

Annex E – Financial Information

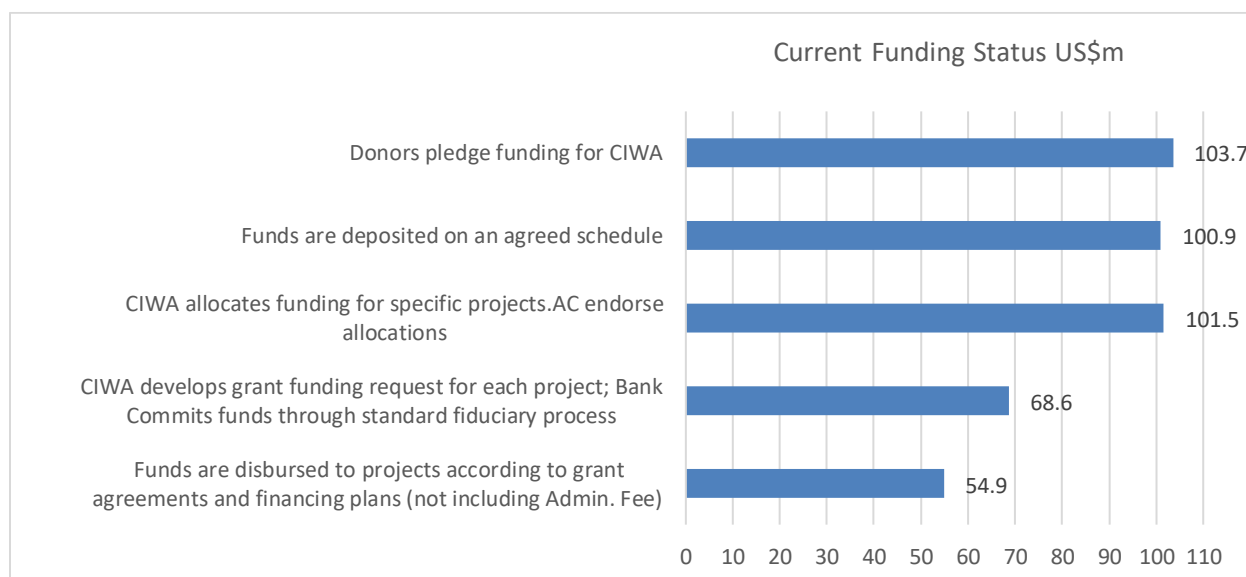
Financial Overview

This section provides financial information on the Cooperation in International Waters in Africa (CIWA) program for FY19, from July 2018 to June 2019. Unless otherwise noted, the financial information presented in this report, including exchange rates, reflects the status as of June 30, 2019.

The CIWA program is supported by a Multi-Donor Trust Fund (MDTF) and administered by the World Bank on behalf of contributing development partners. Contributing donors to date are Denmark, the European Commission, the Netherlands, Norway, Sweden, and the United Kingdom. This specific type of MDTF is known as a ‘Programmatic Multi-Donor Trust Fund’ to which donors commit funds designed to support a thematic framework rather than financing a specific project. Within this framework, CIWA supports projects executed by recipient organizations as well as projects directly managed by the World Bank.

Consistent with standard World Bank Trust Fund practices, donors pledge funding for CIWA (current pledges total US\$103.7 million) and funds are deposited on an agreed schedule (current deposits total US\$100.9 million). Then, in accordance with CIWA’s strategic planning efforts, funding is allocated to specific programs and projects (current allocations are US\$101.5 million) around the broad themes and areas endorsed by the CIWA Advisory Committee (AC). Following allocation to specific activities, CIWA works with clients to develop Grant Funding Requests (GFRs) and related project documentation. The World Bank then follows technical, legal and fiduciary procedures to approve projects and commits funds through its standard fiduciary processes (current commitments total US\$68.6 million). Funds are then disbursed according to the grant agreements and financing plans (disbursements thus far are US\$54.9 million). CIWA’s funding process is depicted in Figure 1. Additional details on pledges, deposits, allocations, commitments, and disbursements are presented in this section.

