



DANUBE
WATER
PROGRAM

Smart policies, strong utilities, sustainable services



2017 ANNUAL REPORT
DANUBE
WATER
PROGRAM

March 1, 2018

I. SUMMARY

1. **This is the Danube Water Program (DWP)'s fifth Annual Report. The report covers activities that took place under the Program between January and December 2017.** During this year, the focus of the program was directed at: i) the launch and implementation 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 of the DWP, as well as a few new curricula developed under Phase II; ii) the continuation 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 2017 and other key regional events and workshops; and) the facilitation of an external review of the DWP to examine the results obtained so far and produce recommendations to attain the sustainability of the Program beyond 2018 and inform the design of a potential third phase of the program.

2. As second Phase program activities have been under full implementation, disbursement levels have gone up from 62% to 82% this year. During the last year, the Program has facilitated knowledge exchanges among more than 300 sector professionals and policy makers in the region and beyond, successfully facilitating 20 capacity building events, conferences and trainings in the region. In addition, the second-cycle of competitive grants, worth around €400,000, has seen the completion of five grants and the satisfactory implementation of the remaining seven. The program continues to share information on utilities in the region, sector news, events and other topics of interest through DANUBIS.org.

3. The program's planned analytical pieces for the second phase have seen good progress in 2017, with most of them being finalized or nearing completion. The analytical piece on the agglomeration of water utilities, which was merged with a global piece, has been finalized, published and can be found [here](#). The analytical study on wastewater management in the Danube region was finalized by the consultants according to the planned schedule and is available for review, although not yet public. Based on this study, the Bank team is preparing a shorter note containing main highlights and recommendations, to be finalized in May 2018. The final draft of the regional analytical piece on water and sanitation services for those beyond the utility reach (i.e. rural areas) has been produced, and the planned delivery and endorsement of the final product was approved in March 2018. Additionally, seven country snapshots (4-pages) will be produced and published, while the full versions of the seven related country reports will also be made publicly available. These analytical pieces are expected to be disseminated during the 2018 Danube Water Conference, for which the team has begun preparatory discussions. The preparation of the concept note and development of terms of reference for the update of the State of the Sector 2018 report was advanced in the last quarter of 2017, and the internal Bank's Concept Note review took place in March 2018.

4. On May 17-18, the Danube Water Program jointly with the Open Regional Funds for Southeast Europe (ORF/GIZ) organized the 2017 Danube Water Conference. The conference brought together around 200 participants from 24 countries in the region and beyond, representing national and local government institutions, utilities, regulatory agencies and professional associations. The 2017 conference's topic focused on Addressing the Challenges of Financing Water Services for Development. The conference report can be found [here](#). The IAWD and WB team begun discussions in early November 2017 for the preparation of the 2018 Danube Water Conference, which is programmed for May 2-3, 2018, (with business meetings happening on May 4) and will focus on the topic of institutional capacity development and international collaboration, in the context of reaching the Sustainable Development Goals related to water and sanitation.

5. In June 2017, the IAWD and World Bank (WB) teams updated the Program's Work Plan to reflect changes in the second phase planned activities and projected budgets as estimated by the DWP team. This version was presented to the DWP Steering Committee (SC) and was approved subject to the incorporation of specific comments. Given activity results on the ground, IAWD and the WB are working on a next update of the work plan to fine tune budget estimates, especially regarding the initial funds generation estimated for the D-LeaP program, and to shift budget allocation from activities benefitting from additional external resources than initially accounted for, or from activities that might be reduced in scope. Another objective of the update will be the breaching of the financing gap between available funds and projected activities (n.b.: a proportion of the financing gap had already been reduced in the June 2017 update). The team expects to have prepared and consolidated an updated Work Plan by June 2018.

6. An external review of the program was initiated in September 2017. For the external review, 14 candidates' CVs and proposals were evaluated. The selection of the consultant was made based on experience and skills in program evaluation, familiarity with the water sector and knowledge of the region. The review examines the progress against the results outlined in the DWP Work Plan and its overarching objective of supporting institutional capacity building and the development of regulatory and policy instruments in the water supply and wastewater sector in participating countries in the Danube region. The review offers an opportunity to reflect on lessons learned and consider ways to strengthen the program in the short- and medium-term, and in the design of a potential third phase of the Program. Exchange of information from the DWP team with the external reviewer and stakeholder interviews and surveys took place during October and November 2017, an advanced draft report was produced in December 2017, and the final report was delivered in February 2018.

