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ADVANCING THE BLUE REVOLUTION INITIATIVE

QUARTERLY REPORT 5: JULY – SEPTEMBER 2008

OCTOBER 2008

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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.

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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 will 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
October 21, 2008
Chief of Party
Cairo, Egypt
USAID/Advancing the Blue Revolution Initiative
Development Alternatives, Inc.

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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
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
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
OMEF	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 (OMEP) 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 5, the period of July – September 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.** During the period, the Chief of Party and the DAI Contracts Specialist handling ABRI went to Kent State University for a meeting on ETIC and KSU's anticipated role on the activity. Problems had arisen between the university and the riparian members of ETIC about ownership of the initiative, adding a stumbling block into the implementation of our own activity. The meeting was open and productive and took place just days before ETIC founders met in Istanbul to resolve the issue. We would a renewed commitment to ETIC on the campus and a reconfirmation of their interest in working with ETIC on the data management/harmonization effort.
- **Future water leaders.** The team held the first training module with 22 participants in Amman, Jordan in August. The five-day module addressed the theme of expanding the network to reach the poor. We enlisted expert instructors with backgrounds in political science, wastewater sanitation, and change management.
- **Co-investment.** The co-investment team has been active in (1) designing and implementing round tables in the Middle East and the US to promote ABRI's activities, (2) facilitating introductory partnership discussions for USAID ANE and Africa Bureaus with the International Water Association (IWA), UN-Habitat, and European Investment Bank, (3) supporting the Africa Bureau in its effort to gain a better understanding of the donor funding areas and other partner opportunities and (4) continuing to nurture specific partnership prospects for ABRI activity alliances.
- **World Water Week in Stockholm, Sweden.** During World Water Week, from August 17-23, we convened a panel discussion on innovative financial mechanisms in the water supply and sanitation

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.

sector. The panel included USAID Deputy Assistant Administrator Jacqueline Schaefer and speakers from the Philippines, Mexico, India, and Kenya. The co-investment team also coordinated a side event to introduce ABRI and solicit expressions of interest for partnership which was very well received and attended by 26 organizations including business associations, water partnerships, NGOs, bilater and multilateral donors.

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

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

- Training Resources Group's Kathy Allison began planning for this event and DAI began recruitment from its ABRI team. The University of Texas, Oregon State University, Riverside Technologies of Colorado, and SETS of Lebanon all put forward highly qualified candidates.
- ABRI must also reconsider in conjunction with USAID the feasibility of conducting this activity, given budget demands by the AFR Bureau. Based on meetings between ABRI and the AFR Bureau, it became clear that the program does not have the discretionary funds to undertake this activity. The Chief of Party will submit a memo to USAID asking for a reconsideration of program priorities and funds allocations.

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

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

- ABRI was forced to put a hold on the implementation of this activity until Kent State University and ETIC resolved a growing dispute over ownership of the initiative. ETIC riparians had unilaterally incorporated ETIC as a not-for-profit in the US. KSU claimed intellectual rights to the name and concept. The two sides reached an impasse, and implementation of our activity was blocked. ABRI was in touch with prospective team members but could not do anything until resolution. However, it did intervene by setting its own conditions for working with ETIC and KSU, including the requirements for a signed memo of understanding, appointment of a campus coordinator, identification of a program manager, a strategy for bringing in riparian universities and NGOs, a plan for program support, and a workable budget.
- To move the process ahead, on 1 October, the Chief of Party and the DAI Contracts Specialist handling ABRI went to Kent State University for a meeting on ETIC and KSU's anticipated role on the activity. Problems had arisen between the university and the riparian members of ETIC about ownership of the initiative, adding a stumbling block into the implementation of our own activity. The meeting was open and productive and took place just days before ETIC founders met in Istanbul to resolve the issue. We would a renewed commitment to ETIC on the campus and a reconfirmation of their interest in working with ETIC on the data management/harmonization effort.
- ABRI is prepared to move ahead expeditiously as soon as the above problems are resolved with adequate assurance.

