WORLD BANK GROUP
Water

CIWA

ANNUAL 2014 REPORT

2014
CIWA ANNUAL REPORT

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Water

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FOREWORD

Water is at the center of world economic and social development. It plays a vital role in supporting health, food security, biodiversity, energy, and peace and security. Yet, 2 billion people live in countries with absolute water scarcity, and this number is expected to rise to a level of 4.6 billion by 2080. Exacerbating matters, rapidly growing population and extreme weather due to climate change are creating even greater demands on existing water supplies.

The fragility of water security is especially pronounced in Africa, where 345 million people lack access to a safe water supply, less than 10 percent of the hydropower potential on the continent has been exploited, and only around five percent of the cultivated land is irrigated.

The transboundary nature of water resources in Africa, where most of the water resources are shared among two or more countries, makes the task of responding to this growing water crisis even more complex. This highlights the need for collaborative development of international waters as a critical strategy towards sustainable, climate-resilient growth.

The Cooperation in International Waters in Africa (CIWA) program was established to strengthen collaborative management among riparian governments, to expand investment in the development of shared waters, and to address transformative issues such as agriculture and energy. This Annual Report, covering the period of July 2013-June 2014, demonstrates the progress the program has achieved with a robust portfolio of CIWA engagements across Africa. The report also illustrates how CIWA is nurturing trust among stakeholders and developing strategies and institutions along the way that increase shared benefits and reduce risks.

The World Bank has a long history of supporting international cooperation on shared waters in Africa. In the Kagera River basin, for example, the Rusumo Falls Hydroelectric Project demonstrates that analytical work delineating the benefits of cooperation and joint project preparation has led to investments in transboundary water resources development that will bring power to electricity grids in Burundi, Rwanda and Tanzania. With the support of the Nile Basin Trust Fund, the Eastern Nile countries are working on Integrated Water Resources Management and development efforts for restoration and management of jointly identified transboundary watershed “hotspots” with high rates of erosion, including 140,000 hectare in Ethiopia and Sudan.

Throughout Africa, efforts to bring about greater human development, rapidly expanding economic prospects and evolving opportunities depend heavily on water. Efforts that foster collaboration and agreement among riparian governments on shared waters are vital for helping these countries harness the productive potential of transboundary waters. The World Bank is committed to working with other organizations and partners to support efforts to meet the needs and aspirations of African countries through sustainable economic and development growth, reduced poverty, shared prosperity and a water-secure future for all.

Junaid Kamal Ahmad
Sr. Director, Water, World Bank Group

ACRONYMS AND ABBREVIATIONS

AC	Advisory Committee
AF	Additional Financing
ANBO	African Network for Basin Organizations
BAC	Basin Advisory Committee
BoC	Basis of Commitment
CIESIN	Center for International Earth Science Information Network
CIWA	Cooperation in International Waters in Africa
CG	CIWA Consultative Group
CSP	CIWA Support Plan
DRC	Democratic Republic of Congo
DSS	Decision Support System
ECOWAS	Economic Community of West African States
ENTRO	Eastern Nile Technical Regional Office
ESIA	environmental and social impact analysis
EC	European Commission
EU	European Union
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFR	Grant funding request
GMI	Groundwater Management Institute
GWP	Global Water Partnership
HES	Hydroelectric scheme
ISR	Implementation Supervision Report
ICP	International Cooperating Partners
IDA	International Development Association
IR	Intermediate Results
IRI	International Research Institute
IWRM	integrated water resources management
LCBC	Lake Chad Basin Commission
MTR	Mid-term review
MDTF	multi-donor trust fund
MISOA	Multi-Sector Opportunities Analysis
MoU	Memorandum of Understanding
NBA	Niger Basin Authority
NASA	National Aeronautics and Space Administration
NBD	Nile Basin Discourse
NBI	Nile Basin Initiative

NBTF	Nile Basin Trust Fund
NCORE	Nile Cooperation for Results
NEL	Nile Equatorial Lakes
NELSAP	Nile Equatorial Lakes Subsidiary Action Program–Coordination Unit
NGO	non-governmental organization
Nile-Sec	NBI Secretariat
NOAA	National Oceanic and Atmospheric Administration
OKACOM	The Permanent Okavango River Basin Water Commission
OMVS	Senegal River Basin Development Authority
PMF	performance management framework
PEA	political economy analysis
PCN	Project Concept Note
PMU	program management unit
PDO	Program Development Objective
RBO	river basin organization
REC	Regional Economic Community
SADC	Southern African Development Community
SAWI	South Asia Water Initiative
SIWI	Stockholm International Water Institute
SDAP	Sustainable Development Action Plan
UN	United Nations
VBA	Volta Basin Authority
VfM	Value for Money
WMO	World Meteorological Organization
WPP	Water Partnership Program
WRD	Water Resources Development
WRM	Water Resources Management
WRCC	Water Resources Coordination Centre
ZAMCOM	Zambezi Watercourse Commission
ZAMSEC	ZAMCOM Secretariat
ZAMTEC	ZAMCOM Technical Committee
ZRA	Zambezi River Authority
ZRB	Zambezi River Basin

MESSAGE FROM THE PROGRAM MANAGER

Water is fundamental for life, key to economic and social development and essential to reducing the multiple dimensions of poverty. Utilizing water sustainably can improve food security through irrigation, increase energy security through hydropower generation, expand access to water supply, help communities build resilience to climate change, and protect them from weather extremes, such as flood and drought.

However, water issues in Sub-Saharan Africa are complicated by the fact that most of the major rivers, lakes, and aquifers in the region cross the borders of multiple countries. Because Africa's waters are inherently international, their development becomes entangled by complex political, institutional and logistical challenges. Yet at the same time, improved management and development of transboundary waters throughout Africa offers enormous opportunities to further economic and human development that can transform the continent.

The Cooperation in International Waters in Africa (CIWA) program is uniquely positioned to help African countries overcome these complex challenges. With support from development partners and access to the World Bank's vast knowledge, technical expertise and client-oriented service delivery capabilities, CIWA is supporting the efforts of governments, river basin organizations (RBOs), Regional Economic Communities (RECs) and civil society organizations to unlock the potential for sustainable and climate-resilient growth by addressing and working to remove constraints to cooperative management and development of international waters in Africa.

This year CIWA deepened program implementation and broadened a robust portfolio in order to meet its objectives. Demand for CIWA support from African partner organizations has exceeded the program's resources and the pace of disbursement nearly doubled in fiscal year (FY) 2014. This Annual Report provides details on the important results achieved by these programs this year.

Last year CIWA and its donors, the governments of Denmark, Norway, Sweden, and the United Kingdom welcomed a new partner, the Netherlands, which pledged US$25 million of support. This contribution builds on the long and successful partnership between the Bank and the Netherlands and is an important component of plans to expand this collaboration under the Bank's new Water Global Practice. CIWA also anticipates receiving a new pledge in FY15 which will bring the program's funding envelope to US$78 million. With strengthened financial footing, CIWA extended its reach and is now a balanced program, with a portfolio touching international waters across the continent (West Africa, East Africa and Southern Africa).

Several engagements in major basins are under implementation across the continent and are beginning to show results. The Nile Cooperation for Results (NCORE) Project, for example, supports infrastructure projects that will benefit the basin's large population of poor men and women. The program's support for the Zambezi River Authority (ZRA), now under implementation, will advance the Batoka Gorge Hydroelectric Scheme (HES), which is projected to contribute significantly to energy security for millions of people living in southern Africa. CIWA also initiated an engagement with the Niger Basin Authority (NBA) with the objective of strengthening the NBA's ability to carry

out its core mandate, including enhancing its financial sustainability, boosting benefit sharing in the region and promoting stakeholder engagement related to planned infrastructure in the basin.

This year, the CIWA program undertook a focused effort to plan a coordinated, strategic approach to addressing demand and needs in West Africa. The third CIWA Consultative Group (CG) meeting was convened in Dakar during the fifth Africa Water Week, where CIWA showcased the dynamics of cooperative management of transboundary waters in West and Central Africa. The meeting gathered a broad range of stakeholders, including key African leaders. Participants had robust discussions of needs in the region and successful approaches that have been taken to meet them, which provided everyone with an opportunity to learn from each other. This meeting helped significantly to inform the design of CIWA-sponsored projects and actions with the Economic Community of West African States (ECOWAS) and in the Volta, Niger and Lake Chad basins.

A milestone was reached this year when CIWA launched the final design of the Catalytic Sub-Program. With the Sub-Program in place, CIWA can use essential tools, such as analytical studies, on-demand training for capacity building and cross-basin exchanges, to better understand the challenges related to international waters, and to address these challenges with more flexibility. This year CIWA also began implementation of key activities under the Sub-Program, such as a political economy analysis (PEA), and a Spatial Agent app designed to improve public access to basin data. For example, the PEA will be developed in partnership with the Stockholm International Water Institute (SIWI). One of the expected outcomes from this partnership is a better understanding of the drivers of the political economy that influence cooperation. This in turn can inform CIWA's overall strategic thinking and decision making. Building on the program's strong portfolio of basin programs and catalytic activities, CIWA this year also created new communication tools and established a strong online presence as a way to further disseminate the knowledge generated through its programs and to highlight riparian accomplishments.

Next year, CIWA will focus on three priority actions: i) expanding results through implementation of ongoing basin and REC programs and projects; ii) continuing to attract additional financing to meet the high level of demand for new and expanded engagements; and iii) undertaking the Mid-Term Review (MTR) to evaluate its program and identify any priority areas that should be addressed as the program advances. CIWA looks forward to continuing to foster cooperative action among key stakeholders in Africa to help advance the development and management of international waters, paving the way for change on the continent, and leading to a positive global impact.

We are grateful to our African partners and to our donors, all of whose contributions help to accelerate cooperation in international waters in Africa in support of sustainable, climate-resilient growth.

Gustavo Saltiel
CIWA Program Manager

INTRODUCTION

Water is vital for maintaining health, growing food, producing electricity, managing the environment, and creating jobs. The World Bank helps countries address their water challenges as a key element of its strategy for achieving its goals of ending poverty and ensuring shared prosperity. In line with World Bank objectives, the CIWA program and its development partners support Sub-Saharan Africa governments in unlocking the potential for sustainable, climate-resilient growth through cooperative water resources management and development. CIWA achieves this in a number of ways: helping African countries and organizations improve the quality and accessibility of information available for decision making; demonstrating how increased benefits and reduced risks can result from joint actions; supporting actions which strengthen regional institutions in order to provide a platform for riparians to build and continue a dialogue, share information and act jointly; enabling African governments to bring a wide range of stakeholders to the table so that development solutions reflect the needs of the men and women living in the basin, including those in poverty; and facilitating actions to advance and enhance the quality of regional investments and to promote adoption of a benefit and risk-sharing approach. These multiple entry points are required to ensure that cooperation leads to sustainable growth and economic development in ways that improve the lives of the more than 500 million people living in Africa's international basins, many of whom are living in poverty without access to electricity, food or clean water.

Challenges and Opportunities of Africa's Transboundary Waters

Water resources management and development is critical for economic growth and poverty reduction in Africa. Proper management of water resources can help build resilience against a changing climate. Across Africa, the many competing demands for water include supplying households in teeming cities, irrigating crops to address hunger, and developing hydropower to meet the continent's increasing electricity needs.

Africa is endowed with a generous supply of water. However, the real challenge facing the African people is having water "where they need it and when they need it", because many African countries have inadequate systems in place to monitor, regulate, store and make use of water. Complicating matters, most of its rivers, lakes, and aquifers cross country borders. In fact, all countries on the African continent intersect at least one international basin, 50 percent of the countries intersect at least two international basins, and 22 percent intersect more than five. The five largest river basins—Congo, Nile, Lake Chad, Niger, and Zambezi—cover 52 percent of the area of Sub-Saharan Africa. The continent's international river basins are home to nearly 500 million people, which represents 65 percent of Africa's total population, with 350 million living in the five largest river basins.

Africa has the highest population growth rates of any region in the world, and the population is predicted to increase to 1.8 billion by 2040. Africa's urban population is projected to double between 2000 and 2030. High rates of urbanization mean increased competition in demand for water from agricultural, industrial, and municipal sectors. By 2040, it is expected that the continent's food demand will double, energy demand will quadruple, and water demand will increase to five times that of today, putting stress on existing water sources in general, and having particular impact on the poor in particular. Climate change will worsen the situation both by increasing uncertainty about the continuation of water availability and through the occurrences of extreme events.

As water security declines, the poor will be disproportionately affected by the volatility of food and energy prices and will increasingly bear the brunt of disasters.

In spite of these challenges, the opportunities for harnessing Africa's water potential are tremendous. Less than six percent of its cultivated land is currently irrigated, and no more than 15 percent of its hydropower resources have been developed. Transboundary cooperation can increase the overall value of shared waters and improve regional payoffs through, for example; increased benefits of power distribution via regional power pools; reduction of flood and drought risk via coordinated operation of water storage; protection of environmental services and livelihoods that rely on water resources; and, improvement of the sustainability of shared waters. Collaboration on technical, environmental, financial and political aspects of transboundary water management and development can help countries overcome regional challenges and seize much needed opportunities. For example, in the Nile Basin, water-energy cooperation could save up to 12 percent of total costs over more isolated development projects and limited trade in energy. It is these kinds of opportunities for cooperative management and development that the CIWA program aims to use to help riparian countries in Africa unlock the productive potential of international waters. The complexity of the challenges of transboundary water requires countries and the global development community to go beyond traditional approaches and embrace smarter ways for managing and investing in the water sector. CIWA is structured to be responsive and flexible in enabling African countries to promote sustainable, climate-resilient growth that contributes to reducing extreme poverty and promoting shared prosperity.

Contents of the Annual Report

This past year the CIWA program has developed a robust portfolio of engagements and partnerships across Sub-Saharan Africa, with many projects under implementation that are beginning to show results. The program has endeavored both to offer strategic assistance where it is most needed and to balance CIWA's portfolio geographically.

This report showcases the results of the FY14, and is organized as follows:

Section 1: Program at a Glance provides an overview of CIWA's program and long-term expected results, a synopsis of on-going projects, and a summary of the program's next steps.

Section 2: CIWA's Major Engagements discusses the demand for CIWA engagement from basin organizations and regional economic commissions, and describes the selection criteria for CIWA's engagements. It also presents CIWA's rationale for selecting a new engagement—the Niger basin—and outlines first-phase activities in that basin. This section also provides an overview of continued progress of basin programs previously presented (Volta, Nile and Zambezi basins), and describes the objective of CIWA's intervention in the basins, the strategic context of the basin programs, and details of ongoing or planned projects in these basins. Finally, this section provides an update and overview of ongoing projects, including the Lesotho Highlands –Botswana Water Transfer in the Orange–Senqu River Basin, and support for the Southern Africa Development Community (SADC) Groundwater Monitoring Institute (GMI).

Section 3: The Catalytic Sub-Program provides an overview of CIWA's catalytic plans to help to strategically address the challenges of transboundary water resources management and development in Sub-Saharan Africa.