7. The program is on track towards meeting its second phase indicators, and all have seen important progress in 2017. Out of 5 PDO level indicators, one has been exceeded and the remaining are on track to be achieved by the end of the second phase of the program in December 2018. Of the 8 intermediate indicators, 4 have been exceeded and the remaining 4 are still on track to be achieved before December 2018. Please refer to the results framework in Annex 1 for further details.

8. The website (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 1,000 people and has been positively received.

9. Finally, IAWD itself is continuing to develop its future vision beyond the DWP activities funding. The draft 2016 Business Plan was recognized by IAWD's Board as a sound planning tool for future strategic discussions, but the strategic thinking process by IAWD management is maturing and being informed by results on the ground of the different activities under the DWP and the recent launch of the implementation of the Regional Capacity Development Network (RCDN) with funding from the Swiss and German Governments (SECO and BMZ), in which IAWD is one of three implementing entities (alongside NALAS and Aquasan network). At the end of 2017, IAWD embarked in the preparation of a comprehensive exercise covering a definition of its strategic vision for the organization, and its proposed governance and internal arrangements going forward, to be consulted broadly with IAWD members and other stakeholders. A strategic advisor has been hired as a consultant to prepare a Vision/Strategy document that will be discussed with IAWD members at a special workshop planned for May around the Danube Water Conference 2018.

II. COMPONENT 1 PROGRESS

Overall situation

1. This year has seen the further implementation of three of the key analytical pieces envisioned under Phase II of the DWP; i) Review of WSS utilities Aggregation Experience; ii) Review of Wastewater Management Services in the Danube Region; and iii) Study on Service Delivery beyond the Public Utility Service Areas. The preparation of the SOS report 2018 has progressed significantly with regards to its technical concept (with detailed scope and TORs developed for the key sections as described below), and albeit some delay, the internal Concept Note review took place in March 2018 and the report is scheduled to be delivered by the end of calendar year 2018. Support for the development of a national utility performance indicator systems and benchmarking activities continue to be a priority of the DWP. New commitments and contracts with key stakeholders in two new countries (Serbia and BiH) were put in place to roll out the DCM (Data Collection and Management System) at the national level by the relevant utility and municipality associations. The policy dialogue/advisory sub-component is advancing in most of the countries being supported (see below). Bank's contribution to the D-leap program on access to financing and water safety planning also advanced significantly – with an introductory course to potential hubs by the technical partner and World Bank offered in May 2017, and the learning program's curricula by the selected technical partner for water safety planning finalized in December 2017.

Main activities

2. The main activities under Component 1 included:

- ▶ *Global study on utility aggregation (including case studies from the Danube region).* The final report of this analytical piece (which was merged with a global study by the World Bank's Water Supply and Sanitation Services Global Solutions Group, as part of the analysis of the global challenge of building sustainable urban utilities) was endorsed by World Bank management in June 2017. This global study was initiated to provide evidence-based guidance to policy makers and practitioners regarding when, why, and how water and sanitation utilities can work together ("aggregate") to successfully deliver specific policy outcomes, such as better services or lower costs. The report is highly relevant for countries in the region, especially for the Western Balkan countries, as most of them are considering the aggregation of utilities as a policy option to address financing and capacity challenges resulting from the decentralization of the services and existing high number of service providers at national level. The final report can be found [here](#).
- ▶ *Regional report on serving those beyond utilities' reach (rural areas).* The implementation of this activity is well advanced and approaching completion. All the required primary and secondary data collection, as well as data analysis for all seven countries studied under the report (Albania, Bosnia and Herzegovina, Croatia, Moldova, Kosovo, Romania and Ukraine) were finalized in 2017. Initial results of the study were shared in May with regional stakeholders during the 2017 Danube Water Conference. The regional report draft was finalized in December 2017, a Bank's internal review planned in January 2018 and the final report was endorsed in March 2018. This was behind the earlier schedule of September 2017, given a longer than expected period required for the write up of the country notes. Final draft reports for all seven countries have been produced and these are undergoing further fine-tuning. Additionally, seven country snapshots (4-pages) will be produced and published.

Recent result: Publication of Global study on utility aggregation

The report, and accompanying toolkit, highlights the various policy outcomes that can be expected from a successful aggregation, such as improved performance, lower costs, or solidarity between user categories. It underlines the trade-offs between those potential improvements. It also lays emphasis on the context in which aggregation purposes are most likely to be achieved, and how the purpose and the context must be taken into consideration when designing aggregations.

It consisted of a review of literature and an analysis of both qualitative and quantitative evidence—including a statistical analysis based on IB-Net data covering 1,306 utilities from more than 140 countries; a review of global aggregation trends, collecting data for 111 countries; and 14 case studies from seven countries, providing a deep dive narrative of aggregation experiences.