TASK 2: IMPROVE WATER RESOURCES MANAGEMENT

Activity 2.1: Promote Improved Valuation of Water

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

- DAI began recruitment from its ABRI team. Several subcontractors put forward highly qualified candidates. At the same time, our Jordanian partner, Oversees for Sustainable Development, offered Dr. Hasam El Naser, a former Minister of Water and Irrigation, to begin preliminary discussions in several host countries. Also, partnership specialist Kristina Kohler began discussions with the European Organization for Economic Cooperation and Development (OECD) to leverage their existing work in this field.

- ABRI must also reconsider in conjunction with USAID the feasibility of conducting this activity, given budget demands by the AFR Bureau. Based on meetings between ABRI and the AFR Bureau, it became clear that the program does not have the discretionary funds to undertake this activity. The Chief of Party will submit a memo to USAID asking for a reconsideration of program priorities and funds allocations.

Activity 2.2: Identify Opportunities for Improved Aquifer Management in Yemen

- USAID/Yemen's Economic Growth and Agriculture Team Leader, Wadea Al Sattar, provided approval for ABRI to proceed on an aquifer management study. Dr. Ali Farhan of the Yemeni firm Hydro-Yemen will lead the study.

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).

- After revisiting the plan and questioning the likely tangible outcomes of the approach, the team agreed to change course to focus on country-level activities in Jordan, Egypt and Morocco. Instead of starting with an international workshop with a limited number of stakeholders from any country, we decided that we should engage a full range of stakeholders in dialogue with a few WUAs to develop WUA-specific action plans and then follow their implementation. The purpose of the plans is to create mutually beneficial agreements between WUAs and other stakeholders to provide information and services to WUA members through the WUA on a schedule that meets the needs of water users and the other stakeholders.
- Stan Peabody drafted preliminary designs for national workshops with water users associations representatives in Jordan, Egypt, and Morocco, to be followed by an international workshop, likely in Jordan. A multi-stakeholder workshop in each country will bring together members of about 4 WUAs and governmental and private sector stakeholders, from water authorities, extension and research to exporters, wholesalers and input providers, as well as NGOs and donors. A small representation from the other two countries and Turkey will also attend to share their experiences with the WUA members. At the end of the workshop, each WUA will have an action plan to be implemented jointly over the next cropping season. The first workshop is scheduled for December 1-2 in Jordan, followed by workshops in Egypt from March 22-25 and in Morocco from March 31-April 2, 2008.

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 ACWUA Poverty Orientation Technical Working Group (TWG) met on July 16, 2008 in Cairo to discuss TWG organization, focus and activities, and ABRI technical support. Seventeen ACWUA members participated in the meeting. Discussions were organized around four sessions: (1) the challenges in the region; (2) the focus of the TWG; (3) how the group will work together and with ABRI; and (4) what are the initial steps.
- It was agreed to open the floor for water utility practitioners and interested private sector and NGO's to participate in the TWG. However, ACWUA membership is now open for non-utility organizations, companies, practitioners and related agencies. The Pro-Poor TWG will have more nominations after the approval of the new members and the general assembly meeting in Alexandria in November 2008. For now, the participants agreed to form a core group now of 10-15 people, and then have an extended group from other agencies who would be able to work with the core group and support the program.