Section 4: Overview of Results summarizes CIWA's progress in relation to the predefined annual targets for the Program Development Objective (PDO) indicators, and presents the Intermediate Results (IR) to date.

Section 5: Financial Report contains a summary of donor contributions and the allocation of funds.

Section 6: Towards Sustainable Climate Resilient Growth: FY15 and Beyond describes CIWA's plans for FY15 and provides an overview of the CG meeting which focused on CIWA in West and Central Africa. This section also describes CIWA's plans to undertake in FY15 its MTR, which will evaluate the program and identify any priority areas that should be addressed as the program advances.

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SECTION 1

PROGRAM AT A GLANCE

The CIWA program is supported by a multi-donor trust fund (MDTF) and administered by the World Bank. CIWA supports riparian governments in unlocking the potential for sustainable, climate-resilient growth through cooperative water resources management and development. CIWA achieves this by improving the quality and accessibility of information in order to raise awareness of increased benefits and reduced risks that can result from joint action, including: strengthening the ability of institutions to provide platforms for riparians to act jointly; enabling African governments to bring a wide range of stakeholders to the table; and enhancing the quality of regional investments through adoption of benefit-sharing approaches.

CIWA leverages the comparative advantage of its host institution, the World Bank, which offers strong technical expertise in international waters and across other relevant sectors such as agriculture, energy, and service delivery, while also having the power to convene and mobilize multiple stakeholders and to utilize the experience gained from work on international waters issues around the world.

CIWA's design is informed by lessons learned over decades of work fostering cooperation in international waters. In particular, CIWA aims to capitalize on the successes of and lessons from the joint partner engagement involving the Nile Basin Trust Fund (NBTF) and to incorporate these into its continent-wide work.

Already, many CIWA supported projects and programs are under implementation. As CIWA deepens engagement with governments, regional organizations, civil society, the public sector and other stakeholders, progress in Sub-Saharan Africa in areas of cooperative management and development of transboundary waters is becoming evident, and expanded results can be expected soon.

CIWA was established in 2011 and is supported by the governments of Denmark, the Netherlands, Norway, Sweden, and the United Kingdom.

Results Areas and Long-term Targets

The objective of the CIWA program is to strengthen cooperative management and development of international waters in Sub-Saharan Africa to facilitate sustainable climate-resilient growth. The program contributes to this objective by targeting results in four areas:

Strengthened regional cooperation and integration—to foster cooperative transboundary institutions for greater regional stability and creation of an enabling environment for shared sustainable growth;

Strengthened water resources management (WRM)—to underpin the evidence-based knowledge for planning and decision-making to maximize development opportunities and minimize climate variability risks;

Strengthened water resources development (WRD)—to support investments that improve climate resilience, enhance food and energy security, and enable countries to follow a lower carbon growth path;

Strengthened stakeholder engagement and coordination—to provide a greater voice to civil society, the private sector, and academia in decision-making processes related to the cooperative management and development of shared basin resources.

The 10-year targets for the program are:

- US$10 billion in financing mobilized for projects supported by CIWA
- 50 million people directly benefitting from projects supported by CIWA
- 8 transboundary institutions strengthened in at least 5 basins
- 10 strategic analyses used to illustrate the evidence base for cooperation.
- 5 transboundary institutions in at least 4 basins with improved analytical tools, data, and capacity for WRM
- 10 investment opportunities with regional benefits advanced through CIWA support
- 5 relevant transboundary institutions with an improved approach to sustainable investment planning and bankable investment preparation
- 5 basins with improved engagement with civil society, the private sector, and/or academia, 60 percent of which are organizations representing interests of women and/or the poor
- 5 basins with increased water resources management and development information in the public domain

Results and Impact

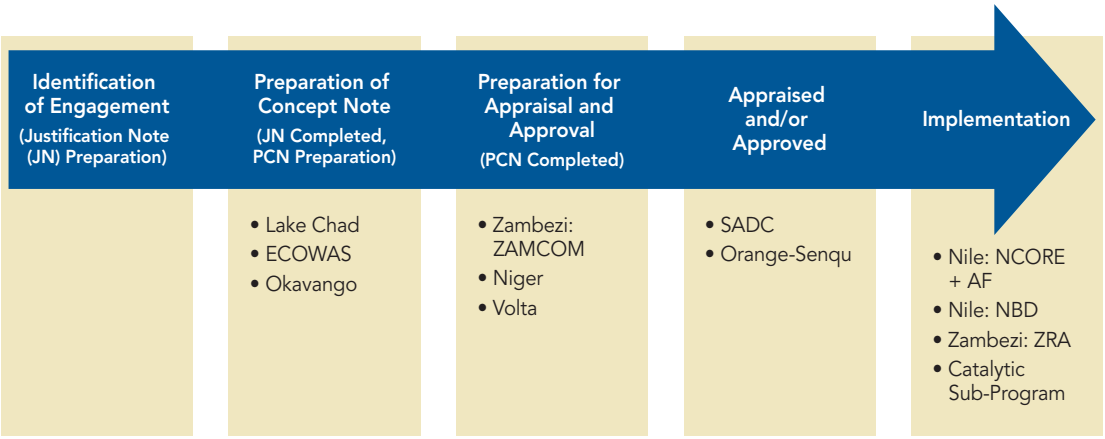
With the finalization of the CIWA Strategic Framework in early FY14, CIWA has established its program policy and priorities, allowing the program to both expand its engagements and deepen its implementation efforts to enable it to work towards the objectives of strengthening cooperative management and development of international waters in Sub-Saharan Africa in order to facilitate sustainable climate-resilient growth. As CIWA works upstream of actual investment, progress towards this objective will be measured by assessing the value of potential investments influenced by CIWA and by the number of people who will directly benefit if the investments go forward. CIWA's targets for FY14 were to influence US$6 billion potential investment financing for projects with regional benefits and a related 8 million potential direct beneficiaries of those investment projects. The program has surpassed both targets, potentially influencing $7.8 billion in project financing and potentially directly benefitting 46 million people through projects it has influenced. In order to achieve these results, CIWA reached multiple milestones in FY14, including, helping catalyze discussions on rehabilitation of the Kariba Dam Hydropower Complex in the Zambezi River basin (ZRB), initiating an engagement that will help facilitate cooperation for enhanced regional benefit sharing around the Fomi Dam in the Niger Basin, and securing additional support for Nile Basin countries in their efforts to promote investment in regional cooperative water resources management and development.

Portfolio Synopsis

In this reporting period, CIWA focused on transitioning projects from preparation to implementation as well as driving progress forward in projects already under implementation. In the Nile Basin, the NCORE project implemented by the Nile Basin Initiative (NBI) is well underway and has generated a host of initial results which prompted the project to secure approval for additional financing (AF) of US$18 million from CIWA and NBTF, bringing the total project size to US$33.3 million. The additional financing greatly expands the scope of the NCORE project by allowing inclusion of a suite of activities such as: advancing preparation of additional regionally agreed-upon investments in the Nile Equatorial Lakes (NEL) region; strengthening stakeholder access to data, knowledge, tools, and analysis relevant to the Nile Basin; expanding ongoing successful outreach and capacity building programs for the youth in the Nile Basin; and providing integrated support to South Sudan to build additional capacity to manage its water challenges and enhance its water resources development. These new activities are aligned to the project's original development objective—to facilitate water resources management and development in the Nile Basin—and are designed to produce additional results that widen the project's coverage and deepen its impact. Also in the Nile Basin, a project implemented by the Nile Basin Discourse (NBD) on facilitating dialogue between civil society and decision makers began implementation in mid-FY14 after a grant agreement was signed. Through CIWA support, the NBD is already engaging with the NBI to enhance community benefits from planned development projects.

In Southern Africa, ZRA signed a grant agreement with the World Bank and commenced implementation. CIWA's partnership with ZRA will primarily support the preparation of the Batoka Gorge HES on the Zambezi River, signifying the successful end of an impasse between Zambia and Zimbabwe that had been unresolved since 1987. This project will advance an investment that will secure the energy needs of an estimated

FIGURE 1: Preparation and implementation status of CIWA engagements



1.2 million households (estimated six million men, women and children) in the two riparian countries. CIWA's partnership with SADC was also advanced due to full project approval, and legal agreements will be signed in early FY15. CIWA's support to SADC's GMI extends the program's coverage beyond the typology of surface water by supporting sustainable management of groundwater at national and transboundary levels across SADC member states. In a third project in the Southern Africa region, the Lesotho Highlands-Botswana Water transfer study, significant preparatory progress was made during the reporting period, procurement processes are currently ongoing, and the project is expected to be fully under implementation by mid-FY15.

A major highlight for CIWA in FY14 was the program's expansion in West Africa. An engagement was initiated in the Niger Basin and funds were allocated to a project supporting cooperative water resources management and development and strengthening stakeholder engagement to be led by the NBA. The preparation of this project is underway, with implementation expected to start in the second half of FY15. Also in West Africa, CIWA and the Volta Basin Authority (VBA) advanced the preparation of the Volta River Basin Institutional Development and Strategic Action Programme in FY14. The scope of CIWA support for the VBA is expected to see a substantial expansion as implementation commences in FY15, with co-financing pending approval from the Global Environment Facility (GEF) Secretariat.

CIWA achieved another milestone on the Catalytic Sub-Program front in FY14 when the structure of the Sub-Program was finalized and approved by the World Bank, and implementation began on many catalytic projects. For example, CIWA is undertaking a PEA framework to help identify underlying political barriers to cooperation in order to help inform strategic decision making and project planning. CIWA made progress on preparations to support the ECOWAS in catalyzing transboundary water resources management and development towards the areas of food and energy security and climate resilient growth, and to support the Okavango Multi-Sector Investment Opportunity Analysis (MSIOA) effort to assess development needs in light of conservation of the ecological assets in the Okavango Delta. In addition, several knowledge-generation and sharing activities of the Catalytic Sub-Program have significantly advanced implementation, as described in Section 3 of this report.

Figure 1 provides a snapshot of the CIWA portfolio and shows the project preparation and implementation stages for CIWA projects (excluding knowledge management and capacity building). Sections 2 and 3 provide detailed summaries of ongoing and planned engagements.

As of August 2014, the status of twenty-one CIWA projects is as follows:

- 4 recipient-executed projects (NCORE including AF, NBD, Zambezi River Basin Development, and SADC Groundwater Management) are under implementation.
- 1 recipient-executed project (Lesotho Highlands—Botswana Water Transfer) is near implementation with expectation of signing a grant agreement in late August or early September 2014.
- 3 recipient-executed projects (Niger River Basin Management, Volta River Basin Institutional Support, and Zambezi River Basin Management) are being

FIGURE 2. Financial distribution of CIWA's portfolio by region

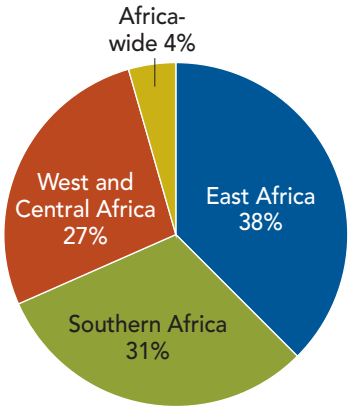
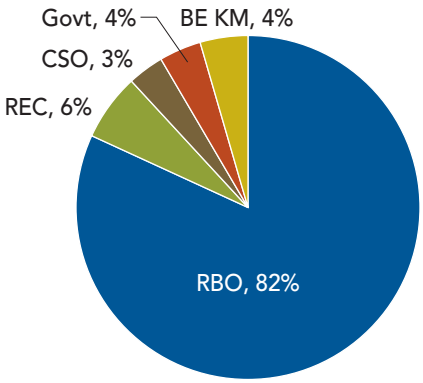


FIGURE 3. Financial distribution of CIWA's portfolio by partner type

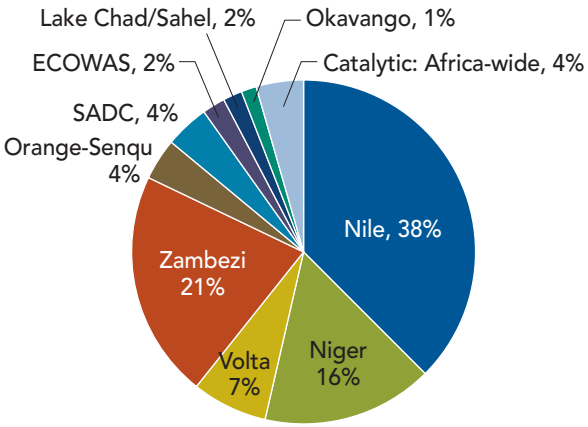


prepared with expectation of Bank approval in December 2014—April 2015, followed by signing of grant agreements.

- 6 Bank-executed projects are under implementation.
- 7 Bank-executed projects are under preparation.

In addition, the World Bank executes activities through CIWA program management and administration to administer and manage CIWA, and monitor and evaluate the progress of the strategic overview of the program. More details on financial aspects of CIWA's portfolio are found in Section 5.

FIGURE 4. Financial distribution of CIWA's portfolio by basin or region



Program Distribution and Financial Overview

As of June 30, 2014, CIWA is a program of US$71.2 million, with pledges of contributions from Denmark, the Netherlands, Norway, Sweden, and the United Kingdom. The Netherlands joined as a partner in December 2013, pledging US$25 million and expanding the previous US$46 million program size by over 54 percent. Of the total US$71.2 million envelope, US$59.9 million has been allocated, the majority of which focuses on activities in the four basins where CIWA provides sustained support: Nile, Niger, Volta, and Zambezi. CIWA is structured to be able to devote 90 percent of its available envelope to providing long-term support to basins and regions across the continent through the Basin Sub-Program. The Catalytic Sub-Program is expected to comprise up to 10 percent of the CIWA envelope, and currently, US$5.5 million has been allocated to catalytic activities.

CIWA supports a geographically diverse program, servicing major needs across the continent. The largest share of CIWA's financial support currently goes to East Africa (38 percent), followed closely by Southern Africa (31 percent) and by West and Central Africa (27 percent). CIWA also supports analytical activities that have an Africa-wide scope (4 percent) as shown in Figure 2.

CIWA strives to support riparian-led and riparian-owned activities wherever feasible and practicable. Currently 78 percent of CIWA's financial portfolio consists of recipient-executed activities, with the remaining 22 percent executed by the World Bank. The majority of the CIWA program is executed by recipient partners or by the Bank in close partnership with partner organizations using various entry points including RBOs, civil society organizations, RECs, and national governments. A small fraction of CIWA's funding is used for analytical work led by the World Bank. A breakdown of the various types of

organizations that CIWA partners with for program delivery is included in Figure 3. Of the $59.9 million CIWA has thus far allocated to projects and programs, 82% is devoted to provide support through RBOs (NBI, ZRA, Zambezi Watercourse Commission (ZAMCOM), VBA, NBA, OKACOM), 3% through civil society organizations (NBD), 6% through RECs (ECOWAS, SADC), 4% directly to riparian governments (Government of Botswana), and 4% on Bank-executed analytical work for knowledge generation and management. The specific breakdown of CIWA's allocation of finances by basin or region is provided in Figure 4. This graph shows that the majority of funding is going to CIWA's main basin engagements (Nile, Niger, Volta and Zambezi), but that important engagements are also being carried out in other basins and regions.

