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ADVANCING THE BLUE REVOLUTION INITIATIVE

QUARTERLY REPORT 6: OCTOBER – DECEMBER 2008

JANUARY 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

USAID – DAI Contract No. EPP-I-00-04-00023-00

PREFACE

The United States Agency for International Development (USAID), through its Washington D.C.-based Bureaus for the Middle East (ME) and for Africa (AFR), and through its Office of Middle East Programs (OMEP) housed in USAID/Egypt, has contracted Development Alternatives, Inc. (DAI) to implement a task order called Advancing the Blue Revolution Initiative (ABRI) under the Water Indefinite Quantity Contract II. The effective dates of the contract are May 1, 2007 through April 30, 2010. ABRI has personnel based in Cairo, Egypt and Bethesda, Maryland, and engages technical expertise and subcontractors throughout the Middle East and increasingly in Africa.

DAI submits progress reports three weeks after the close of each quarter providing details on the status of implementation activities. The reports include a discussion of operational problems and policy constraints encountered; proposed solutions; subsequent work plan modifications; and a schedule of activities for the upcoming quarter. DAI provides updates on project finances and expenditure of personnel level of effort directly to USAID and separate from the quarterly reports.

More detailed information on ABRI is available in other reports for readers who may not be familiar with the project. These reports are available from our project offices and USAID.

Peter Reiss
Chief of Party
USAID/Advancing the Blue Revolution Initiative
Development Alternatives, Inc.
January 21, 2009
Cairo, Egypt

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ACRONYMS AND ABBREVIATIONS

ACWUA	Arab Countries Water Utilities Association
ADWEA	Abu Dhabi Water and Electricity Authority
AFR	Bureau for Africa
ANE	Bureau for Asia and the Near East
AUB	American University of Beirut
AWCA	Arab Water Council
AWWA	American Water Works Association
BOT	Build Operate Transfer
BRI	Blue Revolution Initiative
CTO	Cognizant Technical Officer
DCA	Development Credit Authority
DSI	Devlet Su Isleri or State Water Works
EQI	Environmental Quality International
CEDARE	Center for Environment and Development for the Arab Region and Europe
EGAT	USAID Bureau for Economic Growth, Agriculture, and Trade
ESCWA	Economic and Social Commission for Western Asia (United Nations)
ETIC	Euphrates-Tigris Initiative for Cooperation
GAP	Greater Anatolia Project
GDA	Global Development Alliance
GDP	Gross Domestic Product
GOE	Government of Egypt
GTZ	Gesellschaft fuer Technische Zusammenarbeit (German aid organization)
GWC	Global Water Challenge
ICT	Information and Communication Technology
IDARA	Instituting Water Demand Management in Jordan Program (USAID)
IFC	International Finance Corporation
IP3	Institute for Public-Private Partnerships
JEWEL	Jordan Education for Water and Environmental Leadership
JUST	Jordan University for Science and Technology
MDG	Millennium Development Goal
MOU	Memo of Understanding
NWSC	National Water and Sewage Corporation
O&M	Operation and Maintenance
OES	Bureau of Oceans and International Environmental and Scientific Affairs
O/MEA	Office of Middle East Affairs
OMEP	USAID Office of Middle East Programs
PMP	Performance Monitoring Plan
PWRF	Philippines Water Revolving Fund Program (USAID)
SIWI	Stockholm International Water Institute
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBCSD	World Business Council on Sustainable Development
WEF	Water Environment Federation
WEForum	World Economic Forum

EXECUTIVE SUMMARY

Advancing the Blue Revolution Initiative (ABRI) addresses some of the most challenging water issues in the Middle East and Africa: the lack of access by the poor to improved water and sanitation services, inefficient and nonproductive water use, and transboundary river basin management. USAID manages and funds this contract through its Bureaus for the Middle East¹ and for Africa (AFR), and through its Office for Middle East Programs (OMEPE) housed in USAID/Egypt. The period of implementation is three years from May 2007 through April 2010. Development Alternatives, Inc. (DAI) serves as the prime contractor on the program. DAI implements the program with personnel based in Cairo, Egypt and Bethesda, Maryland and through the engagement of technical expertise and subcontractors throughout the Middle East and Africa.

This report presents the status of implementation for Quarter 6, the period of October – December 2008. The report follows the broad outline stated in the contract. It details the status of implementation activities, problems encountered, and proposed solutions and work plan modifications, schedule of activities for the next quarter, performance per planned targets, and updates on level of effort and budgetary expenditures. As appropriate, each of those main sections is divided in terms of the five major ABRI tasks and respective activities, namely:

- Task 1. Promote transboundary water cooperation to improve water security.
- Task 2. Improve water resources management.
- Task 3. Improve water supply and sanitation services.
- Task 4. Overarching program support.
- Task 5. Program management.

