners in Moldova to encourage the mobilization of other resources. Resulting from this dialogue, the Bank is also supporting the development of a Water Security Diagnostic with other resources. In Albania, the Program has supported policy dialogue around the ongoing comprehensive utility sector reform led by the Government, specifically to update a sector financing strategy and prepare future utility regionalization scenarios, resulting in the preparation of a new lending operation by the Bank to be most likely structured under a Program for Results (PforR). In Montenegro, the DWP is continuing its support to the Government and regulatory agencies in the establishment of a water utility benchmarking program, while discussions with government counterparts indicate that assistance to the Government's reform program may be taken on-board by the DWP on the third phase. In addition, a "[Regional Workshop on Performance Based Contracting for Non-Revenue Water Reduction](#)" was organized jointly with the Romanian National Utility Association (ARA), in Bucharest, in February 2018 in which more than 60 utility and government representatives participated. A third workshop to discuss and present good practices around utility sector reform/modernization will be organized in the second half of 2019, pending finalization of discussion with DWP program partners and Government representatives from the region.
- ▶ **Regional support on WSS sector regulation.** A study tour to the Regulatory Agency of Portugal was organized in October 2018 to exchange knowledge and experiences on a few regulatory issues, including tariff setting, subsidy methodologies, benchmarking and aggregation of services. The delegation comprised twelve representatives from ministries, regulatory agencies and some water utility companies of Albania, Croatia, Macedonia and Montenegro. Feedback received from the Western Balkan participants and from Portuguese counterparts on the Study Tour has been very positive. In addition, specific support was discussed for the newly established regulators of Montenegro and Macedonia for

### Recent result: Study tour to Portugal for region Regulators

The World Bank organized a study tour to Portugal: "Portuguese experience in regionalization and regulation of water and sanitation services", to be held on October 8-12 in Lisbon, Portugal. The study tour brought together representatives from governments and water utilities from Albania, Croatia, Macedonia, Montenegro and Portugal to foster knowledge exchange on topics such as regulation of water and sanitation services, utility aggregation experiences and utility benchmarking. All study tour presentations, agenda and final report are available [here](#).

the development of their regulatory agenda, for which a more tailored approach may be required.

- ▶ **Regional PI System initiative and national benchmarking systems support (jointly executed with IAWD).** The DCM has been adopted with varying degrees of progress in five countries by Managing Institutions (MIs) in FYR Macedonia, Kosovo, Montenegro, Serbia and Bosnia & Herzegovina. Various workshops and meetings have been carried out with the different MIs in each country for building institutional capacity and to make the use of the tool sustainable in the future. The DWP has

signed contracts with the national water utility associations of Serbia, Macedonia and BiH<sup>1</sup> to collect 2016 (and 2015 if missing) utility data and these have been uploaded through the DCM platform (also shared or to be shared with the IB-Net data base). In Kosovo, the regulatory agency, ARRU, continues to collect and upload utility data. In Montenegro, the association and regulatory agency will do joint benchmarking with both operational and regulatory data requirements. The team continues to work closely with the different MIs to ensure the use of the DCM platform is then streamed down to the utilities.

<sup>1</sup> The Managing Institution is the Ministry of Foreign Trade and Economic Relations and the Associations of both Federation and RS are involved

- ▶ *DANUBIS.org Water Platform (jointly executed with IAWD)*. The [DANUBIS.org](https://www.danubis.org) platform underwent its third batch of upgrades, based on comments received by users. The content management has been reloaded, a new tool for translation was introduced which is faster than the previous system, a new tool to check statistics was put in place, the section for uploading resources is more user friendly, and a new calendar widget has been introduced to show the different event that are happening in the region. This version was presented during the DANUBIS.org breakfast organized during the 2018 DWC. One of the main comments in this meeting was how to better involve the private sector to increase the effectiveness of the platform. The new EU regulation on data privacy (General Data Protection Regulation 2016/679 - GDPR) affected the way the newsletter was being distributed and required an update of the privacy agreement of the website. These changes were incorporated and an email was sent to all subscribed users to re-confirm their wish to keep receiving the newsletter updates. Because of this, the number of subscribed users is now 279.

## Challenges encountered

3. The main challenges under Component 1 included:
  - ▶ Establishing and maintaining a high visibility and solid policy dialogue with a relevant number of countries and governments continues to be a challenge given political cycles, changing priorities and personalities. The team continued to maintain close collaboration with operational Bank teams engaged in each country but the depth of the Program's policy engagement varies from country to country.
  - ▶ The development of the concept for the State of the Sector update had been slower than anticipated. However, with data collection efforts well advanced and preliminary analysis already undertaken, the team is working to deliver by the 2019 Danube Water Conference.
  - ▶ Travel schedules for DWP Bank activities have not always been well communicated with IAWD, losing chances for a more effective delivery. The Bank and IAWD teams agreed that joint missions would be a good way to increase the effectiveness of the visits and better coordination of the activities, as recommended by the external review.