- The following meeting participants are nominated to be part of the Core Group: Mohamed el Alfy, Egypt Water Regulatory Authority, Saadou Ebih Ould Mohamed El Hacem – Mauritania, Ahmed Nizam – South Lebanon Water Authority, Abdel Salam Hakeem, Yemen Water Authority, Ibrahim Safi, Jerusalem Water Undertaking, Bassam Jaber, Lebanon Water Policy Project, Dr. Mohamed Hassan Mostafa, Egypt Water and Wastewater Regulatory Authority, and Nadia Abdou, General Director Alexandria Water Authority.
- The following next steps were agreed by the participants:
 - Mohamed Alfy (Chairman) will contact proposed core members with summary of agreements from the meeting, and seek their commitment to be a member of the core group;
 - He will also share the ACWUA guidelines on working groups and seek members feedback;
 - He will also incorporate feedback into umbrella guidelines and develop Organization for this TWG and share this with the members. Guidelines will include recommendations on sustainability.
 - ABRI will develop a SOW for Situational Mapping and Analysis Activity
 - ABRI will take the lead in the conduct mapping exercise and document current situation/issues/practices in the region
 - ABRI will strategize how the TWG share the regional experience
- The activity manager developed the first draft of the scope of work for activity the Pro-Poor technical working group. The activity would have three-four phases:
- The activity manager planned to attend an ACWUA-sponsored meeting at the Dead Sea in Jordan on Operation and Maintenance and meet with ACWUA members in mid-October.

Activity 3.2: Develop Regulatory Reform Platform

Activity personnel: Peter Reiss (activity manager).

- DAI began recruitment from its ABRI team. Several subcontractors put forward highly qualified candidates. At the same time, we have begun a dialogue with Munther Hadaddin of Jordan to begin preliminary discussions in several host countries.
- ABRI must also reconsider in conjunction with USAID the feasibility of conducting this activity, given budget demands by the AFR Bureau. Based on meetings between ABRI and the AFR Bureau, it became clear that the program does not have the discretionary funds to undertake this activity. The Chief of Party will submit a memo to USAID asking for a reconsideration of program priorities and funds allocations.

Activity 3.3: Promote Regulatory Twinning between Egypt and Abu Dhabi

- ABRI has worked with the Egyptian Water Regulatory Agency to determine its training needs in anticipation of a working visit by EWRA staff in November to Abu Dhabi. These needs include the following: performance indicators, water quality audit, water balance action plan, customer protection plans, licensing, cost of service study, tariff setting systems, subsidies, and customer affordability study. The first training will include Mohamed Hassan, Head of Technical Regulation of EWRA, and Mohamed Abdel Wahab, General Manager of Pricing Department at EWRA.

Activity 3.4: Support Water Utilities in Africa

Activity personnel: Walter Weaver and Jeremy Hagger

- Walter Weaver and Jeremy Hagger attended the World Bank Water and Sanitation Program and UN-Habitat sponsored Africa Water Operators Partnership (AWOP) meeting for West Africa, held in Dakar, Senegal September 17-19, as well as the Steering Committee meeting held on September 16. This was an opportunity to engage with water utility operators and organizations active in supporting improved access to water and sanitation throughout West Africa.
- Approximately 77 representatives from some 21 countries attended the workshop, which included case studies of best practices within the region, as well as site visits to Senegalese des Eaux (SDE) and Office National de l'Assainissement du Sénégal (ONAS).

- ABRI met key representatives from the African Water Association (AfWA), International Water Association - East and Southern Africa Region (IWA-ESAR), and Rand Water (which has offered to host the AWOP Secretariat). These will be key relationships as USAID/AFR considers partnership support to AWOP through ABRI.

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 first module of the Future Water Leaders training program from August 2-8 in Amman, Jordan. Full details on the module are included in the ABRI report, "Training Report, Future Water Leaders Module 1."
- Twenty two of the twenty six invited participants were able to attend. One from Morocco and one from Abu Dhabi were unable to attend due to prior work commitments. One from Iraq and one from Gaza were unable to attend because they could not acquire visas to travel to Jordan.
- ABRI engaged three instructors for the module: Dr. Elizabeth Kleemeier, an American political scientist with professional expertise on community based water supply and sanitation; Dr. Munjed Al Sharif, a Jordanian engineer with expertise on decentralized sanitation systems; and Dr. Dima Jamali, a Lebanese expert in change management. There were several Jordanian guest speakers, as well, including two former ministers of water and irrigation (one of whom is now an elected member of the national house of representatives) and the current director of the Amman water company.
- The theme of the module was "Expanding the Network to Reach the Poor." We challenged participants to consider this question as one they will face as future leaders. We discussed the social, engineering, and financial considerations to meet the water supply and wastewater needs of communities in urban and peri-urban settings.
- As this was the first of four modules with the same group of participants, we devoted time to introducing the ABRI program, placing the Future Water Leaders program in the context of water challenges in the Middle East, and building interpersonal networks among the participants.
- In addition, we introduced the participants to a leadership concept, change management. Change management considers the characteristics and actions necessary to guide an organization to new orientations regarding its business model, customers, and operations.