By the end of FY14, the program had committed and disbursed a cumulative US$40 million. In FY14 alone, CIWA committed US$35.7 million and disbursed US$4.4 million. The disbursement rate is expected to rise as projects progress from design to implementation phases and as overall program delivery accelerates. By the end of FY15, CIWA expects all projects to be fully under implementation.

Where possible, CIWA has built partnerships with other organizations to leverage additional resources that allow multiplication of the impact CIWA influences through the use of trust fund resources. CIWA has leveraged US$18.8 million of NBTF funds to co-finance the NCORE project, and has leveraged US$15.4 million with the GEF to co-finance two projects—one on groundwater management implemented by SADC, and the other on institutional strengthening and watershed management implemented by the VBA. In addition, the NBTF provided resources for the preparation of NCORE Phase I, and the World Bank (US$0.5 million) provided resources employed in the start-up of CIWA. Along with leveraging funds from additional sources, CIWA incorporates principles of economy, efficiency, and effectiveness throughout its program design and delivery, ensuring value for money in program operation.

Looking Forward

In the coming year, CIWA expects to further advance preparation of its projects and intends to have all projects under implementation by end of FY15. Demand for CIWA program support from potential recipient organizations exceeds available funding; however, the program is also actively engaged in fund-raising efforts to address needs across Africa. The European Commission (EC), in the context of the European Union (EU) "Global Public Goods and Challenges" thematic programme and the 2015 Action Programme, intends to pursue a likely contribution to CIWA with a budget of €5 million. With the EC on board, the total funding envelope will be approximately US$78 million. Although new engagements and projects are subject to endorsement, CIWA has begun to plan funding allocations with the additional financing and anticipates expanding ongoing work in the Nile basin, promoting cooperation around critical needs in the Sahel and advancing important catalytic work with a likely focus on the food-water-energy nexus.

As CIWA nears the mid-point of the program's 10-year life, it is beginning to plan for the MTR. The scope of the review, including the main topics that will be considered in the review and the processes that will be undertaken for the review, will be established by the end of this calendar year. Currently, the program anticipates that the MTR will assess the degree to which CIWA is "fit for purpose" in meeting its objectives moving forward. The MTR will evaluate the program's progress towards reaching its goals, and will explore the different components of the program's structure along the lines of their efficiency, relevance and effectiveness. Any changes identified through the MTR process will pave the way for improved program delivery for the remaining duration of the program, and any amendments required in program design, implementation arrangements, and institutional linkages will help CIWA to effectively contribute to the sustainable climate-resilient growth of transboundary basins in Africa.

2

SECTION 2

CIWA'S MAJOR ENGAGEMENTS

The CIWA Program provides support for cooperative water resources management and development in international waters, including basins, aquifers, and lakes (generically "basins"). This FY, CIWA is deepening its engagement on multiple fronts to ensure that cooperation leads to sustainable growth and economic development in a way that improves the lives of people residing in several major basins in Africa, many of whom are living in poverty, without access to electricity, food or water. CIWA is involved with basin organizations as well as with regional economic communities in tailoring the engagements to fit the basins' needs and demands, and in helping to define the organization's role in promoting cooperation with respect to water resources. As shown in Figure 5, the program's well-developed portfolio touches international waters across the continent, from the Niger basin and Fatou Djallon watershed in West Africa, to the Nile basin in East Africa, to the Zambezi River basin and groundwater aquifers in Southern Africa. Several recipient-executed programs are under implementation, while others have advanced in terms of preparation and are expected to be under implementation in FY15. Select actions are being executed to help individual countries overcome challenges related to issues of climate variability, flood and drought, energy and food security, environmental degradation and the need to maintain ecosystem services.

This section presents a summary of the justification for the selection of a new engagement in the Niger basin, an overview of new projects and programs with basin organizations and regional economic commissions that were developed this FY (Volta, Niger, SADC), and an updated overview of ongoing progress in basin programs and projects previously presented (Nile, Zambezi and Lesotho-Highlands).

Criteria for CIWA Engagement

Demand for CIWA engagement exceeds the current funding envelope and therefore requests must be carefully reviewed and evaluated to determine how CIWA can add value (demand outlined in Annex 2). Requests from basin organizations, regional economic communities and member states were reviewed according to the following criteria:

- *Alignment:* Engagement must align with CIWA objectives and contribute significantly to one or more of CIWA's expected results.
- *Strategic importance:* Engagement must address critical issues in the basin.
- *International River Basin Benefits:* Engagement should promote the optimization of basin-wide and regional benefits while building cooperation and trust among stakeholders.
- *Strong regional interest and country commitment:* Engagement should be demand-driven and in line with the strategic direction and the needs of the basin.
- *Complementarity and additionality:* Engagement should complement ongoing World Bank and/or Partner programs and continue or build on existing work.

It should be noted that to ensure that CIWA develops a robust pipeline of projects free of significant delays in implementation, the organization may undertake initial project development steps for funding levels that exceed pledged funds. However, it must be noted that CIWA cannot approve a recipient grant until sufficient financing has been pledged. Therefore, if funding limitations exist, endorsement by the Advisory Committee (AC) does not ensure that a project will move to the next phase in the funding cycle. While CIWA is continually seeking additional funding from existing and prospective partners, it takes a cautious approach by matching the pace of project preparation with funding availability. Consequently, lags can occur between the time donors pledge funds and the time the funds are subsequently disbursed to recipients.

FIGURE 5. CIWA's engagements spread across Sub-Saharan Africa.

New Engagement: Niger Basin

Criteria: Alignment

Justification: Engagement in the Niger basin contributes to all four of CIWA's results areas:

- Institutional capacity building to strengthen regional cooperation and integration
- Support for improved management of water resources to ensure sustainability and optimum utilization of the resources
- Support for improving the quality of regional investments and enhancing benefit sharing among the riparians
- Support for improved stakeholder engagement

Ultimately, there is the potential to influence and improve the quality of up to $8 billion of agreed priority investments (focused both on institutions and information systems as well as small and large-scale infrastructure) in the basin up until 2025 as outlined in the NBA's Sustainable Development Action Plan (SDAP).

Criteria: Strategic importance

Justification: The Niger River is the continent's third longest river, at 4,200 km, and the basin covers a surface area of nearly 1.5 million square km, extending from the mountains of Guinea through arid and semi-arid lands of the Sahel. The River is the economic mainstay for the nine riparian countries in the basin, seven of which are among the 20 poorest countries in the world. About 70 percent of the 100 million people in the basin live in rural areas where food, security and social well-being are largely dependent on unreliable rainfall and highly-variable river flow patterns. The basin's population is highly impacted by extreme climate and rainfall variability, both of which are likely to be exacerbated by climate change. The vulnerability of people in the basin is aggravated by political instability, and sub-regional security threats remain. Economic growth, regional integration, reduction of conflict over water resources, and improvement of access to remote areas could help to stabilize the region. Even under conservative development scenarios, the basin has tremendous potential for infrastructure development, including hydropower and irrigation, and has the potential to create 1.7 million jobs.

Cooperative management and development of water resources infrastructure in the Niger basin can both boost growth and transform the livelihoods of its people, including vulnerable and poor communities in rural, remote parts of the basin. For instance, enhanced environmental flows help support wetland ecosystems, sustain fisheries (an important source of income and protein for the poor), and provide watering holes for livestock (critical for semi-nomadic pastoralists, particularly in Sahel). Expanded micro—and large-scale water storage is an important climate adaptation strategy and tool for empowering women, both by securing drinking water sources and by opening up new livelihood opportunities through irrigation. Enhanced navigation, including reduced cross-border red tape, can unlock remote areas and poor landlocked countries such as Chad, Mali and Niger. With low electrification rates in the basin, hydropower generation remains the main source of untapped clean power for most countries. Many of the benefits derived from cooperative water resources management and development can in turn help catalyze benefits beyond the river, including developing agribusiness, enhancing regional trade, and enhancing prosperity and security in the basin.

Criteria: International river basin benefits

Justification: Basin level cooperative water resources management and development remains essential for building the information, investments and institutions necessary to sustain climate-resilient growth. While cooperation in the Niger basin is reasonably robust, CIWA support will be instrumental in removing key bottlenecks and encouraging deeper and more effective cooperation in one of the poorest and most vulnerable regions in the world.

Criteria: Strong regional interest and/or country commitment

Justification: There has been long-standing political support for cooperation in the Niger basin, including a robust legal framework, a functional NBA, and active dialogue at the highest level (including semi-annual NBA Council of Ministers and annual Heads of State meetings). While the NBA remains a robust and well-established basin authority, both the NBA and riparian countries also recognize the limitations of its current cooperative framework and the need to continue to deliver more tangible and transformational benefits for its citizens. It is in this context that a request for CIWA engagement and support on behalf of all nine riparian

countries was endorsed at the May 2013 N'Djamena NBA Heads of State meeting. The proposed engagement is demand-driven, since it is intended to be responsive to the strategic needs identified by the NBA in its January 2013 letter to CIWA.

Criteria: Complementarity and additionality

Justification: This engagement will complement and build on the following three factors: (i) the NBA's core budget, which stems primarily from country contributions; (ii) two regional International Development Association (IDA)-funded Niger Basin Adaptable Program Loans to the Water Resources Development and Sustainable Ecosystems Management Program that supports rehabilitation of small-scale infrastructure, reverses degraded ecosystems, and supports the Kandaji program in Niger, including financing the hydropower scheme and related irrigation and local development activities; and (iii) institutional capacity development support provided by donors such as the German Agency for International Cooperation and Canada.

Niger Basin Program

Countries	Algeria, Benin, Burkina Faso, Cameroon, Chad, Guinea, Ivory Coast, Mali, Niger, Nigeria, Sierra Leone
Size of Basin	2,105,200 km^2
Annual Runoff	185,990 mm/yr
Population (2000)	75,079,832

Basin Program Objective: Strengthen cooperative management and the development of water resources in the Niger River basin

Strategic Context: For thousands of years, the Niger River basin has supported the riparian population with diverse livelihoods such as farming, cattle grazing and fishing. Today the basin, shared by nine countries in West and Central Africa, plays a particularly important lifeline in the arid and semi-arid lands of the Sahel. Less than a quarter of the basin's largely rural population has access to electricity, and many depend on unpredictable and extreme rainfall patterns to support subsistence farming. The challenges facing the basin, including food security, climate change, and extreme poverty are acute. The basin's tremendous potential for infrastructure development—including hydropower plants, irrigation schemes, and navigation facilities—is significantly under-tapped, and less than a third of the 6,000 mega-watt hydropower potential is harnessed. This infrastructure can significantly contribute towards economic growth and improvement of livelihoods, especially if accompanied by sound integrated water resources management (IWRM).

Since 1987, the basin countries have come together under the auspices of the NBA to collectively endorse the NBA's $8 billion, 20-year SDAP (2007). This plan encompasses a broad mix of large-scale transboundary infrastructure investments on the River Niger, (the Fomi dam in Guinea, the Kandadji dam in Niger, and the Taoussa dam in Mali), as well as small-scale infrastructure investments, ecosystem protection, and institutional capacity building. Of the proposed large-scale water storage infrastructure, the Kandadji dam in Niger is the most advanced in terms of preparation, and the only structure currently under construction.

FIRST PHASE PROJECTS

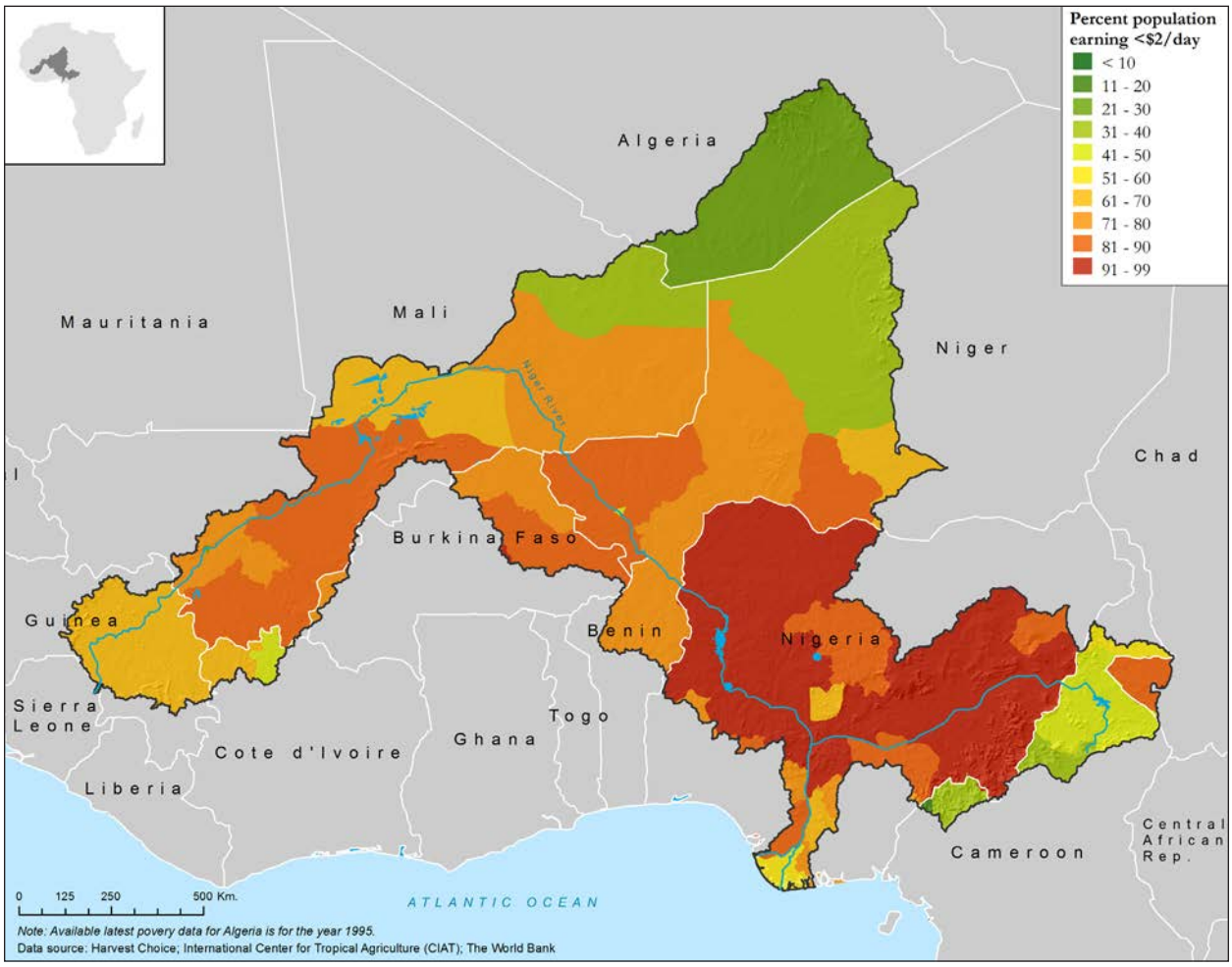
1. Niger River Basin Management Project

Budget: $7.5M
Implementation Start Date: January 2015
Duration: 5 years
Partner: Niger Basin Authority (NBA)