## Priorities for 2019

4. The main priorities for 2019 under Component 1 and for the World Bank team with the DWP are the following:
  - ▶ Ensuring a smooth on-boarding of the new DWP Leader on the Bank's side;
  - ▶ Preparation and publication of the State of the Sector Report 2018 update;
  - ▶ Preparation and carrying out of the Danube Water Conference 2019, jointly with IAWD; focusing on topics of resiliency of water utilities in view of the expansion of the scope of the DWP to look at wider water security issues;
  - ▶ Design of the Water Security activities under the third phase of the program for which various internal and external consultations will need to take place in order for proposed activities to be aligned with stakeholder priorities;
  - ▶ Deepening policy and institutional support in the program's countries where there is stronger willingness to implement policy recommendations developed under the program, building on existing Bank operational engagement (Albania, BiH, Romania);
  - ▶ Further support for the Water Safety Planning course under D-LeaP and plan the activities under Utility Financing activity;
  - ▶ Undertake pre-feasibility study for the set-up of a financing facility targeting efficiency improvements in coordination with the IFC – FUEL (*Financing Facility for Efficiency Leaping*), with co-financing from the GWSP. The firm Ernst and Young was retained at the end of 2018 to conduct a detailed market study and prepare recommendations for structuring such a facility. Due diligence is currently ongoing and expected to be finalized in May 2019.

- ▶ Adapt and perform necessary adjustments (with help of a technical partner as needed) to the existing curricula for Utility Financing and Performance course developed by the World Bank to be delivered as a D-leap by potential hubs (Aqusan);
- ▶ Facilitation of the DANUBIS DCM platform development and put into operation by participating institutions and that data for 2017 and earlier is collected and shared with the IBNet. Specifically, continuation of support for the training of utility's staff in data collection and validation using the DCM platform, and where possible introducing benchmarking at the national level to analyze the results and to help utilities design a performance improvement plan; Discussions on the use of DANUBIS DCM as a tool for Utility Benchmarking Program to replace the EBC platform are ongoing. In this case, substantial updates might be needed.
- ▶ Promotion of the usage of the DANUBIS.org, seeking partnerships for the use of platform as widely as possible and exploring the use of social networks to increase its current usage, jointly with IAWD.
- ▶ Supporting IAWD's strategic thinking and evolution with the aim of ensuring long-term sustainability of the DWP's impact.

## III. COMPONENT 2 PROGRESS

### Overall situation

5. In 2018, a continued focus on the rollout of the Capacity Building Programs (D-LeaP) was placed, as well as on organizing utility benchmarking and data collection efforts using DCM, and tracking and documenting the progress in the Competitive Grants and Association Grants (see below). In addition, IAWD has also jointly organized with the Bank and other partners the knowledge sharing events described in the annexes. There have been changes in IAWD's team composition with Violeta Wolff leaving her position as Technical and Procurement Specialist and RCDN coordinator. Anna Maria Koch joined the team and took over the role of Procurement and Contract Management specialist. The position for RCDN coordinator was still open at the end of 2018.

6. In parallel, extensive discussions have taken place on coordinating the support available for capacity building activities through the RCDN project managed by GIZ and funded by SECO and BMZ.

### Main activities

7. The main activities under Component 2 included:

- ▶ *Competitive Grant window activities.* The second phase of the Competitive Grant Window is being implemented satisfactorily. Nine out of the eleven contracted grants have been completed and five of them were presented during a poster session at the 2018 DWC. IAWD followed up with the grants implemented in Ukraine, Montenegro and Albania (Korce) to speed up their implementation and finally close the grants. An information leaflet will be produced for each completed grant for documentation and promotion of the activity. An overview of all selected grant activities is presented in Annex 7.

- ▶ *Danube Learning Partnership.* IAWD contracted an individual consultant that supported the roll out of the D-LeaP in different countries and who has been key for identifying key challenges and

#### Recent result: Competitive Grants

The completed grants under the second cycle of Competitive Grants under the Danube Water Program have supported “Developing a Utility Management Training Program Curricula in Albania”; “The development of a center for monitoring and reduction of losses in Banja Luka Utility (BiH)”; “Active Control of Losses in WSS of East Sarajevo (BiH)”, “Commercial Efficiency Improvements in Hidrodrini Peja, Kosovo”; and “Development for Business Planning in Macedonia”.