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

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

ABRI Program Related Activities

- **African Strategy and Bureau Support.** Following up on World Water Week, Kohler met with USAID Africa's Water Strategy team and provided a matrix overview of potential partners interested in collaborating with USAID on water supply and sanitation across Sub-Saharan Africa. She also began outreach to key donor contacts to provide input to Carl Mitchell on activities in Africa, and facilitated a follow-on call with the European Investment Bank which seeks innovative co-financing projects.
- **ACWUA and Data Management for Tigris-Euphrates.** Initial partnership opportunities have been identified but discussion on specific next steps are on hold until next quarter when the activities are ready to engage more concretely.

- **Future Water Leaders.** Partnership conversations were on hold until after the launch of the first training session which took place in July. In September, preparation began for the next training session on regulatory reform and collaboration discussions were conducted with World Bank Institute and United Nations University around program content, curriculum expertise or online training tools to leverage the program in the future. IWA and World Bank Institute expressed interest in Future Water Leaders and we are moving forward to identify how we could collaborate more concretely, starting with the sharing of curriculum.
- **Improved Water Use Efficiency and Commercialization for WUAs.** Kohler met with Syngenta which expressed great interest in attending the WUA workshops and in developing relations with WUA farmers. Syngenta provides drought resistant seed and agricultural technical assistance to farmers. International Water Management Institute (IWMI) has also expressed interest in sharing their WUA/IWRM expertise in support of this and other ABRI activities. The activity leads will decide in which context to incorporate these players into the upcoming workshops.
- **Roundtables for Private Sector in the Middle East.** Guenena met with Dr. Emad Adly, General Coordinator of the Arab Network for Environment and Development (RAED) which has extensive outreach in the Arab countries and access to contacts at high political levels. Potential areas of collaboration discussed include helping to convene round tables and workshops and to feature in their newsletter (Montada El Biah). Guenena also coordinated the Rotary Club of Cairo ABRI panel discussion on Water Scarcity in the Middle East which was chaired by David Barth, Director of USAID's Office of Middle East Programs (OMEP). Over one hundred people attended and ABRI will be featured in an upcoming Rotary newsletter distributed to nine countries in the region.
- **Financing for Water and Sanitation Round Tables.** Kohler designed a Microfinance for Water and Sanitation Round Table series in collaboration with USAID DCA's Ed Roche and Sashi Selvendran. Collaboration partners, who will present content, access to case studies and provide introductions to key stakeholders, include Water Partners International, IRC and the Gates Foundation.
- **Utility Capacity Building.** As a result of the May and June partnership discussions, USAID (Jim Franckiewicz) presented as a panelist at the UN-Habitat Global Water Operators session at World Water Week in August. During the same conference, Kohler and Guenena set-up one-on-one meetings for ABRI leadership to meet with UN-Habitat, Swedish International Water Institute (SIWI), Water and Sanitation for the Urban Poor (WSUP) and International Water Association (IWA). Direct results include: (1) invitation to Carl Mitchell and Jeremy Hagger to attend the Dakar, Senegal and Lesotho Africa WOPs regional meetings, (2) a follow-on meeting in Washington DC between IWA's Paul Reiter and Darren Saywell and USAID's John Wilson and Carl Mitchell for introductions and to discuss specific areas of collaboration, e.g. leadership training, water operator partnerships, twinning facilitation, IWA conference representation, information dissemination and World Water Forum participation, and (3) a follow-on meeting in Washington DC between UN-Habitat Strategic Advisor, Jan Janssens, World Bank Institute Aldo Baietti and USAID's Carl Mitchell to discuss collaboration on Nigerian AWOPs and leadership training academy.
- **Sanitation.** Kohler attended the USAID Sanitation Consultation and established relations with the Water Supply and Sanitation Collaborative Council (WSSCC), International Water and Sanitation Center (IRC) and CARE (engaged in the EMPOWERS program in the MENA region). Follow-up meetings were held in Geneva and Stockholm to explore partnership opportunities resulting in a verbal agreement with IRC to collaborate on knowledge sharing and information dissemination around Microfinance for Water and Sanitation case studies.