Project Objective: To enhance the NBA's systems and tools for facilitating improved water resources management and development in the Niger River basin

Key Expected Results:

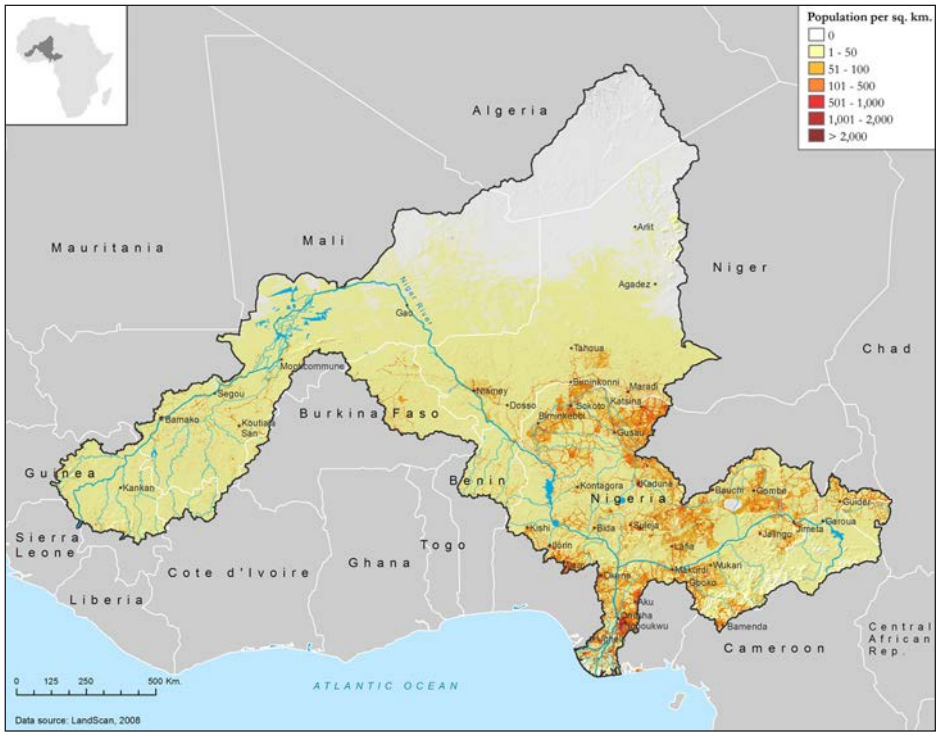
- NBA's financial, institutional, organizational and technical systems strengthened, including implementation of priority recommendations from the ongoing institutional and organizational audit.
- Selected financing mechanisms operationalized to develop a sustainable income stream for the NBA.
- Water Charter implemented, focusing on the process of adoption and operationalization of the Niger Basin Water Charter's Annex 2 on Water Management Regulation for the Large Regulating Dams.
- A common vision on general principles of benefit and cost sharing reached among the NBA Member States.
- Enhanced regional cooperation and benefit sharing around Fomi Dam, including the design and implementation of a clear roadmap for project development, decision-making points and engagement.
- Organization of investment forums and coordination mechanisms among project financing partners.



In sparsely populated areas a sampling bias may give erroneous results.

- Complementary assessments of environmental, social and cumulative impacts identified during the update of the Environmental and Social Impact Analysis (ESIA) for the Fomi dam.

Project Update: The CIWA allocation for support for the Niger River basin was endorsed in May 2014. Project preparation is underway in close collaboration with the NBA.



HIGHLIGHTED FOCUS

WEST AFRICA

CIWA's expanded presence in West Africa reflects the region's shared history and strong impetus for regional economic integration among countries where transboundary water resources underpin regional development and poverty reduction. West Africa is endowed with almost half of the continent's hydrological resources, including 25 out of 60 transboundary basins. These twenty-five basins account for 80 percent of all surface waters, resulting in countries in the sub-region being highly interdependent. With the exception of Cape Verde, each country in the region shares at least one international river. Guinea is the water tower for many rivers in the region, and is part of twelve international basins. West African countries share similar challenges, such as increasing population and uncertain climatic changes, extreme poverty, gender inequality and disparate economic conditions. West Africa experienced positive economic growth during the past few years (ranging between 5-8 percent growth in gross domestic product (GDP)), and there are substantial plans for infrastructure development across the region. West Africa's riparian country leaders recognize that cooperation is a key component of growth, infrastructure development and sustainable WRM and have set up institutions to facilitate cooperation at multiple levels. Yet many of these institutions are challenged by lack of capacity and face financial insecurity.

In recognition of this context, where cooperative and sustainable growth is increasingly necessary, West Africa has been making considerable strides towards regional integration by utilizing a strategic approach. ECOWAS is leading regional integration efforts. In the water sector, it can facilitate cross-basin exchange, support dialogue between water, energy and agriculture sectors, and provide sector leaders with access to planning and finance ministers, thus legitimizing water related decisions. ECOWAS coordination has also led to the issuing of directives on specific issues such as guidelines for infrastructure development in the region.

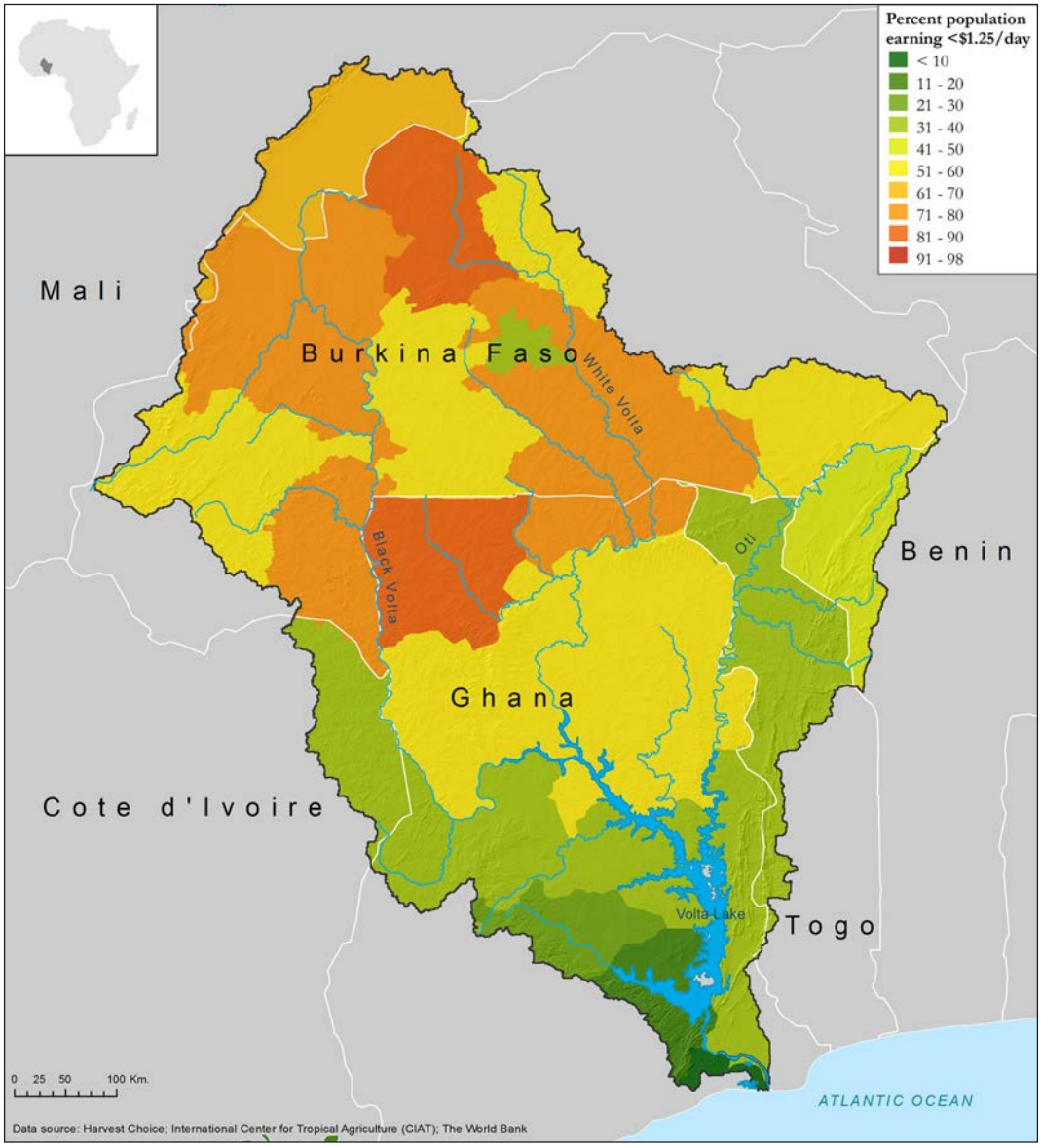
CIWA is engaged with several basins and institutions in West Africa on a number of fronts. Over 100 stakeholders, including ministers and senior leaders from RBOs and ECOWAS convened in Dakar in May 2014 for CIWA's third CG meeting where CIWA showcased the dynamics of cooperative management of transboundary water in West Africa and received strategic advice and guidance on CIWA strategy, programs and priorities in West and Central Africa. In terms of programmatic assistance, CIWA is supporting ECOWAS' efforts to operationalize regional directives, such as guidelines for infrastructure development, and is working with ECOWAS' Water Resources Coordination Centre (WRCC) to provide region-wide benefits and develop foundational knowledge for water management in Guinea. The Volta Basin Program supports strengthening of one of the region's newest RBO, the VBA. The Niger Basin Program is now preparing its first project and will focus on financial sustainability of the NBA and benefit sharing and stakeholder engagement around Fomi dam, one of the ECOWAS-selected eight priority dams in the region.

Sustained Engagement: Volta Basin Program

Countries	Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo
Size of Basin	411,202 km^2
Annual Runoff	47,646 mm/yr
Population (2000)	18,604,762

Basin Program Objective: Strengthen cooperative management and the development of water resources in the Volta basin.

Strategic context: The Volta River basin was one of the last basins of its size in Africa to establish a formal cooperative structure for its riparian countries, fulfilling a vital need in view of the highly transboundary nature of the challenges and opportunities in the basin. The six riparian countries of the basin face energy shortages and growing demand, paired with food insecurity and high levels of climate variability, including increased risk of floods and droughts. For example, major flooding was experienced in Burkina Faso and Togo several times over the last decade, resulting in damages to transport infrastructure, housing, small dams and crops. Historically, a lack of coordination led to heightened regional tensions over water allocation for irrigation and hydropower development and over flood risk. For example, Ghana remains concerned about the functionality of upstream



floodgates of the Bagre dam (located in Burkina Faso), and about the functionality of the downstream Akosombo dam (located in Ghana). Water resources management and investment planning at the national level is complicated by uncoordinated unilateral development and management of water infrastructure in the individual riparian countries.

The VBA was formally established in 2009, through collective support of the basin's riparian countries, in order to meet the above challenges. Despite this first step, the riparian member states have come to realize that cooperation in the Volta basin is still in its infancy and needs to be supported by trust and political will. Since its inception, the organization has made strides in meeting its mandate. CIWA support for the VBA will be blended with GEF support in order to expand the scope of the program and address governance and management of transboundary resources, water quality, ecosystem degradation and climate concerns. CIWA's support to the Volta, carefully crafted based on assessment of the most pertinent needs, can prove transformational for the young RBO.

FIRST PHASE PROJECTS

1. The Volta River Basin Institutional Development and Strategic Action Programme Implementation Project

Budget: US$3 million (complementing US$7.2 million from GEF, pending GEF Secretariat approval)
Implementation Start Date: April 1, 2015
Duration: 4 years
Partner: Volta Basin Authority

Project Objective: to strengthen transboundary water resources management in the Volta River basin through institutional development and implementation of priority actions of the Strategic Action Programme.

Key Expected Results:

- VBA's role in promoting cooperative management and development of resources in the basin will be strengthened, which will help countries overcome challenges related to energy and food security, climate variability, flood and drought, environmental degradation and maintaining ecosystem services to improve the quality of life for the basin's growing population.
- VBA procedures for administration and financial management are strengthened, including establishing a clear decision making and reporting hierarchy, and articulating well-defined designs, roles and responsibilities for each arm of the institution.
- The basin's Water Charter is adopted, establishing a legal foundation that delineates the water resources usage of the riparian countries, as well as roles and responsibilities of water resources stakeholders.
- Increased monitoring and exchange of information on transboundary issues and projects.
- Communication and cooperation between the riparian countries and stakeholders on WRD is improved.
- Environmental and water resources concerns that are identified in different regions of the basin, such as impacted water quality, coastal degradation, reduced flow, soil erosion, and sedimentation, are reduced through implementation of select priority actions with transboundary significance.

Project Update: CIWA support for the VBA will be blended with GEF support in order to expand the scope of the program and address governance and management of transboundary resources, water quality, ecosystem degradation and climate concerns. Having been endorsed by GEF Focal Points in the six riparian countries, as well as by environment and water line ministries of the riparians, the project has met most of the GEF requisites for support, and is pending final approval from the GEF board (November, 2014). The project is being processed according to Bank procedures (streamlined with GEF), and implementation is expected to begin in April of 2015.

2. Volta Basin Support Program: Independent Assessment of the Volta Basin Authority

Budget: US$500,000
Implementation Start Date: November 1, 2014
Duration: 1 year
Partner: World Bank executed

Project Objective: to carry out a comprehensive institutional assessment of the VBA with the aim of strengthening its capacity to fulfill its mandate, including cooperative management and development of Volta basin water resources.

Key Expected Results:

- The consultative environment between the VBA, stakeholders and government representatives is strengthened so that there is increased ownership of the institution.

- The political economy dynamics which influence implementation of the VBA's mandate are better understood by the VBA and basin stakeholders.
- A review of the organizational structure of the VBA identifies areas for improved effectiveness, including organizational architecture, the role of its main organs and capacity-building needs.
- A comparative analysis of policy and legal instruments governing transboundary water resources in the basin, including recommendations for their enhancement.
- Draft terms of reference for VBA's internal regulations and communications plan.

Project Update: This assignment is being carried out in close coordination with preparation of the recipient-executed activity (Phase 1 project 1, described above) in order to identify critical areas of institutional strengthening that are required for the VBA to carry-out its mandate. Implementation of this activity is underway where Terms of Reference have been finalized, and a consultant is being procured. The activity is expected to start in November, 2014 and to conclude in FY15.

CIWA's Third Consultative Group (CG) Meeting: Focus on West and Central Africa

In FY14, CIWA significantly expanded its focus on West and Central Africa in an effort to balance its portfolio across Africa and to meet the demand expressed and needs identified in the region. Projects in the Niger, Volta and Lake Chad basins were initiated or advanced, and support for ECOWAS was streamlined, to help ensure that CIWA's resources are used strategically. In order to best plan, understand and advance these programs, CIWA hosted its third CG meeting in Dakar, Senegal during the fifth Africa Water Week. The objective of the CG meeting was to "showcase the dynamics of cooperative management of transboundary waters in West Africa and to receive strategic advice and guidance on CIWA strategy, program, and priorities in West and Central Africa." This CG meeting built on two previous CG meetings: the first held in March 2012 in Marseille, France, during the World Water Forum which launched the CIWA program; and the second held in September 2013 in Stockholm, Sweden, to receive strategic advice on the program's strategic direction and its focus.