- ▶ *Think piece on wastewater management in the Danube region under the EU sphere of influence.* The overall objective of this study is to assess the results of the UWWTD implementation in the Danube Region, considering environmental, economic, sustainability and affordability aspects, as well as the key

Recent result: International Workshop on Wastewater Management in the Danube River Basin

The objective of the workshop was to identify the necessary steps towards sustainable management of wastewater infrastructure and services and to reach a clear concept of the roles and responsibilities of the stakeholders involved in the process. Moreover, the workshop provided participants with a platform to identify, share and discuss best practices and cost-efficient solutions in wastewater management. It convened around 120 representatives from ministries, utilities, utility associations, municipal governments, academia and other stakeholders from the region.

challenges faced by the countries and the actions they can use to overcome these problems. The consultant selected for preparation of this study submitted its final version at the end of September 2017. Subsequently, the Bank team is building on the results of this report to produce a concise think piece (issue note) that would be the final product of this activity. The ICPDR co-organized together with the IAWD and WB teams, as well as with the and the Joint Research Center (JRC) of the European Commission, a successful International Workshop on Wastewater Management in the Danube River in Bucharest on 28-29 November. The results of this workshop will inform the preparation of this final think piece which is expected to be ready by May 2018.

- ▶ *Policy Support.* The team continued close policy dialogue through country visits in several countries, including Albania, Bosnia and Herzegovina, Romania, Moldova and Macedonia. A World Bank team, including the Senior Director from the Water GP, took the opportunity to meet with the Albanian and BiH delegations attending the 2017 Danube Water Conference to discuss their ongoing sector reform efforts. In Albania, the dialogue for the sector financing strategy has been re-initiated with the government following the appointment of new authorities in September 2017, who have recently indicated strong interest in obtaining further support under the DWP for its implementation. In BiH, the DWP has supported an WSS Institutional Water Sector Review, and discussions on how to implement key recommendations are on-going. In Romania, the team has undertaken and finalized a full diagnostic of the Water sector and key recommendations. In Moldova, the Bank team supported the Ministry of the Environment in the development of detailed Terms of Reference for a National Water Supply and Sanitation Plan and Financing Strategy, though its high-level uptake is to be confirmed after the ministerial reforms the country is on-going. In Serbia, the authorities have informed that the government has not yet approved the new regulation on water pricing which was supported by the expert advice given under the DWP in 2016. Given the ongoing conversations with the European Commission around the fast-tracking of the accession of Serbia to the EU, the team intends to retake dialogue with the water authorities to explore any potential for further collaboration in the short term.
- ▶ *Regional PI System initiative (jointly executed with IAWD).* This year also saw continued progress made on continuing benchmarking activities in several of the countries. The Data Collection and Management (DCM) platform operated under DANUBIS.org continued into full implementation during 2017. With Bosnia & Herzegovina signing the MoU in May 2017, the DCM is now adopted with varying degrees of progress in five countries by Managing Institutions (MIs) in FYR Macedonia, Kosovo, Montenegro, Serbia and Bosnia & Herzegovina. Active promotion of the tool has also been carried out by the DWP team (IAWD and World Bank) with the Bulgarian, Romanian and Moldovan stakeholders. The DWP team organized regular virtual workshops to train the MIs on the usage of the DCM platform or to attract new users (e.g. virtual workshop in February 2017).
- ▶ *DANUBIS.org Water Platform and national benchmarking systems support (jointly executed with IAWD).* This year various workshops and meetings have been carried out in each country for building institutional capacity and to make data collection and benchmarking sustainable in the future. The DCM is a good basis for this, however, most countries still require technical and financial support for collecting and uploading utility data. The DWP supported data collection in Serbia, Macedonia and BiH (to collect 2016 (and 2015 if missing) utility data and to upload it through the DCM platform. In Kosovo, the regulatory agency, ARRU, continues to collect and upload utility data. In Montenegro, clarity still needs to be established on whether the association (whom signed the DCM MoU) or the regulatory agency (whom in principle has the capacity to do so) will be responsible for the data collection exercise, with both institutions working cooperatively. In 2017, the IAWD and WB teams have been active in working with DANUBIS.org platform users to continue identifying areas of improvement to increase its usage. A targeted DANUBIS.org breakfast was carried out during the 2017 DWC which resulted in a list of further improvements to the website. In addition, an online survey for country portal managers was carried out

during the summer. IAWD and the WB are discussing which improvements are worth implementing given the current usage of the platform. Discussions have been undertaken to develop a more thorough strategy to promote the uptake of the country portals. DANUBIS.org is also potentially going to be used as a Knowledge Management Tool under the RCDN project supported by the Swiss and German Governments.