Figure 1. CIWA’s Funding Process



Donor Pledges, Deposits, and Allocations

Table 1 shows pledges, deposits, and outstanding balances. Contributing donors to date include Denmark, European Commission, the Netherlands, Norway, Sweden, and the United Kingdom. Donors deposit funds in the CIWA MDTF account according to an agreed schedule of deposits that is detailed in the Administration Agreement or other documents exchanged between the Bank and the donors. This schedule can be revised as necessary to meet project disbursement requirements.

Table 1. Overview of Donor Pledges and Deposits

Contributing Partners	Currency	Amount (in Donor Currency)	Amount (US\$)	Amount Received (US\$)	Outstanding Balance (USD)
Denmark (DANIDIA)	DKK	18,700,000	3,398,597	3,398,597	-
European Commission	EUR	4,950,000	5,505,143	2,687,850	2,817,293
Norway (NORAD)	USD		882,746	882,746	-
Sweden (SIDA)	SEK	384,000,000	46,298,908	46,298,908	-
The Netherlands	USD		26,052,581	26,052,581	-
United Kingdom (DFID)	GBP	14,500,000	21,592,060	21,592,060	-
Total		422,150,000	103,730,034	100,912,742	2,817,293

As of June 30, 2019, US\$101.5 million has been allocated to CIWA projects and activities. CIWA has assigned a significant amount of the available funding (97 percent) to activities under preparation or implementation. Table 2 presents an overview of the availability and allocation of funding.

Table 2. Overview of Availability and Allocation of Funding

Allocation of Funding	US\$
Pledges in signed Administration Agreements	103,730,034
Plus Current investment interest income	3,030,010
Less Administrative cost recovery fee	-1,406,619
Funds Available for projects / activities	105,353,426
Less contingency for currency fluctuation (15% of donor receivables)	-422,594
Funds Available for allocation	104,930,832
Less Allocation to projects/activities	101,524,572
Unallocated funds	3,406,260
% Allocated	97%

The majority of available funds (US\$67.8 million, or 67 percent) are allocated to CIWA's three priority basins, Nile, Niger, and Zambezi. Basin programs include recipient-executed projects and Bank-executed support programs that fund technical assistance and analytical work, which supplement the recipient-executed projects. In certain cases, CIWA has allocated funding for follow-up work on current projects, based on project and organizational performance and riparian states' commitment. Annex C describes the details of all CIWA projects and shows the financial results of projects for which grants have been established.

Commitment, Disbursement, and Funding Balance

By the end of FY19, the program had committed a cumulative US\$68.6 million in grants, of which US\$54.9 million (80 percent) was disbursed by projects and activities. The pace of disbursement continued to stabilize in FY19 with a slight increase from the previous year. Table 3 provides a summary of the overall cumulative allocations, commitments, disbursements, commitment balance, and current pipeline activity amounts.

Table 3. Allocated, Committed, Disbursed and Pipeline Amounts (US\$)

Sub Prog	Allocation Agreed with AC	Grant Approved Amt.	Disbursement	Commitment Balance	Pipeline
Niger ¹	15,845,200	5,845,200	3,309,900	2,535,300	10,000,000
Nile	28,400,000	28,400,000	25,053,716	3,346,284	0
Volta	4,497,879	4,497,879	2,604,586	1,893,293	0
Zambezi	23,520,000	12,570,000	12,364,313	205,687	10,950,000
Orange-Senqu	2,695,822	1,695,822	1,695,822	0	1,000,000
SADC	2,300,000	2,300,000	709,588	1,590,412	0
ECOWAS	1,065,867	1,065,867	1,065,867	1	0
Lake Chad/ Sahel	866,328	866,328	748,343	117,985	0
Okavango	5,945,568	995,568	995,568	0	4,950,000
Horn of Africa ²	3,600,000	3,600,000	478,129	3,121,871	0
Catalytic Activities Africa-Wide and Opportunistic Engagement	5,400,408	2,800,408	2,385,190	415,218	2,600,000
PMU	6,222,000	4,000,000	3,443,478	556,522	2,222,000
Enhanced Supervision	1,165,500			0	1,165,500
Grand Total	101,524,572	68,637,072	54,854,499	13,782,573	32,887,500

¹. The grant amount approved excludes \$3.3m that was removed from the project following restructuring.