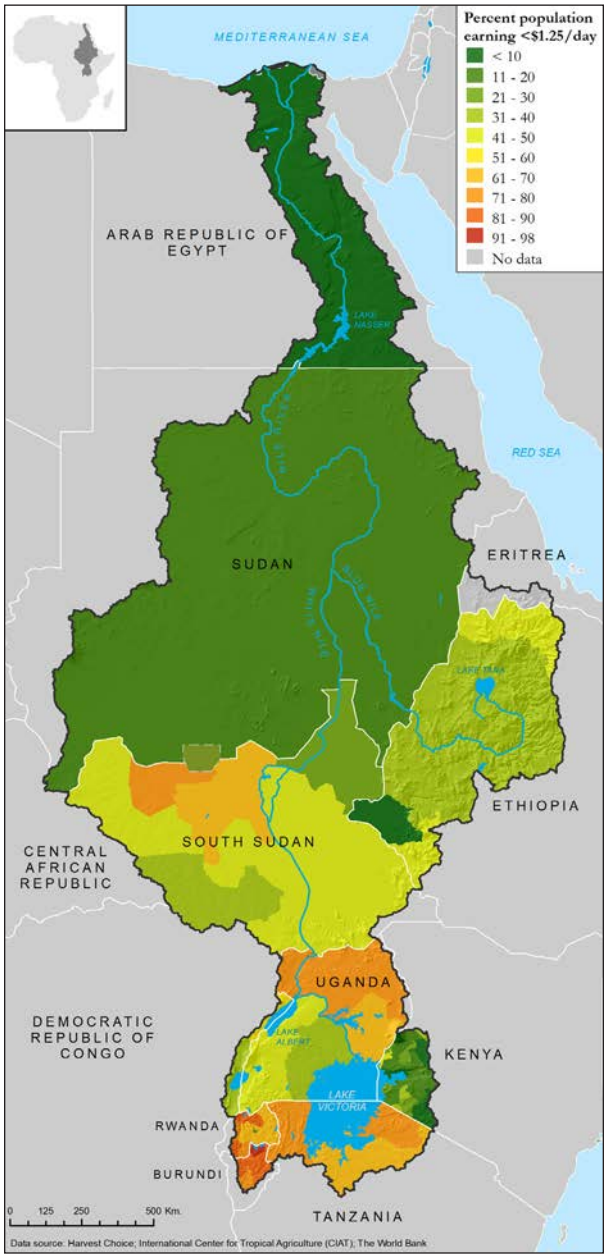
The third CG meeting was well attended, convening almost 100 representatives of RBOs from the wide reaches of the African continent, along with representatives of other programs, national governments, civil society organizations, research and consulting firms, international water agencies and international development partners. CIWA's planned recipient-partners (VBA, NBA, LCBC, and ECOWAS WRCC) made presentations on the basin contexts in which CIWA will provide support. This afforded attendees the opportunity to gain a better understanding of proposed project details and the needs of basin communities being supported. Despite the existence of basin-specific complexities, the presentations highlighted common regional concerns and the similar challenges faced in West Africa. For instance, a common theme expressed among RBOs was the importance of establishing sound institutional, legal and operational frameworks related to investment projects. In addition, ECOWAS is taking the lead in developing guidelines for developing water resources infrastructure and IWRM to complement institutional frameworks of transboundary RBOs in the region. The organizations attending the meeting expressed strong support for a proliferating culture of knowledge sharing and exchange. Meeting participants benefited from insightful remarks on how to maintain long-standing political commitment to transboundary cooperation contained in a key note address by the Commissioner of the OMVS. Leaders from other basins across Africa, including the Nile and Zambezi basins, commented on ways cooperation has been advanced in their region and sought insight from the West African organizations on how to bring about a similar culture of cooperation.

Attendees engaged the panelists by discussing issues relevant to their respective basins and communities. The issue of financial and institutional sustainability was highlighted by many RBOs in attendance and demonstrated the need for RBOs to maintain strong linkage between transboundary water issues and national programs. Participants agreed that strengthening knowledge and information on international waters is important in order to advance cooperation within basins. Participants discussed the need to have shared vision processes when developing basin plans to ensure that the voices and needs of all stakeholders in a basin are integrated. The meeting was successful as demonstrated by the many attendees who expressed an interest in participating in future meetings that facilitate information exchange among basin organizations and where transboundary water concerns can be brought to light.

Sustained Engagement: Nile Basin Program

Countries	Burundi, Democratic Republic of Congo (DRC), Egypt, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda
Size of Basin	3,020,100 km^2
Annual Runoff	184,816 mm/yr
Population (2010)	238,000,000

Basin Program Objective: The long-term objective of CIWA in the Nile basin is to strengthen cooperative water resources management and development to facilitate sustainable climate-resilient growth.



Strategic Context: The Nile River basin is shared by eleven countries, each of which faces unique challenges, and all have ambitious national development plans to fuel economic growth and promote poverty alleviation efforts that depend critically on the sustainable use and management of shared Nile waters. The benefits and sustainability of many of these investments could be enhanced from a regional perspective. Cooperative development and management of shared Nile waters can generate substantial "win-win" benefits to help unlock the full productive potential of the Nile basin for more prosperous and sustainable national and regional growth and poverty reduction.

The CIWA Nile Program follows on the heels of over a decade of MDTF support provided to the basin through the NBTF. Over the past decade, the Nile countries have embarked on building a better knowledge base, instituting a cooperation platform, expanding outreach with professional networks, increasing engagement by stakeholders and civil society organizations, and developing an investment portfolio that encourages strategic cooperation between riparians and that responds to sustainable development needs in the basin. The CIWA program is enabling countries to build from this progress to date, using a targeted approach along two tracks: grants to the NBI, an inter-governmental transitional institution established by all of the riparian states and dedicated to fostering collaborative and sustainable development and economic growth through the shared resources of the Nile; and the NBD, a network of civil society organizations that boasts membership from across the basin countries, and aims to increase voices of communities in development of basin resources.

The CIWA Nile Program is envisaged as a long-term engagement, designed to provide complementary support in the areas of information, institutions and infrastructure, in a flexible and service-oriented approach that reflects the outlook of the basin organizations being financed by CIWA. Through CIWA recipient-executed grants, the NBI knowledge enhancement activities have been shown to amplify the call for cooperation being advanced by the institution; similarly, in response to riparian country interest, the NBI is actively advancing individual projects that were prioritized though broad investment opportunity studies, while increasing both

in-house capacity of the centers, as well as of its collaborators in government and academia. The NBTF, the NBI's primary source of donor funding, is scheduled to close in December 2014. In order to offset the waning levels of grant support towards the NBI, the institution developed a Financial Strategy designed to generate funding to cover the institution's core costs, including mechanisms to gradually increase country contributions. Adherence to the planned financial schedule is one of the determining factors for CIWA's future institutional support. Despite strong NBI efforts, progress towards NBI financial sustainability is lagging because contribution commitments for the FY have not been met.

The NBD is a network of civil society and community organizations working on Nile water-related issues across the basin. Recognizing similar interests and needs, the NBD members have joined the network in order to present strong unified voices in response to development initiatives taking place in the basin. They also represent a consultative stakeholder group that addresses NBI projects and activities. CIWA's support to the NBD is designed to complement the NBI's coordination and infrastructure development roles by providing a mechanism for information dissemination and dialogue between civil society and decision makers. CIWA support for the NBD will allow the network to develop state-of-the-art mechanisms for connecting different levels of stakeholders in the basin and increasing civil society's understanding of the ways that planned developments may impacts the lives and livelihoods of the people living in the basin.

Additional CIWA support may be identified as basin cooperation and the CIWA program evolve, and as additional donor funds become available.

FIRST PHASE PROJECTS

1. Nile Cooperation for Results (NCORE) Project

Budget: US$14.5 million (complementing US$18.8 million from the NBTF)
Implementation Start Date: January 2013
Duration: 4.5 years
Partner: Nile Basin Initiative—three centers

Project Objective: To facilitate cooperative water resources management and development in the Nile basin.

Project Update: Consistent with NBI's long-term strategic plan, NCORE supports a diverse set of interventions including: developing and disseminating information tools and analytical products; preparing and packaging investment projects; developing awareness raising and cooperative platform; and facilitating dialogue between stakeholders at many levels. The NCORE project is made up of three components that are implemented by the three NBI centers, and each component is designed to leverage the comparative advantage of the center implementing it. The Nile Secretariat (Nile-SEC) is advancing WRM and building a platform for cooperation, while the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP) and the Eastern Nile Technical Regional Office (ENTRO) are expanding their investment portfolios in the basin, and are providing analytical products around development issues.

As a result of the successful implementation of the project, the original scope of the project was expanded in FY14 to include additional funding from both the NBTF and CIWA. Highlights of the new activities include: a MSIOA of the Eastern Nile (EN); support for preparation of priority investment projects in the Equatorial Lakes region; development of customized communications and outreach products; and an integrated package of support for the most recent NBI member, South Sudan.

Highlights of Progress to Date:

(Additional details are included in the NBTF Annual Report)

- Nile basin cooperation and dialogue were advanced
  - South Sudan became the newest member of the NBI and is receiving a comprehensive cross-center package of support.
  - The Eastern Nile Council of Ministers, the highest governing body for ENTRO, resumed governance meetings in January 2014. The June Council meeting included representation from three of four EN countries, affirming their commitment and resolve to advance cooperation around the EN.
  - The NBI facilitated a number of stakeholder dialogues to discuss regional issues, including Nile Day celebrations and Permanent Secretary study tours.
  - The Strategic Dialogue organized by the Nile-Sec brought together members of the Technical Advisory Committee, Council of Ministers, development partners and others to discuss NBI's institutional sustainability and the closing of the NBTF.
  - Planning for the upcoming Nile Basin Development Forum is underway. It is scheduled for October, 2014.

  - National Focal Points received training to enable them to serve as liaisons for the NBI and to bring national-level governmental attention to pressing Nile issues.
- Nile Decision Support System (DSS) is more accessible for users
  - Additional DSS licenses were distributed to ministries and universities in the basin.
  - The NBI trained 120 water professionals on use of the DSS.
  - A DSS Help Desk was established to provide additional support to DSS users.
  - Application of the DSS to Nile issues is increasing. For instance, the Secretariat hired its first PhD candidate interns who used DSS principles in their research field studies.
- Water resources knowledge products and tools were enhanced
  - Communications products were developed and distributed to different types of stakeholders. These products included the NBI Corporate Report, the Success Story on Nile Cooperation, government briefings, and technical publications. Website usage increased and the Secretariat is working with the other centers to improve the ease of access to NBI information.
  - ENTRO is meeting its project target for the number of visits to its website portal. Additional work is required to improve the user interface portion of the portal to allow easier access and to offer better communication of what features are available on the website.
  - ENTRO is enhancing its flood preparedness tool to help increase the ability of users of the center's flood forecasting system to predict and understand droughts and flash floods in the EN. ENTRO released regular flood forecasting bulletins, including timely bulletins during a period when communities along the Blue Nile were experiencing severe flooding.
  - As part of a Nile Basin River Monitoring Strategy, the NBI is developing design and implementation plans for a regional basin-wide hydro-meteorological system. An inception report for the design of this system was presented with country needs assessments during an August 2014 workshop.
  - NBI/NELSAP finalized a Swedish International Development Cooperation Authority-funded gender audit and began to incorporate feedback from the process including working with CIWA to marshal tools and resources so that it can revise its gender guidelines and checklists
- Water resources development was advanced
  - NELSAP governance approved NELSAP's preparation of ten new investment projects (Table 1).
  - NELSAP has facilitated advancement of the Muvumba Irrigation and Watershed project, which will irrigate 13,000 ha of land, is expected later in the year.
  - NELSAP is preparing six additional investment projects in water storage, irrigation, flood protection and water supply through CIWA support. Procurement for preparation of feasibility studies and environmental and social reports for these investment projects is underway.
  - ENTRO began preparation of an EN MSIOA, which will include analysis and a consultative process to help countries agree on a next round of investment projects of regional significance. It builds on the sectoral studies carried out by ENTRO, and draws from the methodologies for similar work employed in the NEL region and the Zambezi. The inception phase has been completed and included initial consultations with ENTRO and development partners.
- Dam safety activities in the EN are underway
  - ENTRO and country professionals worked to develop a Regional Reference Dam Safety Guideline, a Small Dams Guidelines, and a Road Map for the development of an EN dam safety framework.
  - ENTRO completed two relevant training workshops targeting EN country professionals and engineers, including hands-on Potential Failure Mode Analyses (PFMA) of five dams in the region.
  - An assessment of dam safety (legal, policy and technical capacity) in the EN (Ethiopia, South-Sudan and Egypt) was carried out, including review of environmental and social matters.
- NBI outreach with professional and stakeholder networks was expanded
  - ENTRO is expanding its outreach through four new teams of young professionals from all its countries to support its major activities under NCORE: EN Flood Season program; Dam Safety; Benefits of Cooperation; and the MSIOA.

- NBI South Sudan package of services is under preparation
  - An additional support program for South Sudan was designed. It will assist the newest NBI member with capacity building, knowledge management, and planning support.
- A study of least-cost power generation expansion for South Sudan and integration of South Sudan into the regional grid was initiated and selection of consultants is under way.
- Design of a South Sudan Hydro-met Information System is underway.

TABLE 1. Indicative list of investments supported by NCORE from grant inception to present featuring estimated investment values and numbers of potential direct beneficiaries.

