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Compendium

The lessons learned and good practice examples of the support provided by Associations of Public Utility Companies, Local Government Associations, National Authorities, International Financial Institutions, Donors and other stakeholders to Local Governments and Public Utility Companies in six Western Balkans economies to maintain the provision of water and sanitation services during COVID-19 pandemic.



Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices

Bonn and Eschborn, Germany

Address:

GIZ Office Sarajevo Zmaja od Bosne 7-7a Importanne Centar 03/IV T +387 33 957 500 F +387 33 957 501 E GIZ-BosnienHerzegovina@giz.de I www.giz.de

Programme/Project:

Open Regional Fund for Modernization of Municipal Services in SEE (ORF MMS)

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On behalf of:

German Federal Ministry for Economic Cooperation and Development (BMZ)

Photo credits:

Front cover: RCDN

Page 26: Ivan Bandura, Unsplash

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Printing and distribution: ORF MMS and Regional Capacity Development Network for Water and Sanitation Services (RCDN) Printed on 100% recycled paper, certified to FSC standards.

Place and date of publication

Skopje, Republic of North Macedonia, January 2021

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List of abbreviations

| Abbreviation | Definition |
|--------------|---|
| AAM | Albanian Association of Municipalities |
| ADKOM | Association of Communal Service Providers in the Republic of North Macedonia |
| AKM | Association of Kosovo Municipalities |
| AMCFB | Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina |
| APUC | Association of Public Utility Companies |
| AQUASAN | Aquasan Network in Bosnia and Herzegovina |
| AMTRS | Association of Municipalities and Towns of the Republic of Srpska |
| AWM | Association of Waterworks of Montenegro |
| AWRS | Association of Waterworks of Republic of Srpska |
| BMF | Federal Ministry of Finance of Germany |
| BMZ | Federal Ministry for Economic Cooperation and Development |
| CD | Capacity Development |
| CEMR | Council of European Municipalities and Regions |
| СМ | Crisis Management |
| EIB | European Investment Bank |
| EU | European Union |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH |
| GWOPA | Global Water Operators' Partnership Alliance |
| IAWD | International Association of Water Service Companies in the Danube River Catchment Area |
| IFI | International Funding Instrument |
| IMF | International Monetary Fund |
| IPA | Instrument for Pre-accession |
| BAM | Convertible mark (Currency of Bosnia and Herzegovina) |
| LG | Local Government |
| LGA | Local Government Association |
| MESP | Ministry of Environment and Spatial Planning |
| MP | Member of Parliament |
| NALAS | Network of Associations of Local Authorities of South-East Europe |
| OECD | Organisation for Economic Co-operation and Development |
| ORF MMS | Open Regional Fund for the Modernisation of Municipal Services |
| PPE | Personal Protection Equipment |
| PUC | Public Utility Company |
| RCDN | Regional Capacity Development Network for Water and Sanitation Services |
| RWC | Regional Water Company |
| SALAR | Swedish Association of Local Authorities |
| SCTM | Standing Conference of Towns and Municipalities |
| SDC | Swiss Cooperation Office in Kosovo |
| SECO | Swiss State Secretariat for Economic Affairs |
| SEE | South-East Europe |
| SFRY | Socialist Federal Republic of Yugoslavia |
| SHUKALB | Water Supply and Sewerage Association of Albania |
| SHUKOS | Water and Wastewater Works Association of Kosovo |
| SOP | Standard Operating Procedures |
| UMM | Union of Municipalities of Montenegro |
| UNDP | United Nations Development Programme |

UPKP Association of Employers of Utility Companies in Federation of Bosnia and Herzegovina

UTVSI Association of Water Technology and Sanitary Engineering

VAT Value Added Tax

WASS Association for water protection and preservation in the South of Serbia

WB Western Balkans

WBIF Western Balkans Investment Framework

WSP Water Safety Plan

WSS Water and sanitation services

WWTP Waste Waters in the Public Wastewater System

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Executive summary

The COVID-19 pandemic has been a test, demonstrating that cooperation between all stakeholders operating on the local, regional and national level is crucial for overcoming such a global crisis that has particular local implications.

The unique and uncertain environment shaped by the COVID-19 crisis determines the necessity of learning from other experiences and practices. In these dire times of unprecedented health and economic crisis, Associations of PUCs (APUCs) and Local Government Associations (LGAs) are providing substantial support to their members, Public Utility Companies (PUCs) and Local Governments (LGs), respectively, in terms of capacity development (CD), opportunities for exchange of experiences and best practices in combating pandemic, and in particular in articulating their needs and advocating for identified key issues such as liquidity of PUCs, prolongation of obligations towards international and domestic financial institutions, obtaining additional financial assistance from domestic and international financial institutions and joint communication of important messages to the public, etc. However, the quality and range of these support services and especially the CD measures vary significantly and are strongly linked to the heterogeneous capacities of the associations themselves. The majority do not possess enough resources to devise CD policies and design quality CD measures for a relatively small group of professionals in their respective countries and to implement them systematically and efficiently. Vertical collaboration with the national authorities and donor community and their support to LGs and PUCs to secure the smooth functioning and delivery of essential municipal services, including water and sanitation services (WSS), during the COVID-19 pandemic is essential not only for maintaining the undisturbed provision of services but also for achieving greater cost efficiency; service and performance improvements; innovation; higher levels of customer satisfaction; resilience and more coordinated response to future crisis.

Given the background, the German Agency for International Cooperation (GIZ) has been preparing new COVID-19 related measures on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), aiming at strengthening the resilience of LGs and PUCs from the Western Balkans. For that purpose, the Centre for Development and Promotion Promo Idea – Strumica (Promo Idea) was commissioned by GIZ, in the frame of the Open Regional Fund for the Modernisation of Municipal Services (ORF MMS) to prepare three (3) analyses of the COVID-19 responses of LGs and their PUCs, as well as the relevant stakeholders in 6 Western Balkan economies¹. The insights, conclusions and recommendations provided in the series of analyses will further enhance the capacity of the Regional Capacity Development Network for Water and Sanitation Services (RCDN), established with the support of GIZ. They will form the basis for the establishment of the newly emerging body of practice in the field of crisis management.

The present document, prepared in the frame of Analysis 2, focuses on identifying, collecting and systemising the existing practices, challenges and deficiencies in the support services, structures and financial mechanisms provided on the national and sub-national level by the APUCs, LGAs, relevant ministries, regulatory authorities, donors and other stakeholders to LGs and PUCs to maintain the provision of essential communal services across their communities in the target WB economies, during the COVID-19 pandemic. It is primarily intended for managers/practitioners working in the field of WSS and policymakers engaged in facilitating and coordinating CD initiatives in the Western Balkans to support the LGs and their PUCs to improve their response to the crisis plan for recovery in the post – COVID-19 period.

The rapid assessment is based on data collected through a targeted online survey, conducted for the purpose of the analysis, but also on qualitative research by online interviews with pre-selected decision-makers (President/ Executive Manager/ General Secretary), training managers/ coordinators (RCDN Focal Points) in the 16 national associations of PUCs and LGAs, all members of the Regional Capacity Development Network for Water and Sanitation Services (RCDN) in South-East Europe.

COVID-19 response measures in target economies

Swift and adequate support measures from the government and the relevant institutions are essential to ensure an effective response to the COVID-19 crisis and prevent any adverse and irreversible economic and social scenarios. While immediate efforts were concentrated on protecting public health, unemployed and vulnerable

¹ Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia

people, governments in target economies introduced economic recovery packages leveraged to the available budget capacities and fiscal policies.

On the socio-economic front, national governments are releasing vast amounts of finance for protecting their economy, citizens and healthcare system. According to data of the World Bank Group, industrialised countries have spent up to 15–20% of their GDPs on stimulus packages, whereas for emerging markets a merely 5-6% of GDP have been activated in the form of support mechanisms. The WB region is no exception, as national governments have reallocated public funding trying to either respond or manage through the crisis. However, as stated previously, this support is insufficient and lags behind the forefront of the crisis due to the lack of both strategic planning and coordinated response.

As the relevant state authorities took most decisions regarding the planning and coordination of the crisis response on a national level, the cooperation with LGs and their PUCs with the central government and institutions is essential. LGs need adequate support and assistance in responding to the unprecedented crisis resulting from the COVID-19 pandemic. Both LGs and PUCs requested financial assistance in the form of tax exemptions, regular reimbursement and/or reduction of VAT, payment of salaries and social security contributions for the staff, etc. Assistance was also sought from the relevant regulatory authorities for adjusting tariffs for water consumption. In many of the researched economies, LGs and PUCs have introduced various payment relief and support policies to vulnerable groups. In many cases, these measures were introduced on a national level and administered locally by the relevant LGs and PUCs.

Funding and supporting response and recovery efforts

The Donor community in the target WB economies has been particularly active throughout the COVID-19 pandemic working closely with APUCs and LGAs to coordinate the response to the crisis and support the "front line" with the necessary skills and equipment.

International Financial Institutions (IFIs) and donors operating in the WB region have been actively supporting PUCs and LGs through peer networks, providing capacity development, facilitating the exchange of experiences and good practices, and delivering the essential equipment and supplies to support the WSS sector.

APUCs and LGAs have been cooperating actively with IFIs and donors who requested their specialised support, expertise, and services to consult and implement various support measures and funding programmes. Funding operators and international organisations needed assistance in CD development and delivery; conducting specialised surveys; sharing analysis and results, participating in focus groups and other research activities; distributing equipment and supplies among members; consulting the development of a programme/fund; etc.

Providing targeted support to respond and manage the crisis

The pandemic response revealed new ways of collaborating across an ecosystem of partners and introduced operating methods more effectively. The COVID-19 crisis proved that support to the subnational level needs to focus on how services are delivered and not just on what is being delivered. Both APUCs and LGAs provide substantial support to their members throughout the unprecedented crisis caused by the COVID-19 pandemic. Despite the numerous challenges, experts and representatives of APUCs and LGAs are working vigorously to improve the capacities of their members, foster the exchange of experience and best practices in combating the pandemic, articulate their most urgent needs to the relevant state institutions, channel the support of financial institutions and donors to every member, deliver important messages to the public, etc. The existing networks of associations working in the delivery of essential services to local communities of the Western Balkans, as well as the continuous dedication of the donor community in the region is helping many PUCs and LGs to tackle and manage the ongoing crisis more efficiently and effectively, ensuring the undisturbed provision of essential public services.

The Association of Communal Service Providers in the Republic of North Macedonia (ADKOM) supported member PUCs through lobbying and advocacy, and capacity development. Despite being in a challenging position due to the COVID-19 crisis, ADKOM has been particularly active in 2020, delivering various capacity development, information, lobbying and advocacy services to their members. For example, through lobbying and advocacy, the Association succeeded in receiving 2.3 Million Euro from the Government of the Republic of North Macedonia for direct COVID-19 financial assistance for PUCs in the country.

Union of Municipalities of Montenegro (UMM), a national association of local governments uniting and safeguarding the interests of 25 LGs in the country, developed a series of policy proposals for the central government to support the response to and recovery from the COVID-19 pandemic, as per the main articulated challenges, needs and opportunities of Montenegrin municipalities.

The Water and Wastewater Works Association of Kosovo (SHUKOS) provided intensive capacity development and research supporting public utility companies by delivering training and workshops, conducting awareness campaigns, distributing information, organisation of study tours, events, seminars, facilitating the work of working groups, and cooperation at local and international level.

In Bosnia and Herzegovina, the two LGAs - Association of Municipalities and Cities of FBiH (AMCFBiH) and Association of Municipalities and Towns of the Republic of Srpska (AMTRS), actively engaged in advocacy activities to safeguard the economic interests of their members (LGs) regarding the economic measures prepared by the Federal Governments. In Republika Srpska, the AMTRS conducted an analysis within the project "Strengthening the capacity of the Associations of Municipalities and Cities in BiH", funded by the Government of the Kingdom of Sweden and the Government of Switzerland, and with the technical support of the Swedish Association of Local Authorities SALAR.

The Water Supply and Sewerage Association of Albania (SHUKALB) has been the leading source of knowledge, professional development and networking for PUCs in Albania in the times of COVID - 19. In November 2020, SHUKALB, in cooperation with SHUKOS, organised online the 8th Balkans Joint Conference and Exhibition, titled "Water and Climate Change", which was attended by over 200 water professionals representing water utilities, donor's community, private companies, academic institutions as well as other central and local government institutions from 15 different countries.

The Standing Conference of Towns and Municipalities (SCTM), safeguarding the interests of 170 local governments in Serbia, has developed templates to assist LGs in implementing the Rulebook on preventive measures for safe and healthy work to prevent the spread of the epidemic of infectious diseases, later adopted by the Ministry of Labour, Employment, Veteran and Social Policy of the Republic of Serbia.

Analysing impact and helping to shape support and recovery measures

APUCs and LGAs in the Western Balkans have been particularly active in analysing the impact of the COVID-19 pandemic on their members' operation to support the relevant national institutions, decision and policymakers in the process of preparing the most adequate and based on the needs support and resilience measures. The majority of the RCDN members have financed and conducted surveys, targeted research, and analysis to better understand the impact of the COVID-19 at the local and national level. Others supported the international organisations and donors to conduct wider research and analytical activities to better understand the effects of the COVID-19 pandemic on LGs and PUCs.

Following the implementation of a survey on the impact of the COVID-19 pandemic on the operation of PUCs in North Macedonia, ADKOM prepared a position paper with a detailed analysis of the operational challenges of the PUCs during the COVID-19 pandemic, detecting critical points in the operations, understanding the reasons for management decisions, and finding and offering solutions to solve the newly emerged challenges.

The AMTRS conducted a detailed analysis to understand better the impact of the COVID-19 pandemic on the finance of 7 LGs in the Republic of Srpska, Bosnia and Herzegovina. The analysis of data showed that the crisis caused by the COVID-19 pandemic had a strong negative impact on the finances of all LGs, regardless of the level of development and size of the community.

Commissioned by the Association of Kosovo Municipalities (AKM), a study was carried out in 34 LGs in Kosovo to identify the difficulties encountered by the municipalities during the spread of the COVID-19 pandemic, measures taken by the latter to manage this situation, cooperation with the national authorities and the AKM, as well as emergency needs of municipalities to overcome the socio-economic consequences of the pandemic.

