Background

- **Challenges to be addressed:**
  - Continued deterioration of water and sanitation services in most EECCA countries
  - Insufficient reforms to ensure financial sustainability
  - Lack of capacity at local and central levels
  - Lack of data to support sound policy making

- Close cooperation with the EU Water Initiative - Joint meetings with EAP TF Group of Senior Officials since 2005; overseeing common work programme

- Involvement of NGOs and the private sector

- Resources: 3 experts and an assistant
The overall objective

Support the achievement of the water-related MDGs in the EECCA region

Focus on cross-cutting issues, with a high potential to simultaneously contribute to:

- National Policy Dialogue on Financial reforms
- Managing the water sector more efficiently
- Monitoring reforms

Progress 2008 – Monitoring reforms

- No activity in 2008
- Work in this area will resume in 2009
Progress 2008 – Managing the water sector more effectively

- 1.2.1 Guidelines for performance-based contracts between municipalities and utilities
  - Guidelines published in 2005 and disseminated in various events
  - Project provides assistance to several municipalities in assessing existing performance contracts, and developing recommendations for improvements has been launched
    - Two case study reports in Armenia published
    - One case study in Chymkent, Kazakhstan under preparation
    - One case study in Berdyansk, Ukraine under preparation
    - Updated Guidelines publication planned for end of year

- 1.2.3 Development of financial planning capacity in municipalities and water utilities (joint with EECCA RECs)
  - Training package developed
  - Local trainers trained (6)
  - 50 utility/municipality staff trained in 4 training sessions (Tbilisi, Bishkek)

- 1.2.4 Report on measures to achieve economies of scale in the provision of water supply and sanitation
  - Analytical report reviewing good practices in the EU and EECCA under preparation (December 2008)

Progress 2008 – National Policy Dialogues on financial reforms

- 1.3.1 Supporting National Policy Dialogues
  - Financing strategy for rural water supply and sanitation in Georgia
    - 2 dialogue meetings in 2008, next in November
    - Report final by end of year
  - Financing strategy for urban and rural WSS in Kyrgyzstan
    - 3 dialogue meetings in 2008, next in December
    - Report final by end of year
  - Preparation of follow-up on Moldova financing strategy
    - Focus on implementation of financing strategy through link to budget process
    - Work will involve Austria, Czech Republic and EC
  - Preparation for NPD in Ukraine
    - Possible focus on measures to achieve economies of scale
Progress 2008 – National Policy Dialogues on financial reforms

• 1.3.2 Improving FEASIBLE and extending methodology to IWRM
  - Improved FEASIBLE tool and documentation ready by end of year

Prioritisation of activities by Joint EUWI-EAP TF Group of Senior Officials

<table>
<thead>
<tr>
<th>Activity</th>
<th>Score</th>
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<tbody>
<tr>
<td>1.1.1 Monitoring</td>
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<td>1.1.2 Inst. Ref.</td>
<td>2.5</td>
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<tr>
<td>1.2.1 Perf. Contr.</td>
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<td>1.2.2 PPP</td>
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<tr>
<td>1.2.3 FPTWU</td>
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<td>1.2.4 Overfrag</td>
<td>1</td>
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<tr>
<td>1.3.1 Fin. Strat.</td>
<td>3</td>
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<tr>
<td>1.3.2 FEASIBLE</td>
<td>3.5</td>
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Programme of work for 2009

Monitoring Reforms

• 1.1 Monitoring Progress in implementing the water-related MDGs
  - Collecting water utility performance data and information about institutional and legal reforms in one EECCA country
  - Publishing of country report and data on World Bank’s IB-Net website

Programme of work for 2009

Managing the water sector

• 1.2.1 Guidelines for performance-based contracts
  - Assistance to one municipality (to be defined) in Ukraine
  - Country case study

• 1.2.2 Policy Dialogue on Public-Private Partnerships
  - Stakeholder workshop (second half of 2009)
  - Analytical paper to take stock of recent experience

• 1.2.3 Development of Financial Planning capacity at local level
  - Support to EECCA RECs

• 1.2.4 Report on measures to achieve economies of scale
  - Facilitate EUWI National Policy Dialogue in Ukraine
  - Develop guidelines/checklist
Programme of work for 2009
National Policy Dialogues

• 1.3.1 Supporting National Policy Dialogues
  - NPD in Moldova focusing on implementation of financing strategy for WSS - link to MTEF
  - NPD in Kyrgyzstan focusing on implementation of financing strategy for WSS - link to MTEF

• 1.3.2 Improving FEASIBLE and extending methodology to IWRM
  - Expert workshop to work on methodology for IWRM
  - NPD on IWRM financing in pilot country
  - Further improvements of FEASIBLE

Joint EUWI-EAP TF Group of Senior Officials meeting in 2009

• Organised jointly with Romanian MoEnv Chair of EUWI

• Preliminary ideas for the agenda:
  - Discussion of IWRM financing
  - Discussion of measures to achieve economies of scale
  - Discussion of draft country reports

• Location: Bucharest
• Planned for May 2009