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 has been slower than anticipated. However, a concept note has already been developed and approved and the team expects to undertake the necessary data collection and final report by the end of the Program's Phase II in December 2018.

Priorities for 2018

4. The main priorities for 2018 under Component 1 and for the World Bank team with the DWP are the following:

- ▶ Finalization and publication of the two analytical pieces on rural WSS services and wastewater management;
- ▶ Preparation and publication of the State of the Sector Report 2018 update;
- ▶ Preparation and carrying out of the Danube Water Conference 2018, jointly with IAWD;
- ▶ Definition of a tentative scope for a potential third phase of the program and preparation of necessary appraisal and grant approval documents for its processing and approval;
- ▶ 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);
- ▶ Organization of the Training of Trainers for Water Safety Planning course under D-leaP and plan the activities under Utility Financing activity for implementation in the second half of 2018;
- ▶ 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 2017, 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.

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:

- ▶ The second phase of the Competitive Grant Window was implemented satisfactorily in 2017. Progress in the 11 contracted grants has been positive, with five of the grants already completed. It is planned that during the 2018 Danube Water Conference posters highlighting the results from the completed competitive grants will be presented during a special reception. An overview of all selected Phase II grants is presented in the annexes and on the Danube Water Program Website.

- ▶ Substantial efforts had been made in 2017 to create a self-sustaining capacity building program in cooperation with the national water utility associations.

Recent result: Danube Learning Partnership

During 2017 Training of Trainers have been organized for Energy Efficiency (March 2017), Commercial Efficiency April 2017), Access to Financing (May 2017), Non-Revenue Water (October 2017 and Asset Management (Summer 2017). The following programs have already been delivered successfully: Asset Management (Hubs: UTVSI and Aquasan) with 30 participating utilities, Non-Revenue Water (Hub: Aquasan) and the utility Benchmarking Program (Hubs: Western Balkans, Ukraine, Bulgaria and Kosovo/Albania)

the D-LeaP. The hubs are to use this system for the delivery of its courses (all course information

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”.

In 2017, IAWD has been advancing with the preparation and implementation of the different capacity building programs offered under the D-LeaP. Seven courses/activities (out of nine which had been preliminary identified) are advancing to varying degrees in the process of development of the curriculum for the course and training of hubs. All technical partners have been identified and contracted, and focus is being placed on the identification and on-boarding of hubs. See the annexes for a detailed description of the status of each program. On September 14, 2017, a Roundtable of Danube Region Water Utility Associations was held with the main objective of assessing the D-LeaP implementation and define necessary interventions to improve it. Furthermore, IAWD employed a consultant to support the delivery of D-LeaP programs in close cooperation with the Hubs. Specific tasks included the development of the financial model as well as promotional/marketing strategy with the aim of committing utilities to join the programs offered by the Hubs. The D-LeaP domain is online and in use (www.d-leap.org). In addition, a Learning Management System (D-LeaP Academy) has also been developed to support the implementation of

and material will be accessed through this system). The IAWD TS is closely working with hubs and D-LeaP technical partners in populating this system.

- ▶ IAWD, with the support of the Danube Water Program, has over the past three years managed and pilot tested a Utility Benchmarking Program for Water Supply and Sanitation Utilities together with the *European Benchmarking Cooperation (EBC)* and water utility associations in the Danube countries. The program has involved the creation of national/sub-regional Hubs (with a local Benchmarking Coordinator) using the platform and services of EBC for data upload and individual company report preparation. The new *Danube Regional Benchmarking Initiative* will complement the current system of national/sub-regional hubs carrying out benchmarking in national language at national/sub-regional level covering a few countries by expanding the program at the Danube regional level involving 17 countries. Primary objective of the new Danube Regional Benchmarking Initiative is to help leading utilities located within the Danube region, to further improve their services by benchmarking drinking water and wastewater activities with high performing utilities of similar size and conditions. Next to a thorough assessment of a utility's performance, the program will offer participants benchmarking workshops and platform/utility network to learn from leading/best practices and innovations. The new Danube Hub is managed by IAWD and operated under the Utility Benchmarking Program for Water Supply and Sanitation Utilities offered under D-LeaP. The EBC is acting as Technical Partner of IAWD and provides the methodology as well as the IT platform for the benchmarking exercise. In the future, the IT platform could be delinked 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. In 2017, 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. Guidelines for implementing grants' associates activities are being prepared by IAWD with the objective of simplifying the procurement procedures, where more responsibility on procuring goods or services will be dedicated to the beneficiary associations.