Association of Water Technology and Sanitary Engineering (UTVSI), in cooperation with the Standing Conference of Towns and Municipalities (SCTM) in Serbia, analysed the consequences of the COVID-19 pandemic on the operations of PUCs in Serbia. Data showed that the need for adoption and further development of security plans

by all PUCs, which will contribute to increasing the security of the drinking water supply, should be taken into account and supported through all means necessary.

The COVID-19 pandemic impacts on water and wastewater systems in Albania were analysed by SHUKALB through an online survey addressed to water utilities and other water sector organizations in Albania. The survey results were further distributed to national institutions and Donors /IFIs working in the water sector in order to establish a dialogue with all actors on the short-term needs of the water utilities considering the impact of the COVID-19 situation.

The Network of Associations of Local Authorities of South-East Europe (NALAS) implemented a survey that aimed to support LGs and their associations, creating a better understanding of the impact of the COVID-19 at the local government level and helping to identify successful regional practices for social and economic recovery.

The way forward

While most of the governments and institutions in the Western Balkan economies are managing through the second and third waves of the pandemic, LGs and PUCs alike are working around the clock to continue the uninterrupted provision of essential services to their communities. In addition, people and experts assess the impact and drawing plans for the post-COVID recovery of their institutions and communities. Although it is still premature to draw any conclusions for the long-run, PUCs and LGs, in cooperation with their associations, national authorities, and other stakeholders, are consulting local actors, developing capacities and preparing strategies to ensure "the day after".

COVID-19 is a chance for both PUCs and LGs to solve many problems and issues that have been long overdue. Although each LG and PUC have unique challenges and solutions, some long-term stereotypes and myths such as digitalisation have been debunked "overnight". Long-lasting challenges such as adopting circular economy measures, introducing green solutions, etc., are next on the line to support recovery and help organisations adapt to the new realities in the post-COVID period. Crisis management became a topic of particular interest to many decision-makers on the local level. Horizontal cooperation, community and stakeholders' participation, ownership of local development strategies are other topics that have emerged as a result of the pandemic.

The good practice examples provided in the present Compendium collected from 16 Associations from six Western Balkan economies proved that APUCs and LGAs played an important role to complement responses to COVID-19 support policies and mechanisms on the national and sub-national levels. Clustered into several categories (i.e. the 4 Rs), representing potential areas for Response and Recovery, covering the most important factors to ensure Resilience, and assisting LGs and PUCs in the region Reshaping their priorities and operations to position for long-term success, the insights and recommendations that were identified as a result of the research could be taken into account in the process of designing future support mechanisms, recovery strategies and resilience efforts in the target WB economies.

1.1 Context

Local Governments (LGs)² and Public Utility Companies (PUCs) had to ensure continuity of their service provision to guarantee enough hygiene standards for citizens even in crisis times. PUCs need to assure proper service-delivery to allow for sufficient operations regarding the new challenges that derive from the COVID-19 crisis in adherence to the heightened standards and ensuring the necessary hygiene safety in public areas. LGs, on the other hand, had to coordinate the process of supervising the enforcement of the social distancing and disinfection measures and continue the interrupted provision of essential communal (i.e. administrative, social, infrastructure, healthcare, etc.) services and activities. Due to the novelty of the crisis, many LGs and PUCs got caught unprepared and in-between having to cope with the immediate health crisis while maintaining the uninterrupted provision of essential public services.

The unique and uncertain environment shaped by the COVID-19 crisis determines the necessity of learning from other experiences and practices. In these dire times of unprecedented health and economic crisis, APUCs and LGAs are providing substantial support to their members, PUCs and LGs, respectively, in terms of CD, opportunities for exchange of experiences and best practices in combating pandemic, and in particular in articulating their needs and advocating for identified key issues such as liquidity of PUCs, prolongation of obligations towards international and domestic financial institutions, obtaining additional financial assistance from domestic and international financial institutions and joint communication of important messages to the public, etc. However, the quality and range of these support services and especially the CD measures vary significantly and are strongly linked to the heterogeneous capacities of the associations themselves. The majority do not possess enough resources to devise CD policies and design quality CD measures for a relatively small group of professionals in their respective countries and to implement them systematically and efficiently. Vertical collaboration with the national authorities and donor community and their support to LGs and PUCs to secure the smooth functioning and delivery of essential municipal services, including water and sanitation services (WSS), during the COVID-19 pandemic is essential not only for maintaining the undisturbed provision of services but also for achieving greater cost efficiency; service and performance improvements; innovation; higher levels of customer satisfaction; resilience and more coordinated response to future crisis.

In this context, as part of the German Agency for International Cooperation (GIZ) - Open Regional Fund for the Modernisation of Municipal Services (ORF MMS), a regional programme, commissioned by the German Federal Ministry of Economic Cooperation and Development (BMZ), a project was designed in order to establish a self-sustaining Regional Capacity Development Network for Water and Sanitation Services (RCDN) aiming at the development of professional and skilled water and sanitation services (WSS) workforce in the Western Balkans. The project enables 16 LGAs and APUCs from six Western Balkan economies and the regional organisations NALAS, IAWD and AQUASAN to facilitate and coordinate CD initiatives in the region and support CD measures delivery to PUCs and LGs in the respective economies. RCDN aims to improve local government units and water utilities' performance in delivering water and sanitation services to citizens by enriching the regional capacity development offer, establishing partnerships, and enabling capacity development. The project is jointly financed by BMZ and the Swiss State Secretariat for Economic Affairs (SECO).

The Association Centre for Development and Promotion Promo Idea – Strumica (Promo Idea) was commissioned by the GIZ ORF MMS to prepare three (3) analyses of COVID-19 responses of LGs and their PUCs as well as the other relevant stakeholders in the 6 Western Balkan economies. The analyses are focusing on collecting and sharing the newly generated COVID-19 related experiences, good practice examples and lessons learned of the responses of the LGs and their PUCs as well as on their horizontal interaction (on the local level) and vertical collaboration with the national authorities and donor community, in the provision of WSS during COVID-19 pandemic.

Acknowledgement

The research team at **Promo Idea** and the involved staff of **GIZ ORF MMS** would like to thank the experts and representatives of the 16 national associations, the APUCs and the LGAs, as well as the regional organisations NALAS, IAWD and AQUASAN, all members of the RCDN, for their ongoing support and assistance on the development of this research and report.

² Local Governments refers to municipalities, towns and cities

1.2 Background and objectives

1.2.1 Background of this Compendium

The research and analysis that provided the necessary information for the needs of the present Compendium were carried by the **Association Center for Development and Promotion "Promo Idea" – Strumica** as part of a consulting service assignment in the frame of the GIZ ORF MMS. As their members (i.e. PUCs and LGs) have been severely affected by the effects of the corona crisis, the GIZ ORF MMS has proposed several rapid intervention measures to the BMZ to address the newly emerged challenges and offer LGAs and APUCs with a more systematic and based on the identified needs approach to cope with the adverse effects of the COVID-19 pandemic.

For that purpose, the team of Promo Idea focused on collecting and sharing the newly generated COVID-19 related experiences, lessons learned, and good practice examples of the responses of the municipalities and their PUCs, as well as on **their horizontal collaboration (on the local level) and their vertical collaboration with the national authorities and donor community,** in the provision of essential communal services, especially WSS during Covid-19 pandemic. The conducted analyses will support the establishment of the emerging body of practice in the field of crisis management that will be shared further within the RCDN members.

The consulting package provided by Promo Idea will result in the following outputs:

- Analysis no. 1 "Compendium of good practices and the lessons learned of the responses of the LGs and PUCs in the 6 Western Balkans economies in the provision of water and sanitation services during COVID-19 pandemic";
- 2) Analysis no. 2 "Compendium of good practices and the lessons learned of the support provided by the Ministries, Regulatory authorities, IFIs/ Donors and other stakeholders to LGs and PUCs in the 6 Western Balkans economies to maintain the provision of water and sanitation services during COVID-19 pandemic"; and
- 3) Analysis no. 3 "Assessing the financial impact of COVID-19 on the operation and performances of PUCs in the 6 Western Balkans economies".

The first Analysis focused on identifying, collecting, and systemising lessons learned and good practice examples of the responses by the municipalities and PUCs in the 6 Western Balkans economies in the provision of water and sanitation services during the COVID-19 pandemic. The study looked in-depth into the experiences of selected LGs and PUCs of the target economies. It has been primarily intended for managers/practitioners working in the field of WSS and policymakers engaged in facilitating and coordinating CD initiatives in the Western Balkans to support the LGs and their PUCs to improve their response to the crisis plan for recovery in the post-COVID period.

The current Analysis no. 2 is aimed at providing an overview of the existing support infrastructure, CD and funding instruments and mechanisms provided on the local, regional and national level by the relevant institutions and stakeholders, i.e. the Ministries, Regulatory authorities, IFIs/ Donors, etc. to better manage and cope with the asymmetric impact of the COVID-19 crisis (i.e. health, economic, social and financial). By safeguarding the interests of LGs and PUCs on the national level, APUCs and LGAs have been actively supporting their members in every aspect of the ongoing challenge and the recovery that follows.

The final Analysis no. 3 is aimed to assess the financial impact of the COVID-19 on the operations and performance of PUCs in the target Western Balkan economies. The analysis will contribute to the newly emerging need to define a methodology for identifying and calculating real costs incurred by PUCs due to the COVID-19 pandemic and extra services provided to the community.

1.2.2. Objectives of the research

Taking into account that the COVID-19 pandemic will continue for an unknown period in the future and the expressed need to exchange information and practical experience with their peers in the RCDN, the main objective of the research is to identify and assess the existing practices and lessons learned of the support provided by the APUCs, LGAs, National authorities, IFIs, Donors and other stakeholders to LGs and PUCs to maintain the provision of water and sanitation services during COVID-19 pandemic. Following the adopted approach, the primary sources of information are the experts and representatives of the 16 national associations

of PUCs and LGAs in the target economies, all members of the Regional Capacity Development Network for Water and Sanitation Services (RCDN).

The insights, conclusions and recommendation gathered in the frame of the research process and outlined in the present document will form the basis for the establishment of the newly emerging body of practice in the field of crisis management that will be shared further within the regional network (i.e. the RCDN) thus helping members to improve their response to the crisis and plan for recovery in the post-COVID period.

1.2.3. Target groups

The research process took place in six Western Balkan economies, targeting decision-makers (President/ Executive Manager/ General Secretary), training Managers/ Coordinators (RCDN Focal Points) in the 16 national associations of PUCs and the Local Government Associations (LGAs), all members of the Regional Capacity Development Network for Water and Sanitation Services (RCDN) in South-East Europe. Table 1 provides the names and location of the associations that participated in the research process.

Table 1: Participating associations provided in alphabetical order

| Name | Abbreviation | Туре | Location and coverage |
|---|--------------|------|------------------------|
| Albanian Association of Municipalities | AAM | LGA | Albania |
| Association of Communal Service Providers in the Republic of North Macedonia | ADKOM | APUC | North Macedonia |
| Association of Kosovo Municipalities | AKM | LGA | Kosovo |
| Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina | AMCFBiH | LGA | Bosnia and Herzegovina |
| AQUASAN Network in Bosnia and Herzegovina | AQUASAN | APUC | Bosnia and Herzegovina |
| Association of Towns and Municipalities of the Republic of Srpska | ATMRS | LGA | Bosnia and Herzegovina |
| Association of Waterworks of Montenegro | AWM | APUC | Montenegro |
| Association of Waterworks of Republic of Srpska | AWRS | APUC | Bosnia and Herzegovina |
| Standing Conference of Towns and Municipalities | SCTM | LGA | Serbia |
| Water Supply and Sewerage Association of Albania | SHUKALB | APUC | Albania |
| Water and Wastewater Works Association of Kosovo | SHUKOS | APUC | Kosovo |
| Union of Municipalities of Montenegro | UMM | LGA | Montenegro |
| Association of Employers of Utility Companies in Federation of Bosnia and Herzegovina | UPKP | APUC | Bosnia and Herzegovina |
| Association of Water Technology and Sanitary Engineering (APUC from Serbia) | UTVSI | APUC | Serbia |
| Association for water protection and preservation in the South of Serbia | WASS | APUC | Serbia |

1.3 Methodological approach

1.3.1 Research methodology

Following a standard methodology, adapted to the existing social distancing and health prevention measures across target economies, the current analysis was based on a comprehensive research process that consisted of three main phases:

- 1) **Phase 1:** Desk and internet research
- 2) Phase 2: Quantitative research by online survey
- 3) **Phase 3:** Qualitative research by online interviews with pre-selected representatives of LGAs and APUCs of the target Western Balkan economies.

During the initial phase of the research process, a **thorough desk and internet research** was conducted by analysing available documents and information in each of the six target economies, outlining the impact of the COVID – 19 pandemic on PUCs/LGs. The project team reviewed the relevant documents produced by LGAs/APUCs and recognised international organisations (i.e. OECD, UNDP, World Bank, etc.). These include RCDN members internal documents (e.g. summary and recommendations from webinars and other CD events, policy reviews, etc.) and other relevant studies. The desk research aimed to overview the general impact of the Covid-19 crisis in each target economy, including the existing support measures available for LGs and PUCs, and those specifically related to WSS provision during the COVID-19 pandemic.

The **Quantitative research phase** of the research process included implementing an online survey divided into five main parts, each focusing on a different aspect of the support provided by Ministries, Regulatory authorities, IFIs, donors and other stakeholders. A separate part of the survey examined "Crisis management" as an essential topic highlighted by the COVID – 19 pandemic. The survey respondents included decision-makers and experts of the 16 APUCs and LGAs, members of the RCDN. It was carried out in the period from December 2020 to January 2021.

The Qualitative phase of the research process aimed to gather a deeper inside of the support provided by APUCs/LGAs to their members in coping with the adverse effects of the Covid-19 pandemic (e.g. capacity development (CD), exchange of experiences and best practices, lobbying and advocacy, assistance in financial assistance from domestic and international financial institutions, communication of important messages to the public, etc.).

It should be noted that some information gathered in the frame of the research process might be generic and subjective due to the limited information being available. The good practice examples and the lessons learned are based on relatively limited data, compiled mostly through the online questionnaire and requests for additional information from the pre-selected representatives of APUCs/LGAs.

