



DANUBE
WATER
PROGRAM

Smart policies, strong utilities, sustainable services

2020 ANNUAL REPORT

**DANUBE
WATER
PROGRAM**

March 2021

I. SUMMARY

1. This is the Danube Water Program (DWP)'s eighth Annual Report. The report covers activities that took place under the Program between January and December 2020. During this time, the focus of the program was directed at: i) dissemination and preparation of new analytical activities; ii) the continued roll-out and upgrade of the Danube Learning Partnership (D-LeaP) for sustainable water and sanitation; iii) continued support for sector policy and regulation; iv) support to benchmarking activities; v) facilitation of information exchange and roll out of a COVID-19 Webinar Series; and vi) hosting the virtual Danube Water Forum.

2. Throughout 2020, pandemic-related restrictions impacted everyday life and working conditions, and severely limited staff and client ability to travel and hold meetings, workshops and conferences. The team adapted to the new circumstances, however, Covid-19 caused delays in the timeline and status of the implementation of several activities. The Phase III Workplan was updated in June/July 2020, taking into account these challenges and delays.

3. By the end of 2020, over 1,100 policy makers, higher level technical and managerial staff from water institutions have benefitted from cross-country capacity building activities. In addition, 158 utilities have participated and completed at least one program under the [Danube Learning Partnership](#) (D-LeaP), which are being delivered by eight utility associations that have established program specific [D-LeaP Hubs](#) across the region. Furthermore, five countries have Managing Institutions for the [Data Collection Management](#) system (DANUBIS DCM), and data is shared by Danube countries with [IB-NET](#) and [Danubis.org](#), with a total of 5239 utility records available for the region. The results framework of the DWP has been updated to measure results under the expanded scope of the activities under the DWP third phase (Annex 1). The indicator targets, as defined under the third phase, are largely on track to be achieved, however, with some delays due to the Covid-19 pandemic situation.

4. DWP disbursements through December 2020, against the total budget of the three phases, amount to 75 percent for Component 1 and 93 percent for Component 2. Overall disbursements in 2020 have been lower than expected due to delays in contracting and the COVID-19 restrictions on travel and in-person workshops. The effects on the DWP budget will be examined in 2021 as it relates to the closing of DWP Phase III.

5. The **Covid-19 pandemic** hit the water sector in the Danube region, causing challenges for the water sector adapting to the new circumstances and continuing to ensure the safe delivery of water-related services. As an immediate reaction to the pandemic, COVID-19 related information was provided to the water utilities in the region and a series of **COVID-19 Webinars** was organized to share relevant information and experiences regarding approaches and response activities in the water services sector in order to address the challenging situation created by the pandemic. In the months of May – June the DWP team organized five webinars addressing the issue. With a variety of topics and speakers, the Webinar series was successful, with between 70 to 130 participants joining each webinar and with an overall participation of approximately 475 experts and representatives from the Danube region and around the globe. Recordings, summaries and related material of all webinars are available on the [DWP website](#). Furthermore, the D-LeaP curriculum on **Water Safety and Crisis Management** has been updated, expanding the scope towards pandemic situations as well as taking on board a broader risk-based approach in the Water Security context. The updated curriculum has been rolled-out in North Macedonia and Albania (with plans for additional roll out in South Serbia and Czech Republic), addressing the specific needs in reaction to the pandemic. More information regarding the DWP response to COVID can be found in the following World Bank blog "*The possibilities of remote: How the Danube Water Program navigates the corona crisis*" [here](#).

6. The first [Danube Water Forum \(DWF\) 2020](#) was hosted virtually on October 27-29, with the topic of "The importance of water sector data in the digital age." The Forum was a success and timely topic-wise, drawing an audience of roughly 150 participants from 30 countries over the three days. The Danube Water Forum Report was made available on the [Voice of the Danube Website](#) in early December 2020. Meanwhile, the team has agreed to plan for a virtual event in October 2021 for the **Danube Water Conference** and will select the DWC topic, discuss relevant logistics, and begin event promotion in early 2021.

7. Under **Component 1** (Bank executed), the Bank team continued with dissemination activities of the analytical work, with the [translation of the Executive Summary and Country Notes](#) of the State of the Sector Report – Update 2018. Under Phase III, resources have been allocated to a regional Water Security Diagnostics, to be elaborated in 2021. The procurement process for contracting a firm experienced delay due to the overall situation but has been launched in 2020. The elaboration of a regional Water Security Diagnostic and to establish the necessary partnerships will be the key focus in 2021 under Component 1, with the methodological and analytical work to be performed during spring and summer 2021, and discussions on key findings and draft recommendations with stakeholders in autumn 2021. Meanwhile, activities to support WSS sector regulation, policy and benchmarking is continuing in a number of countries, including Albania, Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Ukraine. As a reaction to Covid-19, the update of the Water Safety and Crisis Management curriculum has been completed, financed from GFDRR and expanding the scope towards pandemic situations as well as taking on board a broader risk-based approach in the Water Security context. Regional knowledge exchange activities on several WSS topics have been prepared and support for the development of national utility performance indicator systems and benchmarking activities advanced in several countries. The initially planned timeline for the organization of workshops needed to be postponed, due to the ongoing Covid-19 restrictions, for launching in early 2021.