#### Recent result: Danube Learning Partnership

During 2018 Training of Trainers have been organized for Water Safety Planning (March 2018) and Energy Efficiency (December 2018). The following programs have already been delivered successfully: Asset Management (Hubs: UTVSI and Aquasan) with 44 participating utilities, Non-Revenue Water (Hub: Aquasan) with 7 participating utilities, Commercial Efficiency (Hubs: ADKOM with 6 participating utilities and SHUKALB with 3 participating utilities) and the utility Benchmarking Program (Hubs: Danube Hub, Ukraine, Bulgaria and Kosovo/Albania)

solutions. These were discussed during the Roundtable of Danube Region Water Utility Associations and D-LeaP Committee Council meeting in March 2018 and again in December 2018. The first and second cycle of the Asset Management (UTVSI and AQUASAN) and first and second cycle of Non-Revenue Water (AQUASAN) courses have been finalized.. The first cycle of the Commercial Efficiency program has been finalized in two Hubs finalized (SHUKALB, ADKOM). The roll-out for Energy Efficiency (AQUASAN, BWA) and Water Safety Planning has started (UTVSI). Under the Utility Benchmarking Program, the third cycle has been successfully delivered in three Hubs (Bulgaria, Ukraine and Kosovo/Albania) as well as the first cycle for the Danube Hub. n Hub (see next item). Aquasan has expressed interest in becoming a hub for the access to



financing course and discussions continue regarding what is needed to adapt the existing curriculum. The curriculum could also be adapted to fit the needs of local governments (in collaboration with RCDN as needed) if interest exists. For the Performance Based Contract activity, one-off knowledge sharing events may be a better format for the delivery of this initiative according to interest expressed by countries. Annex 8 summarizes the key characteristics of each of the programs as well as the number of trainers trained and the number of hubs and the status of implementation by each hub. In total over 170 utilities have participated in the Capacity Development activities under D-LeaP and new Hubs for Asset Management, Energy Efficiency, Commercial Efficiency and Water Safety Planning are planned to be launched.

- ▶ *Benchmarking for Utility Improvement (EBC) and Leading utilities Benchmarking Program (IAWD Executed)*: The first Danube Hub utility benchmarking exercise, which started as a pilot in late 2017 and finished in May 2018, included 18 utilities from 9 countries. The Danube Hub 2018 exercise included the development of utility benchmarking reports, the organization of the 1st Danube Hub benchmarking workshop on March 22-23 in Montenegro, and finally CEO dinner for Danube Hub utilities in the context of the Danube Water Conference in Vienna on May 4. The Danube Hub 2018 exercise proved to be a valuable learning and bonding experience for all participating utilities, what contributed both to performance improvement of participating utilities and to the growth and strengthening of the membership base of IAWD. Most of these utilities continued to participate in the Danube Hub exercise for 2019, but also a number of new utilities from all 17 countries of the Danube region will join the Danube Hub from mid-2018 until early 2019 when the second Danube Hub benchmarking workshop should take place. Discussions are continuing regarding the IT platform and its delinking from EBC to use an open source such as Danubis DCM.
- ▶ A commitment of the second phase of the program has been to support the strengthening of the national water utility associations. A grant scheme has been prepared and grants for the preparation of business plans (BP) and their implementation have been made available to national water utility associations for this purpose. Support has been provided for the fine-tuning of business plans and efforts have been focused on negotiations with the associations to determine the DWP support needed as they move on to the next stage of business plan implementation – as well as preparing the application for the financing of priority activities defined in the respective BPs. Eight national associations out of eleven have started the implementation of at least one priority action identified in the BP.

## Challenges encountered

8. The main challenges under Component 2 included:

- ▶ The uptake of the D-LeaP activities is progressing more slowly than expected. Utility associations have been cautious to commit to launching of the programs because of concerns about securing the participation of utilities given the level of fees necessary to maintain the offer by the hubs. As mentioned above, a consultant has been hired under the program to support the hubs in initiating actions and in further promoting the programs with regional utilities, based on a comprehensive analysis of status of D-LeaP delivery by its members at the Roundtable of Associations meeting in March 2018 and again in December 2018. This analysis identified further capacity constraints issues at the hub level to be addressed and actions to support the roll-out.
- ▶ Integration of D-LeaP into the Regional Capacity Development Network project (RCDN) developed by GIZ has continued to create challenges, as capacity building activities with partners such as those under D-LeaP, and additional activities focused on local municipal governments, are also the goals and focus of the RCDN project, but also opportunities for additional resources for IAWD to continue to provide this service to its members and have bigger impact on regional capacity development objective overall. SECO and BMZ, deploying GIZ as an implementing agency have committed to involving IAWD in the implementation of the RCDN – and efforts to secure staff complementarity with DWP staff were undertaken by IAWD by assigning the Technical and Procurement specialist of IAWD's TS, formerly financed by the DWP, to work on the RCDN as of February 2018. Unfortunately, this staff member has left IAWD due to personal reasons and the position is now vacant as a result of GIZ's request to keep the position open. Discussions about replacement of this staff member were ongoing with GIZ at the end of 2018.

- ▶ Key elements of IAWD strengthening (membership offer, business plan adoption, membership brochure, website etc.) have continued despite some set-backs. The IAWD General Assembly was held in May 2018 and new members and utility associations participated. Members at the General Assembly were committed to move forward on key elements for ensuring strengthening of IAWD going forward and received a presentation on the Strategic Vision and Strategy for IAWD development from the consultant hired to prepare a document for internal discussion. Members were positive on the results and next steps in refining the document and confirming the vision and strategies for IAWD development are underway.