1.3.2 Online survey questionnaire

The primary research tool utilised by the research team was prepared with the active support and feedback of the GIZ ORF MMS office staff in North Macedonia. It was circulated to experts and representatives of the national associations, the APUCs and the LGAs, all members of the Regional Capacity Development Network for Water and Sanitation Services (RCDN). The questionnaire included 31 multiple-choice, rating and open-end questions, distributed in the following sections:

- Part 1: COVID-19 measures on a national level aimed to gain a better overview of the implemented COVID-19 measures in each of the target economies. Additionally, respondents were asked to rate the imposed measures' overall effectiveness and efficiency and highlight the main challenges faced by PUCs and LGs in delivering water and sanitation services during the pandemic.
- Part 2: Support provided by the national authorities explored the support available from the relevant national sources (i.e. Ministries, Agencies, Regulators, other relevant state institutions, etc.) in each of the target economies. Particular questions were asked to identify both the most popular sources and the most common type of support provided to PUCs/LGs from the national authorities in the ongoing COVID-19 pandemic.

- Part 3: Available support and funding provided by IFIs and Donors analysed the existing CD and funding programmes, instruments, technical assistance, etc., available at the local, regional and national level in the target economies. This part also aimed to explore the involvement of APUCs and LGAs in the preparation and delivery of support through IFIs and Donors (i.e. participation in a CD activity, consulting a programme/fund, etc.).
- Part 4: Support provided by LGAs, APUCs and other stakeholders this section aimed to explore the
 overall cooperation and support that PUCs and LGs received from their national associations. In addition
 to policy recommendations in the field of essential communal and WSS during the pandemic, this
 section also touched on aspects related to communication, capacity development, lobbying and
 advocacy, research, etc.
- Part 5: Crisis management and planning have been recognised as "hot topics" for both LGs and PUCs.
 APUCs and LGAs and their regional networks have a critical role in this process by offering customised capacity development measures.
- Part 6: Further contact The final section of the questionnaire aimed to get more detailed information on any existing good practice examples related to the provision of any kind of support by APUCs and LGAs, Ministries, Regulatory authorities, IFIs, Donors and other stakeholders to local governments and public utility companies, aimed to maintain the provision of WSS and/or another type of communal services during COVID-19 pandemic. Respondents were also asked to confirm their interest in the subsequent qualitative phase of the research.

For most of the questions, multiple answers and the provision of further information were possible.

1.3.3 Structure of the document

The contents of the Compendium are structured **into five main chapters**. After an introductory chapter, the main section summarises the research findings presented in accordance with the main parts of the online survey questionnaire described above. It provides an overview of the introduced COVID-19 related measures on the national level, which directly impact the overall social and economic environment in each of the target economies, as identified by both the representatives of APUCs and LGAs. Chapter 3 presents an overview of the most popular sources of support that PUCs and LGs from the region can access from various sources, including national and sub-national measures and CD and financial instruments established by the donor community, active in the target economies. Chapter 4 provides selected good practice examples of activities and efforts of LGAs and APUCs actively supporting and collaborating with their members throughout the COVID-19 pandemic. Chapter 5 provides an overview of the existing documents and research papers produced by APUCs and LGAs for assessing the impact of the corona crisis on PUCs/LGs in target economies. The last section presents the conclusions and recommendations that emerge from the findings and analysis of this study.

2. Supporting PUCs and LGs during the COVID-19 pandemic – identifying the needs, addressing the challenges and learning from the good practice examples

In most SEE economies, the WSS sector faces many challenges in transitioning from old economic systems to a free-market economy. LGs and PUCs in the Western Balkans face significant constraints in providing sustainable public services, including services in the water and sanitation sector. Key challenges include insufficient managerial and technical competencies as well as poor financial performance, combined with a complex institutional landscape. The PUCs have also to accommodate new regulations or EU accession requirements.

The pandemic response revealed new ways of collaborating across an ecosystem of partners and introduced operating methods more effectively. Cooperation between PUC and LG is necessary in any case, especially in times of crisis caused by the COVID-19 pandemic. A strong PUC can only exist if there is substantial and committed support from the LG and vice versa. Strengthening the intracommunity relationships established during the crisis can create a more significant and more integrated role for all local actors (i.e. businesses, non-governmental institutions, etc.). On another level, the cooperation and support with LGAs and APUCs have also been essential in lobbying and advocacy, provision of information, and capacity development activities. Support

from the central governments and IFIs, donors, and other stakeholders is the basis for ensuring the timely and efficient response to the crisis and improving local public service providers' resilience. While infrastructure investments, often in focus of the state governments and IFIs, are essential for ensuring the provision of high-quality, cost-efficient and inclusive WSS, experience has shown they need to be matched consistently with managerial and operational improvement capacities of the LGs and PUCs.

The COVID-19 pandemic and the crisis it caused imposed "Crisis Management" as a priority topic. The preliminary analysis conducted by APUCs and LGAs showed that many PUCs and LGs lack crisis management strategies and operating procedures to cope with crises, especially such as the ones resulting from a global pandemic threat.

Swift and adequate support measures from the government and the relevant institutions are essential to ensure an effective response to the COVID-19 crisis and prevent any adverse and irreversible economic and social scenarios. While immediate efforts were concentrated on protecting public health, unemployed and vulnerable people, governments in target economies introduced economic recovery packages leveraged to the available budget capacities and fiscal policies. The fine-tuning of these support measures to the target groups with the greatest need was particularly important to ensure their efficiency and effectiveness. APUCs and LGAs have been the "link" channelling the needs and challenges of PUCs and LGs to the national authorities and the international donor community.

The aggregated outline of the results gathered through the desk research, online questionnaires, and targeted field interviews are provided below. The structure of the summary follows the adopted methodological approach, focusing on the different areas of the assistance supplied to PUCs and LGs through national authorities, the donor community, as well as the specific support provided by APUCs and LGAs to address the particular needs of their members during the ongoing COVID-19 pandemic. The results are based on the responses of the experts and representatives of the 16 LGAs and APUCs from six Western Balkan economies.

2.1 COVID-19 response measures in target economies

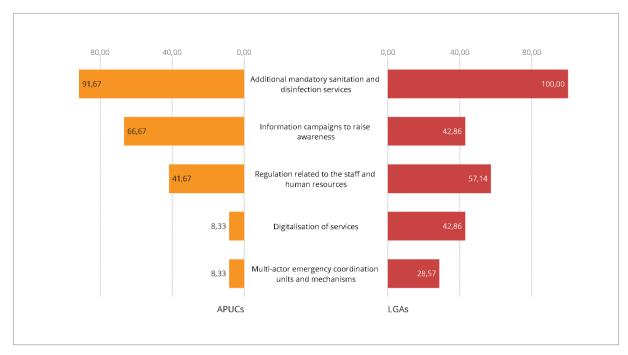
As in most areas of the world, the COVID-19 pandemic has caused a lot of negative impacts on many municipalities and communities across the Western Balkan economies. As the pandemic's influence has been felt worldwide, strict lockdown measures have been imposed on the local and national level by most Western Balkans' economies to respond to the unknown threat. These restrictions rendered the key public service providers in a challenging position to ensure continuous delivery of the essential communal services in their local communities.

Although the overall impact of the COVID-19 varies greatly depending on various factors (i.e. location, population, mindset, etc.), all national and subnational governments covered by the analysis had to enforce restrictive local measures to respond to the COVID-19 pandemic. Logically, these included strict health protection measures (highlighted by 84,2% of respondents), which included testing and tracing of people who are infectious, local and national lockdowns, social distancing, occupational health and safety guidelines for workers, disinfection of public facilities and open spaces, etc. The second most common measure, identified by 64,8% of respondents, was related to the implementation of information and awareness-raising campaigns to communicate the crisis to the citizens and communities, especially vulnerable groups most affected by the various measures. Last but not least, almost half of the respondents (47,8%) highlighted the financial support and assistance that has been provided on national/subnational level as a popular measure to offer both financial resources and administrative support (i.e. introduction of more flexible administrative procedures, relaxing regulatory mechanisms, facilitating public procurement, tax alleviation and reduction, etc.). Although these were evaluated as still insufficient and sometimes "lagging behind" the forefront of the crisis, many governments have reallocated public funding to crisis priorities, supporting mostly the healthcare sector, vulnerable populations and regions particularly hit by the crisis. The sources of this funding varied in terms of origin across target economies and have been further detailed in the subsequent parts of the present document.

Besides the ultimate responsibility to ensure stable water and sanitation services continuity in this delicate time, municipal administrations and their local water supply & sanitation departments and operators face severe consequences in safeguarding public health in public space, e.g. the ubiquitous and well-frequented greenmarkets, graveyards, etc. Ensuring stable business continuity of these services, which guarantee enough hygiene standards for citizens, is not an option, but ultimate obligation and responsibility at the local level, which in this time of crisis is considered as national security and safety issue. The COVID-19 adverse effects and broad

impact have been affecting almost every aspect of both PUCs and LGs' operations across the researched communities.

Figure 1: Measures taken on the national level that are directly or indirectly affecting the provision of water and sanitation services



In relation to the response measures that were taken on a national level which directly or indirectly had a relation to the provision of WSS services across target economies, the vast majority of surveyed experts at APUCs and LGAs (94,7%) highlighted the imposed requirements for additional mandatory sanitation and disinfection of public facilities (i.e. buildings, schools, etc.) and public spaces (i.e. markets, playgrounds, etc.). More than half (57,9%) of respondents pointed out the measures related to awareness-raising campaigns and information transparency. In this aspect, both LGs and PUCs actively disseminated various messages to citizens about the safety of drinking water, regular disinfection updates and other public health messages. Almost equally important measure, which was identified by less than half of the surveyed experts (47,4%), had to do with the imposed strict regulations related to the occupational health and safety of staff and employees (mandatory work from home policies, travel restrictions, shift rotations, procurement of personal protection equipment (PPE), etc.). In order to support the implementation of these measures, many governments and donor institutions provided the relevant financial and support facilities. These have been further detailed in the following sections of the document.

As the lockdown or other restrictive measures are continuing throughout the Western Balkans, which reported peak infection and daily rates in the last months of 2020 and more favourable trends at the beginning of 2021, most PUCs and LGs are slowly returning to "normal" operations as they reopen their administrative offices and relax some of the measures, they put in place during the first months of the coronavirus pandemic. However, many of them highlighted that their main challenge would be to maintain the continuity and quality of communal and administrative services and at the same time having to cope with the adverse financial performance and declined revenues, as well as to ensure the health and safety of their employees and the citizens in general. For example, representatives of APUCs shared that the main challenge to their members, beyond the declined revenues, would be the need to ensure social distancing of their employees (i.e. separate working shifts, impacts on field operations, PPE supply, etc.).

As COVID-19 response efforts develop to another level, LGAs and APUCs will continue to support their communities by offering their experience and professionalism, expertise, and resources. Despite the many uncertainties regarding COVID-19, the majority of their representatives in the research highlighted that they were confident in their ability to continue serving their communities with the highest level of dedication, efficiency and transparency.

2.2. Support provided by the relevant national and sub-national authorities

As the relevant state authorities took most decisions regarding the planning and coordination of the crisis response on a national level, the cooperation with LGs and their PUCs with the central government and institutions is essential. Local governments need adequate support and assistance in responding to the unprecedented crisis resulting from the COVID-19 pandemic. LGs need guidance, information, adequate directions, technical resources and support to ensure the uninterrupted provision of the majority of public services that the crisis has impacted. Without timely and targeted support from national authorities, LGs are unable to provide services to their citizens and help the social and economic recovery of the local economies and communities (2020, NALAS).

APUCs and LGAs have been acting as intermediaries relying on the needs and requests of LGs and PUCs towards the relevant national institutions and informing them on the planned measures and decisions in response to the COVID-19 pandemic.

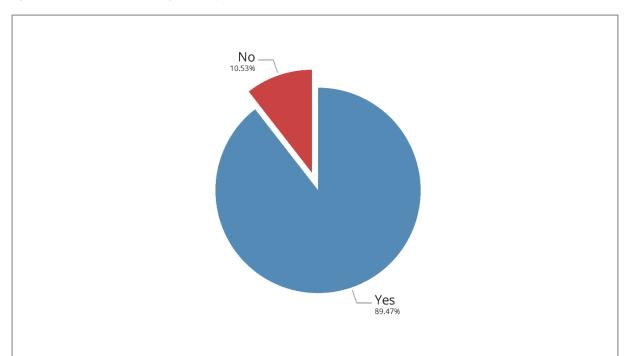


Figure 2: LGs and PUCs requesting support from the relevant national authorities

The majority of LGs and PUCs have requested support (either individually or through their Association) from the relevant national authorities to manage better the emergency resulting from the COVID-19 pandemic (Figure 2). The support and assistance requests were multifaceted and based on the specific needs articulated by the relevant APUCs' and LGAs' members.

Even before COVID-19, the lack of financial resources has been the top challenge for many LGs – both smaller and larger. The COVID-19 pandemic has disrupted tax collections, increased health and disinfection spending, and potentially serious financial consequences for both LGs and PUCs tasked with coordinating the response efforts. Even though the full-scale consequences to local finances might take some time to materialise fully, the survey results clearly showed that financial support and assistance had been the most sought type of support by LGs and PUCs in the ongoing COVID-19 pandemic (84,2%). LGs requested the activation of special funds and budgetary reserves, increasing the existing fiscal and regulatory rules, alleviating procurement procedures (especially for PPEs and disinfectants), speeding up budgetary decentralisations, and facilitating access to finances (i.e. short term loans, etc.). Both LGs and PUCs requested financial assistance in the form of tax exemptions, regular reimbursement and/or reduction of VAT, payment of salaries and social security contributions for the staff, etc. Assistance was also sought from the relevant regulatory authorities for adjusting tariffs for water consumption. In many of the researched economies, LGs and PUCs have introduced various payment relief and support policies to vulnerable groups. These policies have been introduced on a national level and administered locally by the relevant LGs and PUCs.

According to experts of APUCs/LGAs who participated in the research (52,6%), the second most popular assistance that PUCs and LGs have requested was related to logistic support (i.e. procurement of PPE, supplies, specialised equipment, etc.). The provision of timely and adequate information on the existing health restrictions and on the planned economic and social support measures has also been frequently requested throughout the COVID-19 pandemic (47,4%).

APUCs and LGAs have been particularly active in supporting their members in the process of articulating their main needs and challenges to the relevant state institutions. According to most participants in the survey, being in constant communication and collaboration with LGs and PUCs, the most popular sources of support on the national level have been the relevant health and crisis management authorities (e.g. Crisis management headquarters, Public Health Authorities, Ministries, etc.). On many occasions, LGAs had to rely on the support of the relevant Ministries and other stakeholders, working on the local, regional and national level (i.e. chambers of commerce, business associations, civil sector organisations, etc.)