8. Under **Component 2** (Recipient executed), IAWD continues satisfactorily implementing its capacity development activities that are primarily being delivered under the Danube Learning Partnership (D-LeaP). The draft D-LeaP Annual Report 2020 was prepared. Additionally, the draft Work Plan for 2021 was presented at the D-LeaP Committee Council Meeting organized virtually in December 2020, including representatives of 10 Water Utility Associations. The Utility Benchmarking Program continues to progress well with the use of a new data collection platform (IAWD UBP) which was developed. Finally, the 2020 Danube Water Forum, which was scheduled to be organized in connection with the Danube Hub Benchmarking event in Banja Luka in April 2020, was held virtually on 27-29 October. The team is working to address a key challenge of ensuring cooperation and closer alignment between investment actions (of the World Bank, other IFIs and bilateral donors) and capacity development offers. In Spring 2020, IAWD prepared the document “IAWD Strengthening Actions”, which was approved by the IAWD Board in June and also presented at the DWP Steering Committee meeting in July 2020. The document resulted out of the Strategic Governance Concept and highlights eleven actions which have been or will be undertaken to strengthen IAWD. One critical element is the implementation of a fully updated communication strategy integrating all of IAWD’s and DWP’s promotional activities in one digital service platform including social media presence, which resulted in the launch of the new [‘Voice of the Danube’](#) webpage in July 2020.

9. Finally, while the key focus of the team remains to implement the activities as outlined in the Phase III Workplan, a **strategic discussion process** has been launched in late 2020 on future aspects of the program and a potential Phase IV of the DWP. The process continues and exchange will be intensified in the first half of 2021.

II. COMPONENT 1 PROGRESS

Overall situation

10. The Bank team continues to work on the analytical, policy advice and regulatory support activities of the program. During the period of January through December 2020, the team focused on dissemination of the SoS 2018 Update and took preliminary steps towards developing a Danube Water Security Diagnostics. The team continues supporting the dialogue among policy makers in the region, providing support on policy and benchmarking activities and developing knowledge exchange activities such as the Danube Water Forum as well as on key technical topics such as rural water services and urban wastewater management. The Bank team also continues to support IAWD in the development and implementation of the D-LeaP, including the development of a new trainings on Access to Finance, the Utility Management Training linking it with the global Utilities of the Future Initiative, and the Water Safety and Crisis Management course – the latter was updated in 2020 to incorporate a stronger focus on crisis situations due to pandemics as well as further risk-assessment components due to the water security emphasis of Phase III. In autumn 2020 Mr. Camilo Lombana Cordoba, World Bank Senior Water Supply and Sanitation Specialist, joined the team, being involved in strategic discussions on the potential Phase IV of the DWP.

Main activities

11. The main activities under Component 1 included:

- ▶ **Communication and Outreach.** Virtual dissemination efforts have continued. Since the SoS Update 2018 was only available in English, it was agreed at the December 2019 Mission to investigate possibilities for translation of the Executive Summary and Country Notes into several Danube languages in order to facilitate dissemination and outreach in electronic format. The Executive Summary and Country Notes have been translated in 2020 into five languages, making the information better accessible for experts and representatives in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Montenegro, Romania, Serbia and Ukraine. The translations, financed from Component 1, have been formatted and are now available [online](#). Key analytical findings will be communicated via the Social Media channels to increase awareness about the publications. In addition, with the aim to increase Program visibility *within* the World Bank, the DWP team has elaborated and published two World Bank blog posts, one on the [DWP COVID response](#) and another one on the [Danube Water Forum](#). Both blog posts have been shared and disseminated within the World Bank and via the new Voice of the Danube web platform.
- ▶ **Regional Water Security Diagnostic.** Under Phase III, Regional ASA resources will fund a Regional Water Security Diagnostics for the Danube region, to be developed in 2021. The objective of this activity is to develop a regional overview and to identify key current and future challenges around water security for the Danube region to inform a focused policy dialogue with Danube countries towards building a water secure world for the people, economy and the environment and aiming at the development of policy recommendations to be discussed with policy makers in target countries. The activity is jointly implemented with the ECA Regional Water Security Initiative financed from GWSP. Contracting a firm supporting the work was launched in 2020. The elaboration of the Regional Water Security Diagnostics faced delays due to the overall challenging situation and will be the key focus of activities under Component 1 in 2021. The methodological and analytical work will be performed during spring and summer 2021, followed by discussions on key findings and draft recommendations with stakeholders in autumn 2021. The related results indicators will be updated in 2021 in line with the progress of the work.
- ▶ **Regional exchange on Water Security topics.** In response to the Covid-19 pandemic and demand for information and support regarding Water and Covid-19, the World Bank, together with IAWD, launched a series of Covid-19 Webinars. In the months of May – June the DWP team organized five webinars on the following topics: 7 May 2020 - Managing water services in the light of the Covid-19 pandemic; 14 May 2020 - Exchange of experiences between water utilities in delivering services in the light of the Covid-19 pandemic; 28 May 2020 - Lessons learned from the Covid-19 pandemic for ensuring business continuity of water services; 10 June 2020: World Bank Covid-19 Financial Impact Assessment Tool for water service providers; 24 June 2020 - Detecting and managing Covid-19 in sanitary wastewater. With a variety of topics and speakers, the Webinar series was successful, with between 70 to 130 participants joining each webinar and with an overall participation of approximately 475 experts and representatives from the

Danube region and around the globe. Recordings, summaries and related material of all webinars are available on the [Voice of the Danube website](#). Due to the ongoing pandemic situation and related challenges, the team discussed to continue with the Covid-19 related support in form of webinars but also with more targeted activities, which are outlined in the updated DWP Workplan.