Projects	Beneficiaries (People)	Investments (US$ m)	Area of CIWA Support	Source of data
Mara Valley	72,000	50	Feasibility/ESIA	NEL WRD Project, Mara Valley Irrigation Scheme Final Pre-Feasibility Report
Ngono	99,000	50.4	Feasibility/ESIA	NEL WRD Project, Ngono Valley Irrigation Scheme Final Pre-Feasibility Report
Muvumba	168,000	104.3	Facilitated agreement	Detailed Identification Studies for Potential Large Dams in the Kagera Basin
Kabuyanda	41,000	39	Feasibility/ESIA	Feasibility study of a Kagera Integrated Watershed Management (2012)
Nyabanja	12,000	58.7	Feasibility/ESIA	Pre-feasibility Studies for the Development of Multi-Purpose Storage Reservoirs in the SMM River Catchment
Nyimur	—	90	Facilitated agreement	Aswa Basin Development Strategy & Investment Plan
Keben	45,000		Facilitated agreement	Yala River Basin Development Strategy & Investment Plan
Ruvyironza	126,000	158	Feasibility/ESIA	Pre-feasibility study of a Kagera Integrated Watershed Management (2012)
Sio Sango	20,000	39.5	Feasibility/ESIA	Pre-feasibility Studies for the Development of Multi-Purpose Storage Reservoirs in the SMM River Catchment
Gogo	1,152,000	523.7	Facilitated advancement	Identification of a Multi-Purpose Water Resources Development Project in the Gucha-Migori River Basin in Kenya—Investment Plan
Bunyunyu	675,625	260.8	Facilitated advancement	Identification of a Multi-Purpose Water Resources Development Project in the Gucha-Migori River Basin in Kenya—Investment Plan
Keben	45,000	24	Facilitated agreement	Investment Plan for the Yala River Basin in Kenya
Rusumo Falls	1,240,000	306	Facilitate implementation	Project Appraisal Document
EN Watershed	570,000	121	Feasibility/ESIA	Cost based on ongoing ENTRO watershed management work in both Ethiopia and Sudan
EN MSIOA	TBD	TBD	Identification	Estimates being developed
TOTAL	4,265,625 beneficiaries	US$1,825		

2. Engaging Civil Society for Social and Climate Resilience in the Nile Basin

Budget: US$1.5 million
Implementation Start Date: December 2013
Duration: 3 years
Partner: Nile Basin Discourse

Project Objective: To contribute to the equitable and sustainable development of the Nile basin through increased engagement of civil society in Nile basin cooperation programs and processes.

Project Update: This project was finalized and began implementation during FY14. This first phase project focuses on three key areas: strengthening the NBD Secretariat; improving communications and outreach; and engaging in capacity building for NBD members. Before implementation began, the NBD recruited a new Regional Manager and a new Monitoring and Evaluation Officer. The two new staff members will be instrumental in implementing activities, particularly in monitoring progress in achieving project goals and overall CIWA results. A meeting of the Board in July 2014 retroactively approved the NBD's work plan as well as the work plan for 2015.

The NBD in collaboration with the Both ENDS organization and Delft University, carried out a workshop in February 2014 in Jinja, Uganda, designed to "instigate the process of defining a new agenda for the Nile Basin" by developing "storylines of plausible futures for the Nile Basin for the next 30 years". The workshop was attended by organizations from Kenya, Uganda, South Sudan, Sudan, Ethiopia, Egypt, Tanzania, and DRC that represented interests of fisheries, energy officials, environmental conservation organizations, universities, ministries, the NBI, youth and women. In addition, the NBD participated in a NBI media capacity building event this year titled "The Nile: Journalists Training Workshop." The NBD highlighted its planned activities and discussed the role of water advocacy and effective use of media.

In order to gain a higher profile and extend its outreach efforts, the NBD will present a paper on "Benefits of Cooperation" at the 2014 Nile Basin Development Forum. The two-day event brings together scholars, academics, practitioners and riparian community and government representatives to discuss the latest issues on Nile basin development, challenges and opportunities. The NBD will introduce the perspective of communities and organizations represented by its network, and will reflect on the impact of regional cooperation on local benefits. The NBD also intends to convene side meetings related to disaster and climate risk management.

In the coming months, the NBD will also focus on reanimating its network by shifting from a top-down flow of information model to a more dynamic plan that engages and draws information and energy up from its membership. Specific activities will include increasing its online visibility, creating press releases about new developments (for example hiring of new staff) and increasing utilization of social networking sites such as Facebook and Twitter. A stakeholder mapping activity will help the organization better understand its main stakeholders, assess their needs, and identify resources its member organizations and other stakeholders can offer. The NBI is in the process of undertaking related "knowledge audit" and stakeholder mapping activities. Recognizing that the two exercises are complementary, the organizations agreed to share terms of reference and to collaborate where possible.

3. Nile Basin Support Program

Budget: US$1 million
Implementation Start Date: January 2015
Duration: 3 years
Partner: World Bank-executed

Description: Implementation support and technical advice for recipient organizations. Analytical work and evaluation of both the Nile Basic Support Program and the Nile Story are being implemented through this fund. This work will be managed by the World Bank in partnership with basin organizations.

Project Update: To make the best use of scarce resources, the NBTF is being used to fund the Nile Basin Support Program. However, the NBTF closes in 2015. In previous years, as part of the Nile Basin Support Program, the NBTF supported an Independent Evaluation of the NBTF, technical modeling assistance for the NBI, remote sensing, and other facilitation work. The World Bank has also commissioned a political economy analysis of the development track of activities in the Nile to benefit and enhance this Support Plan.

Currently, the World Bank is carrying out a "Nile Story" to develop new ways to describe the results of the Nile program over the past 15 years (1999-2014) in both qualitative (evidence in stories) and quantitative (evidence in numbers) terms. After the initial architecture and expectations of the program are described, the Nile Story employs a "theory of change" framework in charting the pathway over time from problem to inputs to outputs to outcomes and to impact. The assignment is expected to demonstrate the breadth of the program

as well as to highlight which issues warrant coverage in more depth. The storyline will also highlight some of the outcomes that are "above and beyond" targeted results—outcomes that were beyond expectation or that have taken the program into different directions from what was originally envisaged. This activity is currently at its inception phase. A first draft of the inception report was developed and distributed among NBI stakeholder and development partners for review. In addition, a perceptional survey, which will be used to understand how the program has influenced perceptions on cooperation and transboundary issues, was drafted and is being tested during in-person interviews during project team field visits.

In addition, the Bank has provided targeted support to the NBI for further implementation of its projects. This includes the provision of gender-related support at NELSAP, and support to NBI provided by world-class experts. including guidance from a past manager of a complex river system, the creators of several hydrological models, experts in spatial analysis and visualization, and experts in hydromet systems designs.

Sustained Engagement: Zambezi River Basin Program

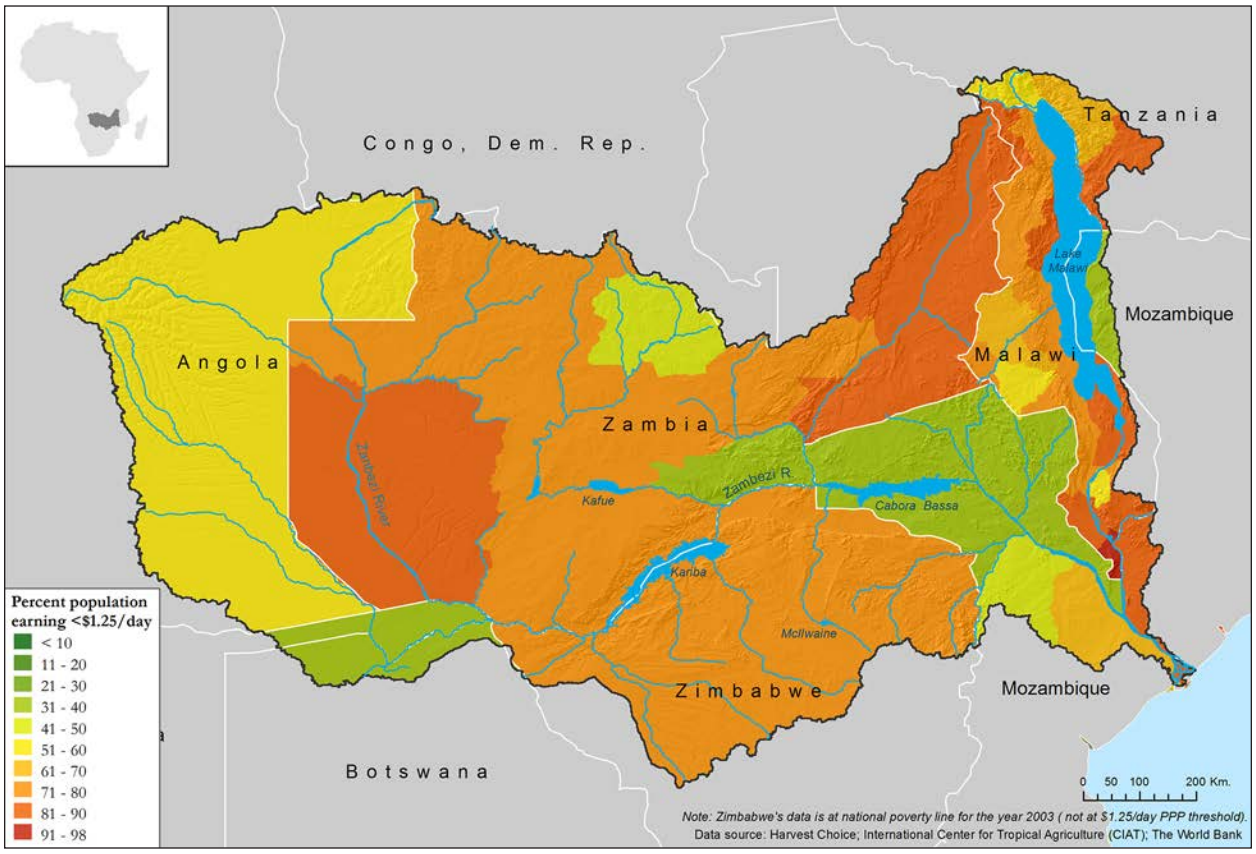
Countries	Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, Zimbabwe
Size of Basin	1,380,200 km^2
Annual Runoff	140,686 mm/yr
Population (2000)	30,675,804

Basin Program Objective: The long-term objective of CIWA support is to strengthen cooperative management and development within the Zambezi River basin to facilitate sustainable, climate-resilient growth.

Strategic Context: The Zambezi River basin (ZRB) is shared by eight countries: Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe. In addition to meeting the basic needs of more than 30 million people and playing a central role in the riparian economies, the river sustains a rich and diverse natural environment.

This year CIWA has deepened its engagement in the ZRB, which has been the subject of a long history of sustained efforts to foster cooperative development.

Sustained economic growth above six percent in many of the riparian states is both providing new opportunities and increasing development pressure on the basin's resources. More than US$16 billion worth of investments have been identified at the pre-feasibility or feasibility stages of preparation, and the combined GDP among the ZRB riparian states is estimated at over US$100 billion. While the region continues to experience increasing prosperity, poverty is persistent across the basin and income inequality in some states is among the highest in the world. The challenge in the ZRB is to promote cooperative development and management of international waters in a way that drives sustainable economic growth and improves the livelihoods of the populations that critically depend on the sustainable use and management of shared waters. This year the countries in the basin made significant progress in establishing ZAMCOM as a permanent RBO. Upstream work to prepare the Batoka Gorge HES is under implementation through a grant with the ZRA, and numerous strategic analyses that complement CIWA's support to ZRA and



ZAMCOM are underway and are being used to demonstrate the evidence base for cooperation.

The ZRB has always been central to visions of economic development and prosperity in the southern African region, and there is a long history of sustained efforts to foster cooperative development of the ZRB. The evolution of international cooperation in the ZRB has developed over more than three decades, building on the earlier foundations established during the time of the federation and also during the development of the Kariba dam hydropower complex. Negotiations leading to the ZAMCOM Agreement date back to the late 1980s. The ZAMCOM Agreement came into force in 2011 after six of the eight riparian countries completed their ratification processes. In 2013 Zambia ratified the ZAMCOM Agreement, and in 2014 the Interim ZAMCOM secretariat transitioned into a permanent ZAMCOM Secretariat (ZAMSEC).

The CIWA Zambezi River Basin Program has been envisaged as a long-term engagement consisting of a series of programs, each with different projects at various levels (including at the country level, among subregional clusters, and across the basin) and also across different sectors within the basin. CIWA uses the IWRM strategy developed for the basin. The program utilizes a mix of instruments, including continued dialogue, analytical work and technical assistance, coupled with investment preparation and infrastructure financing. The first phase of the program has two recipient partners: the ZAMSEC and the ZRA.

FIRST PHASE PROJECTS

1. Zambezi River Basin Management Project

Budget: US$4 million
Implementation Start Date: January 2015
Duration: 3 years
Partner: ZAMCOM Secretariat (ZAMSEC)

Project Objective: To strengthen ZAMCOM's role in promoting cooperative management and development in the ZRB through institutional strengthening, improved information sharing and decision support, and strategic planning.

Key Expected Results:

- Plan for financial sustainability adopted based on member state contributions.
- Basin-wide Master Plan developed.
- Flood-forecasting and early warning system developed.
- Zambezi Water Information System enhanced.

Project update: The countries in the Zambezi basin made significant progress in establishing ZAMCOM as a permanent RBO during FY14 including: establishing and operationalizing all of the Permanent Organs of the ZAMCOM (ZAMCOM Council of Ministers, ZAMSEC and the ZAMCOM Technical Committee (ZAMTEC)), establishing legal instruments and financial systems in support of the hosting arrangements in Zimbabwe, transitioning assets from Gaborone to Harare, and appointing an Executive Secretary.

CIWA's initial support for ZAMCOM was developed and endorsed by ZAMTEC, the Zambezi Basin Advisory Committee (BAC) and the CIWA AC and appraised by the World Bank prior to the transition from an interim Secretariat in Botswana to a permanent secretariat in Zimbabwe. As a result of this transition and the establishment of the Secretariat in Harare, CIWA is re-appraising the project. The activities have been reconfirmed with the new Secretariat and key procurement activities have been launched in anticipation of approval this year. Options are being explored while approval is still pending to blend and coordinate project details with new co-financing opportunities under the GEF.

2. Zambezi River Basin Development Project

Budget: US$6 million
Implementation Start Date: Approved June 2014; Signed July 2014 and Declared Effective August 2014
Duration: 2 years
Partner: Zambezi River Authority (ZRA)

Project Objective: To advance preparation of the Batoka Gorge Hydroelectric Scheme and strengthen cooperative development within the Zambezi River basin.

Key Expected Results:

- Updated engineering study for the Batoka Gorge HES.
- ESIA for the Batoka Gorge HES.
- Improved safety of the existing Kariba hydropower complex after completion of a dam break analysis.
- Completion of legal review of governance and organizational oversight.
- Options developed for the future role of ZRA in the Zambezi basin.

Project update: The project is currently under implementation (the project was approved June 2014). Consultants for the engineering study and for the ESIA are under contract, and work is underway. The procurement processes for Transaction Advisors and the Dam Break Analysis have been launched. However, because of resource constraints, the Dam Break Analysis will be financed under a parallel project being implemented by ZRA for the rehabilitation of the Kariba Dam. Additional financing from CIWA is being sought to provide funds for Transaction Advisors under the CIWA Grant.

3. Zambezi River Basin Support Program

Budget: US$1 million
Implementation Start Date: January 2013
Duration: 3 years
Partner: World Bank-executed

Project Objective: To facilitate sustainable, climate-resilient cooperative management and development of water resources within the ZRB. This is intended to provide evidence-based analytical work and "just in time" technical assistance within the broader context of the objectives defined for the ZRB.

Progress Update: The program was formulated through a consultative process led by the ZAMSEC in collaboration with the ZAMTEC, riparian states, the International Cooperating Partners (ICPs), and the CIWA BAC. Basin Support Program activities were presented to the ZAMTEC at its meetings in November 2012 and March 2013 as integral parts of the overall basin program.