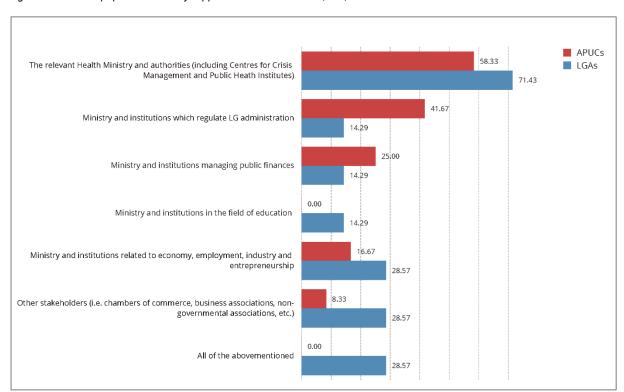


Figure 3: The most popular sources of support on a national level (in %)

The support of the central government and national authorities is essential for managing communities' social and economic recovery. However, from the position of experts being familiar with the provided support from the state to their members (i.e. LGs and PUCs), the majority of respondents rated the overall support and assistance provided by national authorities to LGs and their PUCs to maintain the provision of water and sanitation services during COVID-19 pandemic as satisfactory, but not sufficient, considering the sheer impact, uncertainty and novelty of the crisis.

2.3 Funding and support provided by the donor community

The Donor community in the target WB economies has been particularly active throughout the COVID-19 pandemic working closely with APUCs and LGAs to coordinate the response to the crisis and support the "front line" with the necessary skills and equipment.

International organizations have a decisive role to play in assisting the response to COVID-19 and subsequent economic recovery. Most Western Balkan governments rely on the donations provided by international organizations, foreign governments and their citizens and companies. The current crisis led to an unprecedented increase in private donations that have been most active during the pandemic's first wave in March 2020. These donations from both companies and individuals were provided mostly to medical institutions and supported the most vulnerable citizens.

This particular part of the research process aimed to identify the available support and funding provided by IFIs and Donors (i.e. funding programmes, instruments, technical assistance, etc.) to PUCs and LGs operating in the target WB economies. More than half of the representatives and experts of APUCs and LGA (52,6%) who participated in the online survey stated that their associations had received specific support from the donor community to manage the crisis better and to provide the necessary support to their members to manage better the COVID-19 turmoil at the local or on the national level. However, based on the survey results, almost an identical percentage of respondents (47,4%) stated that their associations have not received any support from international funding institutions and have relied mostly on their central government's support. When asked to list the three IFIs/donors that had been most active in regards to supporting LGs and PUCs in their response to the COVID-19 pandemic, experts and representatives of APUCs and LGAs highlighted funding instruments and international organisations such as the BMZ, SECO, GIZ, European Union, IAWD, UNDP, World Bank, etc.

In terms type of support provided, APUCs in target countries have shared that they have received support in the form of PPE and materials for disinfection from the GIZ ORF MMS. On behalf of the BMZ, the Fund provided emergency packages containing disinfectants and safety equipment for partner PUCs from all 6 Western Balkan countries, which have been distributed through the APUCs and LGAs. This support measure is further detailed in Chapter 3 of the present manual. Additional support for capacity development activities has been provided in the frame of the RCDN, supported by GIZ.

LGs, on the other hand, have received financial support from international funding instruments and organisations for mostly capacity-building measures and research. For example, in Kosovo, the Association of Kosovo Municipalities (AKM) received assistance from the Swiss Cooperation Office in Kosovo (SDC) to conduct a study on "Emergency Needs and Socio-economic Impact of COVID-19 in Local Government in Kosovo". In Bosnia and Herzegovina, the Association of municipalities and towns of the Republic of Srpska (AMTRS) received financial support from the Government of the Kingdom of Sweden and the Government of the Swiss Confederation to prepare an "Analysis of implemented measures in local self-government units in Republika Srpska during the crisis caused by COVID – 19". In North Macedonia, the Association of Communal Service Providers in the Republic of North Macedonia (ADKOM) implemented a project with the support of GIZ and IAWD to strengthen municipalities' resilience through their public communal utilities, aimed at increasing the effectiveness and efficiency of PUCs for better provision of WSS services. It included developing a CD scheme and a methodology for applied customized risk management and crisis management approach for water and/or solid waste services and guidebook/model templates to prepare contingency plans.

Figure 4 provides an overview of the support supplied through existing and ongoing programmes/projects of IFIs and Donors in response to the COVID-19 pandemic as identified by the representatives of APUCs and LGAs. As seen from the graphic, IFIs and donors have been most active in providing capacity development, facilitating the exchange of experience and good practices, and delivering the essential equipment and supplies to support the WSS sector.

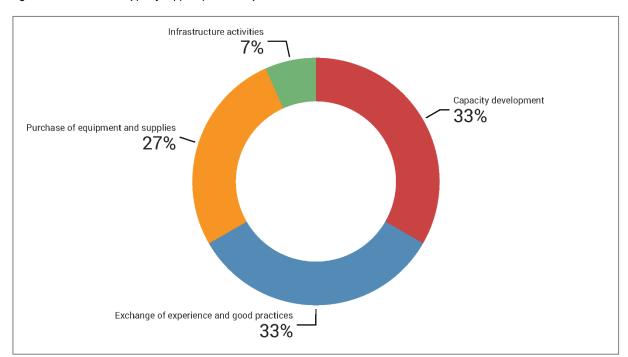


Figure 4: Most common type of support provided by IFIs and donors

The research results showed that almost half (42,1%) of the surveyed APUCs and LGAs were contacted by representatives of IFIs and Donors who requested their specialised support, expertise, and services for consulting and implementing various support measures and funding programmes. Funding operators and international organisations needed assistance in CD development and delivery; conducting specialised surveys; sharing analysis and results, participating in focus groups and other research activities; distributing equipment and supplies among members; consulting the development of a programme/fund; etc.

2.4 Collaboration and support provided by LGAs and APUCs

APUCs and LGAs continued supporting their members throughout the COVID-19 pandemic, in particular in areas where their assistance was most needed. PUCs and LGs needed support in terms of CD, opportunities for exchange of experiences and best practices in combating the pandemic, and in particular in articulating their needs and advocating for identified key issues such as liquidity of PUCs, prolongation of obligations towards international and domestic financial institutions, obtaining additional financial assistance from domestic and international financial institutions and joint communication of important messages to the public. According to the majority of APUCs and LGAs representatives who participated in the online survey (52,7%), the support provided by their association was sufficient and partly addressed the particular needs of PUCs and LGs, respectively during the pandemic.

Figure 5: The most popular support provided by APUCs / LGAs to their members during the COVID-19 crisis

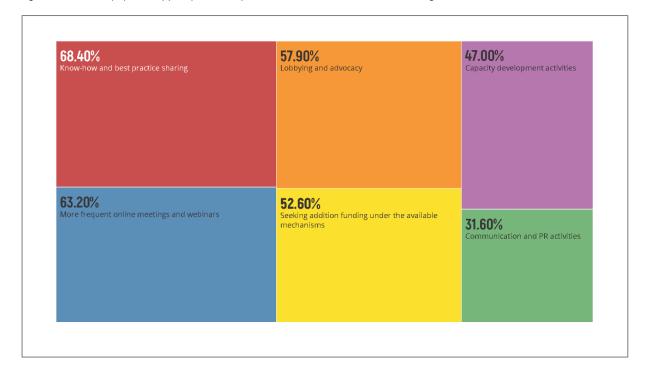


Figure 5 illustrates the type of support provided by APUCs/LGAs in response to the COVID-19 pandemic, especially in delivering communal service, including water and sanitation services. As seen by the graphics, most Associations (63,2%) intensified their online training and other capacity development measures through the organisation of online meetings and networking activities with their members. Even more (68,4%) of surveyed experts highlighted that the know-how and best practices sharing had intensified drastically during the pandemic, as their members were looking for sharing experiences in coping with the various aspects of the crisis. Lobbying and advocacy in times of crisis are essential for ensuring that the support and relief policies and programmes are tailored to the target groups' needs and end beneficiaries. Associations played a critical role in lobbying for funding, tax exemptions, introducing crisis legislation, developing strategies, etc. More than half of respondents (57,8%) highlighted that the need for advocacy and lobbying services has increased during the pandemic.

Some of the members of the RCDN have conducted surveys to understand the COVID-19 at the local level better to understand the particular needs and challenges faced by LGs and PUCs. For example, the Network of Associations of Local Authorities of South-East Europe (NALAS) has surveyed local governments in SEE to identify successful good practices in post-socio-economic recovery. Association of Water Technology and Sanitary Engineering (UTVSI), in cooperation with the Standing Conference of Towns and Municipalities (SCTM) in Serbia, conducted a survey of 76 cities and municipalities to understand better the impact of the COVID-19 pandemic on the operation and functioning of PUCs. The Association of Public Service Providers of the Republic of North Macedonia (ADKOM) conducted a survey and published a position paper on the influence of the COVID-19 pandemic on the operations of PUCs, providing an overview of the existing challenges and potential solutions. In Bosnia and Herzegovina, Associations of Towns and Municipalities in the Republic of Srpska (ATMRS) carried out an analysis of the implemented measures in LGs during the crisis caused by COVID-19 and provided recommendations for them. The Water Supply and Sewerage Association of Albania (SHUKALB) analysed the Impacts of the COVID-19 pandemic on drinking water and wastewater systems. A brief overview of these documents is provided in Chapter 5 of the present document. Figure 6 illustrates the primary sources of funding that was allocated for these activities.

52.63%

31.58%

10.53%

Own resources (i.e. LGA / APUC budget and available finances)

Donors

National funding

Figure 6: Main sources of funding for research activities of APUCs and LGAs

LGAs and APUCs continued supporting their members by providing timely information and expertise, capacity development, lobbying and advocacy services. However, the crisis has also **impacted their activities in one way or the other**. The majority of APUCs and LGAs representatives (52,6%) who participated in the research stated that the pandemic had a considerable impact on their services/activities. The portfolio of services has remained the same; however, the methods for their delivery have changed. Collaboration and communications got richer as COVID-19 ushered in a new working reality, as APUCs and LGAs were no exception to this new trend, influenced by the pandemic. According to the majority of representatives of APUCs and LGAs participating in the research, online communication intensified drastically during the COVID-19 pandemic (i.e. e-mail communication, online meetings, etc.). **More than 78% of APUCs and LGAs representatives shared that they have invested more resources in the regular update and provision of information on their websites.**

2.5 Crisis management and planning

The COVID-19 pandemic and the crisis it caused imposed "Crisis Management" as a priority topic. Despite the fact that all public companies in the states of the former Socialist Federal Republic of Yugoslavia (SFRY) have protocols for working in emergency conditions, the preliminary analysis conducted by APUCs and LGAs showed that many PUCs and LGs lack crisis management strategies and operating procedures to cope with crisis situations, especially such as the one resulting from a global pandemic threat. An analysis conducted by ADKOM in North Macedonia showed that that decision making structures on the local level were severely impaired due to lack of knowledge on how to manage crisis situations, and associations as service providers to LGs and PUCs yet lack proper coordination and communication schemes between each other and with the other stakeholders, specifically those on a national level. The study conducted by AKM in Kosovo showed that most municipal directors (70%) needed training/capacity development measures in crisis management, such as the COVID-19 pandemic.

These rather negative tendencies were confirmed by the present survey results, which showed that the majority of APUCs and LGAs reported that less than 10% of their members (i.e. LGs and PUCs) had a crisis management plan emplaced before the start of the crisis (Figure 7). Only 10,5% of the surveyed participants stated that more than 30% of their members had such a plan ready and functioning before the crisis struck.

Additionally, only 31,5% of APUCs and LGA representatives who participated in the survey stated that their associations had received specific requests from their members to assist them with preparing Crisis management strategies.

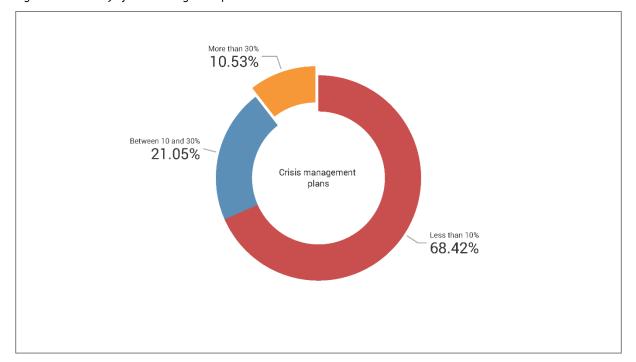


Figure 7: Availability of crisis management plans

2.6 Further steps and policy recommendations to increase resilience

COVID-19 has been a challenge, demonstrating that cooperation between stakeholders operating on the local, regional and national level is the key to overcoming a global crisis with local implications. The pandemic response revealed new ways of collaborating across an ecosystem of partners and introduced operating methods more effectively. Cooperation between PUC and LG is necessary in any case, especially in times of crisis caused by the COVID-19 pandemic. As mentioned above, collaboration and support with LGAs and APUCs have also been essential in lobbying and advocacy, provision of information, and capacity development activities. Support from the central government, IFIs, donors, and other stakeholders is the basis for ensuring the timely and efficient response to the crisis and improving local public service providers' resilience.

While much of the focus has been on the health crisis itself and the national and subnational policies that the central governments have implemented, LGs also have an important role to play in the overall management of the crisis by supporting the citizens and businesses through the pandemic. These include tax and financial relief actions but also ensuring continuous delivery and support of essential communal services.

Figure 8 presents an overview of the most urgent and essential measures which have to be taken by LGs and PUCs in target economies as evaluated from the standing point of their Associations.

It is evident that apart from financial deficits resulting from the imposed COVID-19 restrictions and the subsequent economic decline, LGs and their PUCs would need to invest further in their staff/employees' capacity, skills, and knowledge. Better communication and cooperation among all relevant stakeholders will also help in improving resilience. Participants in the research have shared a common understanding, and a lesson learned that the current crisis has shown and proven that resilience is an essential capacity.