- ▶ **Regional knowledge exchange and capacity building.** Activities on topics relevant to the regional community of knowledge in water policy and governance remains one of the most important activities in the 3rd Phase of the DWP. In early 2020, the DWP met with the ICPDR to further discuss a joint knowledge exchange on: (i) **rural wastewater management**, and (ii) **financial sustainability of wastewater management**. In order to address this articulated need, the DWP, jointly with the ICPDR, have agreed to organize two workshops, one for each topic. Due to Covid-19 restrictions, the preparation took place in 2020 and the workshops will be organized virtually in the first half of 2021, with the possibility for supplemental field visits later if travel is permitted. Additional activities of interest for water professionals in the region were discussed, namely: a) organizing webinars on latest developments regarding key EU water directives (the new EU Drinking Water and ongoing review of the Urban Wastewater Treatment Directive) that are found to be relevant for a broad variety of water sector stakeholders in the region, also to be organized in early 2021. Furthermore, the organization of a webinar on experiences in the regionalization of water service provisions in the region and beyond is planned for 2021.
- ▶ **Capacity Development activities (jointly executed with IAWD).** The D-LeaP curriculum on Water Safety and Crisis Management (WSP) was updated in spring 2020, financed from GFDRR funds, putting a stronger focus on crisis situations due to pandemics next to adding further risk-assessment components due to the water security emphasis of Phase III. Two Hubs were established, with additional financial support from GIZ, to deliver the updated program in North Macedonia and Albania. The WSP curriculum may also be rolled out in two additional countries (South Serbia and the Czech Republic) in 2021. With regards to the Utility Financing, a new D-LeaP course on access to funding for utilities is under preparation in 2020 and builds on two existing training courses developed by the World Bank's Water Global Practice, with support of PPIAF (Public-Private Infrastructure Advisory Facility). These courses target staff and clients (water and wastewater utilities and other stakeholders) and are the WWS Utility Finance and WSS Utility Creditworthiness. The development of the Access to Financing curriculum has been contracted to AQUASAN Network acting as Technical Partner. Following a kickoff meeting in October 2020, and a validation meeting in December 2020, the roll-out is foreseen in Bosnia and Herzegovina in the course of 2021.
- ▶ **Policy Support.** Due to the Covid-19 situation, physical meetings between regulators from the region, as customary during previous years, have not taken place but DWP regional events like the Danube Water Forum 2020 have been used to present and discuss topics of common interest, like experience from regulatory agencies in the application of data collection and management in the digital age, and approaches and opportunities for sector regulation (specific session at the DWF on "Smart data for Smart Policies"). Recommendations from DWP supported policy and advisory work was used and specific targeted support provided in the design of three World Bank lending projects/programs in three countries (Albania, Bosnia and Herzegovina and Moldova). The three projects are now under advanced preparation status, reflecting endorsement and application of the key outcomes of this policy advisory work. Furthermore, targeted support was provided in 2020 to the Regulatory Agency of Montenegro, with the DWP providing expert support to review the tariff methodology and make a proposal for its improvements, ensuring the sustainable development of the regulated communal activities for the second regulatory period, based on the proposal of the new Law on water services. As part of this activity, between May and October 2020, the team has provided consultant support to the Montenegro regulatory agency in developing a [tariff policy and methodology](#) for the new law on water services related to investments, social affordability and operator's plans for performance improvement. The Program is also supporting the Regulatory Agency in Albania in their review of the tariff setting methodology with technical assistance and advisory from regional experts from the region. This work is informing and complementing a significant water and sanitation sector reform process supported by a new World Bank Program for results operations expected for Bank's approval in May 2021. In Moldova, the Program supported the overall review of the regulatory framework and studies for the four WSS operators where investment projects are under preparation.
- ▶ **Data Collection and Benchmarking Activities (jointly executed with IAWD).** Support for national benchmarking activities has the goal to support the existence and upgrade of a performance data collection and benchmarking system in each country. Part of this activity is the next stage of DWP support to the WSS sector in Serbia, Montenegro and Bosnia and Herzegovina through facilitating data collection,

compilation and analysis of utility performance in the sector of water supply and wastewater management. This is undertaken in cooperation with the Association for Water Technology and Sanitary Engineering (in Serbia), the Regulatory Agency for Energy and Water (in Montenegro), as well as with the Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina and Water Utility Association of the Republic of Srpska (both Bosnia and Herzegovina). The data collection was executed for 143 central and other municipal water supply systems of Serbia ([reports](#) are made available on the website of the Ministry of Construction, Transport and Infrastructure), and [21 utilities in Montenegro](#), with the addition of preparing a separate [multiannual benchmarking report covering the period 2015 – 2019 in Serbia](#). The support activity for Bosnia and Herzegovina was contracted in 2020 and is ongoing. Finally, DANUBIS.org was integrated into the new 'Voice of the Danube' web.