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 mid-September 2017. This analysis identified further capacity constrains 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 some 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 complimentary with DWP staff have been 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 2017. The coordination of the two programs has taken significant staff time from the IAWD Technical Secretariat team overall, including the Head of the TS, during 2017.
- ▶ Key elements of IAWD strengthening (membership offer, business plan adoption, membership brochure, website etc.) have continued, but some set-backs have occurred. A conflict between IAWD members connected with the UN Habitat Program on Water Operator Partnerships (WOP) which has

been on-going since 2016 (and was recently resolved), has created internal difficulties for IAWD that have hindered progress in the strategic planning area. Some positive steps have taken place with new members joining (including national water utility associations) and a more active involvement of existing members. The IAWD General Assembly was held in September 2017 and new members and utility associations participated. A new Board elected as a result. Members at the General Assembly were committed to move forward on key elements for ensuring strengthening of IAWD going forward.

Priorities for 2018

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;
 - ▶ Completion and adoption of the business plans for all the national water utility associations and agreement on scope of association strengthening grants to be approved in first quarter of 2018;
 - ▶ 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 remainder of the second 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 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.
 - ▶ Preparation of the 2018 Danube Water Conference, jointly with the WB team.

IV. ANNEXES

1. Results Framework

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

2. Disbursement levels¹

All amounts in EUR 1,000

Component	Starting Balance	Annual Disbursements	Ending Balance	Undisbursed Balance	% disbursed
Component 1 / World Bank	1,798	313	2,111	1,270	62% ²
Component 2 / IAWD	3,548	1,245	4,793	1,066	82%
Total	5,346	1,719	7,065	2,171	75%

3. Missions and technical visits, trainings and regional events

Dates	Location	Participants ³	Purpose
Jan 15-17	Kiev, Ukraine	Philip Weller	Final Ukraine Hub Workshop
Jan 16-17	The Hague, The Netherlands	Katerina Schilling	IWA Strategic Council Meeting
Jan 19	Ljubljana	Philip Weller	Presentation to Siemens Workshop for Water Utilities
Feb 3	Budapest, Hungary	Patricia Lopez	Meeting with Budapest Waterworks on Water Operator Partnership Program
Feb 9-10	Sliven, Bulgaria	Philip Weller	Presentation to Bulgarian Benchmarking Final Event
Feb 19-21	Bucharest, Romania	Susanna Smets	Policy dialogue
Feb 22	Cologne, Germany	Katerina Schilling	Meeting with company Viadesk offering the D-LeaP LMS
March 5-8	Sofia, Bulgaria	Philip Weller	Participation in the D-LeaP Launch of Energy Efficiency Training of Trainer
March 12-17	Washington, D.C	Philip Weller and Walter Kling	Presentation and participation at the World Bank Water Week
March 22-23	Fruska Gora, Serbia	Katerina Schilling	Presentation to the ICPDR Pressures and Measures Expert Group Meeting

¹ As of December 31, 2017.

² Component 1 disbursements in previous annual and quarterly reports had been calculated just over the amount paid-in the Bank executed TF, and not the total grant amount allocated. In this annual report, the disbursements are calculated using the total grant allocation to Component 1, which explains why the disbursement % is less than in previous reports.