Apart from urgently developing and adopting Crisis management plans, mid-term recovery strategies of both PUCs and LGs should plan further actions to manage risk and plan for contingencies. LGs should introduce, activate or reorient existing multi-level coordination bodies that bring together all stakeholders on the local level to minimise the risk of a fragmented crisis response. Moreover, some respondents have highlighted the

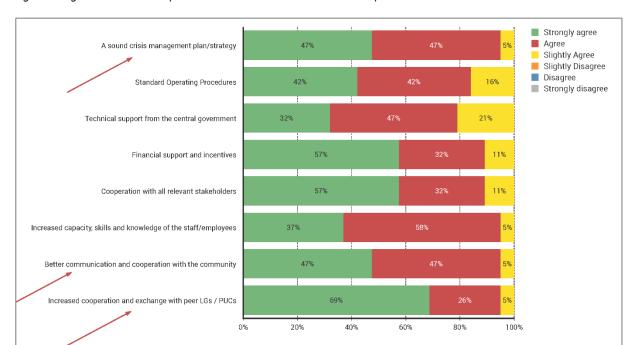


Figure 8: Urgent measures to help LGs and PUCs overcome the crisis and improve their resilience

need for implementing policy measures to introduce the availability of a **Crisis Management Plan and/or Water Safety Plan** as a mandatory requirement for LGs and PUCs. PUCs have to consider the development of Standard Operating Procedures (SOPs) to continue essential operations for field and/or plant employees and others who can't work from home, thus ensuring uninterrupted WSS and other essential services. **Digitalisation should enter every aspect of both LGs and PUCs**, facilitating shift change or other policies revised to **incorporate social distancing**, **development of work from home/telework policy for non-field employees, etc.**

On a national level, APUC and LGAs have identified some important policy recommendations and emergency relief measures that could support LGs and PUCs to maintain the provision of essential communal services, including WSS, during the COVID-19 pandemic. These have been summarised in the final chapter of the Compendium.



3. Financing and supporting recovery and resilience – the donor support in the Western Balkans

The following chapter provides a brief overview of the most active donors (i.e. international funding institutions, bilateral or multilateral donors) providing international financial assistance and CD activities supporting local governments and public utility companies in delivering essential communal services in their communities of the Western Balkans throughout the COVID-19 crisis. There is also information provided for the various implementation agencies and international organisations active in the region, supporting PUCs and LGs through peer networks, capacity development activities, knowledge sharing, know-how exchange, etc. The provided list of donors and implementation agencies is not exhaustive. It shows only the ones indicated through the online survey and individual interviews with representatives and experts working in APUCs and LGAs.

European Union (EU)

The EU has close links with the countries of the Western Balkans. It aims to secure stable, prosperous and well-functioning democratic societies on a steady path towards EU integration. Through their Delegations in each of the Western Balkan economies, the EU provides financial assistance and support to state institutions in the WB at all levels. In October 2020, the European Commission presented the new Economic and Investment Plan for the Western Balkans. It aims to spur the long-term economic recovery of the region and foster regional economic integration. This Plan is developed to address the adverse effects of the COVID-19 crisis on the Western Balkans' economies. The plan identifies ten investment flagship initiatives in key areas for economic development. Flagship Initiative 7 "Waste and wastewater management" envisages investments in key WSS projects in the region, such as the construction of wastewater treatment plants in Skopje and Pristina, the environmental investment programme in Serbia, comprising modernised wastewater treatment projects for large and medium-sized towns, etc. The EU will allocate up to 9 billion Euro of grant funding from the Instrument for Pre-Accession Instrument IPA III in the period 2021-2027 to support the Plan's realisation.

European Investment Bank (EIB)

The European Investment Bank (EIB) supports projects that make a significant contribution to growth and employment in Europe, focusing on implementing EU objectives. It is one of the most significant multilateral financial institutions globally and one of the largest climate and sustainability finance providers. The EIB works closely with the European Commission and blending its loans with EU grants to achieve an optimal financing package. The EIB implements various projects targeted to support local governments in the Western Balkans in solving longstanding issues related to the provision of essential community services such as water supply, wastewater collection and treatment, waste management and remediation activities. The EIB is one of the lead financiers in the Western Balkans Investment Framework (WBIF) - an ambitious European Commission led initiative that combines financing from International Financial Institutions with EU grants, thus accelerating much-needed investments.

The Western Balkans Investment Framework (WBIF) supports socio-economic development and EU accession across the Western Balkans by providing finance and technical assistance for strategic investments. It is a joint initiative of the EU, financial institutions, bilateral donors, and the Western Balkans' governments. The WBIF provides financing and technical assistance to strategic investments in the energy, environment, social, transport, and digital infrastructure sectors. It also supports private sector development initiatives. The WBIF investments have improved water/wastewater systems for around 2 million people in the region. In total, the WBIF has supported more than 34 projects with an investment value of 1,890 billion Euro in the field of WSS. Some of the latest projects of the WBIF in the region include Wastewater Treatment Plant and Sewerage Network Extension and Rehabilitation for Gjilan in Kosovo, Wastewater Treatment Plant for Podgorica in Montenegro, etc.

German Agency for International Cooperation (GIZ)

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is Germany's leading provider of international cooperation services. As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development. GIZ is fully owned by the Federal Republic of Germany, represented as the shareholder by the Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry of Finance (BMF).

As part of its CD and financial support initiatives in the Western Balkans, the German Federal Ministry for Economic Cooperation and Development (BMZ) commissioned the Open Regional Fund for South-East Europe – Modernisation of Municipal Services (ORF MMS), which aimed to strengthens the capacities of regional networks, supporting LGs and PUCs. The aim is to achieve cooperation between the network members and other associations/networks to effectively provide the users of municipal services with high quality and efficient services. Together with regional networks, local governments and their associations, public utility companies and their associations, and consumer organisations, ORF MMS creates a basis for appropriate dissemination of developed instruments through the networks, such as the business planning model for the management of water supply networks.

As part of ORF MMS, the Regional Capacity Development Network (RCDN) for Water and Sanitation Services was established. It connects local governments, public utility companies and their associations from South-East

Europe to work together on developing capacities of the water and sanitation service sector. RCDN makes improvements happen through collaborative design and delivery of innovative, affordable and highly efficient capacity development products of high-quality standards tailored to local needs.

In 2020, as a response to the COVID-19 pandemic and considering the specific needs and challenges PUCs in the region are facing, GIZ Open Regional Fund Modernisation of Municipal Services (GIZ ORF MMS), in close cooperation with its partner organizations, has prepared several adaptation measures funded by German Federal Ministry for Economic Cooperation and Development (BMZ). Among actions that aim to build capacities and resilience of LGs and PUCs, the GIZ ORF MMS supported them to devise customized risk management and contingency planning. More specifically, the partner associations ADKOM and SHUKALB were supported to develop methods and processes for risk management and crisis management plans for PUCs with standard operation protocols, procedures, and actions to assure service delivery in a state of emergency like the prevalent pandemic. That would help local communities to establish an early-warning system for COVID-19 presence at the local level, thus enabling quick and effective preventive measures. Also, support was provided for the development and implementation of an e-Session Management Platform for ADKOM, as a practical solution that can provide a high level of efficiency, cost-effective, transparency and responsibility in the process of preparation, submission, processing documents for meetings, processing documents between ADKOM and its member PUCs. Furthermore, this system is a fully compatible, operable and adaptable platform that can be further upgraded with additional functionalities, as needed, that should also support the communication between the local and national authorities in a more simple, safe and efficient manner, especially during the COVID-19 pandemic. Last but not least, the GIZ ORF MMS provided emergency packages containing disinfectants and safety equipment for partner PUCs from all six Western Balkan economies distributed through their associations - all members of the RCDN.

Swiss State Secretariat for Economic Affairs (SECO)

Over the last 20 years, Switzerland has been supporting the Western Balkan countries in their efforts to transition to greater democracy and a social market economy. SECO is the federal government's centre of excellence for all core issues relating to economic and labour market policy. SECO aims to contribute to sustained economic growth, high employment and fair working conditions by creating the necessary regulatory, economic and foreign policy framework. In the field of infrastructure, climate change and water, SECO focuses on ensuring efficient and affordable water and energy supplies as well as wastewater and waste management systems in both urban and rural areas.

SECO participates and supports the Open Regional Fund for Modernisation of Municipal Service (ORF MMS), jointly with the German Federal Ministry of Economic Cooperation and Development (BMZ), and in particular, the RCDN project. SECO invests in water supply and wastewater infrastructure but also facilitates the exchange of experiences and transfer of know-how from Swiss organisations in the WSS sector.

Danube Water Program (DWP)

The World Bank and the International Association of Water Supply Companies in the Danube River Catchment Area (IAWD) have partnered to implement the Danube Water Program (DWP), with a 13 Million Euro financing from the Government of Austria.

The Danube Water Program implemented by World Bank and IAWD supports smart policies, robust utilities and sustainable water and wastewater services in the Danube region by partnering with regional, national and local stakeholder, promoting an informed policy dialogue around the sector's challenges and strengthening the technical and managerial capacity of the sector's utilities and institutions. The Program currently covers the water supply and sanitation sector in eleven target countries (including target WB economies). Further (partnering) countries (i.e. Austria, Czech Republic, Hungary, Slovakia and Slovenia) can join program activities but cannot directly benefit from Program funding. In each country, the Program is targeted in particular at (i) water supply and wastewater sector policymakers and regulators; (ii) senior technical and managerial staff of water supply and wastewater utilities; and (iii) senior-level staff from water supply and wastewater associations.

Since the program's onset, more than 860 policymakers, higher-level technical and managerial staff from water institutions benefitted from cross-country capacity building activities. In addition, 123 utilities have participated and completed at least one course under the Danube Learning Partnership (D-LeaP), delivered by eight utility associations that have established program-specific D-LeaP Hubs across the region.



4. APUCs and LGAs in the Western Balkans responding to the COVID-19 crisis – good practices and the lessons learned

Association of Public Utility Companies (APUCs) and Local Government Associations (LGAs) provide substantial support to their members throughout the unprecedented crisis caused by the COVID-19 pandemic. Despite the numerous challenges, experts and representatives of APUCs and LGAs are working vigorously to improve the capacities of their members, foster the exchange of experience and best practices in combating the pandemic, articulate their most urgent needs to the relevant state institutions, channel the support of financial institutions and donors to every member, deliver important messages to the public, etc. The existing networks of associations working in the delivery of essential services to local communities of the Western Balkans, as well as the continuous dedication of the donor community in the region is helping many PUCs and LGs to tackle and manage the ongoing crisis more efficiently and effectively, ensuring the undisturbed provision of essential public services. The following section represents an overview of the activities and good practice examples of the support provided by APUCs and LGAs to their members in each of the target Western Balkans economies. More information on the current and planned support initiatives is available on each association's websites and/or through direct contact with the relevant expert/representative.

ADKOM supported PUCs in North Macedonia through lobbying and capacity development



Association of Communal Service Providers in the Republic of North Macedonia Number of members: 87

Profile of members: Public Utility Companies

The Association of Communal Service Providers in the Republic of North Macedonia (ADKOM) represent the interests of PUCs in the Republic of North Macedonia by providing support and assisting the provision of reliable, affordable and quality communal services.

Despite being in a challenging position due to the COVID-19 crisis, ADKOM has been particularly active in 2020, delivering various capacity development, information, lobbying and advocacy services to their members. For example, through lobbying and advocacy, the Association succeeded in receiving 2.3 Million Euro from the Government of the Republic of North Macedonia for direct COVID-19 financial assistance for PUCs in the country. The funds were distributed to 87 PUCs-members of the Association and

helped to overcome the difficult financial situation of utilities and current problems related to tax and other financial incentives and subsidies to improve the efficiency of their operations. Additionally, during their discussions with the national authorities, they presented the pressing need to find a solution for writing-off the interest rates for debts that the PUCs owe to the state institutions. Also, several other issues have been brought to the relevant state institutions' attention, including potential VAT reduction for PUCs that manage the parking lots and green markets, increase in the minimum wage of PUCs personnel, and introducing legislative amendments allowing PUCs to sell electricity. As part of lobbying and advocacy efforts, following an extensive consultation process, ADKOM prepared and submitted a position paper "Impact of the COVID-19 pandemic on the PUC operations - Challenges and Solutions".

Capacity development is at the core of ADKOM's work, recognised and appreciated by its members. Apart from the numerous webinars on various topics aimed at improving essential skills of PUCs to address critical issues resulting from the COVID-19 crisis, ADKOM participated in the preparation of training programmes for the collection and treatment of wastewater for the employees of the public utility companies and municipalities. The initiative identified as an emerging challenge in the Western Balkans region has been carried out with the support of RCDN. Having in mind that the operation and maintenance of the WWTPs are not possible without adequately trained staff, the ADKOM training centre's focus in the forthcoming period shall be on creating a group of local trainers and implementing the wastewater capacity development programme for O&M of the WWTPs for strengthening the technical capacities of the PUCs.

In terms of helping its members to improve their overall crisis response, ADKOM organised the preparation of two crisis management manuals: 1. "Crisis Management Manual – Concept and Practical Application" and 2. "Manual on the safe management of drinking, sanitation and wastewater during the COVID-19 pandemic". The primary purpose of these Manuals is to present the general concept of crisis management, as well as to support employees of PUCs, as providers of public utility services, to understand better the concept of crisis management and to increase their readiness to apply the measures of the "Internal Context" to the crisis management plan, in accordance with the adopted standards.

In terms of project implementation, ADKOM, in cooperation with GIZ and IAWD through the project "Supporting municipalities and public utility companies in handling the COVID-19 crisis" has upgraded the Program for Water Safety and Crisis Management in PUCs, with an emphasis on working under crisis caused by COVID-19 pandemic. The project helped to elaborate a model and methodology for developing an applied strategy and contingency plans for risk management and water and/or solid waste safety planning, including a Standard Operating Procedures (SOPs) template for PUCs and LGs. The project's primary goal was to build the capacities of ADKOM to strengthen the resilience of the LGs by increasing the effectiveness and efficiency of their PUCs toward the better provision of water services.

UMM proposed measures to support local governments in Montenegro



Union of Municipalities of Montenegro Number of members: 25 Profile of members: Local Governments

The **Union of Municipalities of Montenegro** (UMM) is a national association of local governments aimed at developing local democracy, improving the organization, work and functioning of LGs, as well as fostering cooperation with international organisations and other LGAs.