Major actions and achievements during the past quarter include the following.

- **Transboundary water.** ABRI has aggressively pursued paths to resolve issues related to financing participation in the activity while honoring constraints. By the time of the writing of this progress report, it appears to have sown the seeds of a new partnership with the American University of Beirut (AUB) and the Stockholm International Water Institute (SIWI) which would permit the effort with the Euphrates-Tigris Initiative for Cooperation (ETIC) to move ahead unencumbered.
- **Assistance to ACWUA.** Team personnel met with the Director General of ACWUA in Jordan and at the first General Assembly of ACWUA in Alexandria, Egypt to discuss options for assistance that ABRI can provide, including support to technical working groups, support to convene thematic roundtable discussions, enhancement of the ACWUA business plan, strategies related to training and knowledge management/communications, and incorporation of the Future Water Leaders Program into ACWUA.
- **Water users' associations.** The team held a workshop for 55 representatives from WUAs in Jordan in early December and prepared for similar meetings in Egypt and Morocco in the spring.
- **Morocco wastewater re-use study.** The team designing a pilot project for wastewater re-use in agricultural areas made 13 field visits, completed its survey assessing farmers' willingness to use and pay for treated wastewater, completed maps showing three potential irrigated areas, and submitted its draft rapid appraisal report.

¹ When the contract began, the Bureau for the Middle East was called the Bureau for Asia and the Near East (ANE). The abbreviation ANE is used frequently in project documents.

- **Future Water Leaders.** The team held the second training module with 32 participants in Cairo, Egypt in December. The five-day module addressed the theme of regulatory reform in the water supply and sanitation sector. The Egyptian Water and Wastewater Regulatory Agency served as the official host. In addition to ABRI Consortium experts, and the Abu Dhabi Regulation and Supervision Bureau provided guest speakers. There was a major sub-component to the module designed to enhance individual leadership skills of the participants.
- **Alliances.** ABRI made significant headway in moving toward an MoU with IWA in support of utility capacity building as well as in creating opportunities for engaging the private sector via (a) the Microfinance for Water and Sanitation round table series into the MENA region, with a possible panel at the regional Sanabel (MFI network) conference in Beirut, Lebanon on May 12-14 and (b) the regional American Chamber of Commerce annual conference in Amman, Jordan, May 15-17, 2009.
- **Africa Bureau activities.** ABRI provided support to the Africa Bureau on several related activities. The first included country and donor profiles and data summaries to help Bureau and Mission staff prioritize the programming of funds. We also mobilized a team to help write the Bureau's formal guidelines on the programming of funds for water, sanitation, and health. Finally, we began preparation of training courses on the same, to be delivered to USAID program personnel in Africa in the first half of 2009.

1. STATUS OF IMPLEMENTATION ACTIVITIES

TASK 1: PROMOTE TRANSBOUNDARY WATER COOPERATION TO IMPROVE WATER SECURITY

Activity 1.1: Design and Hold an International River Basin Workshop and Convene a Technical Working Group for the Middle East, Africa, and Asia

We have dropped this activity due a lack of funds sufficient to manage an activity of this size.

Activity 1.2: Design a Track 2 Shared Initiative by Riparians on the Tigris-Euphrates

Activity personnel: Peter Reiss (activity manager/ABRI COP).

- ABRI held many conversations with ETIC and with the University of New Mexico during the period to determine if the latter would be prepared to cover the costs of Syrian participation. After many deliberations on campus, it responded that it did not have the resources to cover the costs. Negotiations were then terminated between the university and ABRI.
- ABRI then contacted the American University in Beirut and the Stockholm International Water Institute to learn their interest in participating in the program. Both responded enthusiastically. As of the writing of this progress report, AUB has agreed to participate in the activity and will use its resources from the Issam Feras Center to fund Syrian participation. They will be given a grant by ABRI to cover program support costs. SIWI is interested to develop a three-way partnership with ABRI and ETIC to merge our technical effort with their institutional support through the Swedish International Development Agency.
- ABRI also identified Dr. Faisal Rifai to be full-activity manager and to work closely with the chief of party. It is awaiting CTO technical approval before proceeding with CO rate approval.
- The chief of party has also agreed to speak at a State Department-funded conference that is jointly organized by ETIC and the University of New Mexico in mid-March at the University of Gaziantep in southeastern Turkey.

TASK 2: IMPROVE WATER RESOURCES MANAGEMENT

Activity 2.1: Promote Improved Valuation of Water

We have dropped this activity due a lack of funds sufficient to manage an activity of this size.

Activity 2.2: Identify Opportunities for Improved Aquifer Management in Yemen

Activity personnel: Ali Farhan (of the Yemeni firm HydroYemen).