³ Only core IAWD and WB team members' travel is included

Dates	Location	Participants³	Purpose
March 29	Berlin, Germany	Katerina Schilling	EWA Working Group Meeting on European Qualification Framework at Wasser Berlin
April 5 - 6	Banja Luka, BiH	Patricia Lopez, Phil Weller, Violeta Wolff	Regional Conference "Sustainability of water services in BiH"
April 26 - 27	Belgrade, Serbia	Patricia Lopez, Violeta Wolff	Initial utility Benchmarking Workshop
April 18-20	Bihac, Bosnia and Herzegovina	Violeta Wolff and Philip Weller	Participation in the first meeting of the Project Implementation Team for the RCDN project.
April 26-28	Korca, Albania	Philip Weller	Participation in the Training of Trainers Workshop for Commercial Efficiency under D-LeaP.
April 12	Ljubljana, Slovenia	Philip Weller and Vladimir Tausanovic	Meeting with representatives of the Slovenian Chamber of Commerce to discuss cooperation with the DWP and utility benchmarking.
May 1 - 4	Chisinau, Moldova	Susanna Smets, Elvira Broeks	Participation in workshop where the results of the rural water and sanitation study in Moldova were presented. Workshop was organized by colleagues from the APASAN Project. A second objective was to advance the policy dialogue in the country.
June 5-7	Belgrade, Serbia	Violeta Wolff	Integrated Asset Management program: Participation in the Project Steering Board and Steering Committee meetings
June 7 - 9	Nis, Serbia	Violeta Wolff, Elvira Broeks	Participation in the international conference on energy efficiency in the water sector, organized by the Water Association of South Serbia. The DWP team presented the D-LeaP program and specifically the course being offered on Disaster Risk Management and Business Continuity as a tool for Water Safety Planning.
July 6-8	Kiev, Ukraine	Patricia Lopez, Philip Weller,	Participation in a Workshop of the World Bank Utility Project in Ukraine and meeting with and supporting the Ukraine Benchmarking Hub.
July 10-11	The Hague, The Netherlands	Katerina Schilling	Participation in the IWA Staff Week as a consequence of the MoU between IAWD and IWA
July 11-14	Tirana, Albania	Patricia Lopez	As part of a World Bank Project mission, policy dialogue with relevant counterparts for sector financing strategy
July 18-20	Zagreb, Croatia	Philip Weller, Violeta Wolff	Participation in the RCDN Project Implementation Team meeting
July 14	Skopje, Macedonia	Violeta Wolff	Participation at the final workshop on the CG "Capacity Development for Business Planning", implemented by ADKOM
September 5-6	Skopje, Macedonia	Patricia Lopez and Stjepan Gabric	Meetings with key partners (Ministry, Regulatory agency and ADKOM) to discuss ongoing activities and potential future collaboration under DWP to support ongoing reform efforts

Dates	Location	Participants³	Purpose
September 5-6	Zagreb, Croatia	Philip Weller, Violeta Wolff	Participation in the RCDN Project Implementation Team meeting.
September 14	Vienna, Austria	Philip Weller, Violeta Wolff, Katerina Schilling, Patricia Lopez	Meeting of Roundtable of Danube Region Water Utility Associations
September 18-19	Hof, Germany	Philip Weller	Presentation and Participation in the Ukraine Utilities Benchmarking and Improvement trip to Bavaria supported by the Ministry of Env of Bavaria.
September 18-20	Tivat/Kotor/Montenegro	Violeta Wolff	Participation at the promotional event of the D-LeaP Integrated Asset management program
September 21-22	Brussels, Belgium	Patricia Lopez	Meetings with European Commission (DG-Near, DG-Env) to explore collaboration opportunities
September 22-23	Prague, Czech Republic	Katerina Schilling	Participation in the IWA Governing Assembly and organisation of a Danube Meeting of IWA Governing Members in the Danube region
September 26-27	Skopje, Macedonia	Philip Weller	Participation in the RCDN PIT meeting.
September 27-29	Tirana, Albania	Patricia Lopez	As part of a World Bank Project mission, policy dialogue with relevant counterparts for sector financing strategy
September 29	Podgorica, Montenegro	Philip Weller	Participation in the Launch of the Montenegro Waters Publication
October 5-6	Opatja, Croatia	Violeta Wolff	Participation in the Croatian Water Regional Conference
October 17-19	Skopje, FYROM, Pristina, Kosovo, Tirana, Albania, Podgorica, Montenegro	Philip Weller	Participation in the RCDN Roadshow
November 1-3	Pristina, Kosovo	Philip Weller	Participation in the 5th Balkans Joint Conference and Exhibition
November 7	Belgrade, Serbia	Patricia Lopez, Philip Weller, Violeta Wolff	Participation in the RCDN Project Advisory Board Meeting
November 12-17	Buenos Aires, Argentina	Patricia Lopez, Philip Weller, Katerina Schilling	Participation in the IWA Development Congress including the delivery of a workshop "Regional Collaboration Amongst Water Sector Stakeholders for Utility Performance"
November 15-16	Belgrade, Serbia	Elvira Broeks	Presentation on D-LeaP course on Water Safety and Disaster Risk Management and participation in the Water Exhibition and Forum, 2017
November 28-29	Bucharest Romania	Patricia Lopez, Philip Weller, Elvira Broeks, Katerina Schilling, Stjepan Gabric	Participation and presentations at the International Workshop on Wastewater Management in the Danube river Basin