Following the outbreak of the COVID-19 pandemic, municipalities in Montenegro demonstrated an immediate commitment to carry some of the burden and help with local communities and economies' economic recovery. Acting in direct interest and in consultation with its members, UMM developed policy proposals for the central government to support and recover from the COVID-19 pandemic, as per the main challenges, needs, and opportunities of Montenegrin municipalities. These included measures to assist LGs in the preparation of local efforts to support citizens and communities in coping with the adverse effects of the pandemic, such as:

- Postponing the payment of various taxes (i.e. personal income tax, property tax, etc.).
- Reducing local communal charge determined on the basis of occupation of the public space for a period of 90 days, in which a user did not use the public space;
- Reducing commercial facilities fees for a period of 90 days, i.e., the duration of the Government measures for which businesses did not perform the activity;
- Municipal contractors unable to complete works within the agreed deadline, due to lack of materials
 and human resources, were extended the deadline for the completion of work, i.e., to draw up an
 annexe to the contract, in order to avoid the payment of penalties for failure to fulfil obligations
 stipulated in their contracts;
- Reducing the fees of membership contribution to tourist organizations for a period of 90 days, i.e., the duration of measures of the Government for which they did not carry out their activity);
- Cancelling the forced collection of tax liabilities for the duration of the Government's measures to all entities directly impacted by the restrictive measures adopted on the national level.
- Instruct boards of directors of PUCs performing waste collection, removal and disposal services to
 ensure the exemption of payment of invoices for the period in which they did not perform activities by
 order of the Ministry of Health.

The COVID-19 crises showed that local governments have to adapt to the new economic and social realities. UMM prepared a thorough analysis of the impact of COVID-19 crisis on municipal finance to support the planning of recovery measures. The analysis showed an interesting tendency that the total municipal revenues for the first six months of 2020 were actually at the same level for the same period of 2019. This was caused primarily due to the subsidization of wages in the economy within the Government measures. In order to limit the adverse effects of the coronavirus pandemic, the Government of Montenegro in 2020 adopted three packages of measures to support the economy and citizens (assistance to the most vulnerable categories of the population and creating conditions for the liquidity of the economy and the budget; ensure conditions for preserving jobs and faster economic recovery; short-term and long-term measures aimed at recovering Montenegro's economy through economic diversification and increasing domestic production). Trying to estimate the impact of the proposed measures by municipalities concerning their revenues, UMM estimated that the fiscal relief measures in terms of postponement of fiscal liabilities to local taxpayers would cost municipalities in Montenegro about 12.4 Million Euro.

As part of its advocacy activities, UMM, in cooperation with the Association of Waterworks of Montenegro, adopted the Joint Advocacy Strategy for the period 2021-2025 and thus pointed out the importance of a collaborative approach and joint action to better protect the interests of its members and provide a more favourable environment for business in the water sector. The document defines priorities and joint activities towards the Government and other relevant bodies, international financial institutions and donors aimed at raising the efficiency of water companies and improving the quality of customer service, as well as strengthening the overall capacity of PUCs and LGs in the field of water and sanitation services.

Both organisations are also implementing a training program to successfully improve the capacities of PUCs and LGs in Montenegro to apply in Cross-Border Cooperation Programmes with Kosovo and Albania.

SHUKOS provided online capacity development and research supporting public utility companies



Water and Wastewater Works Association of Kosovo (SHUKOS)

Number of members: 7 Regional Water

Companies

Profile of members: Public Utility Companies

Water and Wastewater Works Association of Kosovo (SHUKOS) is a not-for-profit organization established by 7 Kosovo's Regional Water Supply and Sewerage Companies (RWCs). SHUKOS acts as a link between its members to develop, promote and protect the common interests of the WSS in Kosovo. The Association works to support professional development and networking to develop and advocate for members' interests.

The wide range of activities of SHUKOS supports the coordination of Regional Water Companies (RWCs) by lobbying and advocacy for the water sector, delivering training and workshops, conducting awareness campaigns, distributing information, organisation of study tours, events, seminars, facilitating the work of working groups, and cooperation at local and international level.

Throughout the pandemic, despite the imposed restrictions and limitations, SHUKOS continued to actively work for building the capacity of its members by organising various workshops, capacity development events and activities. To improve the advocacy skills and activities of RWCs in Kosovo, SHUKOS organized a specialized webinar for creating an approach to advocacy activities among its members and the water sector in general. The webinar was implemented with the support of RCDN.

In cooperation with SHUKALB, SHUKOS organized a webinar on "Water Safety and Crisis Management – Essential Management Tools for Water Utilities", with support of the International Association of Water Supply Companies in the Danube River Catchment Area (IAWD), as well as Energie AG, in the framework of the Danube Learning Partnership (D-LeaP). This webinar aimed to address the importance of developing Water Safety and Crisis Management plans by water utilities in Albania and Kosovo as essential tools to appropriately respond to disasters and risks while maintaining the critical water supply and sanitation services' safe delivery, especially relevant to the Covid-19 crisis. In the frame of RCDN during October 2020, SHUKOS completed a two-day online peer exchange event to improve knowledge and exchange experiences on planning, preparing, and implementing wastewater collection and treatment projects in Kosovo. The participants were Technical Directors of RWCs, representatives from Kosovo Municipalities, representatives from MESP, SHUKOS and Association of Kosovo Municipalities, and representatives of GIZ and NALAS. As a result of the event, some of the main challenges for the sustainability of such projects were identified, i.e. financial maintenance of these projects and political interference in managing wastewater treatment plants.

In terms of lobbying and advocacy, SHUKOS prepared several position papers on specific issues articulated by the PUCs in Kosovo. As a partner association in the frame of the RCDN project, which supports the establishment of a sustainable Regional CD Network, an Advocacy Strategy and a Joint Advocacy Strategy with the Association of Kosovo Municipalities (AKM) are developed by SHUKOS with their members in a participatory manner and is aimed towards the government and other relevant authorities, donor and international financial institutions. This document aims to focus the joint advocacy activities of SHUKOS and AKM on improving the overall efficiency and quality of service provision of the public utilities and contributing to their sustainable operations and enabling the environment for capacity development of PUCs / LGs.

External experts, employed by SHUKOS, prepared a position paper on "Legal Framework for Discharge of Industrial Waste Waters in the Public Wastewater System (WWTP)". The primary purpose was to develop a position clarifying jurisdiction for wastewater discharge in WWTP systems (central, regional, local) and the definition of organisation, responsibility for issuing licences/permits, etc.

AMCFBiH and AMTRS conducted lobbying and research activities in support of LGs in Bosnia and Herzegovina





Association of Municipalities and Cities of FBiH (AMCFBiH) and Association of Municipalities and Towns of the Republic of Srpska (AMTRS) Number of members: 80 (AMCFBiH) and 64 (AMTRS) Profile of members: LGs

The Association of Municipalities and Cities of FBiH (AMCFBiH) has been actively engaged throughout the process of municipalities and cities in FBiH facing with

the new challenges, especially trying to ensure that the attitudes and demands of local self-government regarding economic measures are adequately represented, communicated, and respected in the Parliament of FB&H and Federal Government.

The Presidency of the Association insisted that all the earmarked funds paid into the accounts of the municipal budgets should be used to mitigate the health, social and economic consequences of the pandemic and that LGs should issue regulations on the conditions, procedure, criteria, and manner of using funds on this basis. This suggestion was accepted by the Federal Government and incorporated into the relevant legislation.

On the occasion of sending the Law on Mitigating the Economic Consequences of Coronavirus State of Emergency (so-called "Corona"- Bill) to the parliamentary procedure and on the distribution of financial resources from the loans of the International Monetary Fund (IMF), the Presidency of the Association of Municipalities and Cities of the Federation of BiH held a specific online session. All conclusions and requests of the meeting were sent to all relevant competent institutions and representatives of the international community in FBiH.

The SOGFBiH Presidency insisted that local governments in the FBiH must participate in distributing funds from the International Monetary Fund loan amounting to 330 Million Euro. The Presidency also required that transfers for the local governments should be ensured in the rebalanced budget.

Thanks to the advocating activities of AMCFBiH, all conclusions and requests of the Presidency of AMCFBiH were delivered to all members of the FBiH Parliament. As a result of AMCFBiH activities and active process of lobbying and public advocacy of municipalities and cities, at the session of the House of Representatives, several MPs, including the President of the Commission for Local Self-Government of the FBiH Parliament, emphasized these conclusions and requests of the AMCFBiH Presidency on increasing transfers to municipalities and cities and the need for towns and municipalities to participate in the distribution of IMF loans.

As a result of these advocacy and lobbying activities, the Federal Government and Parliament increased transfers and grants to local governments to 30 Million BAM in the readapted federal budget. These transfers and grants were financed from the IMF loan, so the AMCFBiH request that LG participate in allocating the loan funds was accepted.

In Republika Srpska, the Association of Municipalities and Towns of the Republic of Srpska (AMTRS) conducted an analysis within the project "Strengthening the capacity of the Associations of Municipalities and Cities in BiH", funded by the Government of the Kingdom of Sweden and the Government of Switzerland, and with the technical support of the Swedish Association of Local Authorities SALAR. Through AMTRS, all LGs received assistance/funds from the Solidarity Fund to remedy the consequences and difficulties caused by the spread of the infectious disease caused by the COVID-19 virus. Assistance ranged from 0,34 Million BAM (Visegrad) to 4,05 Million BAM (Banja Luka). Most of the surveyed local self-government units received assistance in one-time personal service for communal police officers due to their additional activities during the pandemic. It can be assessed as positive that all programmes and measures of assistance, both to the economy and the population in the surveyed local self-government units, were implemented transparently (publication in official gazettes, public calls, websites). The aim was to reach as many potential beneficiaries as possible.

SHUKALB provided targeted support for PUCs through capacity development and exchange of experiences



Water Supply and Sewerage Association of Albania (SHUKALB)

Number of members: 20 PUCs and 3

private companies

Profile of members: PUCs

The Water Supply and Sewerage Association of Albania (SHUKALB) is a non-profit organisation of water supply and sewerage professionals advocating professionals' collective interests in Albania's water sector.

Throughout the COVID-19 crisis, SHUKALB continued to act as the leading source of knowledge, professional development and networking for PUCs in Albania. Since the start of the crisis, SHUKALB has provided a dedicated section of its webpage with the latest updates concerning the water supply and sewerage sector operations during the COVID-19 crisis.

As part of its capacity development activities, SHUKALB organized several important online events to exchange experience and practices among its members and the relevant stakeholders. Following the first wave of the pandemic, SHUKALB organised a webinar on "Continuity of Water and Sanitation Services under COVID-19 Crisis – Challenges and Lessons Learned". The webinar's main objective was to provide an exchange on the impact of COVID-19 on the provision of water supply and sewerage services from the perspective of utilities and local governments.

The collaboration of the key actors in supporting the emergency needs of water utilities during COVID-19 was discussed during an online discussion organised by SHUKALB in May 2020. The webinar's main objective was to stimulate discussions on the pandemic's challenges to the sector and water utilities and the mitigating measures that can be taken.

In October 2020, SHUKALB conducted a comprehensive three-day training on "Capital Investment Projects in Infrastructure in the Water Supply and Sewerage Sector". The training aims to enable participants to carry out complex infrastructure investment projects. The training was attended by about 45 participants engaged in the implementation and monitoring of technical, legal and financial aspects of capital infrastructure investment projects in the WSS sector.

In November 2020, SHUKALB, in cooperation with SHUKOS, organized online the 8th Balkans Joint Conference and Exhibition, titled "Water and Climate Change", which was attended by over 200 water professionals representing water utilities, donor's community, private companies, academic institutions, as well as other central and local government institutions from 15 different countries. As a side event, the conference organized the Young Water Professionals Forum, titled "Challenges of Young Professionals and Water and Wastewater Sector Needs".

In line with its efforts to support its member water utilities in facing the COVID-19 pandemic, SHUKALB has started with implementing a project titled "Providing Support to Municipalities and Public Utilities Managing the Covid-19 Crisis in Albania". The grant is commissioned from BMZ and is administratively embedded in the GIZ ORF MMS. In implementing this project, SHUKALB has used the existing Danube Learning Partnership (D-Leap) Water Safety Plan and Crisis Management Programme, which has been adjusted for coping with the influence of the COVID-19 pandemic.

SHUKALB carried out a survey on the COVID-19 Pandemic impact on water and wastewater systems in Albania. The aim was to identify the challenges being faced or being anticipated in the future regarding the continuity of service due to COVID-19 and the actions being implemented or developed by water utilities to manage the risk /emergency plans due to COVID-19. The survey results were disseminated to national institutions and Donors /IFIs working in the water sector in order to establish a dialogue with all actors on the short-term needs of the water utilities considering the impact of the COVID-19 situation.

SCTM provided up-to-date information and exchange of experience for LGs in Serbia



Standing Conference of Towns and Municipalities (SCTM) Number of members: 170

Profile of members: Local Governments

The Standing Conference of Towns and Municipalities (SCTM) is an association of local governments in Serbia, representing local authorities' interests in Serbia and supports their development by providing high-quality training and consultations, lobbying and advisory support. SCTM is a gathering point of LGs and a networking platform for sharing common issues, formulating and presenting common interests.

In cooperation with relevant health authorities, universities, a series of information materials and instructions to prevent and control infectious diseases, COVID-19 was developed. The documents cover all information, starting from the basic properties of the virus and the first signs of infection, through measures to protect living and working space, recommendations for psychophysical empowerment in conditions of self-isolation, etc.

During the declared emergency state caused by the COVID-19 crisis in the Republic of Serbia, SCTM prepared a special section on their main web site containing information, materials and instructions for dealing with the COVID-19 pandemic, as well as news and updates on the response and activities of Serbian cities and municipalities. Although the section was updated only during the official state of emergency, SCTM continued to monitor and publish examples of good practices in combating the COVID-19 pandemic, shared by LGs in Serbia. Another dedicated section on the organisation's web site provides an overview of the activities and the response of European and regional organizations and associations of local and regional authorities to the COVID-19 crisis.

SCTM has developed templates to assist LGs in implementing the Rulebook on preventive measures for safe and healthy work to prevent the spread of the epidemic of infectious diseases that the Ministry of Labour officially adopted, Employment, Veteran and Social Policy of the Republic of Serbia. In accordance with this rulebook, all employers are obliged to apply preventive measures to prevent the occurrence and spread of infectious diseases and eliminate risks for employees' safe and healthy work. The templates developed by SCTM have been customised for the particular needs and application by LGs prescribing preventive measures for occupational health and safety to prevent the spread of COVID-19. The SCTM implemented this activity within the project "Institutional Support of the SCTM - Phase 3", which is implemented with the support of the Government of Switzerland.