- The Government of Yemen's National Water Resources Agency proposed that the study take place in two sub-basins in Wadi Hadhramawt.
- USAID has approved a new scope of work and HydroYemen recruited a technical team. The team consists of Ali Farhan (water resources planning), Said Al-Shaybani (hydrologist), Noori Gamal Mohammed (hydrogeologist), Adel M Alsakkaf (irrigation agronomist), Dr. Alkhateeb Yahya M. Al-Kebisi (groundwater modeling expert), and Nabil Abdul Qader Mahyoub (data management expert).

Activity 2.3: Integrate Irrigation Water User Participation into the Latest Commercialization and Private Sector Management Thinking (Phase 2)

Activity personnel: Stan Peabody (activity manager, STTA water users association specialist, DAI) and Amer Jabarin (STTA agricultural economist, ECO Consult).

- The team prepared for and held a workshop for 55 participants from water users associations in Amman, Jordan from December 1-3. The workshop was held at the National Center of Agricultural Research and Extension.

TASK 3: IMPROVE WATER SUPPLY AND SANITATION SERVICES

Activity 3.1: Support ACWUA and Its Technical Working Group on Poverty Orientation

Activity personnel: Ra'ed Daoud (activity manager, ECO Consult)

- The COP and Ra'ed Daoud met with the Secretary General of ACWUA in Amman to discuss an expansion of ABRI support at his request. The program includes activities focused on building the institution, expanding the business plan, supporting technical working groups, and exploring the transfer of the Future Water Leaders Program into ACWUA.
- The chief of party attended and was invited to speak to the General Assembly of ACWUA in early November in Alexandria. He outlined ABRI's proposed support program of activities.
- In Amman in December, the COP was invited to attend the signing of an agreement between ACWUA and the Government of Jordan for the association to be permanently housed in Amman. He spoke with the Secretary General, the head of the Utility Management Technical Working Group and a representative of the International Water Association about a budding partnership between ABRI and IWA.
- ABRI worked with the head of the Poverty TWG to design the approach of the activity, including use of the Future Water Leaders from six countries working with TWG members and a workshop to be held in April in Morocco drawing them all together.
- The team working with ECO Consult to develop a list of questions to be pursued by the FWLs.
- The COP met with the FWLs in Cairo at the second module and identified six members to work on the TWG.
- The COP worked with the FWL in Beirut and Cairo and Ra'ed Daoud is working with the FWLs in those countries who would be participating.

Activity 3.2: Develop Regulatory Reform Platform

We have dropped this activity due a lack of funds sufficient to manage an activity of this size.

Activity 3.3: Promote Regulatory Twinning between Egypt and Abu Dhabi

- Mohammed Abdul-Wahab, general manager for tariffs and pricing at the EWRA, traveled to Abu Dhabi to meet personnel from the Abu Dhabi Regulation and Supervision Bureau (RSB) and Abu Dhabi Distribution Company (ADDC) from November 9-13. The purpose of his visit was to gain a better understanding of those agencies' tariff review and pricing processes for delivery of water and electricity.
- Mr. Abdul-Wahab learned about the economic underpinnings of RSB's tariff-setting policy, the "CPI-X" model that creates a revenue cap for suppliers of water. If a company can reduce its price below the cap, it can earn additional profits. He also learned about the economic methods of capturing different types of operating costs and about information flow between regulators and operators.

Activity 3.4: Support Water Utilities in Africa

Activity personnel: Del McCluskey and Jeremy Hagger

- Del McCluskey attended the World Bank Water and Sanitation Program and UN-Habitat sponsored Africa Water Operators Partnership (AWOP) meeting for Southern Africa, held in Lesotho October 8-10. This was an opportunity to engage with water utility operators and organizations active in supporting improved access to water and sanitation throughout the region.
- Approximately 65 representatives from 20 countries attended the workshop.

- The team met with Dennis Mwanza, the acting Secretariat for the AWOP, to discuss areas where ABRI could provide assistance.
- The team reviewed the utility assessments conducted by WSP for almost 200 utilities in Africa.

TASK 4: OVERARCHING PROGRAM SUPPORT

Activity 4.1: Launch the Future Water Leaders Program in the Middle East and Africa

Activity personnel: Dan Rothberg (ABRI DCOP), Manar Fayyad (senior advisor), and Samir Shawky (logistics and training specialist).