². \$200,000 over committed.

Note: "Allocation" refers to the endorsement of funds by the CIWA AC. "Commitment" refers to recognition by internal World Bank systems that funds have been assigned to a project or activity. Funds are therefore committed when a GFR has been approved by the World Bank Trust Fund management, putting in place a contractual or scheduled commitment that leads to actual expenditures in the future. "Disbursement" refers to the transfer of funds from the grant account to the clients designated account after a request for specific expenditures is cleared by the Bank. For Bank-executed grants, disbursements are payments made against a purchase order or contract. "Pipeline" activities in the basin are those for which a conditional endorsement was made or subject to approval of the World Bank Trust Fund management system.

By the end of FY19, CIWA had a cumulative inflow of US\$103.9 million, including US\$100.9 million in donor payments and US\$3.0 million in investment income from the CIWA account. Cumulative disbursements were US\$56.3 million, including US\$54.9 million in projects and US\$1.4 million in administrative fees. The balance of grant commitments totaled US\$13.8 million. Table 4 presents the balance available in the CIWA account, which is approximately US\$47.7 million, or a balance of US\$33.9 million when the balance of current commitments of US\$13.8 million is taken into account.

Table 4: Fund Balance

Fund Income Vs Disbursement & Commitment Balance	US\$
Total Deposits	100,912,742
Plus current investment interest income	3,030,010
Total Income	103,942,752
Less disbursement (CIWA projects/ activities)	-54,854,499
Less Administrative fee accrual at 2% of deposits	-1,406,619
Balance	47,681,635
Less Commitment Balance	-13,782,573
Total Balance (when including commitment balance)	33,899,062

Financial Summary of Program Management

CIWA management costs include expenses incurred by the Program Management Unit (PMU) and the World Bank's technical experts who provide strategic advice and support. In addition to staff and consultant costs, this category encompasses costs associated with CIWA donor coordination, outreach and communications, monitoring and evaluation, mid-term review, reporting, partnership meetings, and dissemination activities including website, brochure, and publications, among others. The CIWA Administration Agreement establishes that PMU costs should not exceed 6 percent of total donor contributions. Since the start of the program, CIWA has spent approximately 3.3 percent of the current envelope, keeping PMU expenses well within the agreed-upon range. Overall, the program has been

cost efficient in its management, benefiting from the solid financial management and monitoring systems put in place at program inception.

Financial Details of Projects Funded by CIWA (US\$)