## Priorities for 2019

9. The main priorities for the next year under Component 2 and for the IAWD team are the following:
- ▶ Further strengthening the uptake of D-LeaP programs and launch of D-LeaP hubs and capacity building programs (Asset Management, Energy Efficiency, Non-Revenue Water, Commercial Efficiency, Water Safety Planning, and Utility Benchmarking Program) and the implementation and management of the D-LeaP Learning Management System (D-LeaP Academy).
  - ▶ Ensuring the creation and utilization of synergies between the ongoing D-LeaP activities and the RCDN project;
  - ▶ Support for the national water utility associations;
  - ▶ Further recruitment of utilities to the Danube Hub;
  - ▶ Maintaining momentum of existing activities under the responsibility of IAWD and planning of activities so that they can be delivered during the third phase of the DWP, including activities to define strategic future direction and strengthening of IAWD (strategic review);
  - ▶ Ensuring the DANUBIS DCM platform is used by participating institutions and that data for 2017 and 2018 is collected, and continue to curate the knowledge and promote the usage of the DANUBIS.org, (including exploring the use of social networks to increase its current usage) jointly with the WB team.

## IV. ANNEXES

### 1. Results Framework for Phase II

PDO LEVEL RESULTS INDICATORS	Base-line	Cumulative Target Values								Status
			2012	2013	2014	2015	2016	2017	2018	
<b>Indicator One:</b> [NUMBER] of target countries in which regulatory and policy recommendations have been discussed by decision makers.	0	Planned	0			8			8	<i>Exceeded</i>
		Actual		0	2	5	7	7	<b>9</b>	
<b>Indicator Two:</b> [NUMBER] of participating utilities that have completed an operational performance improvement program.	0	Planned	0			15			70	<i>Exceeded</i>
		Actual		0	22	49	49	50	<b>79</b>	
<b>Indicator Three:</b> [NUMBER] of participating countries that have implemented and are using a sector information system to track utility performance.	3	Planned	3	3	4	6			6	<i>Exceeded</i>
		Actual	3	3	4	5	7	9	<b>9</b>	
<b>Indicator Four:</b> [NUMBER] of participating utility associations that are implementing their business plans.	0	Planned							6	<i>Exceeded</i>
		Actual				0	0	1	<b>8</b>	
<b>Indicator Five:</b> [NUMBER] of water utilities that the project is supporting.	0	Planned							150	<i>Exceeded</i>
		Actual				108	114	135	<b>182</b>	
<b>INTERMEDIATE RESULTS</b>										
<b>Intermediate Result (Component One):</b> Developed regulatory and policy instruments for improved country framework conditions.										
<b>Intermediate Result indicator One:</b> [NUMBER] of sector regulation and policy reviews conducted.	0	Planned	0			11			22	<i>Exceeded</i>
		Actual		0	0	16	17	19	<b>28</b>	
<b>Intermediate Result indicator Three:</b> [NUMBER] of energy audits conducted for participating utilities.	0	Planned	0			15			20	<i>Completed</i>
		Actual		0	17	18	18	18	<b>18</b>	
<b>Intermediate Result indicator Four:</b> [NUMBER] of utility records reported to IBNET/DANUBIS.org from participating countries.	2711	Planned							3500	<i>Exceeded</i>
		Actual				3896	4206	4313	<b>4727</b>	
<b>Intermediate Result (Component Two):</b> Increased institutional capacity in participating utilities.										
<b>Intermediate Result indicator One:</b> [NUMBER] of policy makers, higher-level technical and managerial staff from participating countries that benefited from cross-country capacity building activities.	0	Planned	0			45			350	<i>Exceeded</i>
		Actual		85	200	367	515	607	<b>701</b>	
<b>Intermediate Results indicator Three:</b> [NUMBER] of female representatives that benefited from capacity building activities.		Planned							100	<i>Exceeded</i>
		Actual				134	197	229	<b>252</b>	
<b>Intermediate Result indicator Two:</b> [NUMBER] of utilities that have prepared business plans.	0	Planned				15			30	<i>Completed</i>
		Actual				19	19	19	<b>25</b>	
<b>Intermediate Result indicator Four:</b> [NUMBER] of participating utility associations that have prepared business plans.	0	Planned							8	<i>Exceeded</i>
		Actual				0	0	10	<b>10</b>	
<b>Intermediate Result Indicator Five:</b> [NUMBER] of Competitive Grants completed as planned.	0	Planned							20	<i>Exceeded</i>
		Actual				12	12	17	<b>21</b>	