- ABRI held the second module of the Future Water Leaders training program from December 14-18 in Cairo, Egypt. Full details on the module are included in the ABRI report, "Training Report, Future Water Leaders Module 2."
- Twenty two of the twenty seven invited participants were able to attend. One from Abu Dhabi was unable to attend due to prior work commitments. Three from Iraq and one from Gaza were unable to attend because they could not acquire visas to travel to Egypt.
- The theme of the module was regulatory reform. We challenged participants to consider the role of the independent economic regulator in relation to service providers (water and wastewater utilities) and the public (customers). The learning methodology was to address this rather complex topic through 15-minute "mini-lectures" followed by extensive group discussion. Thus, over several sessions, we discussed the meaning of economic regulation, the attributes of a good regulator, the range of regulatory models, and other topics.
- The formal host of the event was the Egypt Water and Wastewater Regulatory Agency. As such, the EWRA provided the keynote speaker, two guest lecturers, and ten guest participants.
- Concurrent with Activity 3.3, the Abu Dhabi RSB provided two instructors free of any labor charge to ABRI. The instructors – Colin Hannan and Mark Clifton, Directors of Water Services and Economic Regulation, respectively, traveled to Cairo and delivered lectures over three days of the module.
- ABRI formally engaged two instructors for the module: John Sitton from consortium-member EMG, who is an American specialist in utility operations and certified public accountant with deep experience in utility regulatory reform; and Nevine Abdelkhalek, the Egyptian president of the Giza Rotary Club and expert in professional leadership and human resources development. There were several Egyptian guest speakers, as well, including the deputy minister of housing and urban development, the director of the Egypt Electricity Authority, and the tariff and pricing manager and director of water quality audits, both from the EWRA.
- Concurrent with Activity 3.1, we engaged six of the participants to become members of the ACWUA technical working group on poverty.

Activity 4.2: Mobilize Private Sector and Foundation Involvement in ABRI Activities

Activity personnel: Kristina Kohler (activity manager, public-private partnership specialist, DAI), Nematalla Guenena (public-private partnership specialist, EQI) and Jeremy Hagger (Africa partnership specialist).

ABRI Program Related Activities

- **African Strategy and Bureau Support.** Kohler provided donor profiles on the European Investment Bank, European Union Water Initiative, and GTZ/BMZ/KfW to Carl Mitchell. At the Sanitation for the

Urban Poor Symposium in Delft, NL, she met Paul van Koppen, director of the EUWI Africa Working Group, and Murray Bielder from the European Commission water group and facilitated a personal introduction to Carl Mitchell before his attendance at the EUWI African Working Group December meeting in London. During the Symposium, Kohler nurtured SIWI-contacts (e.g. SNS Real, Women for Water Partnership, IRC, UN-Habitat, WSSCC) and also made contact with other prospective implementation partners for Africa in the water and sanitation sector such as WaterAid, Eawag, Uganda Water & Sanitation NGO Network, Community Water and Sanitation Agency (Ghana), WSP Kenya and Connect International.

- **AWOPs (African Water Operator Partnerships).** Jeremy Hagger attended the Lesotho meeting of AWOPs to determine opportunities for possible engagement of ABRI in support of the AWOPs formation. The meeting included more than 65 participants from 20 countries to discuss issues faced by African water utilities, leading to a request by USAID to draft a scope of work that will support 1-2 Utility-to-Utility partnerships in Nigeria.
- **ACWUA.** The team met with Eng. Khaldoun, General Director of ACWUA, in Amman, Jordan to discuss specific ways that ABRI could support the ACWUA activities, in particular how our partnership outreach can strengthen the technical working groups and member activities around financing, climate change, governance and IT. Kohler also met with Paul Reiter, Darren Saywell, Tom Williams and Keith Robertson from IWA to discuss partnership specifics for an MoU to support ACWUA, including coordinating our work plans/concept papers to ACWUA. Confirmation from all parties to move forward with an MoU (to be launched at World Water Forum in March) has been secured.
- **Data Management for Tigris-Euphrates.** Potential partnership opportunities will be explored once this activity begins.
- **Future Water Leaders.** Further partnership conversations are on hold until the strategy as to whether and where FWL program will be housed post-April 2010 is clarified. However, initial prospects for curriculum involvement include IWA, World Bank Institution, UNC Water and Wastewater Leadership Center.
- **Improved Water Use Efficiency and Commercialization for WUAs.** The team participated in the first WUA workshop in Jordan to assess partnership needs for the activity going forward. CropLife Federation, an association of agro-businesses, expressed interest for continued involvement in the program. Given the change in the activity format, in the next quarter, we will explore where the appropriate partnership intersection points are for private sector engagement going forward.
- **Roundtables for Private Sector in the Middle East.** Guenena and Reiss met with the Arab Network for Environment and Development (RAED) to explore co-sponsorship of round tables on the topic of climate change and governance with ACWUA as well as getting publication space in their monthly newsletter that has regional distribution. The team also met with the American Chamber of Commerce to discuss how ABRI could partner with them in putting together a water panel for their annual regional conference to be held in May, in Amman, Jordan. A concept paper will be submitted in January to AmCham for consideration. The overall conference theme is "Water, Energy and Environment".
- **Financing for Water and Sanitation Round Tables.** Kohler, in cooperation with USAID Microenterprise Office, kicked off the Microfinance for Water and Sanitation round table series in the US with 19 organizations in attendance, including the Gates Foundation, Opportunity International, Accion, WaterPartners International, USAID's Environmental Services Program, WSP/USAID HIP Peru Sanitation Market Program, CARE, Aga Khan, CHF International, Sa-Dhan, Women's World Banking, ARC Finance, Shorebank, BORDA, Development Works, Development Alternatives Inc, International Water Association and International Water and Sanitation Center (IRC). The round table series was also advertised at the IRC Sanitation for the Urban Poor symposium and garnered additional interest from over 10 additional organizations. In Cairo, Guenena and Kohler met with the network of MFIs in the MENA region – Sanabel – which expressed interest to collaborate on a round table series in the Middle East and feature microfinance for wat/san at their annual conference in Beirut, Lebanon in May 2009. Hagger had preliminary conversations regarding possibilities of Nairobi as the African venue for the round table series as significant Kenyan and regional expertise is concentrated there.
- **Women in Water.** Addressing the mandate to include „gender’ in the ABRI program activities, the team has been reaching out to various women's groups that have expressed interest in the topic of water and women's role in its management, such as Women for Water Partnership and various Arab