Challenges encountered

12. The main challenges under Component 1 included:

- ▶ Pandemic-related restrictions have impacted everyday life and working conditions, and severely limited staff and client ability to travel and hold meetings, workshops and conferences. The team adapted to the new situation and furthermore responded to the needs with specific demand-driven Covid-19 related activities which were originally not foreseen in the DWP Workplan. In combination, Covid-19 caused delays in the timeline and status of the implementation of several activities. The Workplan has jointly been updated, taking into account as far as possible the challenging situation and new global circumstances.
- ▶ Ensuring the continuous onboarding of the new DWP staff during the beginning of 2020 given the broad range of targeted countries and activities of the program. In order to facilitate this process, the core team has continued holding regular team meetings for the smooth transition.

Priorities for 2021

13. The main priorities for 2021 under Component 1 and for the World Bank team are the following:

- ▶ Ensuring successful completion of Phase III activities:
 - The elaboration of the Regional Water Security Diagnostics will be the key focus of activities under Component 1 in 2021. The methodological and analytical work will be performed during spring and summer 2021, followed by discussions on key findings and draft recommendations with stakeholders in autumn 2021. The related results indicators will be updated in 2021 in line with the progress of the work;
 - Continuation of close collaboration with World Bank teams working on the preparation of new WSS operational engagements, taking on board analytical and advisory work provided by the DWP towards further endorsement by client counterparts;
 - Capacity building and knowledge sharing activities, for which preparation started in 2020, will be conducted in 2021, including inter alia workshops on rural wastewater management, financial sustainability of water services, Covid-19 related webinars, as well as the roll-out of the new DWP "KnowNow" knowledge exchange series together with IAWD on just in time topics (e.g. new Drinking Water Directive, ongoing review of the Urban Wastewater Treatment Directive).
- ▶ Managing sustainability of key DWP products:
 - Support IAWD in the preparation and roll-out of D-LeaP training programs and linkage to operational engagements, including the updated Water Safety and Crisis Management program, new curriculum on Utility Financing, and support in the design and roll-out of the new Utility Management Training, on which linkages with global work of the World Bank under the Utilities of the Future Initiative will be explored;
 - Continued support for the training of utility staff in WSS data collection, validation and benchmarking using the DCM platform or establishment of national platforms, and continued promotion of DANUBIS.org and linkage to the ongoing discussions on the update of IBNET;

- Supporting discussions on improving the coordination of Capacity Development activities in the frame of D-LeaP / RCDN, on IAWD's strategic reform agenda and evolution with the aim of ensuring long-term sustainability of key activities and impact.
- ▶ Transitioning to the future:
- Preparation of closure of Phase III of the Danube Water Program;
 - Preparation of a concept for a potential Phase IV of the DWP in close collaboration with the Steering Committee, including proposals for key topical areas and administrative arrangements.

III. COMPONENT 2 PROGRESS

Overall situation

14. In 2020, efforts were focused on the continued roll out of Danube Learning Partnership programs including the development of two new programs, i.e. Utility Management Training (UMT) and Access to Financing, and the completion of the 2020 cycle (2019 data) of the Utility Benchmarking Program (UBP). The draft D-LeaP Annual Report 2020 was prepared. Additionally, the draft Work Plan for 2021 was presented at the D-LeaP Committee Council Meeting in December 2020, including representatives of 10 Water Utility Associations. The Utility Benchmarking Program continues to progress well with the use of a new data collection platform (IAWD UBP) which was developed. A donor and IFIs meeting was held virtually to address the additional financing needs under D-LeaP, above all the UBP and UMT. Follow up discussions continued bi-laterally in autumn of 2020. Significant efforts were made to consolidate the existing websites into one [Voice of the Danube](#) website. In response to the outbreak of COVID-19 a series of online webinars addressing the impacts and implications of the pandemic for utilities was jointly organized. The 2020 Danube Water Forum, which was scheduled to be organized in connection with the Danube Hub Benchmarking event in Banja Luka in April 2020, was held virtually on 27-29 October. IAWD also took further steps to strengthen its organization base and implemented important elements of the Strengthening Action Plan and the team is working to address a key challenge of ensuring cooperation and closer alignment between investment actions (of the World Bank, other IFIs and bilateral donors) and capacity development offers.

15. 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. IAWD provided extensive input to the Mid Term Review of the RCDN project and has committed to active involvement in a redesign of the Project.

