



1st picture: Lärchsteinstollen



2nd picture: Leobersdorf aqueduct



3rd picture: Water powerstation Mauer



Pumping station, Wienerberg

How does the program operate?

The Program is jointly run by the World Bank and IAWD. For that purpose both organizations have created a common Program Team hosted in the World Bank's office in Vienna, Austria. The World Bank team focuses on policy and analytical support activities, while the IAWD technical secretariat develops the capacity building activities, under the leadership of a Steering Committee.

The Program works for and together with local and national stakeholders. An Advisory Committee representing the Client Countries provides overall guidance and advises on the Program's implementation while topics, types of activities and delivery mechanisms are coordinated with the respective utilities and institutions. Whenever possible, regional experiences and expertise are used, but the Program also seeks to develop exposure to internationally relevant best practices.

English is the Program's language of choice for regional activities, but activities at sub-regional, national and local levels can also be conducted in other languages.



Who finances the Program?

The Program is financed through a Multi-Donor Trust Fund managed by the World Bank, with an initial contribution in the amount of EUR4.5 million provided by the Government of Austria for three years. Contributions from other donors are also being sought with the purpose of expanding the Program's scope, geographical reach and duration.

For further information



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The IAWD is an association of water and wastewater utilities in the Danube river catchment area. IAWD was established in 1993 by utilities from 10 different countries in the region with the objective to promote joint national and international efforts to avoid and reduce water supply risks, such as from pollution and other types of harms to the condition of the Danube, its tributaries (Danube River Catchment Area) and related groundwater resources. IAWD is headquartered in Vienna, Austria and hosted by one of its founding members, Vienna Water Works.



What is the Danube Water Program – Smart Policies, Strong Utilities, Sustainable Services?

The Danube Water Program supports policy dialogue and capacity development to achieve Smart Policies, Strong Utilities, Sustainable Services in the water supply and wastewater sector in the Danube Region. The Program is jointly run by the World Bank and IAWD, the International Association of Water Supply Companies in the Danube River Catchment Area, with seed financing from the Government of Austria.

The Program works with regional, national and local stakeholders to:

- Promote an informed policy dialogue around the core challenges facing the sector;
- Strengthen technical and managerial capacity of the sector's utilities and institutions

Why this Program?

In the wake of the EU accession and harmonization process, the countries in the Danube Region are undergoing a process of rapid modernization that has a major impact on the status and organization of the water utility sector. Large water and wastewater capital investments and infrastructure upgrading are taking place, often with significant external financial support. However, these investments have not been matched consistently with regulatory, organizational, managerial and technical modernization in the sector's institutions. As a result, many utilities in the region suffer from chronic problems of overstaffing, poor financial performance, insufficient service quality, and tariff structures that fail to recover costs.

To address these challenges, new skills and knowledge are required to ensure high-quality, cost-efficient delivery of water supply and wastewater services, mobilize additional sources for investment funding, and provide incentives for better performance. Countries need to define and implement policies on topics such as reforming utility management, better targeting subsidies to low income groups, restructuring tariffs, improving regulation, professionalizing staff, and improving cost recovery, which are key ingredients for sustainable water supply and wastewater service provision. The Program seeks to facilitate this process.



Tahi pumping station - Hungary



Wastewater treatment plant Brno-Modřice

Who can participate?

The Program currently covers the water supply and sanitation sector in eleven target countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, FYR Macedonia, Moldova, Montenegro, Romania, Serbia, and Ukraine. Further countries in the Region can participate but cannot directly benefit from Program funding.

In each country, the Program is targeted in particular at (i) water supply and wastewater sector policy makers 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.



The World Bank in the Danube Region

The World Bank has been a long-standing financial and technical partner of the water supply and sanitation sector in the Danube Region. At the moment the Bank has close to fifteen active projects and programs in eight of the eleven countries of the Program, totaling more than USD 1 billion, and an active dialogue with national and international institutions on challenges ranging from European integration, to utility benchmarking, sector institutional reforms and regulation.

What does the Program do?

The Program develops activities for both policy support (Component 1) and capacity development (Component 2) in the water supply and sanitation sector, at two levels:

- At the Danube **Region's** level, through regional events and activities, as well as targeted analytical work;
- At **national** level; for customized policy advice activities and knowledge support.

The Program is developed through five pillars covering topics ranging from strategic policy options all the way to utility operational matters. Some pillars are more directly targeted to institutional actors, and others to utility-level actors, but involvement is fundamentally driven by the participants' own engagement and motivation.



Art nouveau pumping station - cutting edge technology, Hungary

The table below describes in further details the type of activities supported by the Program. The list is not exhaustive, and additional activities that contribute to the Program's objective, can also be considered.

	I Sector governance and structure	II Regulation, tariffs and subsidies	III Bench-marking	IV Asset management & investment planning	V Service efficiency improvement
Pillar-specific activities	• Knowledge program on sector governance and structure	• Knowledge program on regulation, tariffs and subsidies	• National / regional level benchmarking • Utility centered benchmarking	• National training on asset management	• Results based training on energy efficiency • Results-based improvement programs
Country-specific activities	• Country-suggested activities (competitive grant window) • Country-driven just-in-time policy pieces • Country Sector Surveys and country notes • Further country and regional analytical activities on a demand basis				
Typical Audience	Policy makers	Ministerial staff	Regulators	National associations	Utilities

A brief history

The World Bank and the Government of Austria started preliminary discussions on the Program in 2011. Preparation started in earnest in early 2012, with the Program Agreements formally signed between the Government and the Bank in June 2012, and between the Bank and IAWD in October 2012. The Bank Team and Technical Secretariat have been setup and are operating since early 2013, at which time the Program started its first activities. The Program is currently scheduled to complete its activities in October 2015.

Knowledge Programs encompass series of topic-related workshops, study tours and trainings, linked with concrete work programs from participating institutions. **Results-based trainings** similarly consist of capacity building activities linked with concrete performance improvement plans prepared and implemented by participating utilities. **Policy pieces** are short, just-in-time notes prepared at the request of, and to inform decisions made by national governments and institutions on key policy topics. **Country Notes** will be prepared for all countries under the program and will provide a succinct overview of the sector's institutional, legal and regulatory organization, as well as the overall performance of the sector. These notes will be complemented by a regional analytical review. The **Competitive Grant Window** finances activities proposed by local actors in the targeted countries, based on a set of criteria and proposals to be put forward by the actors.