women's groups. Hagger also connected ABRI to the USAID Women in Development (WID) program as well as Women Farmers Advancement Network (WOFAN) in Nigeria to explore ways to create a regional network around women in water issues in Africa. The team is exploring ways to support the women in water pre-conference to World Water Forum in Istanbul.

- **Sanitation.** Kohler attended the IRC Sanitation for the Urban Poor symposium in Delft, NL which focused on partnership and governance to learn more about the opportunities and approaches in this sector. See "Africa" section to see which organizations were contacted for possible collaboration in this arena.

Activity 4.3.1: Support the Development of State-USAID Water Framework

No actions were required on this activity during the quarter.

Activity 4.3.2: Support to the Africa Bureau

Activity personnel: Peter Reiss and Dan Rothberg (activity managers), Del McCluskey on the trainings and Jeremy Hagger (program management specialist, DAI).

The Africa Bureau engaged the ABRI team for multiple activities geared to improve the programming of funds by USAID Missions in sub-Saharan Africa.

- Training – DAI's Del McCluskey and Walter Weaver joined TRG's Kathy Allison and Patricia Garcia over several sessions with Carl Mitchell, Heather Skilling, and members of the Africa Bureau's water team to design training sessions on water, sanitation, and hygiene for Mission staff throughout Africa. They met to determine locations, audience, methodology, topic, and overall budget.
- Programming Guidelines – ABRI engaged a team to assist the Bureau with the writing of a programming guide for Mission staff on how to use funds for water, sanitation, and hygiene. The team had its first formal meeting with the members of the Bureau's water team in mid-December. The team consists of EMG's Craig Buck (team leader, specialist in Mission programming), John Sitton (finance and utilities), and Susan Otchere (hygiene), Social Impacts Carolyn Barnes (gender, M&E), and TRG's Kathy Allison, who serves as the facilitator and will ensure links between the Guidelines.
- Bureau Decision Support – To enable Bureau personnel to better understand the region and direct interventions, we prepared several items: 23 country profiles, four summaries of donor activities, and a compendium of data on key indicators for water supply and sanitation.
- Separate from the Bureau support activities, AFR also requested that ABRI provide funding support to the Infrastructure Conference for Africa, sponsored by the African Development Bank in Dakar, Senegal in November. ABRI provided funds for the conference facility and participant travel.

Activity 4.3.3: Support to AFR Missions

No actions were required on this activity during the quarter.

Activity 4.4. Showcase ABRI in International Venues

World Water Forum, March 16-22, 2009, Istanbul, Turkey

- We have confirmation that the following USAID programs will feature panelists at the World Water Forum 5: (a) Theme 5.1: Philippine Water Revolving Fund with Under Secretary Paul from the Philippine Finance Ministry, (b) Theme 5.2: Jordan Cost Recovery Program with Kamal Zoubi, CEO

of Miyahuna Jordan Water Company, (c) Theme 5:3: Microfinance for Sanitation with General Director of Scotiabank, Peru.