Main activities

16. The main activities under Component 2 included:

- ▶ The **Danube Water Forum** was hosted virtually on October 27-29, with the topic of “The importance of water sector data in the digital age.” The Forum was considered a success and drew an audience of roughly 150 participants from 30 countries over the three days. Virtual attendees participated in sessions covering a wide variety of sub-topics, including the relevance of data for water management and sustainable service provision, water data in the intersectoral context, and using sound data for smart policies, among others. The importance of data and digitalization was also highlighted by the European Commission’s participation at the event, making reference to the European Green Deal and the European Data Strategy. The [Danube Water Forum Report](#) was made available on the Voice of the Danube Website in early December 2020.
- ▶ **Danube Learning Partnership.** In the beginning of 2020, program delivery was planned in four Asset Management Hubs (AQUASAN, UTVSI, SHUKOS, SHUKALB), at least two Energy Efficiency Hubs (EE, WASS), two Commercial Efficiency Hubs (ADKOM, APA Brasov), two Non-Revenue Water Hubs (UVCG, SHUKOS), four UBP Hubs (BWA, DWCUKR, SHUKOS/SHUKALB, Danube Hub) and one UMT Hub (Danube Hub). Due to the COVID-19 restrictions the number of Hubs who were able to deliver a program was significantly reduced to four Asset Management Hubs, one Commercial Efficiency Hub and four UBP Hubs. In addition, the updated Water Safety and Crisis Management program was delivered in the WSP Hub operated in North Macedonia, which was not initially scheduled for 2020. In May 2020, the D-LeaP Committee Council meeting took place virtually. The Committee Council acknowledged the D-LeaP Annual Report 2019, confirmed the D-LeaP Work Plan 2020 and discussed potential mitigation measures to overcome the travel restrictions, such as an intensive use of the D-LeaP Academy, virtual meetings supported by the DWP etc. The draft D-LeaP Annual Report 2020 as well as the draft Work Plan for 2021 were prepared and presented at the latest D-LeaP Committee Council in December 2020, including representatives of 10 Water Utility Associations. The Utility Benchmarking Program continues to progress well with the use of a new data collection platform (IAWD UBP) which was developed. Progress was also made on the development of two new curricula, i.e. Utility Management Training (UMT) and Access to Financing. Both of these programs are intended

to be delivered in 2021 with the UMT to spill over to the next year given the program duration of two years.

- ▶ In November, IAWD presented the **2020-2024 Business Appraisal for D-LeaP**. This document builds upon the original 2016 plan and was revised and updated to reflect the current developments. The D-LeaP annual reports of 2018 and 2019 provide documentation of the historical development of D-LeaP in the preceding years and the status of delivery. It was originally hoped that D-LeaP would move progressively closer to a self-financing partnership in the years following the initial start. Although important progress and success has been achieved this is currently not the case. This Business Appraisal therefore evaluates the D-LeaP expenses and income under the current implementation and showcases the projections for the period 2020-2024.
- ▶ In March 2020 IAWD and the World Bank hosted a **meeting with IFIs and international donors**, to exchange about ongoing activities and promoting D-LeaP to be linked with investment activities. Given the ongoing coordination efforts with the RCDN project, the DWP team decided to focus the meeting on the support to the Utility Benchmarking Program as well as the Utility Management Training. The meeting was held virtually on 12 March 2020, and involved participants of the World Bank, the Austrian Ministry of Finance, KfW, EIB, EBRD and SECO, as well as testimonials from the national water utility associations and utilities who have delivered or joined a D-LeaP program. Further efforts at the national level have been taken and are planned to ensure that IFI funding is acknowledging and using the D-LeaP offers. Separate further exchanges have taken place with EIB, EBRD, SECO and KfW and there is strong interest of the IFIs in supporting the use of CD programs (D-LeaP UMT in particular) but the mechanism to support participation of Utility representatives under IFI projects remains difficult to organize, requiring also a buy-in from national institutions negotiating lending agreements. Work will continue in 2021 to find suitable mechanisms for the link between investment projects and the CD offers of D-LeaP.
- ▶ **Utility Benchmarking Program (IAWD Executed):** The [Utility Benchmarking Platform \(IAWD UBP\)](#), which has been jointly developed in the course of 2019, is now fully implemented and replaces the previously used EBC platform. As IAWD UBP is fully owned and managed by IAWD, it provides the basis to run the Utility Benchmarking Program financially sustainable. The use of the Utility Benchmarking Platform is focused on data collection for utility improvement. Despite the difficulties in holding physical meetings given the Covid-19 restrictions, two out of the three national/sub-regional Hubs (Ukraine and Albania/Kosovo) have successfully completed the 2020 cycle (2019 data) of the UBP. The Bulgaria Hub will finalize the 2020 cycle in the first quarter of 2021. The final workshop of the regional Danube Hub for the 2019 cycle (2018 data) was held virtually on 17 June 2020. A couple of topics were discussed to further strengthen the UBP, including i) the value added of more developed countries joining the UBP; (ii) continuation of improved coordination/communication between the UBP and World Bank programs (i.e. in AL and BiH); and (iii) financing. Financing of coordinators for 2020 has been a critical issue for Ukraine (for which support from Component 1 has already been allocated) and the Danube Hub. Finally, there is a strong commitment to attract more utilities, including from Western Europe, into the program to increase its profile. A promotional webinar, organized on 17 June 2020 back-to-back with the regional Danube Hub event, was targeted to support this goal.
- ▶ **DANUBIS.org Water Platform (jointly executed with the World Bank).** DANUBIS.org was fully integrated into the newly developed Voice of the Danube web. The publicly available DANUBIS.org utility database is now available under <https://www.iawd.at/eng/danube-toolbox/benchmarking/danubis-org-pi-database/>. It was agreed to follow-up with individual countries on the upload of most recent data to IBNet to make the information subsequently available on Danubis.org. In that context, an update on the future of IBNet was provided, clarifying that IBNet is planned to continue, however funding for data collection is still uncertain. It is agreed that a more active strategy is needed to secure the data delivery to IBNet, to be discussed in more detail in the frame of the DWP strategic process and exchange with the World Bank IBNet team. Therefore, it was agreed to organize a meeting in 2021 of the Danubis.org Steering Committee to discuss the different ongoing developments and future of the platform.
- ▶ **Knowledge Sharing Activities (jointly executed with the WB).** As an immediate reaction to the pandemic, a series of **COVID-19 Webinars** were organized to share relevant information and experiences regarding approaches and response activities in the water services sector in order to address the challenging situation created by the pandemic. In the months of May – June the DWP team organized five webinars addressing the issue. With a variety of topics and speakers, the Webinar series was successful, with between 70 to 130 participants joining each webinar and with an overall

participation of approximately 475 experts and representatives from the Danube region and around the globe. Recordings, summaries and related material of all webinars are available on the [DWP website](#). In addition, based on the success of the COVID Webinar series, the DWP team has agreed to continue to host bi-monthly webinars covering relevant topics on demand.