In partnership with the University of Cape Town, work is underway on an analysis entitled *"The Climate Change Assessment of the Energy-Water Nexus in the Zambezi River Basin".* This analytical effort aims to assess the potential impacts of climate change in the ZRB through a scenario-based analysis within the regional context of the energy-water nexus. The results will highlight the feedback mechanisms between water management and development in the ZRB and power generation in Southern Africa, and will illustrate the trade-offs between irrigation and hydropower that are often necessary due to limited water resources. The analysis will be shared during ZAMCOMs Strategic Plan formulation.

An analysis titled *"The Context for Cooperation in the Zambezi River Basin"* is under development. It will explore some of the underlying geo-political contexts for framing cooperative agreements and for informing contemporary hydro-political positions in the basin in order to provide evidence to make the case that benefits are gained through cooperation. The case study is based on a framework that is structured in three parts: Part i) describing the basic hydrological, economic and political conditions in the basin, including the existing water infrastructure, planned water development projects, and existing and envisaged governance structures; Part ii) examining the factors that influence international cooperation in the basin, as well as the challenges lying ahead, such as those resulting from climate change; and Part iii) providing a synthesis and drawing conclusions in support of the overall objectives of CIWA in Africa. The study will be finalized upon further consultations with the riparian states.

An analysis titled *"The Institutional Assessment of the Zambezi River Authority",* a review of the governing legal framework for the effective and efficient use of waters and other resources within the Zambezi River under the ZRA, was completed in FY14. The analysis helped to identify national and local legislation that results in potential overlapping authority over economic, environmental, technical, safety, or other areas affecting the Zambezi River. This study will be utilized in an options paper that identifies potential measures, and that outlines detailed steps toward harmonizing existing policies and laws to improve the cooperative management of waters within the ZRB.

Ongoing Engagement: Southern African Development Community

Budget: $10.2 million ($2 million CIWA, $8.2 million GEF)
Implementation Start Date: July 2014
Duration: 5 years
Partner: Southern African Development Community (SADC)

Project Objective: To support sustainable management of groundwater at national and transboundary levels across SADC Member States.

Key Expected Results:

- Development of the SADC GMI into a regionally recognized center of excellence.
- Transboundary and national institutions strengthened to improve regional cooperation.
- Enhanced capacity for sustainable transboundary and national groundwater management in the

Ministries and departments responsible for groundwater in SADC Member States.

Project Update: In FY14, the project document and legal agreements were prepared, appraised and negotiated with the grant recipient, the SADC Secretariat in Botswana, and the project implementing entity, the University of the Free State in South Africa. On April 24, 2014, the World Bank approved the Project's financing of US$8.2 million from the GEF and US$2.0 million from CIWA. At the same time, the CEO of the GEF provided its endorsement for GEF financing on March 5, 2014. During FY15, the legal agreements will be signed and the project is expected to become effective shortly thereafter. Key procurements have begun with the processes for hiring the Director for the SADC GMI already underway.

Ongoing Engagement: Lesotho Highlands Botswana Water Transfer (Orange-Senqu Basin)

Countries	Botswana, Lesotho, Namibia, South Africa
Size of Basin	944,051 km^2
Annual Runoff	476 mm/yr
Population (2000)	12,779,823

Budget: $2 million
Implementation Start Date: September 2014
Duration: 2 years
Partner: Government of Botswana, on behalf of the government of the Kingdom of Lesotho and the government of South Africa

Project Objective: To determine the viability of water resource development options for Botswana to access water from the Lesotho Highlands by assessing engineering, costing, social, legal, environmental, economic and financial information.

Key Expected Results:

- In-depth analysis of potentially transformative development options for the further transfer of water from the Lesotho Highlands to Botswana and South Africa.
- Examination of additional transfer options from the Lesotho Highlands and the development of additional, sustainable revenue streams for Lesotho based on renewable water resources.
- Inform Botswana's options for securing water supplies and consolidate Lesotho's position as the water tower of southern Africa.
- Contributes to an emerging regional strategic analysis of long term water supply security in southern Africa.

Project Update: Appraisal and negotiation of the recipient executed grant has been concluded. The package is expected to be approved in August and signed in September, 2014. Procurement has been under implementation in parallel. The five bids received in response to the Request for Proposals are currently under review.

3

SECTION 3

THE CATALYTIC SUB-PROGRAM

Africa is rich in water resources, yet cooperation over transboundary waters is stifled by shortcomings in both institutions and policies, and by knowledge gaps related to the challenges of and benefits from shared water development and management. The CIWA Catalytic Sub-Program addresses these challenges with knowledge generation, capacity building, and opportunistic activities. Borne out of important lessons learned from previous efforts to promote cooperation, such as the NBTF, the Catalytic Sub-Program activities focus on identifying and understanding barriers to cooperation, exploring and advancing cooperative opportunities outside of CIWA's main basins, building stakeholder capacity, generating regional public goods, brokering knowledge and developing new models and tools to foster cooperation in basins throughout Africa.

This FY, CIWA has deepened its engagement and expanded implementation to strengthen the knowledge base and analytical foundation to bring about cooperative management and development of international waters in Sub-Saharan Africa, to help spur sustainable, climate-resilient growth throughout the region, and to provide new opportunities to improve the lives of riparian country populations. In FY14, a process was finalized that refined the Catalytic Sub-Program's structure, content, and implementation mechanisms to be more clearly aligned with its planned goals and expected outcomes. The Sub-Program was approved by the World Bank in December 2014 in a review meeting chaired by the World Bank Africa Region Chief Economist, where reviewers acknowledged the need for deeper analytical support for strategic issues involving transboundary waters central to Africa's growth. The Catalytic Sub-Program and its activities have attracted strong Bank-wide interest, facilitating the strengthening of linkages with Bank operations and providing opportunities to leverage technical expertise and long-standing regional partnerships.

Projects currently under implementation include: development of a baseline reference of Africa's international waters; a comparative analysis of institutions that support cooperation in international waters; an analysis of how political economy plays a role in transboundary water cooperation; and work that pulls together relevant information on how cooperation provides economic benefits to people living in transboundary basins. CIWA's Catalytic Sub-Program is also supporting efforts to provide people with information they need to make water and climate-related decisions. One example is the Spatial Agent application which was launched this year. The Spatial Agent app allows users to access, use, overlay and visualize key water, climate, agriculture and energy data from over 300 data sources, and is now publicly available for iPad and iPhone. Finally, CIWA took needed steps to prepare catalytic activities with ECOWAS and in the Okavango and Lake Chad basins. These timely activities are expected to be under implementation in FY15 and will help inform riparian decision making on water resources development and management.

This section includes a description of the demand for CIWA engagement; a summary of the Catalytic Sub-Program structure and the type of stakeholder needs addressed (Figure 6); a description of how each project supports the program's four strategic pillars (Table 2);

and criteria for selection of activities under the Catalytic Sub-Program's two windows (Table 3). The section also provides a summary of the Sub-Program's dissemination and outreach strategy, and updated overviews of implementation and continued progress of the ongoing activities in the Catalytic Sub-Program.

Catalytic Sub-Program Objective

The objective of the Catalytic Sub-Program is to strengthen the knowledge and analytical foundation for cooperative management and development of international waters in Sub-Saharan Africa to help achieve sustainable climate resilient growth. The Catalytic Sub-Program is directly aligned with CIWA's four results areas (described in Section 1, Program at a Glance). The Sub-Program contributes to the CIWA PDO by:

- Generating, sharing, and managing knowledge that can facilitate cooperative development and management of international waters;
- Exploring potential high-impact collaborative investment opportunities in defined basins and regions; and
- Creating shared understanding among stakeholders of the opportunities, risks, costs, and benefits of cooperative development and management of international waters.

Demand for a Catalytic Sub-Program

In Sub-Saharan Africa, cooperation over transboundary waters is hindered by gaps in technical knowledge, shortcomings in institutions and policies, knowledge gaps regarding economic opportunities, socio-political difficulties and insufficient capacity, all of which are subjects of consideration of the CIWA Catalytic Sub-Program. Effective demand for technical capacity building, knowledge-sharing services on cross cutting issues, better understanding of opportunities for high-impact collaboration, and strategic investment support is widespread. The evidence of this demand includes:

- Consultative meetings involving regional organizations, national governments, development partners, World Bank teams, and CIWA have underscored the need for making data and information more accessible in the public domain, and for increasing capacity building and technical assistance, as well as providing related knowledge products and analytical studies which demonstrate the benefits derived from cooperation.
- Experience with other similar programs supporting cooperation in international waters has clearly underlined the importance of catalytic/analytic activities.
- The Africa Infrastructure Country Diagnostic, carried out by the World Bank and other partners, has highlighted the lack of, and the pressing need for, a bankable pipeline of water-related investments. Analytical reports confirm the importance of knowledge services, technical assistance, training, and strategic investment support as foundational elements for identifying transformational investments.
- Discussions with several countries have noted the importance of convincing their Ministries of Finance why work on transboundary basins is essential for economic growth and poverty alleviation.

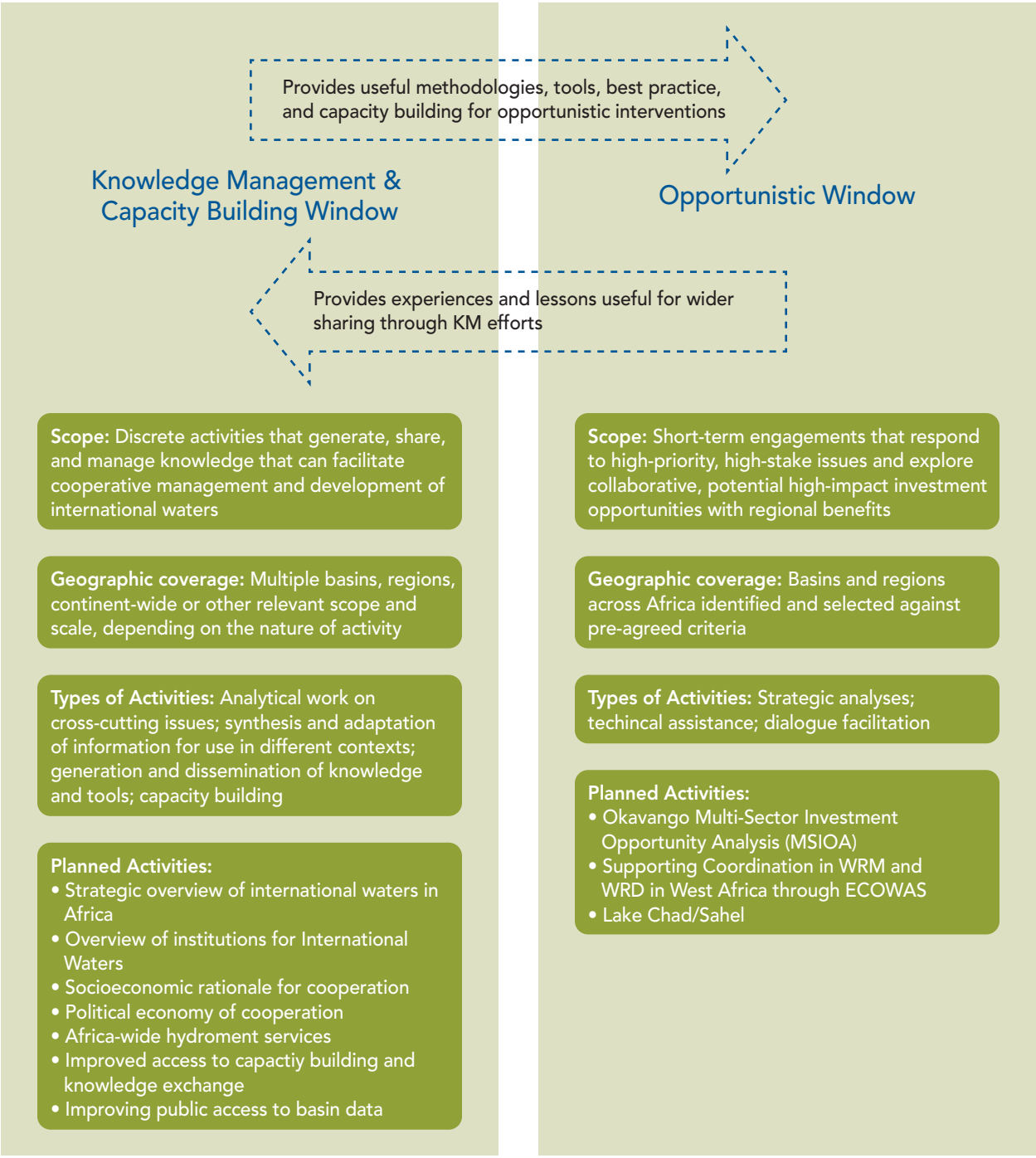
Catalytic Sub-Program Structure

The Catalytic Sub-Program is motivated by two important lessons about cooperation learned in international waters: first, that building cooperation is a long-term process that can accelerate or lapse around specific issues, requiring progress to be both systematic and opportunistic; and second, that analytical work on economic, social, environmental, and political issues can help unlock the potential for cooperation and optimize regional investments. Along with long-term, sustained support for cooperative institutional building, CIWA recognizes that short-term, event-driven opportunistic windows periodically open up that have the potential to advance cooperative efforts. These short-term opportunities might arise in the form of analytical support for specific investments prioritized by riparians or in the form of knowledge management and capacity building activities. CIWA maintains the flexibility to respond to these short-term strategic opportunities through its Catalytic Sub-Program.

Support for activities under the Catalytic Sub-Program is provided through two windows that distinguish the type of need addressed:

1. Opportunistic window; and
2. Knowledge Management and Capacity-Building window.

FIGURE 6. **Catalytic activities are delivered through the Knowledge Management & Capacity Building window and the Opportunistic window.**



Under both windows, activities are largely analytic in nature and aim to generate requisite knowledge, information and data, and to focus on cross-cutting issues with significant economies of scale.