- ABRI will also be featured in other sessions including Theme 6.3: Using the Assets of Professional Associations and Networks to Strengthen the Water Sector (while not on the panel, our network approach will be featured), Theme 3: ETIC will be presenting and Theme 4: USAID will be co-convening a panel on integrated water resources use, particularly conjunctive use.
- Under consideration is still on for the USAID-funded Lebanon Water Policy Program and Financial Accounting/Cost Recovery program in Jordan.
- Kohler is working with USAID water team to produce marketing materials and the booth design.

Activity 4.5. Conduct Study of Wastewater Reuse in Morocco

Activity personnel: Said Ouattar (team leader), Mohammed Bourrass (irrigation engineer and financial analyst), Mustafa Naimi (GIS and soil scientist), Jean Karam (institutional expert).

- In response to a request in mid-2008 from USAID/Morocco, we are assisting the Government of Morocco in identifying and assessing options for wastewater reuse for agriculture in the region of Meknes. This includes designing a pilot project.
- The team made 13 field visits and held six meetings with the Government coordinating committee.
- The team conducted a survey of farmers and processed and presented its data. The survey assessed the willingness of farmers to participate in the pilot project and whether they are willing to pay for treated wastewater.
- The team identified three potential irrigated perimeters based on their field visits and processed satellite images. The team developed seven maps showing targeted perimeters, administrative boundaries, soil types, irrigation networks, and cropping systems.
- The team presented a draft rapid appraisal report to the government coordinating committee.

TASK 5. PROGRAM MANAGEMENT

Activity 5.1 Provide Program Management

Activity personnel: Peter Reiss (activity manager), Dan Rothberg (DCoP), Alaa Hafez (program accountant and coordinator/Cairo), and Hilary Langer (project coordinator/Bethesda).

- The CTO directed the CoP to relocate his base of operations to DAI's headquarters in Bethesda to better enable him to manage work taking place across a broad geographic area and to serve clients both in Washington, D.C., and the Middle East. As such, we began preparations for close-down of the Cairo office and disposition of the small amount of non-expendable property.

2. OPERATIONAL PROBLEMS AND SOLUTIONS

- **Future Water Leaders:** The participant from Gaza and the three participants from Iraq were unable to secure visas to travel to Egypt for the second training module. Given the current political situation in Gaza and the fact that the Gazan participant was also unable to travel for the first module, we have invited an alternate candidate to join the program. We will continue to send the Gazan participant the training materials and will extend an invitation to her for future modules, but do not anticipate that she will be able to attend. As for the Iraqis, the visa situation changes frequently. We currently understand that Iraqis can travel to Lebanon without difficulty; however, if we hold Module 3 there, we may create new problems for participants from the West Bank. Our first choice is to hold Module 3 in Morocco, and we are now exploring travel restrictions for Iraqis to that country.
- **Yemen Aquifer Management:** Due to slow decision-making within the Yemen NWRA, there was a five month delay that changed the location of the study site from Abu Ahwar to Wadi Hadhramawt. There have been additional challenges around an MOU between USAID, the Ministry of Water, and the NWRA. This issue has now been addressed and the activity will proceed.
- **Morocco Wastewater Re-use Study:** The team encountered delays due to heavy rains and the unavailability of Moroccan government counterparts who were on pilgrimage to Mecca. However, no further delays are expected.
- **EWRA – Abu Dhabi RSB Twinning:** We originally intended for two people from the EWRA to travel to Abu Dhabi, Mohammad Abdul-Wahab, the general manager for tariff and pricing, and Mohamed Hassan, the head of technical regulation. However, Mr. Hassan was denied a visa. As with the Future Water Leaders program, our best solution is to endeavor to submit visa applications as early as possible.
- **Program Management:** During his visit to Washington, DC in September 2008, the COP held meetings with ME and AFR bureaus. At that time, he was asked to relocate from Cairo back to DC in order to be in closer proximity with USAID. He agreed to relocate in January 2009. At present, he will leave Cairo on 1 February to return to the United States and make regular visits to the regions.

3. SCHEDULE OF ACTIVITIES: JANUARY – MARCH 2009

TASK 1: PROMOTE TRANSBOUNDARY WATER COOPERATION TO IMPROVE WATER SECURITY

Activity 1.1: Design and Hold an International River Basin Workshop and Convene a Technical Working Group for the Middle East, Africa, and Asia

- This activity is on hold.

Activity 1.2: Design a Track 2 Shared Initiative by Riparians on the Tigris-Euphrates

- We require technical and rate approval for Dr. Faisal Rifai as activity manager.
- ABRI will pursue and finalize negotiations and grants or subcontracts with AUB and ETIC.
- The COP will speak at a conference at the University of Gaziantep in Turkey prior to WWF in Istanbul in mid-March.
- ABRI will convene a meeting with the component leaders of the ETIC activity in March following WWF.
- We expect to launch implementation as quickly as possible, following USAID agreements on all contracts and individuals.