Marketing & Reporting Activities

- **ABRI Closed Meeting at World Water Week.** Kohler, with support from Guenena, organized a successful closed meeting to introduce ABRI to a broad range of European and international water partnerships, business associations, research institutes, and donors. The event was one of the largest attended USAID/State Department sponsored side events at a comparable venue in the past.
- Twenty six organizations (over 40 percent of those invited) were in attendance and expressed great interest in learning more about ABRI and shared specific ways they could envision partnering with USAID on various ABRI activities. Follow-on conversations are planned over the next months to vet the most impactful, strategic partnership opportunities.

- Identified opportunities for collaboration were highest on Access to Wat/San for the Poor (68 percent) and Strengthening Institutions & People (68 percent) activities; 50 percent expressed interest to collaborate on Water Use Efficiency and 36% on Transboundary activities.
- Ninety three percent of attendees said the event exceeded (62 percent) or met (31 percent) their expectations.

Prospecting

- **Conferences.** Guenena and Kohler joined the Chief of Party and Jeremy Hagger at World Water Week and made a number of new strategic contacts to support partnership outreach in the MENA and Sub-Saharan African regions. Details are available in respective trip reports.

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

Activity personnel: Del McCluskey (activity manager) and Jeremy Hagger (program management specialist, DAI).

- No actions were required on this activity during the quarter.

Activity 4.3.2 Design a Water Resources Strategy for the Africa Bureau

Activity personnel: Del McCluskey (activity manager) and Jeremy Hagger (program management specialist, DAI).

- No actions were required on this activity during the quarter.

Activity 4.3.3: Support to AFR Missions

Activity personnel: Del McCluskey (activity manager).

At the end of this quarter, ABRI agreed to support the following efforts with the USAID/AFR Bureau:

- **Training – Building on the Dar es Salaam workshop,** ABRI will develop an expanded and more in-depth training course covering water, sanitation and hygiene for USAID Mission staff throughout Africa. Heather Skilling will lead this effort and write a specific scope of work for ABRI early in the next quarter. Initial thoughts are to deliver the training to three sub-regions of Africa during March through May 2009.
- **Strategy –** ABRI may provide analytical and data support to the Bureau as it develops a water strategy for Africa. Any ABRI support will have a clear and narrowly defined scope given that the Bureau will lead the strategy process.
- **Programming Guide –** The Bureau will develop a scope of work for ABRI assistance in developing a water programming guide for Mission staff. Existing model guides include the Biodiversity Conservation guide, and the Hygiene guide, the latter of which may resemble the desired product more closely.
- **Country Profiles –** The Bureau requested revisions and updates to the country profiles to ensure consistency and accuracy of water and sanitation information, as well as donor activities in each country.

Activity 4.4. Showcase ABRI in International Venues

World Water Week, August 17-23, 2008, Stockholm, Sweden

- Guenena, Reiss, Kohler and Hagger attended the SIWI sponsored event and expanded the water industry network and awareness for ABRI.
- Hagger organized a session on “Highlighting Successes in Innovative Water Financing” which was well attended (~50 non-USAID associated people) and resulted in opening doors to include USAID more actively in future water financing conference panels, such as World Water Forum, 2008 World Urban Forum and OECD’s December water pricing and financing discussions.