- ▶ **IAWD Communications Strategy:** Based on a communication consultancy starting late 2019 a communications strategy and action plan has been developed resulting in the merge of the existing four websites into one digital service portal. The new [Voice of the Danube website](#) was announced on Danube Day and finally launched in July 2020. The new web-space replaced the organically grown structure of four websites and serves as a new communication tool including social media presence alongside with a consolidated strategy for electronic newsletters. Analytical figures of both the website as well as the social media channels are evaluated on a constant basis to improve the service offer and allow for further growing the Voice of the Danube community.
- ▶ **IAWD Strengthening Actions Document.** This document is the result of the Strategic Governance Review Process, that has started in March 2018 and led to the development of a Strategic Governance Concept to enable IAWD to grow stronger. The IAWD Strengthening Actions Document has been developed in spring 2020, was approved by the IAWD Board in the June 2020 meeting and presented to the DWP Steering Committee in July 2020. It outlines eleven concrete actions, including a timeline, which IAWD has already undertaken or will undertake to reach its goal for a transition from a mainly volunteer association to a fully professional association offering relevant services to a strong membership base.

Challenges encountered

17. The main challenges under Component 2 included:

- ▶ The pandemic situation has severely affected IAWD's ability to use the office facilities, to travel and hold face-to-face meetings. In response, the IAWD staff has adapted to the new situation, but also accelerated the launch of the Voice of the Danube website as important digital communication tool. In addition, the digital equipment for facilitating online meetings, webinars and conferences has been purchased and also provided to partners, e.g. the national water utility associations for holding their meetings.
- ▶ The long-term illness of the staff member responsible for Procurement and Finance has created some challenges which have been managed through workload shifts and hiring of a part time staff member supporting a number of key activities.
- ▶ COVID-19 has delayed the delivery of a number of the D-LeaP Programs, which rely on face-to-face meetings, e.g. NRW and EE. Nevertheless, a number of Hubs have been able to deliver trainings despite the pandemic situation by including online learning elements as well as virtual trainings.
- ▶ At the current stage, it is foreseeable that the initial objective for the 3rd Phase of the DWP to make D-LeaP financially self-sustainable has only partly been achieved. In order for D-LeaP to sustain and grow, more utilities will need to join the program and it is expected that further funds will be needed beyond 2021 for the continuation of the activity at an enhanced pace. In this context, the further alignment with donor-funded investments in the region is a key for providing sustainable capacity building in the region.
- ▶ The Swiss-funded Regional Capacity Development Network (RCDN) for Water and Sanitation Services aims at improving the performance of local government units and water utilities in the Western Balkans. As such, a close coordination and alignment is needed with the activities in the frame of D-LeaP, which has not always been the case. The RCDN project has been extended on a no-cost basis until September 2022. Efforts at a re-design of RCDN are underway with active participation of IAWD in the process. The re-design process has proven to be time consuming and now will likely be finalized during the first months of 2021 (instead of end 2020). Some progress in the alignment has been made by having co-financing of some actions of National Water Utility Associations by RCDN and the DWP, next to ongoing discussions on RCDN grant support for IAWD led activities. Efforts will need to continue in 2021 to ensure that the maximum synergy between the two programs can be achieved.

- ▶ Key elements of IAWD strengthening (strengthen member value proposition, elaborate membership recruitment campaign, implement a fully updated communication strategy, etc.) have continued. The IAWD General Assembly which was scheduled to be held in the frame of the Danube Water Forum had to be postponed and was held virtually in September 2020.

Priorities for 2021

18. The main priorities for 2021 under Component 2 for the IAWD team are the following:

- ▶ Ensuring successful completion of Phase III activities:
 - Further strengthen the uptake of D-LeaP programs, support for national utility associations, 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);
 - Launch of the Utility Management Training Curriculum and Access to Financing Program, and further exploring synergies and linkages with the global work by the World Bank under the Utilities of the Future Initiative, and identification of additional funding sources supporting the roll-out of the programs;
 - Roll-out of the new DWP “KnowNow” knowledge exchange series on just in time topics relevant to the water sector in the Danube region and conduction of the 2021 Danube Water Conference.
- ▶ Managing sustainability of key DWP products:
 - Continued exchange with IFIs and other donors towards establishing a funding strategy for D-LeaP and benchmarking activities, and ensuring the creation and utilization of synergies between D-LeaP and the RCDN project;
 - Utilization and further expansion of the newly developed Voice of the Danube web including social media channels to further grow a Community of Practice in the Danube region;
 - Informed decision jointly with the World Bank team on the future of the DANUBIS DCM platform and continued promotion of DANUBIS.org, ensuring the linkage to the ongoing discussions on the update of IBNET;
- ▶ Transitioning to the future:
 - Further implementation of actions outlined in the IAWD Strengthening Actions Document and initiating a consultancy to evaluate different options for institutional arrangements including pros and cons of IAWD’s legal set-up;
 - Preparation of closure of Phase III of the Danube Water Program;
 - Contribution to the preparation of a concept for a potential Phase IV of the DWP in close collaboration with the World Bank team and in exchange with the Steering Committee.