TASK 2: IMPROVE WATER RESOURCES MANAGEMENT

Activity 2.1: Promote Improved Valuation of Water

- This activity is on hold.

Activity 2.2: Identify Opportunities for Improved Aquifer Management in Yemen

- The technical team will complete Task 1 (review and consolidation of information and database) by February 28, 2009.
- Task 2 (review and design of a monitoring network) will begin on February 1.
- Task 3 (well and spring inventory) will begin on February 15.

Activity 2.3: Integrate Irrigation Water User Participation into the Latest Commercialization and Private Sector Management Thinking (Phase 2)

- The team will prepare for workshops to be held in Egypt the week of January 27 and in Morocco, likely the week of February 22.

TASK 3: IMPROVE WATER SUPPLY AND SANITATION SERVICES

Activity 3.1: Support ACWUA and Its Technical Working Group on Poverty Orientation

- Work with IWA in a collaborative fashion to support the goals of ACWUA and meet with the director in February
- Submit detailed memo to ACWUA regarding proposed activities and meet with the secretary general and others to finalize the program
- Prepare for the Morocco meeting of the Poverty TWG in Morocco
- Establish brief implementation plans for each activity in association with ACWUA and begin efforts as quickly as possible

Activity 3.2: Develop Regulatory Reform Platform

- This activity is on hold.

Activity 3.3: Promote Regulatory Twinning between Egypt and Abu Dhabi

- Mohammad Abdul-Wahab will continue his relationship with personnel from RSB by learning more about the details of calculating water tariffs, creating Performance Incentive Schemes, and establishing wastewater tariffs.

Activity 3.4: Support Water Utilities in Africa

- ABRI will work with Carl Mitchell of AFR to determine appropriate ways for ABRI to support AWOPs or possible twinning arrangements.
- We will explore and elaborate upon other possible areas for AFR engagement, including:
 - Possible activities with the Africa Forum for Utility Regulators (AFUR), a multisectoral regulatory support mechanism.
 - Support sharing of experiences in the use of performance based contracts by governments with utilities and by utilities with staff.

TASK 4: OVERARCHING PROGRAM SUPPORT

Activity 4.1: Launch the Future Water Leaders Program in the Middle East and Africa

- We will begin preparation for Module 3, to cover asset management and public-private partnerships, in June, either in Morocco or Lebanon. We are in discussions with an ABRI consortium member, the Institute for Public-Private Partnerships (IP3) to lead the module.
- We intend for Module 4 to consist of 2-4 separate groups of participants on study tours of mutual interest. Activity Manager Manar Fayyad will interview the participants by telephone to better understand their career paths so that we can tailor the design of each study tour.
- We wish to engage FWL participants in ABRI activities. In that regard, six of the participants will travel to Morocco for the ACWUA TWG on poverty. Likewise, Dr. Fayyad is interviewing the other participants to determine how they, too, can contribute to ABRI, particularly on the Yemen aquifer and Morocco wastewater re-use studies.
- The team is making plans to ensure the sustainability of FWL beyond the life of ABRI. This includes forming partnerships with possible host entities and content providers. We are preparing a map of leadership training organizations in the Middle East and defining the final outputs of the FWLP (e.g., a set of training materials). In that regard, Dr. Fayyad will travel to the U.S. in late February to meet with ABRI management in Washington and with the University of North Carolina business school, which has a program specializing in leadership for people from water utilities.

Activity 4.2: Mobilize Private Sector and Foundation Involvement in ABRI Activities

ABRI Program-Related Activities

- **African Strategy and Bureau Support.** We will proceed with targeted partnership development efforts based on approval of scope of work for Africa partnership activities.
- **ACWUA.** Following feedback from ACWUA, we will assess the feasibility and most appropriate opportunities for partner outreach. A Memorandum of Understanding for a partnership between ABRI and IWA will be drafted by Kohler and finalized before the World Water Forum.
- **Data Management for Tigris-Euphrates.** Once the organizational and financial structure of ETIC is finalized and the activities can commence, the team will evaluate partnership opportunities.
- **Future Water Leaders.** Based on strategies for housing Future Water Leaders in the future, we will evaluate appropriate partnership opportunities.

- **Round Tables in Middle East.** Guenena and Kohler will finalize with AmCham what topics and speakers to bring to their regional conference and based on ACWUA priorities, we will focus on developing topical round tables for the MENA region.
- **Improved Water Use Efficiency and Commercialization for WUAs.** Guenena will work with Amer Jabarin to cultivate appropriate private sector contacts for the upcoming work in Egypt and Morocco.
- **Financing for Water and Sanitation.** Kohler and Guenena will work with Sanabel and other microfinance organizations in the MENA area to plan for a series of regional round tables and to feature Microfinance for Water and Sanitation at the Sanabel regional conference to be held in May. Africa Bureau has indicated that they do not have the funds to support a round table in Africa.
- **Women in Water.** The team will continue discussions with Women for Water Partnership, connect them to regional women's associations and relevant NGOs in support of the pre-conference at World Water Forum on Women in Water issues and seek to bring appropriate partner organizations representing the woman's perspective and experience with water into both WUA and ACWUA activities.