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

- We have confirmation from Monica Scatasta, OECD (coordinator for Topic 5.2 “Pricing Strategies as a Tool for a Sustainable Water Sector”) that the USAID Philippine Water Revolving Fund and Under Secretary Paul from the Philippine Finance Ministry will be an official panelist, and we are also working to get representation for the USAID-funded Lebanon Water Policy Program and Financial Accounting/Cost Recovery program in Jordan.
- Kohler is working to get USAID featured under the Microfinance for Sanitation session under Topic 5.3 “Pro-Poor Financing Policies & Strategies” which is coordinated by Catarina Fonseca, IRC.
- Kohler has secured commitment from IWA’s Darren Saywell, coordinator for Theme 6.3 “Using Assets of Professional Associations and Networks to Achieve Millennium Development Goals”, that ABRI will have representation on that panel, giving us the opportunity to share our partnership approach with business associations as well as the Future Water Leaders program and network.

Activity 4.5. Conduct Study of Wastewater Reuse in Morocco

- DAI recruited personnel and submitted their names to USAID for approval.

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 Chief of Party made his first visit to the US since he was relocated to Cairo in early December 2007. While there he had multiple meetings at USAID with John Wilson, CTO, and with Carl Mitchell, Marc Andreini, Jessica Tulodo, and Heather Skilling of AFR, and with Aaron Salzburg and Joanne Cummings of State/OES. Meetings with AFR focused on the a new set of activities that the AFR Bureau and at State on ABRI’s efforts in alliance and partnership building.

2. OPERATIONAL PROBLEMS AND SOLUTIONS

- **Activity 4.1:** We identified several areas for improvement from the first module of the Future Water Leaders program. Most are related to preparation of the speakers and the teaching methodology and are delineated in the training report. The main operational problem related to difficulties in securing visas for the three Iraqi participants and one participant from Gaza. Ultimately, one Iraqi was never able to secure a visa, nor was the Gazan participant. Planning for the second module in Cairo, we will begin the visa application process earlier, and also request endorsement letters from USAID/OMEP and our Egyptian host agency, the EWRA. Nonetheless, it is highly unlikely that the Gazan participant will be able to attend. If that is the case, we will share all materials with her and do our best to maintain contact.
- **Program Management:** During the first half of the program's life, the Africa Bureau played a marginal role, requesting a single activity in Uganda at the onset of implementation in 2007 and the recent mission-oriented workshop in Tanzania. We now expect AFR to play a much heightened role. The newly constituted technical team, led by Carl Mitchell, has already given ABRI management a list of technical activities it wants us to implement, and we had several meetings with the AFR in late September. This renewed engagement will dramatically change ABRI's implementation focus. The new AFR team of five has now asked ABRI to (1) conduct three additional workshops for mission staff in water supply and sanitation finances, (2) develop a water and sanitation program design manual for mission staff, (3) provide analytical back-up for funding decisions to AFR missions, including water supply and sanitation profiles for many countries and a mapping of external investments in the sector in Africa by donors, foundations, and other entities, (4) develop a support program for the fledgling African Water Operator Partnership, and (5) support a November meeting in Senegal of the Infrastructure Consortium for Africa. These efforts will cost about \$775,000 – roughly the level of AFR funds remaining after meeting projected management obligations through the program's life.

These new demands require a rethinking and reallocation of program resources. It could mean the cessation of three activities that have been designed, with technical consultant recruitment underway, but not yet begun: (1) Regional River Basin Management Workshop, (2) Water Valuation, and (3) Regulatory Reform. While each of these activities is interesting and might stimulate change in the water sector, without access to the AFR funds, we do not have sufficient resources to carry them out. However, if USAID prefers to implement one or more of these, ABRI could delete other activities already underway or reduce the funding levels proposed in the table above. This requires further guidance from the ME Bureau and OMEP.