Dates	Location	Participants³	Purpose
December 5	Vienna, Austria	Philip Weller	Presentation of DWP at the Siemens CEE Conference
December 6-7	Skopje, FYR Macedonia	Philip Weller, Violeat Wolff, Patricia Lopez	Meeting with ADKOM on cooperation including D-LeaP launch, Association Support and RCDN Quick Win.
December 7	Brussels, Belgium	Patricia Lopez	Participation in TAIEX workshop organized by EC
December 11	Banya village, Bulgaria	Philip Weller	Participation in the final conference on the Competitive Grant Project "Improvement of the Asset Management in Sofiyska Voda JSC through Elaboration of a New Assets Valuation Methodology"
December 12-13	Vienna, Austria	Patricia Lopez Katerina Schilling,	Participation in the ICPDR Ordinary Meeting
December 15-16	Vienna, Austria	Philip Weller, Patricia Lopez, Katerina Schilling	Utility Benchmarking Program Coordinators' Meeting

4. Regional Events, Trainings and conferences

Dates	Location	Number of participants	Purpose
Jan 16-17	Kiev, Ukraine	45	Ukraine Benchmarking Hub Final Workshop for 2015 data
Feb 9-10	Sliven, Bulgaria	50	Bulgarian Benchmarking Hub Final Workshop for 2015 data
February 21	Vienna, Austria	10	Danube Learning Partnership virtual meeting
Feb 28	Vienna, Austria	12	DCM and Danubis.org virtual workshop
Mar 6-10	Sofia, Bulgaria	14	Training of Trainers for Energy Efficiency, D-LeaP
Mar 12-17	Washington, DC	300	World Bank Water Week
April 4	Skopje, Macedonia		Kick-off meeting of the program "Asset Management Advisory Services for Water Utilities in South-Eastern Europe" for Macedonia"
April 5-6	Banja Luka, BiH	80	Conference "Sustainability of Water Services in Bosnia and Herzegovina"
April 6	Podgorica, Montenegro		Kick-off meeting of the program "Asset Management Advisory Services for Water Utilities in South-Eastern Europe" for Montenegro"
April 10	Belgrade, Serbia		Kick-off meeting of the program "Asset Management Advisory Services for Water Utilities in South-Eastern Europe" for Serbia"
April 24	Vienna, Austria	12	DANUBIS.org virtual Steering Group Meeting
April 26-28	Korca, Albania	12	Training of Trainers event for the Commercial Efficiency Program
April 26	Belgrade, Serbia	12	Initial Ex-YU Utility Benchmarking Workshop 2017
May 15-16	Vienna, Austria	30	Learning workshop (targeting potential future D-leap Hubs): "Utility Performance and Financing"
May 17-18	Vienna, Austria	206	Danube Water Conference 2017
May 19	Vienna, Austria	12	DANUBIS.org workshop
May 19	Vienna, Austria	14	IWA YWP Danube Regional Workshop
May 19	Vienna, Austria	40	Kick-off meeting of the Regional Capacity Development Network (RCDN) for Water and Sanitation Services
May 19	Vienna, Austria	20	D-LeaP Committee Council Meeting
May 24-26	Jahorina Pale, BiH	NA	Annual Meeting of the Association of Waterworks of Republica Srpska
June 8-9	Nis, Serbia	NA	Water Days
July 7	Pristina, Kosovo	20	Kick-off workshop for the Benchmarking Program 2 Phase
July 14	Skopje, FYROM	30	Conference on Development of Capacities for Business Planning
August 29	Leskovac, Serbia	25	Conference on Water as a limited resource and water source protection

Dates	Location	Number of participants	Purpose
September 4	Vienna, Austria	8	DCM virtual workshop for Bosnia and Herzegovina
September 12	Sarajevo, BiH	25	Conference on active control of losses in water supply systems (East Sarajevo)
September 17-23	Bavaria, Germany	25	Seminar on Wastewater management and potable water supply – support to Ukraine Benchmarking Program.
September 21-22	Umag, Croatia	10	Leak Detection Competition (financed under the Competitive Grant Scheme)
September 14	Vienna, Austria	25	Roundtable of Utility Associations/D-Leap Committee
October 8-10	Bihac, BiH	12	Training of Trainers for Non-Revenue Water reduction in water supply utilities
October 30-31	Bihac, BiH	12	First Workshop on Non-Revenue Water reduction in water supply utilities
November 1-3	Pristina, Kosovo	200	5th Balkans Joint Conference and Exhibition
November 15-17	Belgrade, Serbia	50	Water Exhibition and Forum, 2017
November 28-29	Bucharest Romania	120	International Workshop on Wastewater Management in the Danube river Basin
December 11	Banya village, Bulgaria	100	Final conference on the Competitive Grant Project "Improvement of the Asset Management in Sofijska Voda JSC through Elaboration of a New Assets Valuation Methodology",