IV. ANNEXES

1. Results Framework

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
Indicator One (New): [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	20	Exceeded
		Actual								13	28		
Indicator Two (Revised): [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	10	Achieved
		Actual	3	3	4	5	7	8	8	10	10		
Indicator Three (New): [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	7	Exceeded
		Actual						4		8	8		
Indicator Four (New): [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	7	Delayed
		Actual								1	3		
Indicator Five (New): [NUMBER] Cumulative income generated by IAWD from the implementation of DWP activities (in EUR).	0	Planned								25000	65000	165000	On track
		Actual								34592	66052		

Note: PDO Level Indicator four will progress during 2021 with WSS advisory work and conduction of the water security related work.

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		
Intermediate Result (Component One): Developed regulatory and policy instruments for improved country framework conditions in Water Supply and Sanitation and Water Resources Management (BETF)													
Intermediate Result indicator One (Revised): [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	Achieved
		Actual		0	2	5	7	7	9	10	10		
Intermediate Result indicator Two (Revised): [NUMBER] of water supply and sanitation sector regulation and policy reviews conducted.	0	Planned	0			11			22			40	On track
		Actual		0	0	16	17	19	28	36	38		
Intermediate Result indicator Three (New): [NUMBER] of policy makers, higher-level technical and managerial staff from participating countries that benefited from cross-country capacity building activities on water security topics	0	Planned										40	On track
		Actual								0	0		
Intermediate Result indicator Four (New): [NUMBER] of sector regulation and policy reviews conducted in water security topics	0	Planned										5	On track
		Actual								1	1		
Intermediate Result indicator Five (Revised): [NUMBER] of utility records reported to IBNET/DANUBIS from participating countries.	0	Planned							3500			5300	On track
		Actual				3896	4206	4313	4727	4912	5239		

Note: Intermediate Result Indicators three and four will progress during 2021 with the conduction of the water security related work.

Intermediate Result (Component Two): Increased institutional capacity in participating utilities (RETF)													
Intermediate Result indicator Six (Revised): [NUMBER] of participating utilities that have completed an operational performance improvement program under the Danube Learning Partnership	0	Planned	0			15			70			120	Exceeded
		Actual		0	22	49	49	50	79	140	158		
Intermediate Result indicator Seven (Revised): [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			730	Exceeded
		Actual		85	200	367	515	607	701	919	1105		
Intermediate Results indicator Eight (Revised): [NUMBER] of female representatives that benefited from capacity building activities.	0	Planned							100			280	Exceeded
		Actual			134	197	229	252	329	359			
Intermediate Results indicator Nine (New): [NUMBER] of curricula developed and offered under the Danube Learning Partnership.	5	Planned										8	On track
		Actual							5	6	6		
Intermediate Results indicator Ten (Revised): [NUMBER] of water utilities that the project is supporting.	0	Planned							150	195	210	230	On track
		Actual			108	114	135	182	201	226			
Intermediate Results indicator Eleven (New): [NUMBER] of new members joining IAWD.	0	Planned										9	Exceeded
		Actual							0	3	11		
Intermediate Results indicator Twelve (New): IAWD revises its membership categories and adopts a revised fee structure	0	Planned								Yes	Yes	Yes	Completed
		Actual							No	No	Yes		
Intermediate Result indicator Thirteen (Revised): [NUMBER] of participating utility associations that are implementing their business plans.	1	Planned							6				Completed
		Actual				0	0	1	8				
Intermediate Result indicator Fourteen (No change): [NUMBER] of Competitive Grants completed as planned.	0	Planned							20				Completed
		Actual				12	12	17	21				

Note: On Intermediate Results Indicator twelve, the membership categories have been revised and a revision of the fee structure discussed, whereas the latter was agreed by IAWD to be maintained.

2. Disbursement levels¹

All amounts in EUR 1,000

Component	Starting Balance January 1, 2020	Annual Disbursements	Current Balance December 31, 2020	Undisbursed Balance	% disbursed
Component 1 / World Bank	3,219	402	3,621	1,225	75
Component 2 / IAWD	6,465	381	6,846	553	93
Total	9,684	783	10,467	1,778	85

3. Missions and technical visits

Dates	Location	Participants ²	Purpose
15 January	Linz, Austria	Philip Weller, Katerina Schilling	Meeting with IAWD member ENERGIA AG to discuss UBP, UMT and WSP
21-23 January	Banja Luka, BiH	Philip Weller, Katerina Schilling	Preparation meeting for the Danube Water Forum
27-29 January	Pravets, Bulgaria	Philip Weller, Katerina Schilling	UBP Workshop Bulgarian Hub and UBP Coordinators meeting
4-7 February	Tirana, Albania	Philip Weller	Asset Management Advisory Committee Meeting and Recruitment Workshop
24-26 February	Belgrade, Serbia	Philip Weller	Asset Management Advisory Committee meeting and Sustainability Workshop

¹ As of December 31, 2020.