3. SCHEDULE OF ACTIVITIES: OCTOBER – NOVEMBER 2008

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

- Implementing this activity requires further guidance from USAID.

TASK 2: IMPROVE WATER RESOURCES MANAGEMENT

Activity 2.1: Promote Improved Valuation of Water

- Implementing this activity requires further guidance from USAID.

Activity 2.2: Identify Opportunities for Improved Aquifer Management in Yemen

- Work with the Yemen National Water Resources Authority (NWRA) to determine the final site for the basin assessment, now that the government has asked the program to shift the location from Abu Ahwar to the Hadramaut and secure USAID/Yemen agreement
- Assist the GOY and USAID/Yemen to prepare a memo of understanding to implement the activity
- Complete all subcontracting with Hydro-Yemen
- Convene the technical team and initiate implementation, including establishment of a field office in the area under investigation

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

- Make planning visit to Amman to prepare for first country-level workshop in Jordan bringing together a broad range of stakeholders from public and private sectors to agree to implement a pilot project
- Hold the workshop in Amman in early December, prior to the Eid
- Prepare for the second and third national workshops in Egypt and Morocco
- Arrange for national workshop facilitators, beginning with Ra'ed Daoud for Jordan

TASK 3: IMPROVE WATER SUPPLY AND SANITATION SERVICES

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

- Work closely with the new secretary-general of ACWUA to determine the priorities for ACWUA interventions, which go beyond the technical working group
- Assist the chairman of the Pro-Poor technical working group in reaching out to members to engage in initial efforts, including mapping targeted countries
- Complete design of the next phase of interventions, as agreed to in July Cairo meeting
- Engage experts in target countries to assist in data collection for mapping exercise, including fellows of Future Water Leader Program
- Prepare presentation for next week of ACWUA in Alexandria in mid-November

Activity 3.2: Develop Regulatory Reform Platform

- Implementing this activity requires further guidance from USAID.

Activity 3.3: Promote Regulatory Twinning between Egypt and Abu Dhabi

- Arrange for first training visit in November for EWRA staff to RSB in Abu Dhabi
- Arrange for logistical support for EWRA executive director to attend OECD meeting in Paris in early December

Activity 3.4: Support Water Utilities in Africa

- Attend water operators partnerships in Lesotho.

TASK 4: OVERARCHING PROGRAM SUPPORT**Activity 4.1: Launch the Future Water Leaders Program in the Middle East and Africa**

- We have engaged EMG's John Sitton and the commitment of technical instructors from the Abu Dhabi Regulatory Supervision Bureau and the EWRA. We will convene a planning session with these experts in Cairo in mid-October.
- We intend to implement Module 2, on regulatory reform, in Cairo for five work-days beginning Sunday December 14. While the original tentative starting date was December 1, we have delayed the dates due to the Eid al Adha holiday period (beginning around December 6 and lasting for a week) and the availability of our instructors.
- Undertake full preparations for Module 2, including all travel and meeting-related logistics for over 30 people, lecture preparations, and materials preparations.

Activity 4.2: Mobilize Private Sector and Foundation Involvement in ABRI Activities**ABRI Program-Related Activities**