5. Publications and documents

Date of publication	Title
March 2017	Concept Note Wastewater Management Study
March 2017	DWP Newsletter
May 2017	Danube Learning Partnership Brochure
May 2017	Leaflet on Energy Efficiency Program
May 2017	Leaflet on Commercial Efficiency Program
May 2017	Leaflet on Water Safety Planning Program
May 2017	Leaflet on Non Revenue Water Program
May 2017	Leaflet on Access to Financing Program
May 2017	Leaflet on Utility Benchmarking Program
June 2017	Danube Water Conference Report

June 2017	DWP Newsletter
September 2017	DWP Newsletter
September 2017	Joining Forces for Better Services? When, Why and How Water and Sanitation Utilities can Benefit from Working Together
December 2017	DWP Newsletter

6. 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 being used
Water Partnership Program (WPP)	Co-financing of the Rural water services analytical piece	USD 135,000	Confirmed and completed
Water Partnership Program (WPP)	Co-financing of the Wastewater Management analytical piece	USD 120,000	Confirmed and completed
Water Partnership Program (WPP)	Status of Compliance with EU Water Framework in Romania, Poland and Czech Republic	USD 120,000	Confirmed and being used
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

7. Overview of Approved Competitive Grants⁴

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	€ 39,740	73%	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	Started
NC.2.17	BiH	JSC Vodovod Banja Luka	Utility	The establishment of a center for monitoring and reduction of losses	€130,350	€ 28,000	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	€ 46,875	75%	12	Started
NC.2.21	CRO	Croatian Water and Wastewater Association	WSS Association	Leak Detection Competition	€ 33,586	€ 24,408	73%	10	Started
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	Started
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	75%	12	Started
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	Started

⁴ As of Dec 31, 2017

8. Overview of D-LeaP programs

Modules	Rollout
Asset Management	With the financial cooperation between GIZ and IAWD, the technical partner from the first phase (Hydrocomp) supported the preparation of the introductory course on AM using similar programs and materials in spring of 2017. Two hubs have signed the hub agreement: (i) UTSVI which will provide the course for Serbian and Montenegrin and potentially Macedonian utilities and (ii) AQUASAN for BiH utilities. Given the additional financial resources available through GIZ, the course participation fee has been set at EUR 600 per utility per cycle. This has been translated into 20 utilities signing a contract with UTSVI and 10 utilities with AQUASAN for their participation in the course.
Access to financing for efficiency improvement (WB led & co-financed)	AQUASAN expressed interest in becoming a hub for the delivery of the course. However, given the complexity of the topic and the constructive feedback received by workshop participants, the team has decided to not roll out this course at this moment under the umbrella of the D-LeaP.
Energy Efficiency	Specific support is being provided to each potential hub on how to begin the delivery of the course. In addition, the course needs the purchase of equipment for demonstration purposes. AQUASAN is the most advanced of the hubs having already prepared a business plan for the delivery of the course. However, at this point they have only been able to secure interest in 5 utilities which would require an increase in the participation fee to make the delivery of the course cost efficient or the provision of further financial support from the DWP to subsidize the fee which is currently being negotiated. A decision to proceed with offering the program has been made. In Bulgaria, BWA has proposed to deliver the course as part of a certification scheme which has altered the timeline of the course delivery, but this is expected for the beginning of next year.
Commercial Efficiency	Three hubs are participating in this program: SHUKOS and SHUKALB, ADKOM (FYR of Macedonia) and APA Brasov/ARA (Romania – with potential delivery also for Moldovan utilities). So far, none of them have prepared their financial business plan but ADKOM expects to launch the program in spring of 2018.
Water Safety Planning and Business Continuity (WB co-financed)	The course curricula has been developed by the technical partner. The utility associations in Serbia, Kosovo and BiH have expressed interest in becoming hubs for this course. The technical partner and the DWP team are continuing discussions to formalize the participation of the potential hubs. The first trainer of trainer event is expected for the first quarter of 2018.
Non-Revenue Water Reduction	AQUASAN has signed a hub agreement and delivered at the end of October 2017 an initial workshop where eleven water utilities participated (8 have signed contracts). The first training is expected at the end of 2017. This activity is intended to be a baseline to be supplemented with a more extensive technical assistance program offered by GIZ.
PBC (to be led by the Bank).	The purpose of this activity is to build capacity among WSS utilities about the potential of partnering with the private sector through Performance-Based Contracting (PBC) to improve its operational performance. Although the existence of WB PBC learning program provided good starting point, the preparation of this activity has been slower than expected due to a weak interest in the topic so far. The WB is organizing, in coordination with ARA, a regional workshop on PBC for NRW in February 2018. Further interest in this activity will be gauged there.