## 2. Results Framework for phase III

PDO LEVEL RESULTS INDICATORS	Base-line	Cumulative Target Values										Status	
		PHASE I				PHASE II			PHASE III				
			2012	2013	2014	2015	2016	2017	2018	2019	2020		2021
<b>Indicator One (New):</b> [NUMBER] of participating utilities that have improved their operational performance as a result of a capacity building program under the Danube Learning Partnership.	0	Planned								5	15	<b>20</b>	
		Actual											
<b>Indicator Two (Revised):</b> [NUMBER] of participating countries that have implemented and are using a sector information system to track utility performance and are sharing data with IB-NET Danubis.org.	5	Planned	3	3	4	6			6	8	9	<b>10</b>	
		Actual	3	3	4	<b>5</b>	7	8	<b>8</b>				
<b>Indicator Three (New):</b> [NUMBER] of participating utility associations that have established a hub and are delivering capacity development programs under the Danube Learning Partnership.	4	Planned								5	6	<b>7</b>	
		Actual							4				
<b>Indicator Four (New):</b> [NUMBER] of target countries in which regulatory and policy recommendations for the water sector have been discussed, endorsed and are being implemented.	0	Planned								2	5	<b>7</b>	
		Actual											
<b>Indicator Five (New):</b> [NUMBER] Cumulative income generated by IAWD from the implementation of DWP activities (in EUR).	0	Planned								25000	65000	<b>165000</b>	
		Actual											

INTERMEDIATE LEVEL RESULTS INDICATORS	Base-line	Cumulative Target Values											Status
		PHASE I				PHASE II			PHASE III				
			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
<b>INTERMEDIATE RESULTS</b>													
<b>Intermediate Result (Component One):</b> Developed regulatory and policy instruments for improved country framework conditions in Water Supply and Sanitation and Water Resources Management (BETF)													
<b>Intermediate Result indicator One (Revised):</b> [NUMBER] of target countries in which regulatory and policy recommendations on water supply and sanitation have been discussed by decision makers.	0	Planned	0			8			8			10	
		Actual		0	2	5	7	7	9				
<b>Intermediate Result indicator Two (Revised):</b> [NUMBER] of water supply and sanitation sector regulation and policy reviews conducted.	0	Planned	0			11			22			40	
		Actual		0	0	16	17	19	28				
<b>Intermediate Result indicator Three (New):</b> [NUMBER] of policy makers, higher-level technical and managerial staff from participating countries that benefited from cross-country capacity building activities on water	0	Planned										40	
		Actual											
<b>Intermediate Result indicator Four (New):</b> [NUMBER] of sector regulation and policy reviews conducted in water security topics	0	Planned										5	
		Actual											
<b>Intermediate Result indicator Five (Revised):</b> [NUMBER] of utility records reported to IBNET/DANUBIS from participating countries.	0	Planned							3500			5300	
		Actual				3896	4206	4313	4727				

<b>Intermediate Result (Component Two): Increased institutional capacity in participating utilities (RETF)</b>												
<b>Intermediate Result indicator Six (Revised):</b> [NUMBER] of participating utilities that have completed an operational performance improvement program under the Danube Learning Partnership	0	Planned	0			15			70			<b>120</b>
		Actual		0	22	<b>49</b>	49	50	<b>79</b>			
<b>Intermediate Result indicator Seven (Revised):</b> [NUMBER] of policy makers, higher-level technical and managerial staff from participating countries that benefited from cross-country capacity building activities.	0	Planned	0			45			350			<b>730</b>
		Actual		85	200	<b>367</b>	515	607	<b>701</b>			
<b>Intermediate Results indicator Eight (Revised):</b> [NUMBER] of female representatives that benefited from capacity building activities.	0	Planned							100			<b>280</b>
		Actual				<b>134</b>	197	229	<b>252</b>			
<b>Intermediate Results indicator Nine (New):</b> [NUMBER] of curricula developed and offered under the Danube Learning Partnership.	5	Planned										<b>8</b>
		Actual							<b>5</b>			
<b>Intermediate Results indicator Ten (Revised):</b> [NUMBER] of water utilities that the project is supporting.	0	Planned							150	195	210	<b>230</b>
		Actual				<b>108</b>	114	135	<b>182</b>			
<b>Intermediate Results indicator Eleven (New):</b> [NUMBER] of new members joining IAWD.	0	Planned										<b>9</b>
		Actual							<b>0</b>			
<b>Intermediate Results indicator Twelve (New):</b> IAWD revises its membership categories and adopts a revised fee structure	0	Planned								<b>Yes</b>	Yes	Yes
		Actual							<b>No</b>			
<b>Intermediate Result indicator Thirteen (Revised):</b> [NUMBER] of participating utility associations that are implementing their business plans.	1	Planned							6			<i>Completed</i>
		Actual				<b>0</b>	0	1	<b>8</b>			
<b>Intermediate Result indicator Fourteen (No change):</b> [NUMBER] of Competitive Grants completed as planned.	0	Planned							20			<i>Completed</i>
		Actual				<b>12</b>	12	17	<b>21</b>			

### 3. Disbursement levels<sup>2</sup>

All amounts in EUR 1,000

Component	Starting Balance	Annual Disbursements	Ending Balance	Undisbursed Balance	% disbursed
Component 1 / World Bank	2,111	696	2,807	575	83%
Component 2 / IAWD	4,793	1061	5,854	0	100%
<b>Total</b>	<b>6,904</b>	<b>1,757</b>	<b>8,661</b>	<b>575</b>	<b>94%</b>