- **African Strategy and Bureau Support.** Follow-ups from World Water Week with targeted partner prospects will be conducted in order to cultivate relations and set the stage for future partnership in Africa.
- **ACWUA.** Following the next technical working group meeting (targeted for November), we will assess the feasibility and most appropriate opportunities for partner outreach.
- **Data Management for Tigris-Euphrates.** Once the organizational and financial structure of ETIC is finalized and the activities can commence, the team will follow-up with bi-lateral donors and potential GIS technology companies to help manage and share the water data being captured by each geographic team.
- **Future Water Leaders.** Based on input from the first training session, a partnership strategy will be developed on who and how to best engage for short-term and long-term collaboration with the goal to solicit financial sponsorship from corporations in 2009.
- **Round Tables in Middle East.** Guenena will follow-up with (1) the Federation of Egyptian Industries to coordinate an ABRI presentation to their 16 chambers, (2) the Amman Chamber of Commerce which has offered to sponsor a presentation on the WUA activity, (3) Dr. Tarek Murad from the Danish Embassy to present ABRI to the donor committee on water in Cairo, Egypt and (4) the American Chamber in Cairo and MENA regarding their interest in developing an Information Clearing House on Water.
- **Improved Water Use Efficiency and Commercialization for WUAs.** Guenena will travel to Jordan with activity leads to meet with targeted business associations to solicit participation and input to the upcoming workshop in Jordan as well as continue the dialogue around areas of collaboration.

- **Financing for Water and Sanitation.** Kohler will launch the Microfinance for Wat/San Round Table Series during the SEEP Conference, in Washington DC on November 5, 2008. A write-up on the outcomes will be disseminated through the IRC website. Input from Aga Khan and Mercy Corps (active in Jordan) will inform how best to bring this series to the MENA region.
- **Utility Capacity Building.** Conversations with IWA and UN-Habitat will continue with the goal of moving toward an MOU in 2009.
- **Water Valuation.** This activity has been put on hold at the moment. Should it be reactivated, we can pick up on fruitful discussions to date with OECD.

Marketing Activities

- **Outreach Calendar.** Kohler has been updating the USAID Africa Bureau calendar with key water and sanitation relevant conferences. She will also continue to manage the ABRI input to the World Water Forum so that USAID will be well represented in various sessions in Istanbul in March 2009.

Advocacy

- **Corporate Engagement.** World Business Council for Sustainable Development (WBCSD), CEO Water Mandate and Water Footprint Network are private sector associations whose members are leaders in water resource strategies in the business sector. Kohler has made contact with these associations and will pursue targeted companies to support specific ABRI activities. We will work through Eric Viala to coordinate these efforts for the Middle East.

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). She will also explore private sector outreach collaboration with Danida Egypt's CSR program representative.
- **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, including the Federation of Egyptian Industries, Federation of United Arab Emirates Chambers of Commerce and Industry (FCCI), and American Chamber of Commerce (in Egypt) among others.

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

This activity has been completed.

Activity 4.3.2 Design a Water Resources Strategy for the Africa Bureau

- During the next quarter DAI will follow-up with World Bank contacts regarding specific areas for ABRI – AWOP collaboration; and participate in the next AWOP meeting for the southern Africa region from October 8-10 in Lesotho.

Activity 4.3.3: Support to AFR Missions and Bureau

- Work with USAID/AFR on the training, programming guide, country profiles, and infrastructure workshop in November.
- Develop water resources profiles for all AFR countries requested by the Bureau
- Complete mapping of all donor programs, bilateral and regional, in each AFR country prioritized by the Bureau

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 pursue conference panel opportunities with IWA's Development Congress (Mexico, Sept 2009) and the Investor Industry Summit by Debra Scott.

Activity 4.5. Conduct Study of Wastewater Reuse in Morocco

- Complete identification and rapid analysis of the irrigation perimeter candidates that are part of the final selection process
- Complete the mapping of the irrigation perimeters using GIS software
- Complete review of draft survey instruments for cropping and production and for on-farm irrigation practices
- Continue regular meetings with the Meknes-based interagency implementation committee
- Complete examination of international experiences and of institutional arrangements for managing treated wastewater
- Hold a team planning meeting in late November or early December with all team members
- Submit first set of deliverables, including survey results

TASK 5. PROGRAM MANAGEMENT**Activity 5.1 Provide Program Management**

- Prepare program budgets and organizational responses to new requests from the Africa Bureau
- Hold discussions with USAID to determine priority activities to be implemented

ANNEX A. ABRI PUBLICATIONS TO DATE

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