Basin/ Sub-program	Executed by	Name	TF#	Project #	Allocation	Disbursement
NIGER	NBA	Niger River Basin Management Project	TF018539	P149714	4,200,000	1,714,266
	WB	Niger Basin Support Program	TF018616	P148889	1,175,200	1,142,665
	NBA/WB	Next phase Niger Basin Support (2)	tdb	tdb	10,000,000	
	WB	Enhanced Supervision (NBA)	TF016609	P149714	470,000	452,969
		Niger Total			15,845,200	3,309,900
NILE	NBI (incl NEL, EN)	Nile Cooperation for Results (NCORE) + AF 1 and 2	TF013767	P130694	23,000,000	20,751,076
	NBD	Engaging Civil Society for Social and Climate Resilience in the Nile Basin (NBD) + AF 1	TF015834	P132448	2,500,000	2,474,332
	WB	Nile Basin Support Program	TF0A2051	P156765	1,750,000	831,759
	WB	Enhanced Supervision (NBD)	TF014064	P132448	400,000	284,285
	WB	Enhanced Supervision (NCORE)	TF015335/ TF0A0526	P130694	750,000	712,263
		Nile Total			28,400,000	25,053,716
VOLTA	VBA	Volta River Basin Strategic Action Programme Implementation Project	TF016611	P147202/ P149969	3,500,000	1,651,573
	WB	Volta Basin Support Program	TF015556	P132564	499,879	499,879
		Enhanced Supervision (Volta)	TF015557	P149969	498,000	453,134
		Volta Total			4,497,879	2,604,586
ZAMBEZI	ZAMCOM	Zambezi River Basin Management Project (ZAMCOM)	TF018921	P143546	4,000,000	3,997,114
	ZRA	Zambezi River Basin Development Project (ZRA)	TF016238	P133380	6,000,000	5,932,436
	ZRA	AF - Zambezi River Basin Development Project (ZRA)	tdb	tdb	2,450,000	
	WB	Next Phase ZAMCOM Support (2)	tdb	tdb	8,500,000	
	WB	Zambezi River Basin Support Program	TF011577	P129683	1,050,000	1,001,192
	WB	Enhanced Supervision (ZAMCOM)	TF014926	P143546	650,000	605,912
	WB	Enhanced Supervision (ZRA)	TF014927	P133380	870,000	827,658
		Zambezi Total			23,520,000	12,364,313
OKAVANGO	OKACOM	Okavango Resilience Livelihood Enhancement Project	tdb	tdb	4,000,000	
	WB	P2.1: Okavango Multi-Sector Investment Opportunities Analysis	TA0A0105	P150383	995,568	995,568
	WB	Okavango Basin Support Program	tdb	tdb	500,000	
	WB	Enhanced Supervision (OKACOM)	tdb	tdb	450,000	
		Okavango Total			5,945,568	995,568
ORANGE- SENQU	Botswana	Lesotho Highlands - Botswana Water Transfer	TF016233	P144228	1,527,322	1,527,322
	WB	Next Phase Support	tdb	tdb	1,000,000	
	WB	Enhanced Supervision (LH-B)	TF016038	P144228	168,500	168,500
		Orange-Senqu Total			2,695,822	1,695,822
SADC	SADC	Sustainable Groundwater Management in SADC Member States	TF016748	P127086	2,000,000	561,385
	WB	Enhanced preparation (SADC)	TF015336	P127086	300,000	148,203
		SADC Total			2,300,000	709,588
HORN OF AFRICA	IGAD	Groundwater Information and Investments in the Horn of Africa	TF0B0514	P163554	2,700,000	
	WB	Groundwater Information and Investments in the Horn of Africa	TF0A8681	P163554	500,000	232,796
	WB	Somalia - Support to Transboundary Water Resources Management (including Juba and Shebelle River)	TF0A7944	P167749	400,000	245,334
		Horn of Africa Total			3,600,000	478,129
CATALYTIC PROGRAM	Opportunistic Engagement by WB	P2.2: WRM in West Africa (ECOWAS)	TF016610	P150210	1,065,867	1,065,867
		P2.3: Lake Chad Policy Dialogue	TF0A1005 TF17506/ TF015878/	P144568/ P149275/ P124018/	866,328	748,343
		P2.4: Lake Tanganyika Navigation Analysis	tdb	P161717	0	0
		P2.5: Luapula Water Management Scoping	TF0A5600	P162810	300,000	63,530
		P1: Strategic Overview of International Waters in Africa	TF011569	P129776	280,358	280,358
	Africa Wide by WB	P1: Economic Rational for Cooperation	TF011626	P129777	315,659	315,659
		P1: Political Economy Analysis	TF016821	P150041	517,035	517,035
		P3: Facilitating Africa Wide Hydromet Services	TF0A0106	P151921	97,136	97,136
		P3: Cooperation for Climate Resilience	TF0A1627	P156599	174,579	174,579
		P4: Capacity Building and Knowledge Exchange	TF0A0107	P149931	260,564	260,564
		P4: Improving Public Access to Basin Data	TF016747	P149868	295,077	295,077
		Digital Data Initiative	tdb	tdb	1,000,000	
		Pipelines (tdb)	tdb	tdb	1,600,000	
		Peer Review / Management	TF019125	PA149048	560,000	381,251
			Catalytic Total			7,332,603
		Sub-total (projects)			94,137,072	51,411,023
ENHANCED SUPERVISION	WB	Pipelines (tdb)	tdb	tdb	1,165,500	
PMU	WB	Program Management and Administration	TF011372/ 11377	P122345	6,222,000	3,443,476
		TOTAL			101,524,572	54,854,499