In terms of research and analysis, SCTM supported the Council of European Municipalities and Regions (CEMR) Report on the Impact of COVID-19 on local finances, which provided some first estimates of COVID-19's devastating impact on local finances across 17 countries in Europe, members of CEMR. In Serbia, SCTM distributed the questionnaires for the survey to its members and coordinated the summary of information and results.

SCTM supported a similar survey carried out by the Association of Water Technology and Sanitary Engineering (UTVSI), which aimed to analyse the impact of COVID-19 on the operation of PUCs in Serbia.



5. Compendium of documents outlining the impact of the COVID – 19 pandemic on PUCs and LGs in the target economies

APUCs and LGAs in the Western Balkans have been particularly active in analysing the impact of the COVID-19 pandemic on their members' operation to support the relevant national institutions, decision and policymakers in the process of preparing the most adequate and based on the needs support and resilience measures. The majority of the RCDN members have financed and conducted surveys, targeted research, and analysis to better understand the impact of the COVID-19 at the local and national level. Others supported international organisations and donors to conduct wider research and analytical activities that aimed to understand the effects of the COVID-19 pandemic on LGs and PUCs. The following chapter presents an overview of the relevant reports and analysis produced by LGAs and APUCs throughout the ongoing COVID0-19 crisis. More information for each of the documents could be requested from the authors of the Compendium or through the representatives of LGAs and APUCs that coordinated their development.

Position paper "Impact of the pandemic COVID-19 on the PUC's operations - challenges and solutions"



Following the implementation of a survey on the impact of the COVID-19 pandemic on the operation of PUCs in North Macedonia, ADKOM prepared a position paper with a detailed analysis of the operational challenges of the PUCs during the COVID-19 pandemic, detecting critical points in the operations, understanding the reasons for management decisions, and finding and offering solutions to solve the newly emerged challenges. The survey analysis indicated the need to prepare a position document that provides a detailed analysis of the work challenges faced by PUCs during the COVID-19 pandemic, detecting critical points in operation, finding the leading causes, and offering potential solutions for operating in the newly emerged crisis. Position paper provides several alternatives The recommendations for operating during the crisis and improving the resilience of PUCs. These potential solutions were submitted to the relevant national authorities and decision-makers, shaping the policies supporting the PUCs in North Macedonia and the region.

Issued by: Association of Communal Service Providers in the Republic of North Macedonia (ADKOM)

Available at: https://adkom.org.mk

"Analysis of implemented measures in local self-government units in Republika Srpska during the crisis caused by COVID – 19"



The Association of Municipalities and Towns of the Republic of Srpska (AMTRS) conducted a detailed analysis to understand better the impact of the COVID-19 pandemic on the finance of 7 LGs in the Republic of Srpska, Bosnia and Herzegovina. The analysis of data showed that the crisis caused by the COVID-19 pandemic had a strong negative impact on the finances of all LGs, regardless of the level of development and size, and that the biggest problem of all LGs is lack of funds due to the significant revenue decline. The paper analyses the surveyed local governments' measures during the crisis and their attitudes and opinions regarding the most significant challenges in dealing with the crisis. It also proposes specific recommendations that could be articulated to the relevant central and regional governments to plan and deliver possible support measures. The analysis was conducted within the project "Strengthening the capacity of the Association of Municipalities and Cities in BiH", funded by the Government of the Kingdom of Sweden and the Government of Switzerland, and with the technical support of the Swedish Association of Local Authorities SALAR.

Issued by: Association of Municipalities and Towns of the Republic of Srpska (AMTRS)

Available at: www.alvrs.com

Study "Emergency Needs and Socio-Economic Impact of COVID-19 on Local Government in Kosovo"



The study was commissioned by the Association of Kosovo Municipalities (AKM) to identify the difficulties encountered by the municipalities during the spread of the COVID-19 pandemic, measures taken by the latter to manage this situation, cooperation with the national authorities and the AKM, as well as emergency needs of municipalities to overcome the socio-economic consequences of the pandemic. The study covered all 34 municipalities in Kosovo. Its main objective was to investigate their urgent needs for ensuring the proper management of the crisis created by the COVID-19 pandemic. In addition to identifying the emergency needs and the socio-economic impact of the crisis on local government, the results of this study showed that financial support and funding were identified as emergency needs for the municipalities to successfully mitigate the pandemic consequences. The study results provided a guideline for designing programmes, activities or forms of intervention to support Kosovo's municipalities. The study was supported by the Office of the Swiss Development Cooperation (SDC) in Kosovo.

Issued by: Association of Kosovo Municipalities (AKM)

Available at: www.komunat-ks.net

Survey "South-East European Local Governments in Post Covid-19 Socio-Economic Recovery"



In order to better study these effects and propose relevant and swift interventions, the Network of Associations of Local Authorities of South-East Europe (NALAS) implemented a survey which aimed at supporting LGs and their associations, creating a better understanding of the impact of the COVID-19 at the local government level and helping to identify successful regional practices for social and economic recovery. Similarly, it aimed at helping to inform policy recommendations and the advocacy efforts of local government associations. The survey presents a selection of good practices adopted by SEE local governments in the domain of economic support and fiscal relief, social care and protection, healthcare and education, digitalisation of public services and crisis management, which may help the efforts of other local governments and associations of local governments in the region. A dedicated chapter of the survey provides an overview of the crisis's financial impact, focusing on the implications for both local government revenues and expenditures, the spending priorities, and the expectations over the short and medium-term.

Issued by: Network of Associations of Local Authorities of South-East Europe (NALAS)

Available at: http://www.nalas.eu/

Survey "Consequences of the COVID-19 pandemic on the operations of Public utility companies in Serbia"



(UTVSI)

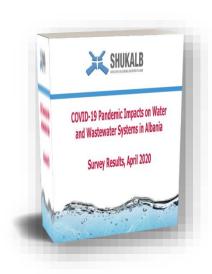
Available at: https://utvsi.com/

The survey was carried out in May 2020 by the Association of Water Technology and Sanitary Engineering (UTVSI) in cooperation with the Standing Conference of Town and Municipalities (SCTM) in Serbia among 76 LGs and their PUCs employing approximately 10.000 people. The RCDN supported the survey, and its results showed that COVID-19 did not endanger the safety of drinking water from public water supply systems in Serbia. The survey highlighted some important tendencies and impacts that have been observed in the operations of PUCs in Serbia.

One of the survey's main conclusions was related to the need for adoption and further development of security plans by all PUCs, which will contribute to increasing the security of the drinking water supply. Water safety plans and training of employees in this area are the basis for safe supply and risk management, both in regular working conditions and in crisis and emergencies. UTVSI has already started education at the regional level within the Danube Water Program.

Issued by: Association of Water Technology and Sanitary Engineering

Survey "COVID-19 Pandemic impacts on water and wastewater systems in Albania"



In April 2020, SHUKALB conducted an online survey addressed to water utilities and other water sector organizations in Albania in order to measure the initial impact of the pandemic and actions being taken to manage risk and plan for contingencies. In total, there were 132 respondents, 105 respondents from water utilities in Albania and 27 from other institutions.

The research process covered some important aspects related to the operation of water utilities in Albania, including the relevant policies that they had to introduce to continue essential operations for field and/or plant employees and others who can't work from home. The estimated financial impact on PUCs operations was also a subject of the research process. The survey results were further distributed to national institutions and Donors /IFIs working in the water sector in order to establish a dialogue with all actors on the short-term needs of the water utilities considering the impact of the COVID-19 situation.

Issued by: Water Supply and Sewerage Association of Albania (SHUKALB)

Available at: http://shukalb.al

Conclusions and recommendations

The global COVID-19 pandemic has been influencing almost every aspect of our daily lives, putting immense pressure on national, sub-national and local governments in protecting the health, safety and economic status of people and businesses in their communities. Taking into account that both the health and economic crisis will prevail in the daily agenda for an unknown period in the future, and the expressed need to exchange information and practical experience with their peers in the RCDN, the main purpose of the present document is to provide a brief outline of the existing practices, challenges and deficiencies in the support services, structures and financial mechanisms provided on the national and sub-national level by the APUCs and LGAs, relevant ministries, regulatory authorities, donors, IFIs and other stakeholders to LGs and PUCs to maintain the provision of essential communal services across their communities in the target WB economies.

It is clear that the COVID-19 pandemic has been a test, demonstrating that cooperation between all stakeholders operating on the local, regional and national level is crucial for overcoming such a global crisis that has particular local implications. For that purpose, it was important to assess the horizontal collaboration of LGs and PUCs (on the local level) and their vertical collaboration with the national authorities and the donor community in the provision of essential communal services, especially WSS during the COVID-19 pandemic. On the one hand, strong PUCs can only exist if there is strong and committed support from the LGs and vice versa. On the other hand, both institutions rely on the local community's support and appreciation to prosper and deliver their services in the most effective, efficient and transparent manner.

In summary, the following insights and conclusions could be outlined, along with the provided set of recommendations that could be utilised in preparing the much-needed support packages, including the relevant capacity development measures, financial and fiscal support, risk management strategies, etc. In cooperation and active involvement of APUCs and LGAs, the national, sub-national governments, and the active donor community in the region, the results of the analysis and the identified intervention areas/topics could be further examined developed in the frame of the RCDN. The results could help its members improve their response to the crisis and plan recovery actions in the post – COVID-19 period.

Swift and adequate support measures from the government and the relevant institutions are essential to ensure an effective response to the COVID-19 crisis and prevent any adverse and irreversible economic and social scenarios. While immediate efforts were concentrated on protecting public health, unemployed and vulnerable people, governments in target economies introduced economic recovery packages leveraged to the available budget capacities and fiscal policies. Although these were evaluated as still insufficient and sometimes "lagging behind" the forefront of the crisis, many governments have reallocated public funding to crisis priorities, supporting mostly the healthcare sector, vulnerable populations and regions particularly hit by the crisis.

Even before COVID-19, the lack of financial resources has been the top challenge for many local governments – both smaller and larger-more resourceful. Even though the full-scale consequences to local finances might take some time to materialise fully, the research results clearly showed that financial support and assistance have been essential for LGs and PUCs to manage through the crisis. LGs requested the activation of special funds and budgetary reserves, increasing the existing fiscal and regulatory rules, alleviating procurement procedures (especially for PPEs and disinfectants), speeding up budgetary decentralisations, and facilitating access to other sources of financing (i.e. short term loans, etc.). Both LGs and PUCs requested financial assistance in the form of tax exemptions, regular reimbursement and/or reduction of VAT, payment of salaries and social security contributions for the staff, etc. Assistance was also sought from the relevant regulatory authorities to adjust tariffs for water consumption and alleviate certain obligations related to PUCs. In many of the researched economies, LGs and PUCs have introduced various payment relief and support policies to vulnerable groups. These policies have been introduced on a national level and administered locally by the relevant LGs and PUCs.

The donor community in the target WB economies has been particularly active throughout the COVID-19 pandemic working closely with APUCs and LGAs to coordinate the response to the crisis and support the "front line" with the necessary skills and equipment. More than half of the representatives and experts of APUCs and LGA who participated in the online survey stated that their associations had received specific support from the donor community to manage the crisis better and to provide the necessary support to their members to manage better the COVID-19 turmoil at the local or at the national level. In terms type of support provided, APUCs in target countries have shared that they have received support in the form of PPE and materials for disinfection from the GIZ ORF MMS on behalf of BMZ. The Fund provided emergency packages containing disinfectants and safety equipment for partner PUCs from all 6 Western Balkan countries, which have been distributed through

the APUCs and LGAs. Rapid COVID-19 support was provided to selected APUCs for capacity development of their member PUCs to devise customized risk management and contingency planning as well as for online-trainings and IT-supported local decision making (e-Session Management Platform). Additional support for capacity development activities has been provided in the frame of the RCDN, supported by GIZ.

Apart from urgently developing and adopting Crisis management plans, mid-term recovery strategies of both PUCs and LGs should plan further actions to manage risk and plan for contingencies. LGs should introduce, activate or reorient existing multi-level coordination bodies that bring together all stakeholders on the local level to minimise the risk of a fragmented crisis response.

Although not promoted sufficiently, APUCs and LGAs have been particularly active in supporting their members throughout the ongoing crisis. Their role in supporting their members has been two-fold:

- On the one hand, APUCs and LGAs acted as the collective voice of their members (i.e. PUCs and LGs respectively), articulating their most urgent needs and challenges to the relevant state institutions, being in constant communication and collaboration with LGs and PUCs, as well as through lobbying and advocacy activities.
- On the other hand, Associations continued to facilitate and channel the international donor community's support in the form of capacity development, equipment, experience and know-how sharing, financial assistance, crisis management and planning, etc.

The good practice examples provided in the present Compendium collected from 16 Associations from six Western Balkan economies in cooperation with RCDN proved that APUCs and LGAs played an important role to complement responses to COVID-19 support policies and mechanisms on the national and sub-national levels.

Recommendations

While most of the governments and institutions in the Western Balkan economies are managing through the second and third waves of the pandemic, LGs and PUCs alike are working around the clock to continue the uninterrupted provision of essential services to their communities. In addition, people and experts assess the impact and drawing plans for the post-COVID recovery of their institutions and communities. Although it is still premature to draw any conclusions for the long-run, PUCs and LGs, in cooperation with their associations, national authorities and other stakeholders, are consulting local actors, developing capacities and preparing strategies to ensure "the day after". Nevertheless, the following recommendations have been summarised as a result of the research. They could be considered in designing future support mechanisms, recovery strategies and resilience efforts in target WB economies.

The recommendations are clustered into several categories (i.e. the 4 Rs), representing potential areas for **Response** and **Recovery**, covering the most important factors to ensure **Resilience**, and assisting LGs and PUCs in the region **Reshaping** their priorities and operations to position for long-term success. The research team anticipates that these suggestions would trigger further discussion and exploration of the concepts presented below.

COVID-19 is an opportunity for both PUCs and LGs to solve many problems and issues that have been long overdue. Although each LG and PUC have their unique challenges and solutions, some long-term stereotypes and myths such as digitalisation have been debunked "overnight". Long-lasting challenges such as becoming greener, adopting circular economy measures, introducing green solutions, etc., are next on the line to support recovery and help organisations adapt to the new realities in the post-COVID period. Crisis management became a topic of particular interest to many decision-makers on the local level. Horizontal cooperation, community and stakeholders' participation, ownership of local development strategies are other topics that have emerged as a result of the pandemic.

