

**INTEGRATED SAFEGUARDS DATA SHEET  
ADDITIONAL FINANCING**

**Report No.: ISDSA1094**

**Date ISDS Prepared/Updated:** 14-Nov-2014

**Date ISDS Approved/Disclosed:** 28-Jan-2015

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Europe and Central Asia	<b>Project ID:</b>	P152569
		<b>Parent Project ID:</b>	P128416
<b>Project Name:</b>	Danube Water Program Additional Financing (P152569)		
<b>Parent Project Name:</b>	DANUBE REGION WATER AND WASTE WATER SECTOR CAPACITY BUILDING PROGRAM (P128416)		
<b>Task Team Leader(s):</b>	David Michaud		
<b>Estimated Appraisal Date:</b>		<b>Estimated Board Date:</b>	01-Jul-2015
<b>Managing Unit:</b>	GWADR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Water supply (50%), Sanitation (40%), Public administration- Water, sanitation and flood protection (10%)		
<b>Theme(s):</b>	Other urban development (100%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	7.09	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.64
Free-standing TF for ECA			6.44
Total			7.09
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

### **A. Original Project Development Objectives – Parent**

The Development Objective of the proposed Danube Region Water Supply and Wastewater Sector Capacity Building Program would be to support institutional capacity building and the development of regulatory and policy instruments in the water supply and wastewater sector in participating countries in the Danube Region. The program would support (i) development of regulatory and policy instruments, and (ii) training and capacity building. The higher level objective of the program is to contribute to improving the efficiency and quality of water supply and wastewater service delivery in the Danube region.

### **B. Current Project Development Objectives – Parent**

### **C. Proposed Project Development Objectives – Additional Financing (AF)**

The Development Objective of the Danube Water Program is to support institutional capacity building and the development of regulatory and policy instruments in the water supply and wastewater sector in participating countries in the Danube Region. The program will support (i) development of regulatory and policy instruments, and (ii) training and capacity building.

## **3. Project Description**

Component 1 (Bank executed): Provision of Policy and Regulatory Support to National Level Authorities and Support to Program Implementation (original USD 2.1 million, revised USD 4.4 million)

Sub-component 1.1: Financing of Sector-specific Technical Assistance, Analytical, and Advisory Work (original USD 1.9 million, revised USD 3.8 million)

The DWP is currently financing a regional “State of the Sector” review of all participating countries, as well as five further countries of high relevance within the Danube Watershed (Austria, Czech Republic, Hungary, Slovakia and Slovenia); the review will be completed in spring 2015. Its findings are generating demand for deeper, country-specific analytical and policy engagement to address the identified challenges. Under the AF, the main activities will therefore entail:

- National AAA. Analytical and advisory activities will be primarily conducted at national level in those countries where the counterparts express demand, building on the work conducted at regional level under the first phase;
- Regional AAA. Some regional analytical work on emerging gaps, such as access to services for minorities, and non-public / rural supply, might take place.
- SoS Update. Towards the end of the AF, the State of the Sector review will be updated, reflecting progress in the three year since the first review.

Sub-component 1.2: Provision of Program Implementation Support and Supervision Activities (original USD 0.2 million, revised USD 0.6 million)

This sub-component will not be modified and will continue to finance activities to provide implementation support and supervision during program implementation, including Bank staff time and travel cost. The costs reflect the experience so far and the AF’s duration.

Component 2 (Recipient executed): Capacity Building and Knowledge Sharing for Water Supply and Wastewater Sector Stakeholders (original USD 3.9 million, revised USD 9.2 million)

Sub-component 2.1: Implementation of Regional Capacity Building and Knowledge Sharing for Water Supply and Wastewater Utilities and sector stakeholders (original USD 1.8 million, revised

USD 3.4 million)

**Capacity Building.** Following strong demand from sector institutions and in particular utilities, capacity building activities will continue to represent a very important segment of Program under the AF. The Program is particularly interested in ensuring institutional and financial sustainability of those activities beyond the AF's life. As a result, the utility capacity building offerings will continue to build on the current model of creating, for each offering, regional training hubs (largely through national waterworks associations) for the actual training delivery, and hiring technical partners to prepare the training materials and train the trainers. Utilities will continue to pay for their participation, and all capacity-building programs will result in concrete action plans for participating utilities in the respective topic. Additionally, some activities might also be developed under an e-learning concept if demand arises.