² Only core IAWD and WB team members' travel is included

4. Regional Events, Trainings and conferences

Dates	Location	Number of participants	Purpose	1. Organized by DWP 2. Co-organized and/or co-funded by DWP 3. Attended by DWP
March 5, 2020	Vienna, Austria	10	IAWD Board meeting	3
March 12, 2020	Vienna, online	32	Donors and IFIs meeting addressing the support to a Utility Management Training and a Utility Benchmarking Program in the Danube region	1
May 7, 2020	Webinar	129	Managing water services in the light of COVID-19 pandemic	1
May 14, 2020	Webinar	68	Exchange of experiences between water utilities in delivering services in light of the COVID-19 pandemic	1
May 25, 2020	Online	15	D-LeaP Committee Council Meeting	1
May 28, 2020	Webinar	93	Lessons learned from the COVID-19 pandemic for ensuring business continuity of water services	1
June 10, 2020	Webinar	80	COVID-19 Financial Impact Assessment Tool for water service providers	1
June 17, 2020	Webinar	71	Utility Benchmarking Program for the Danube region utilities	1
June 17, 2020	Online	30	International Utility Benchmarking for the Danube region utilities: Utility Benchmarking Program tools and initial results under the Danube Hub and UBP	1
June 24, 2020	Webinar	103	Detecting and managing COVID-19 in sanitary wastewater	1
June 24, 2020	Online	12	IAWD Board Meeting	3
July 13, 2020	Online	11	DWP Steering Committee Meeting	1
September 23, 2020	Online	10	IAWD Board Meeting	1
September 23, 2020	Online	-	Danube Hazard m3c Kick-off Conference	3
September 25, 2020	Online	18	IAWD General Assembly	1
October 27-29, 2020	Webinar	150	Danube Water Forum	1
November 4, 2020	Online	10	DWP Steering Committee Meeting	1
November 4-6, 2020	Webinar	-	2020 Balkans Joint Conference and Exhibition	3
November 25, 2020	Online	80	Utility Management Training: A Master Class for Holistic Management in the Water Service Sector	1
December 3, 2020	Online	11	IAWD Board Meeting	1
December 10, 2020	Online	20	D-LeaP Committee Council Meeting	1
December 11, 2020	Online	-	Final workshop of the UBP Hub in Ukraine	2

5. Publications and documents

Date of publication	Title
March 2020	Danube Water Program Newsletter – COVID-19 edition
May 2020	Danube Water Program Newsletter – Spring edition
May – June 2020	Summaries of five Covid-19 Webinars, presentations and videos
June 2020	Tariff setting methodology for regulated utilities in the Republic of Montenegro
July 2020	UMT Corporate Partners leaflet
July – December 2020	Weekly Digests of the Voice of the Danube content
October 2020	Summaries, presentations, videos of the Danube Water Forum
October 2020	World Bank Blog - The possibilities of remote: How the Danube Water Program navigates the corona crisis
October 2020	Annual report 2019 on the comparison of business indicators of regulated utilities in the Republic of Montenegro
November 2020	UMT leaflet and UMT Application form
November 2020	World Bank Blog - How data and digitalization are key to effective water sector performance and WB collaboration in the Danube
November 2020	Report on the performance of utilities in the territory of the Republic of Serbia in 2019
November 2020	Water Supply in Serbia 2015-2019 - Basic performance indicators of PUCs dealing with water supply and sewerage of settlements
December 2020	Danube Water Forum Report

6. Agreements with other programs and donors

Partner	Area of collaboration	Amount	Status
Global Facility for Disaster Risk Reduction (GFDRR)	Co-financing for the “water safety planning and business continuity” capacity building activity	USD 242,413	Completed
Global Water Security and Sanitation Partnership (GWSP)	Co-financing for the “utility access to financing” capacity building activity and FUEL study	USD 119,500	Confirmed and being used
	ECA Water Security Initiative, covering whole ECA region – synergies with methodological development of Danube Water Security Diagnostics	USD 380,000	Confirmed and being used
GIZ	Co-financing of the Water Safety and Crisis Management delivery for North Macedonia and Albania	EUR 60,000	Completed

8. Overview of D-LeaP programs

PROGRAM	TECHNICAL PARTNER	CURRICULUM READY	TOT DELIVERED	TRAINERS TRAINED	HUBS ESTABLISHED
	MACROCONSULTING	✓	✓	5	4
	ECONOLER	✓	✓	20	3
	VALU ADD	✓	✓	9	2
	HYDROCOMP	✓	✓	19	4
	UNA CONSULTING	✓	✓	17	1
	INFRAPROTECT	✓	✓	18	2

Figure 8.1 Key characteristics of each D-LeaP programs

COUNTRY	ASSOCIATION	2020 DELIVERY	2019 DELIVERY	2018 DELIVERY	2017 DELIVERY	DELIVERY IN PREPARATION
	AQUASAN		 	  	 	
	ADKOM	 				
	SHUKALB			 *		 
	SHUKOS					
	UTVSI					
	WASS					

Figure 8.2 Status of implementation of the D-LeaP programs by each Hub.