### 4. Missions and technical visits

Dates	Location	Participants <sup>3</sup>	Purpose
10 January	Vienna, Austria	Patricia Lopez, Phillip Weller, Stjepan Gabric	Steering Committee meeting DWP
15 January	Tirana	Patricia Lopez, David Michaud	Policy dialogue around WSS Sector Financing Strategy
16 January	Sarajevo, BiH	Patricia Lopez, David Michaud	Policy dialogue around WSS Sector Institutional Review
17-19 January	Ivano-Frankivsk city, Ukraine	Philip Weller	Participation in Final Workshop of Ukraine Benchmarking Project. Discussions with EBC.
23 January	Brussels, Belgium	Stjepan Gabric, Patricia Lopez, Elvira Broeks, Susanna Smets	Presentation of preliminary results of the DWP analytical pieces on EU wastewater directives compliance and on the status of rural services.
25-26 January	Tirana, Albania	Philip Weller	Participation in Final Workshop of the Kosovo & Albania Utility Benchmarking report
5 February	Sofia, Bulgaria	Patricia Lopez, Philip Weller	Presentation of the DCM
12-13 February	Bucharest, Romania	Patricia Lopez, Elvira Broeks,	Participation on Regional Workshop on Performance-Based contracts (PBCs) for Non-Revenue Water (NRW) reduction

<sup>2</sup> As of December 31, 2018.

<sup>3</sup> Only core IAWD and WB team members' travel is included

<b>Dates</b>	<b>Location</b>	<b>Participants<sup>3</sup></b>	<b>Purpose</b>
8 March	Vienna	Patricia Lopez, Philip Weller, Katerina Schilling	IAWD Governance Workshop
9 March	Vienna	Patricia Lopez, Philip Weller, Katerina Schilling	Utility Association Roundtable
21-24 March	Podgorica, Montenegro	Patricia Lopez, Stjepan Gabric, Philip Weller	Policy dialogue and benchmarking support. Danube Hub Benchmarking Workshop
21-24 March	Chisinau, Moldova	Susanna Smets	Dissemination of Rural Study and Policy dialogue
28 March	Vienna, Austria	Patricia Lopez, Phillip Weller, Stjepan Gabric	Steering Committee meeting DWP
9-11 May	Zagreb, Croatia	Philip Weller, Katerina Schilling	Eastern European YWP Conference
17 May	Brussels, Belgium	Patricia Lopez	Participation on EU/OECD Workshop on regional financing needs to comply with EU water related legislation
22-23 May	Belgrade, Serbia	Patricia Lopez	Policy dialogue and benchmarking support
June 9-11	Vienna, Austria	Core IAWD and WB team	Implementation Support Mission
18-22 June	Skopje, Macedonia	Stjepan Gabric	Policy dialogue
18-22 June	Tirana, Albania and Pristina, Kosovo	Susanna Smets	Policy dialogue and dissemination of rural study.
19 June	Regensburg, Germany	Patricia Lopez	Conference ICPDR Meeting/presentation of wastewater study results
24-28 June	Chisinau Moldova	Susanna Smets, Elvira Broeks	Policy dialogue on Water Security
25 June	Vienna, Austria	Patricia Lopez, Phillip Weller, Stjepan Gabric	Steering Committee meeting for preparation of DWP – Phase III
18-20 July	Sarajevo, BiH	Patricia Lopez	DCM rollout workshop
16-21 September	Tokyo, Japan	Katerina Schilling	IWA World Water Congress
20-21 September	Vienna, Austria	Patricia Lopez	Facilitation at EU Water Conference
20 – 22 September	Budapest, Hungary	Elvira Broeks, Stjepan Gabric	DWP presentations at the 7th ASEM Sustainable Development Dialogue
7 – 13 October	Lisbon, Portugal	Patricia Lopez, Stjepan Gabric, Elvira Broeks	Study tour: Portuguese experience in regionalization and regulation of water and sanitation services
15 October	Belgrade, Serbia	Katerina Schilling	Initial Workshop, Work Package 1 – Asset Management (Quick Win 3)



<b>Dates</b>	<b>Location</b>	<b>Participants<sup>3</sup></b>	<b>Purpose</b>
15 October	Vienna, Austria	Patricia Lopez, Susanna Smets, Elvira Broeks	EDGE Gender Assessment and Age Diagnostics Workshop
5-6 November	Tirana, Albania	Walter Kling, Philip Weller and Katherine Wagner	Meeting of RCDN PIT Management to organize future steps in the program.
7-9 November	Tirana, Albania	Katerina Schilling, Philip Weller	6th Balkans Joint Conference and Exhibition, "Water and Nature"
8 November	Brussels, Belgium	Stjepan Gabric	Presentation of study on EC workshop on costs and benefits of the UWWTD
14-16 November	Belgrade, Serbia	Katerina Schilling, Philip Weller	Exhibition on Water/Water Forum 2018
17-18 December	Vienna, Austria	Core IAWD and WB team	Meeting of the IAWD Roundtable of Danube region water utility associations and the D-LeaP Committee Council.