Prospecting

- **Donor Outreach.** Guenena will contact donors such as Kuwait Fund for Arab and Economic Development (KFAED), Abu Dhabi Fund for Development and the Arab Fund for Economic and Social Development (AFESD).
- **Ongoing Partnership Development.** The team will continue conversations and explore collaboration opportunities with association and network targets identified during World Water Week and Business Platforms in the Middle East and Sanitation for the Urban Poor Symposium.

Activity 4.3.1: Support the Development of State-USAID Water Framework

- Del McCluskey will incorporate various edits and comments recently received from USAID. DAI's Publications team will make the final document compliant with section 508 of the Rehabilitation Act of 1973, ensuring that readers with disabilities are fully able to access the document.
- Mr. McCluskey will prepare a two-page synopsis of the Framework report and DAI's Publications team will format it suitably for public distribution at the World Water Forum in Istanbul, Turkey in March.

Activity 4.3.2 Support to the Africa Bureau

- The Guidelines team will prepare a first draft of the document by March.
- The Training team will prepare, and facilitate the preparation of, detailed modules for trainings currently scheduled for May.
- We expect to continue to update and/or prepare country profiles, regional profiles, donor profiles, and NGO profiles as needed.

Activity 4.3.3: Support to AFR Missions

- No activities are currently planned.

Activity 4.4. Showcase ABRI in International Venues

- We will continue to work with World Water Forum topic coordinators to ensure content and speakers from USAID programs will be represented at the World Water Forum in Istanbul, Turkey in March 2009. We will work with the water team to design and produce the marketing materials and booth panels.

- We will pursue conference panel opportunities with IWA's Development Congress (Mexico, Sept 2009) and suggest and possibly submit panel topics for the upcoming August SIWI World Water Week.
- We will explore possibilities for USAID to get involved with the 2nd African Water Week (date TBD).

Activity 4.5. Conduct Study of Wastewater Reuse in Morocco

- The team will organize and implement field visits, visit government agencies and present its findings to USAID in Rabat.
- The team will revise Deliverable 2: situational analysis of the selected irrigation perimeter examining constraints for wastewater reuse, current cropping systems and new systems to be developed, farmer concerns, and willingness of farmers to participate.
- The team will prepare Deliverable 3: water quality assessment and monitoring guidelines for effluents in and out of the treatment station. The team will sample, assess, and monitor wastewater quality parameters.
- The team will prepare Deliverable 4: pilot project design report that includes technical and institutional components (wastewater management, irrigation system design, and institutional framework).

TASK 5. PROGRAM MANAGEMENT

Activity 5.1 Provide Program Management

- Peter Reiss will demobilize from Cairo the final week of January. As part of that process, program associate Hilary Langer will travel to Cairo to assist with property disposition, closing of bank accounts, and ensuring completion of accounting and project records prior to those documents being shipped to Bethesda.
- Upon Peter Reiss' return to Bethesda, we will revise the program budget accounting for revised spending patterns due to his location in the U.S. (e.g., reduced logistics costs in Egypt, more efficient management structure in Bethesda, increased travel costs) and submit a formal request for contract modification.

ANNEX A. ABRI PUBLICATIONS TO DATE

1. Training Report, Future Water Leaders Module 1. October 2008.
2. ABRI Quarterly Report 4: April – June 2008. August 2008
3. ABR Year Two Workplan. July 2008
4. Mapping of Alliance and Partnership Opportunities and Implementation Plan. June 2008
5. Water User Associations in the Middle East: Drivers for Commercialization and Improved Water Management? June 2008
6. Quarterly Report 3: January – March 2008. April 2008.
7. Future Water Leaders Program Announcement and Application. April 2008.
8. ABRI Co-investment Strategy. March 2008.
9. Water User Associations in the Middle East: Preliminary Findings and Next Steps. March 2008.
10. ABRI Quarterly Report 2: October – December 2007. January 2008.
11. Assessing Transboundary and Domestic Aquifer Opportunities for Joint Action in Yemen, Jordan, and Saudi Arabia. January 2008.
12. ABRI Quarterly Report 1: May – September 2007. November 2007.
13. Bujagali Dam Environmental Mitigation Assessment. August 2007.
14. ABRI Year One Workplan. June 2007.