**Topics.** The specific capacity building proposed focus around the following main axes:

- **Existing Topics.** Already established capacity building activities as energy efficiency, asset management, commercial efficiency, and utility benchmarking will continue and be expanded to more countries on a demand / need basis.
- **New Topics.** The program will develop a few additional capacity-building programs on topics such as NRW reduction, and preparation of Water Safety Plans (WSP), in close cooperation with utility associations as local partners, following the same three-levels organization it currently has, with IAWD at planning and coordination level, individual water utility association or stronger individual utilities as hub for activity implementation at implementation level, and consultants or hired expert teams as operational technical support;

**Formalization of capacity-building curriculum.** IAWD also intends to facilitate the development of a more formal curriculum for all capacity building activities implemented under DWP and beyond, jointly with utility / waterworks associations in the region. Early steps, such as the creation of a waterworks associations roundtable, and the initial presentation of the concept, have taken place successfully and the three years extension provided by the AF will be used to formalize those proposed mechanisms.

**Knowledge Sharing.** The knowledge sharing activities will remain largely the same and can be categorized as follows:

- **Program Website and Communication.** The Program team will continue to maintain and further improve the Danube Water Program website, [www.danube-water-program.org](http://www.danube-water-program.org). The website will continue to feature program-related news and activities. Importantly, electronic versions of training materials as well as analytical work developed under the program will be made available on the website. In addition, the program will continue to distribute the electronic newsletter to program stakeholders every four months.
- **Annual Danube Water Conference.** The Program has organized an annual sector stakeholder conference in May 2013 and 2014, which has received very good feedback from participants in the survey and generally been highly welcomed. Therefore, the Program will continue to offer such a conference; the May 2015 edition will focus on the launch of the State of the Sector report. Future conferences may also extend invitations to additional participants from countries outside the Danube River Basin, e.g. Turkey, Poland, Baltic and Caucasus countries, as observers and to contribute their own experience.
- **DANUBIS Water Platform.** The Program has launched the DANUBIS.org Water Platform ([www.danubis.org](http://www.danubis.org)) as a repository of knowledge and information for and about water utilities in the region. DANUBIS.org builds in particular on the extensive IB-Net database available in the region, and is overseen by a Steering Group comprised of representatives from key institutions in all of the region's countries. Whereas the content of the Danube Water Program website is DWP-specific, the DANUBIS.org Water Platform features news, events, and resources covering the water sector in the region at large. The website will be further developed and improved, and country-level access and

portals will be developed.

- Meetings of key stakeholders. The program will continue to facilitate knowledge sharing activities among associations of water utilities, policy makers and water sector regulators, on a needs basis; as much as possible those will happen on the side of regional events to minimize traveling time and costs.

Sub-component 2.2: Financing of Country-specific Activities for Utility Management and Operational Practices Improvement Support / “Competitive Grant Window” (original USD 1.1 million, revised USD 3.4 million)

Competitive Grant Window. Under the Program’s on-going activities, a competitive grant window was proposed and has resulted in very strong demand. Out of 71 applications, 14 have been funded and their implementation is on-going for a total amount of around EUR 1.1 million (including EUR 0.7 million from DWP and EUR 0.4 million of counterpart funds). Under the AF, it was agreed to implement two additional rounds of Competitive Grants Window selections process in the second phase of Program implementation, each worth 500K Euros. The first round of selection is expected to take place in year 2015, and the second round is expected in 2017 and will be dependent on availability of expected additionally mobilized fund. It is expected that average grant size and focus of the individual grants should remain similar to the first phase but more closely focused on synergies between the proposed grants and the Program’s overall activities. In addition, the competitive grants might be provided on a performance base, with two tranches and the second tranche made dependent on success indicators being met.

Sub-component 2.3: Project Management and Coordination of Program Implementation (original USD 1.0 million, revised USD 2.6 million)

This Sub-component will not be modified and will continue to support the costs of maintaining the Technical Secretariat (TS) function at IAWD, which is responsible for program implementation and coordination. The proposed costing reflects the cost of the TS so far, and the longer duration of the AF.

Sub-component 2.4 (new): Waterworks Associations Strengthening (new USD 0.8 million)

Given the importance of IAWD and national waterworks associations for the sustainable impact of the Program, the AF will include a new Sub-component linked with the building of capacity among participating waterworks associations at national and IAWD level. National associations will be asked (and supported) to prepare a simple business / strengthening plan, whose initial implementation will then be funded under the Program, possibly in two performance-based tranches. Additional, limited support to IAWD will also be included, for example to support the development of its own business strategy, as well as a membership increase.

**4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

**5. Environmental and Social Safeguards Specialists**

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	

Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
N/A
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
N/A
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
N/A
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
N/A
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
N/A

### B. Disclosure Requirements

<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>

**C. Compliance Monitoring Indicators at the Corporate Level**

<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]

**III. APPROVALS**

Task Team Leader(s):	Name: David Michaud	
<b><i>Approved By</i></b>		
Practice Manager/ Manager:	Name: Dina Umali-Deininger (PMGR)	Date: 28-Jan-2015