## 5. Regional Events, Trainings and conferences

Dates	Location	Number of participants	Purpose
17-19 January	Ivano-Frankivsk city, Ukraine	40	Final Workshop of Ukraine Benchmarking Hub (third cycle)
23 January	Brussels, Belgium	50	European Commission – World Bank Water Day
25-26 January	Tirana, Albania	16	Final Workshop of the Kosovo & Albania Utility Benchmarking Hub (third cycle)
11-13 February	Bucharest, Romania	60	Regional Workshop on Performance-Based contracts (PBCs) for Non-Revenue Water (NRW) reduction
20-21 February	Stara Zagora, Bulgaria	60	Final Workshop of Bulgarian Utility Benchmarking Hub (third cycle)
9 March	Vienna, Austria	12	Meeting of the Roundtable of Danube Region Water Utility Associations
22-23 March	Montenegro	60	First Danube Hub Benchmarking Workshop
26-30 March	Vienna, Austria	15	Training of Trainers Workshop for Water Safety and Crisis Management Program
12-13 April	Korca, Albania	19	First Workshop of D-LeaP Commercial Efficiency program (SHUKALB/SHUKOS)
17-19 April	Mostar, BiH	70	Conference on Efficient and Sustainable water services in Bosnia and Herzegovina
24-26 April	Ohrid, Macedonia	120	Tenth international Conference on Water and Wastewater Reality and Challenges
2-4 May	Vienna, Austria	160	2018 Danube Water Conference
4 May	Vienna, Austria		D-LeaP Committee Council Meeting
7-8 May	Zagreb, Croatia	30	Short Workshop on Water Safety Planning and Crisis Management
15 May	Bucharest, Romania	150	ARA Conference on Economic Regulation of the Water Sector
29-31 May	Sofia, Bulgaria	18	Study Visit to Sofia for the Participants of the Benchmarking HUB Program for Kosovo and Albania
30-31 May	Nis, Serbia	100	Water Days Nis
30-31 May	Skopje Macedonia	14	First Workshop of D-LeaP Commercial Efficiency program (ADKOM)
30 May – 1 June	Jahorina, BiH	50	18th International Conference Water Supply and Wastewater Systems
12 June	Kiev, Ukraine	26	Kick-off Workshop of the fourth cycle of the Utility Benchmarking Program in the Ukrainian Benchmarking Hub
19-20 June	Skopje, Macedonia	14	Second Workshop of D-LeaP Commercial Efficiency program (ADKOM)
26-27 June	Skopje, Macedonia	14	Third Workshop of D-LeaP Commercial Efficiency program (ADKOM)
04-05 July	Doboj, BiH	15	First Workshop on Non-Revenue water reduction in water utilities (AQUASAN, second cycle)
06 July	Trsic, Serbia		Utility Management Workshop

Dates	Location	Number of participants	Purpose
6 July	Korca, Albania	9	Final workshop of the D-LeaP Commercial Efficiency program (SHUKALB)
05-06 September	Bihac, BiH	14	Second Workshop on Non-Revenue water reduction in water utilities (AQUASAN, second cycle)
14 September	Pristina, Kosovo and Tirana, Albania	16	Virtual meeting of the Kosovo & Albania Utility Benchmarking Hub for Exception Report Analysis
23-28 September	Bavaria, Germany	25	Seminar on wastewater treatment and sewage sludge management
08-12 October	Lisbon, Portugal	16	Study tour: Portuguese experience in regionalization and regulation of water and sanitation services
10-11 October	Bihac, BiH	10	First workshop on energy efficiency in water supply and sanitation utilities (AQUASAN)
15 October	Vienna, Austria	10	EDGE Gender Assessment and Age Diagnostics Workshop
7 November	Tirana, Albania	17	Pre-Conference Regional Workshop UBP Hub for Kosovo and Albania
7 November	Tirana, Albania		Regional Workshop on Test-Based Certification Programs in the Water Sector
7-9 November	Tirana, Albania	500+	6th Balkans Joint Conference and Exhibition, "Water and Nature"
14-16 November	Belgrade, Serbia		Exhibition on Water/Water Forum 2018
14-16 November	Belgrade, Serbia	15	First workshop on Water Safety Planning and Crisis Management
16 November	Belgrade, Serbia	40	Young Water Professionals in the Water Sector
21 – 22 November	Lviv, Ukraine	65	Final Seminar of the fourth cycle of the Utility Benchmarking Program in the Ukrainian Benchmarking Hub
29 November	Bihac, BiH	15	Final Workshop on Non-Revenue water reduction in water utilities (AQUASAN, second cycle)
12-14 December	Durres, Albania	7	Training of Trainers Workshop for Energy Efficiency in Water Supply and Sanitation Utilities
17 December	Bihac, BiH	10	Second Workshop on Energy Efficiency in water supply and sanitation utilities (AQUASAN)
17-18 December	Vienna, Austria	40	Meeting of the IAWD Roundtable of Danube region water utility associations and the D-LeaP Committee Council.