Leveraging the economic impact

On the socio-economic front, national governments are releasing vast amounts of finance for protecting their economy, citizens and healthcare system. According to the World Bank Group data, industrialised countries have spent up to 15–20% of their GDPs on stimulus packages, whereas for emerging markets, a merely 5-6% of GDP have been activated in the form of support mechanisms. The WB region is no exception, as national governments have reallocated public funding to either respond or manage the crisis. However, as stated previously, this support is insufficient and lags behind the forefront of the crisis due to the lack of both strategic planning and coordinated response.

- As the fiscal challenges are expected to increase in the very near future, it is clear that national
 governments across the region would need to identify and focus future policy packages on those
 population groups and economic sectors that are most vulnerable and most affected by the crisis,
 activating special funds and recovery programmes, as well as subsidies. Specific attention should be paid
 to small and underdeveloped communities. On the other hand, PUCs should also be added as direct
 beneficiary in funding instruments, providing them with adequate liquidity support, grants and
 subsidies.
- The concepts of "green" and "smart" LGs and PUCs should be put at the centre of recovery strategies, as these have been recognised as an innovative trend for the new "normal" in the post-COVID period. Introducing economic incentives towards "green" and circular economy solutions could open the door to sustainable solutions in response to the crisis. The focus on green recovery will significantly enhance the resilience of economies and societies in the face of both the severe recession and accelerating environmental challenges. The support measures could include tax reduction, grants/flexible funding instruments, subsidies for R&D, and capacity development.
- Both LGs and PUCs of the target WB economies would need support to develop local strategies for social and economic recovery, as well as sound crisis management plans that address the current and anticipated challenges. Many LGs have already invested significant effort and resources into developing local development strategies before the COVID-19 crisis, identifying many critical infrastructure projects and works. Delaying or cancelling these projects could help improve the current and short-term financial prospects of local budgets. Still, it might lead to unrest if they continue to be delayed for a longer period into the future. As the crisis could drive a significant shift to the assumptions used in developing local strategies, as well as selecting priority actions and projects, existing support and financial programmes and instruments should be adapted and revised urgently, as the Donor community should play a significant role in recovery efforts of LGs, especially EU funds for both EU and candidate countries. As with all proposed measures, a bottom-up approach with wide stakeholder's involvement should be employed. To ensure wide participation and increase ownership to local governments and communities' crisis recovery efforts, local strategies should be developed with all stakeholders and the community's active involvement. It is mandatory to have these strategies further consulted with the relevant PUCs and APUCs.
- Based on the overall estimates of PUCs, it is expected that their revenues will generally decrease in the short-term. The scale of the decrease will largely depend on how PUCs respond and manage the crisis locally under the COVID-19 restrictions. In the process of analysing the potential impact of the COVID-19 in target economies, the issue of liquidity and financial aspect of PUCs' operations and the support of LGs on this issue have emerged as a new topic that requires attention further research and support. Monitoring change in revenues and expenses over the past crisis year would provide valuable information to financial managers in determining the budget for next year to counteract expected losses. Based on the initial analysis, there is a need to define, identify, and calculate the real costs incurred by PUCs as a result of the COVID-19 pandemic and the extra services provided to communities. In any case, raising service rates (i.e. water supply, wastewater collection and treatment, waste management, etc.) to compensate for these increased expenses might be difficult and unwise to implement in the current and further expected economic decline. Additionally, there is a need to propose models for covering financial costs resulting from the COVID-19 pandemic to ensure uninterrupted financing of essential services in the community, i.e. delivery of water supply and wastewater collection and treatment services. Funding programmes should consider adjusting their priorities to offer subsidised loans and grants to LGs and PUCs for capital investments, the introduction of digital solutions, etc. Note: The financial impact of COVID-19 on the operation and performances of PUCs in the target Western Balkans economies is further examined in Analysis No. 3. (see p.1.2).
- In many of the analysed WB economies, participants in the research have highlighted that COVID-19 brought forward the need for flexibility of fiscal and tax regulations in times of crisis. LGs and PUCs in the WBs are advocating and lobbying through their member organisations to national governments to offer regulatory flexibility for both LGs and PUCs, such as extended reporting deadlines, regulatory exemptions, fiscal and regulatory flexibility for budget reallocations, procurement of emergency equipment and supplies, etc. Many PUCs highlighted tariffs relief measures as an efficient support mechanism that the relevant regulatory authorities should consider. Such financial relief packages have been implanted widely across target economies, providing LGs with the flexibility to provide various tax reliefs. For example, local governments could adjust billing policies, extend payments due dates, reduce or completely remove interest rates, provide targeted support to people of vulnerable groups (i.e. senior citizens, disabled persons, etc.), introduce property tax deferrals, etc. In some cases, short-term financial relief measures could be introduced for municipal service fees, i.e., WSS, waste management, rent, etc.

Digitalisation as a measure to cope with declining revenues

• Digitalisation should be examined from several perspectives covering the relevant aspects of operations and planning of LGs and PUCs. Almost a year into the COVID-19 crisis, it is evident for both LGs and PUCs, that one of the many effects of the pandemic has been the dramatic increase in digital

- technologies to help reduce physical interactions safeguard customers and protect employee's health and safety.
- COVID-19 accelerated several mega-trends and transformations, such as digitalisation, remote work and online communication. Therefore, all relevant stakeholders should invest time and resources in building strategies and capacities in LGs and PUCs towards the digitalisation of services. In the medium term, both national and sub-national governments should utilise the COVID-19 generated experience to upgrade digital services and boost digital partnerships. The planning and development of digital transformation strategies and action plans for LGs and PUCs to ensure the digital transition to increase efficiency, transparency, facilitate information flow and protect employees' health and safety in case of emergencies. Digitalisation efforts should be planned around pre-developed digitalisation strategies and implemented in two main directions: 1) Introduction of online services and portfolio, i.e., administration, customer service and online payment as an alternative to cashier desks which are very common for the Western Balkans; 2) Investing in remote water metering solutions (both hardware and software applications) as part of the recovery strategies and support. Such solutions could be provided to only a part of users as PUCs should develop a set of criteria based on which such transformation should happen (i.e. business customers, domestic customers in remote areas, etc.). 3) Introduction of enterprise solutions for automation of water management processes in PUCs, i.e. water bills prediction models and utilisation of software solutions in that aspect. Due to the lack of investments in the necessary ICT infrastructure or the absence of essential digital skills, digitalisation efforts could face constraints and lead to disparities in some remote and rural regions. For that purpose, it is important to ensure equal access to digital infrastructure that will repay in the long run by addressing the gaps between rural and urban areas, increasing community resilience, and delivering essential public services.
- The e-Session Management Platform developed and implemented for ADKOM in North Macedonia could be considered an effective solution that can provide a high level of efficiency, cost-effective, transparency, and responsibility in preparation, submission, processing documents for meetings, processing documents between ADKOM and its member PUCs. Furthermore, this system is a fully compatible, operable and adaptable platform that can be further upgraded with additional functionalities, as needed, that should further support the communication between the local and national authorities in a more simple, safe and efficient manner, especially during the COVID-19 pandemic. This solution can also be disseminated in the region as a good practice of digitalisation during the pandemic.
- The outdated technologies and systems or the lack of such thereof and the digital skills barriers have made the shift to remote working very challenging for many LGs and PUCs. Developing strategies for quickly switching to remote working will improve the resilience to future crisis. These strategies should take into account the existing state of the institution/company and plan/develop materials and tools checklist for remote work to be used when necessary, including equipment and infrastructure (laptops, communications, remote working software, document distribution tools, communication channels, etc.), documentation policies and data protection, list of tasks/ services/ activities that can be provided remotely. Based on the adopted digitalisation strategies, both PUCs and LGs should be supported for investments into ICT infrastructure to ensure the digital transformation of communities and services of utility operators.
- Digitalisation as a measure to cope with declining revenues Smart water starts with smart revenue. Remote water metering lies at the heart of overcoming the main challenges related to sustainable water management. Over the years, PUCs in the WB region have faced numerous challenges related to increasing energy costs, obsolete water systems, growing demand, huge losses due to undetected leaks, illegal connections, etc. Also, COVID-19 imposed the need of ensuring both employee safety and effectiveness. Digitalisation represents a potential solution to these challenges. On the one hand, it enables both end-users and PUCs to account for every drop of water by detecting leaks and real-time data provision. On the other hand, it allows PUCs to ensure the timely and accurate billing of their customers remotely, corresponding to the requirements of the current realities (social distancing, working in a remote environment, limited availability of personnel, etc.).

Reinforce supply chains

- Protection of the community and employees' health lies at the heart of crisis response efforts of both LGs and PUCs. In times of pandemic, WSS services are critical for every community. Their disruption could be caused by staff deficiencies and shortages of essential supplies needed (e.g. PPEs, chemicals and detergents, disinfectants, specialised equipment, etc.). Both LGs and PUCs, with the support of their associations and national governments, should ensure essential equipment and supplies, taking into account potential disruptions of the supply chains, by diversifying the portfolio of potential providers and contractors, stocking of necessary quantities, etc. The capacities of regional supply chains should also be further examined. Through the existing regional networks of expertise established by APUCs and LGAs, experts and key personnel could be organized to travel to regions facing a shortage of staff to provide temporary assistance.
- Potentials and possibilities for streamlining the procurement of critical supplies and equipment through APUCs and LGAs should be further explored to reduce the risk of uncertainty, ensure uninterrupted

- provision of critical services and that no compromise is made in terms of employees' protection. All existing and reliable service delivery protocols and procurement vehicles, existing or capable of modification, should be evaluated to determine their applicability to crisis response.
- Tracking crisis-related expenses of both LGs and PUCs should be carried out by the Associations and communicated to the relevant national authorities to ensure their swift reimbursement of finance and/or equipment to prevent potential disruption in the service delivery.

Horizontal cooperation

- APUCs and LGAs should support cooperation across PUCs and LGs to facilitate best practice and knowledge exchanges. By minimising uncoordinated response and improving resilience, the efficiency and effectiveness of crisis recovery strategies and efforts will increase.
- Unsurprisingly, COVID-19 amplifies the need to improve knowledge, develop capacities, and exchange experiences to respond, recover, and adapt to the crisis. APUCs and LGAs should encourage cooperation among smaller LGs and PUCs to share resources and personnel. Cooperation should also be sought in the process of planning and implementing Crisis management strategies.
- Mutual aid or collaboration between PUCs in neighbouring communities should be fostered and facilitated through APUCs and other stakeholders' networks at the regional level.

Risk management

The research process in the target economies showed that capacity development in crisis management is much needed in communities across the Western Balkans. A more robust risk management approach should be introduced, including activating or reorienting existing multi-level coordination bodies to bring together all stakeholders on the local level to minimise the risk of a fragmented crisis response. These should consider essential aspects that have been brought forward by representatives and experts of APUCs and LGAs, including travel restrictions, service/business continuity plans, emergency protocols for operators/essential plant workers to live on-site if needed, utilisation of alternative water supplies, etc.

- In terms of crisis management, local practitioners and decision-makers should be equipped with the necessary skills and knowledge to develop strategies for coping with a potential future crisis. APUCs and LGAs have a critical role to play in this process by offering customised capacity development measures.
- Similar research results around the world have shown that LGs with strong, risk-focused policies and
 experience, especially ones located in regions with more frequent natural disasters, have fared better
 than most through the initial response of the COVID-19 emergency. This particular tendency proves
 that others should follow this experience as a catalyst for increased post-pandemic interest in
 improvements to risk management and resilience efforts and investments.
- Even though the short-term effects of the COVID-19 pandemic are quite adverse, the existing experience and lessons learned by both LGs and PUCs underline the need to establish capacities and skills that will help local stakeholders better manage a future crisis. In this aspect, preparing comprehensive risk management strategies and plans, especially in the WSS, including detailed risk assessment, existing infrastructure and equipment screening, communication, vulnerability assessment, critical services identification, training and rehearsals, etc., is essential. The existence and regular update of such strategies and other tools and activities ensured and coordinated on the national level will help PUCs be better prepared to prevent, detect, respond to, and recover from various emergencies and crises, including pandemic. It will also help ensure the utility's resilience to re-organise operations and workflows swiftly and efficiently.
- These strategies should be developed with the broad participation of the local community and stakeholders. Although many LGs have adopted risk and disaster management strategies, they should be revisited, updated and adapted to prepare for, respond to, mitigate and recover from all types of emergency situations, including such resulting from a global pandemic. Risk management is a process that is easier said than done as it will take time for PUCs and LGs across target economies to recognise its importance in improving their resilience for future crisis. The experiences in pandemic response and risk management of the Emergency Response Coordination Centre (ERCC) of the European Union or the Federal Emergency Management Agency of the United States of America could also be utilised in drafting the emergency response and risk management strategies. APUCs and LGAs should be the main catalyst of this process on both levels.
- The good practices of partner associations ADKOM and SHUKALB which developed methods and processes for risk management and crisis management plans for PUCs with standard operation protocols, procedures, and actions to assure service delivery in states of emergency like the prevalent pandemic, could be assessed, adapted and disseminated in the region of Western Balkans. That would help the local communities to establish an early-warning system for COVID-19 presence at the local level, thus enabling quick and effective preventive measures.

Research and development

- The spread of the SARS-CoV-2 (COVID-19) virus brought forward the need to find new means and adopt new tools and mechanisms to cope with the pandemic, protect public health and track the spread of the disease. In many Western economies (i.e. USA, EU, Japan, etc.), many wastewater sector operators, through their Associations and in cooperation with academia and R&D institutions, have undertaken targeted R&D projects to improve various aspects and resilience to similar crises (i.e. research on how to detect viruses in wastewaters/drinking water, crisis management practices, CD activities for crisis management, and digitalisation strategies, etc.). APUCs and LGAs could be closely engaged, especially in the field of R&D and CD activities.
- As suggested by the participating experts and representatives of APUCs, one of the potential topics that
 could be exploited is wastewater based epidemiological (WBE) surveillance. Despite the fact this method
 is not novel, it could be adapted to help identify the presence of a specific virus or bacteriological agent
 in the water supply or sewage system of a particular community. Data of such surveillance can assist
 public health officials in making informed decisions to mitigate or prevent a potential health crisis by
 establishing early warning systems.

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Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) $\mbox{\sc GmbH}$

Registered offices Bonn and Eschborn, Germany

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