## 6. Publications and documents

Date of publication	Title
February 2018	Concept Note 2018 Update State of the Sector
February 2018	<a href="#">Presentation and report of regional workshop on Performance-Based Contracts (PBCs) for Non-Revenue Water (NRW) reduction</a>
May 2018	<a href="#">Beyond Utility Reach? How to Close the Urban - Rural Access Gap</a>

May 2018	Danube Water Program Brochure
May 2018	Leaflet on Energy Efficiency Program (English)
May 2018	Leaflet on Commercial Efficiency Program (English, Macedonian)
May 2018	Leaflet on Water Safety Planning Program (English, Serbian, Macedonian)
May 2018	Leaflet on Non-Revenue Water Program (English)
May 2018	Leaflet on Utility Benchmarking Program (English)
May 2018	Leaflet on Asset Management (English)
May 2018	Danube Hub Poster
May 2018	Five posters on CGs
June 2018	<a href="#">Danube Water Conference Report</a>
October 2018	<a href="#">DWP External Review Report</a>
October 2018	<a href="#">Final report on the Portuguese Experience in the Regionalization and Regulation of Water and Sanitation Services</a>
December 2018	<a href="#">Is the UWWTD Implementation Delivering Results for the People, the Economy, and the Environment of the Danube Region? A Wastewater Management Assessment Based on the World Bank's Engagement</a>

## 7. Agreements with other programs and donors

Partner	Area of collaboration	Amount	Status
European Union (EU)	Support implementation of the water strategy in Albania	EUR 200,000	Confirmed and being used
Water Partnership Program (WPP)	Study on designing financially sustainable and socially acceptable water tariffs	USD 180,000	Confirmed and completed
Global Facility for Disaster Risk Reduction	Co-financing for the “water safety planning and business continuity” capacity-building activity	USD 250,000	Confirmed and being used

## 8. Overview of Approved Competitive Grants<sup>4</sup>

Project Number	Country	Institution	Type of institution	Project name	Total cost of the project	Amount requested from DWP	% of total cost to be covered by DWP	Duration of the project (months)	Status
NC.2.15	Albania	SHUKALB	WSS Association	Developing a Utility Management Training Program Curricula Framework for the Water and Wastewater Utility Managers in the Danube Region	€ 54,769	€ 37,333	68%	8	Completed
NC.2.16	Albania	Korce Water Supply and Sewerage Company	Utility	Improving service quality and efficiency via implementing a GIS monitoring system and a wide informational campaign in the new regionalized service area	€ 58,528	€ 44,091	75%	12	Advanced but not completed
NC.2.17	BiH	JSC Vodovod Banja Luka	Utility	The establishment of a center for monitoring and reduction of losses	€130,350	€ 27,860	21%	11	Completed
NC.2.18	BiH	UC VIK, East Sarajevo	Utility	The active control of losses in water supply system of East Sarajevo	€ 55,500	€ 38,500	69%	11	Completed
NC.2.19	BG	VIK EOOD Stara Zagora	Utility	Elaboration of design of DMAs for the city of Stara Zagora and implementation of 1 pilot DMA	€ 54,000	Cancelled on a request of the Beneficiary			
NC.2.20	BG	Sofiyska Voda JSC	Utility	Improvement of the asset management in Sofiyska Voda JSC through elaboration of a new assets valuation methodology	€ 62,500	€ 46,710	75%	12	Completed
NC.2.21	CRO	Croatian Water and Wastewater Association	WSS Association	Leak Detection Competition	€ 33,586	€ 24,428	73%	10	Completed
NC.2.22	KS	Hidrodrini JSC Peja	Utility	Implementing a selected list of commercial efficiency improvements as identified in phase 1 of the DWP	€ 65,000	€ 45,000	69%	12	Completed
NC.2.23	MK	ADKOM	WSS Association	Capacity development for business planning	€ 58,000	€ 43,400	75%	12	Completed
NC.2.24	MD	AMAC	WSS Association	Advanced training for customer relations services' employees AMAC's members	Cancelled				
NC.2.25	MNE	Ministry of Sustainable Development and Tourism	Governmental institution	Preparatory activities for the implementation of reforms in the area of utility services in Montenegro	€ 58,000	€ 43,000	74%	12	Advanced but not completed
NC.2.26	SER	UTVSI Association for Water Technology and Sanitary Engineering	WSS Association	Preparation for introduction of technical safety management in Serbian water supply public utility companies	€ 62,500	€ 50,000	80%	12	Completed
NC.2.27	UKR	Ivano-Frankivskvodoekotekhprom	Utility	The Quality Management System implementation for the improvement of customer service level	€ 40,000	€ 30,000	75%	12	Completed

<sup>4</sup> As of Dec 31, 2018