The two windows are different in scope and coverage, as shown in Figure 6. The Opportunistic window responds to demands for exploring collaborative investment opportunities, and involves discrete interventions in specific basins other than the initial priority basins CIWA has already selected. Activities in the Knowledge Management and Capacity Building window are designed to be responsive to demands for

TABLE 2. Strategic pillars of the Catalytic Sub-Program

Strategic Pillar	Gaps Addressed	Activity Focus	Ongoing Activities
Pillar I. Analytical Work for Catalyzing Cooperation	Stakeholders involved in cooperation in transboundary waters have underscored the need for support on strategic analytical studies. For example, strategic analytical work that can explain the benefits of transboundary information, institutions, and infrastructure investments in tangible economic terms can be instrumental in mobilizing support from Ministers of Finance.	Examining key thematic issues such as: socioeconomic benefits from cooperation; innovative financing models for transboundary institutions; agriculture, water and energy nexus; benefit sharing. Responding to needs for catalyzing cooperation identified in multiple basins.	I-1. Strategic Overview of International Waters in Africa I-2. Overview of Institutional Arrangements for International Waters I-3. Economic Rationale for Cooperation in Transboundary Basins in Africa I-4. Political Economy of Cooperation
Pillar II. Exploring Collaborative Investment Opportunities	In the absence of a bankable pipeline of water-related investments at multiple scales, there is a need to identify and provide support on identifying and preparing transformational investments and to support key institutions that need to engage in or facilitate cooperative activities.	Identifying and helping advance collaborative investment opportunities in basins or regions where CIWA does not provide sustained support.	II-1. Okavango MSIOA II-2. Supporting Coordination in Water Resources Management and Development in West Africa II-3. Promoting Regional Cooperation in the Lake Chad Basin
Pillar III. Information Services for Climate Resilience	Amidst the uncertainty of climate change-induced impacts, there is a need to improve the understanding of ways to effectively mainstream climate change considerations into transboundary water cooperation, management and development. There also is the need for support to adapt existing principles, procedures, and institutions for managing shared water resources in a manner that enhances their ability to respond to the potential climate change impacts.	Identifying improvements in hydromet services to help improve climate resilience.	III-1. Facilitating Africa Wide Hydromet Services
Pillar IV. Capacity Building and Knowledge Management	There is an urgent need for capacity building, training, and knowledge in critical areas of transboundary WRM. This includes a strong focus on assisting with the design and implementation of transformative water investments, South-South learning opportunities, and strengthening knowledge partnerships with research institutes and data providers, and civil societies.	Drawing upon experiences and lessons from CIWA's sustained engagements to develop guidance material, document best practices, and build capacity in a sustained manner. Developing innovative information tools (for example online portals, mobile Apps, knowledge products) for improving public access to climate variability, climate change, and related water resources and sectoral data and tools. Filling the capacity and knowledge gap among select riparian countries, RBOs and relevant regional organizations in a cost-effective way. Enhancing public access to information.	IV-1. Improved Access to Capacity Building and Knowledge Exchange IV-2. Improving Public Access to Basin Data

knowledge activities and capacity building on themes that are important for unlocking transboundary cooperation. Activities supported through this window draw on experiences and lessons from multiple basins across Africa and around the world. The utility of the outputs will not be limited to any one basin. The two windows are complementary in that the outputs from activities in one window provide useful information for activities in the other.

TABLE 3. Criteria for selection of activities under the Catalytic Sub-Program's two windows

Opportunistic Window	Knowledge Management & Capacity Building Window
Demand for the activity	
Alignment with CIWA PDO and four IR areas	
Alignment with one or more strategic pillars of the Catalytic Sub-Program	
Implementation and financial feasibility Capacity of main implementing entity Budget appropriate to activity scope Funding levels consistent with CIWA Leveraging of additional financial resources	
Implementation schedule consistent with CIWA's operating timeframe	
Value added Contribution to value creation and economic development in basin or region of application Evident linkage and leveraging of World Bank or other development partner activities in the basin or region	Value added Addition of necessary knowledge and capacity to RBOs and other stakeholders
Technical robustness Use of a suitable approach Feasibility, significance, and results sustainability (including potential follow-on activities) Potential for influencing regional policy dialogue on transboundary water cooperation	Technical robustness Clear potential to advance knowledge on priority topics Wide relevance and importance of topics covered to multiple basins, RBOs, RECs Tangible output with clear outcomes
Clear and innovative dissemination plan that effectively targets key audiences	

Activities included under the Catalytic Sub-Program are categorized under one of four strategic pillars. The strategic pillars highlight how CIWA adds value while addressing gaps in the process of facilitating cooperative action.

Catalytic Activity Selection Criteria

The range of possible engagement for CIWA on opportunistic and knowledge management activities is broad. In order to use CIWA's resources strategically, CIWA selects discrete activities that are in agreement with the selection criteria of either of its two windows, listed in Table 3. CIWA's interventions are based on these selection criteria are also informed by extensive consultation with key stakeholders, including the CIWA AC, the CIWA's CG, other development partners, the World Bank, non-government organizations (NGO), academics, and others. It is important to note that the Catalytic Sub-Program will expend up to 10 percent of the total available CIWA resources.

Ongoing Activities in the Catalytic Sub-Program

PILLAR 1. ANALYTICAL WORK FOR CATALYZING COOPERATION

Activity I-1. Strategic Overview of International Waters

Activity Objective: To provide a strategic overview of international waters in Africa that can guide the engagement of donors in the region. One of the primary applications of such an overview is to reveal needs, opportunities, challenges, constraints and tradeoffs that collectively define the hydro-political landscape of Africa's international waters, thereby informing prioritization and shaping of CIWA's engagements. This study will be equally relevant to assist in strategic decision-making by other development partners looking to support the region.

Strategic Context: Africa's water resources underscore the opportunities and challenges for sustained growth and transformation. Demand for food is expected to double by 2040. Over the same period the increased demand for energy is predicted to grow four-fold. The population is expected to double and is becoming increasingly prosperous, thereby increasing demand for food, water,

and energy. The transboundary nature of Sub-Saharan Africa's abundant waters calls for cooperative management and development in order to harness its productive potential in a way that increases regional benefits and shares them in an equitable manner, and accomplishes both of these goals in an environmentally sustainable fashion. Development interventions need to take into account needs, opportunities, challenges, constraints, and tradeoffs from regional as well as national points of view. The water resources knowledge base does not currently include a comprehensive compilation of indicators describing the continent's transboundary surface waters, including the demographic, socio-economic, political, and biophysical aspects of transboundary basins, in a way that provides sufficient context about those areas of uncertainty that collectively affect the challenges and opportunities inherent in cooperative investment. This study aims to address that gap and form a baseline reference for a better understanding of the needs and opportunities in international waters and the basins.

Collaboration Partners: African Network of Basin Organizations (ANBO), Global Water Partnership (GWP)

Key Expected Results:

- A report outlining a baseline reference of Africa's international waters and an analysis of a wide range of indicators and factors that describe the socioeconomic, geopolitical, and biophysical context of international waters and their contribution to economic development across Africa.
- A publicly available database of indicators consisting of the findings of this work.

Activity Update: This activity has been under implementation since FY12. Findings and analysis are presented in a draft report prepared in FY14 and are in the process of being finalized.

Activity I-2. Overview of Institutions in International Waters

Activity Objective: To provide an in-depth appreciation of the principles and mechanisms employed in the creation and formalization of water resources institutions engaged in fostering cooperation in international waters across Africa, with the expectation of providing a sound basis upon which current and future institutions can be supported as they respond to key national and international policy objectives.

Strategic Context: The contemporary delineation of Africa's political boundaries that was created at the end of the 19th century, and the existence of varying legal regimes, have increased the complexities associated with economic growth and development and accentuated water-related insecurity. To deal with these challenges, a robust, enforceable legal and institutional framework is needed to ensure equity in the allocation of resources and the optimization of development opportunities. Water resources institutions are created to provide for the control and use of water as it passes through its natural system. The form and character of the institutions, both nationally and internationally, create a framework that determines the manner in which political and economic factors relate to water resources. Understanding the principles and the mechanisms employed in the creation and formalization of water resources institutions across Africa will provide insights useful for current and future water management and contribute to regional efforts to increase cooperation.

There is currently no comprehensive compilation of water laws, policy instruments and international agreements on water in Africa to facilitate comparative analysis. This activity will fill this critical gap and will construct the first ever compilation of a single resource of national and transboundary legal and policy instruments relating to water issues in Africa.

Key Expected Results:

- A report presenting a comparative analysis of the form, functions, scopes of authority, and funding mechanisms of international river basins across Africa along, with an assessment of the current state of their financial independence, sustainability, and autonomy.

Activity Update: This activity has been under implementation since FY12. Findings and analysis are presented in a draft report prepared in FY14 and are in the process of being finalized.

Activity I-3. Economic Rationale for Cooperation in Transboundary Basins in Africa

Activity Objective: To solidify the evidence base on the link between cooperation in transboundary basins and equitable growth in Africa.

Strategic Context: There is evidence that the challenges associated with international waters have resulted in significant sub-optimal investments where unilateral choices have been made in favor of cooperative solutions

in order to avoid the complexities of engaging with riparian neighbors. It is also evident that major development activities have often been delayed for decades or forgone entirely. This is assumed to have had a huge impact on economic growth and resulted in significant social and environmental costs. However, this impact and its cost to Africa has not been adequately quantified and is largely still unrecognized as a binding constraint on the ability to unleash Africa's economic potential, address poverty reduction and foster peace.

This activity aims to increase the evidence base on the broad relationship between cooperative water resources development and management and basin-wide economic growth, poverty reduction, and shared prosperity. The analysis will focus on how cooperation in transboundary basins have and can enhance productivity in different water-related sectors. In so doing, it will focus on the current contribution of water to economic growth and poverty reduction at a transboundary level along with the potential benefits of climate-resilient water investments for economic growth, or alternatively viewed, the ''costs of inaction.''

Key Expected Results:

- A comprehensive literature review of past and ongoing empirical studies on the economic rationale for transboundary water resources cooperation in order to construct an evidence-based argument supporting cooperative action among riparians.

Activity Update: This activity began implementation in FY14 and consists of a broad literature review. A draft outcome document of the literature review is expected in FY15.

Activity I-4. Political Economy of Cooperation

Activity Objective: To formulate a method of analysis for understanding the political economy drivers and constraints that influence cooperation within CIWA's four results areas, and to develop scenarios that can inform overall strategic thinking and decisions related to CIWA engagements in different international waters contexts in Africa. Secondarily, to develop comprehensive political economy analyses of selected cases of transboundary basins in Africa.

Strategic Context: Decisions related to cooperative water resources management and development, in addition to being based on consideration of traditional economic factors and physical constraints, are highly influenced by political considerations, such as the perceived risks to a country's interests in the basin, the impact of decisions by important or conflicting drivers within a single state, and opportunities for indirect benefits from increased cooperation. Efforts to improve cooperative water resources management and development in transboundary basins in Africa have been ongoing for decades with varying levels of results. These results include: establishment of institutional platforms for cooperation; signing of basin-wide agreements; strengthening of RBOs; and cooperation among a subset of basin countries towards common development projects or shared regional interests. Support by development partners has been a key element in these processes. While one basin may benefit from limited but catalytic support that spurs long-term cooperative measures, consistent support in another basin may result in evolving ownership by basin riparians of the institutions set up to manage the water resources. Political economy analysis, therefore, becomes critical where and when governance and political economy factors appear to prevent progress that is otherwise considered possible from a technical perspective. As such, the importance of understanding the cooperative challenges and goals, and the political economy dimensions, in transboundary basins is critical for reducing the risk profile of investment projects and identifying the existing and/or feasible opportunities for advancing cooperation.

This activity takes a two-pronged approach to enabling CIWA, and other entities looking to provide effective development interventions in the transboundary water context, to incorporate political economy considerations in their strategic decision making.

The first component involves designing an analytical framework that prescribes a method for systematically conducting a PEA for a general transboundary basin, followed by the application of this framework to a set of selected basins. The PEA framework will build on approaches that have been developed and refined in recent years, and will take into consideration important changes in regional contexts, such as; the arrival of new financing and development options for large-scale infrastructure; increases in the challenges of resource governance resulting from increased demand for water, land, and other natural resources in the wake of economic and population growth in Africa; and increases in 'foreign direct investment' in Africa. Compounding these challenges are the more uncertain changes and risks associated with climate change. While CIWA will actively use the framework thus developed to improve the effectiveness of engagements and activities it initiates in the future, the case studies will be hugely

informative in shaping activities in focus areas of the case studies—Lake Chad basin, Niger basin, and the NEL region—which are currently under preparation or implementation.

The second component involves the application of the rapidly changing landscape of development assistance in Africa, with emerging economies taking on an increasing role in providing support for water resources infrastructure. With fewer conditions for financing related to technical, environmental, and social aspects of projects, as compared to conventional lenders like the multilateral banks, emerging economies are able to advance implementation of projects with much shorter lead times. In fact, when all tradeoffs are considered, the emerging economies have become for many countries the preferred source of financing. However, while offering advantages of speedier implementation, such projects run the risk of having activities commenced without notification to or consideration of existing and future uses by other riparians, transparent data sharing, or agreements on infrastructure operating rules, among others. This can lead to sub-optimal design and operation on the one hand and escalation of conflict on the other. This component aims to understand the political economy of this new financing landscape and its implications for the World Bank and other development partners, while exploring if and how CIWA could contribute to implementing these transboundary projects with improved technical strength, greater social equity, more environmental sustainability and higher political acceptability.

Collaboration Partners: SIWI, international experts on development in Africa

Key Expected Results:

- A framework consisting of a general set of guidelines to conduct a PEA in any given transboundary basin that can inform and thus improve the design and implementation effectiveness of development interventions promoting growth-centered cooperative water resources management and development.
- Detailed political economy analyses of the Lake Chad basin, the Niger basin, and the NEL region obtained from application of the above constructed framework.
- A report on the role of emerging economies in water resources infrastructure development and management in Africa and implications for a sustainable path forward.

Activity Update: Implementation of this activity commenced in FY14. SIWI was commissioned to design the PEA framework and undertake case studies for select basins. SIWI prepared an inception report for the exercise, which includes a proposed methodology for developing the framework and a plan of action for conducting the case studies. Informed by a round of consultations with African water-sector stakeholders present at the fifth Africa Water Week in Dakar in May 2014, along with a round of feedback from the CIWA AC, SIWI is currently engaged in analytical design of the framework, and has made field visits to develop case studies in preparation of a first draft of the PEA framework expected in the fall of FY15, with the final framework expected to be completed in the spring of FY15.

The second exercise under this activity, which relates to the political economy of financing from emerging economies for transboundary water projects in Africa, is under progress by a team of experts with decades of water resources governance, management, and development experience in China, Brazil, and Africa. A report that will be used to inform CIWA's strategy is expected in FY15.

PILLAR II. EXPLORING COLLABORATIVE INVESTMENT OPPORTUNITIES

Activity II-1. Okavango Multi-Sectoral Investment Opportunity Analysis (MSIOA)

Activity Objective: To conduct an overall assessment of development needs and options for riparian countries and to address them in such a manner as to safeguard the ecological status of the basin, particularly the Okavango delta, a biodiversity-rich wetland ecosystem with significant social, economic, and ecological values.

Strategic Context: Despite the fact that all three riparians of the Okavango basin—Angola, Namibia, and Botswana—are middle income countries, economic productivity in the basin is driven by centralized extractive industries, and the population of the basin is poor and relies heavily on local subsistence agriculture. Downstream Botswana relies on ecotourism in the Okavango basin for a significant contribution to its GDP. Proposed water development projects in the three riparian countries may impact the river as a whole, and the delta in particular, due to it being very sensitive to fluctuations of inflow, resulting in significant implications related to the delta's ecology and the livelihoods of the poor populations in the basin. The MSIOA will seek to better understand and present options for finding a

balance between the pressures to boost economic growth through water-dependent sectors such as energy and agriculture, on the one hand, and by meeting environmental and developmental needs of the poorer communities residing within the basin, on the other.

The MSIOA will build upon the Transboundary Diagnostic Analysis and the Cubango-Okavango basin Strategic Action Plan. It will consist of: an analysis of legal and institutional frameworks related to WRD in the region and riparian countries; analysis of regional energy and food security plans and alternatives; assessment of incremental costs of options to offset the Okavango Delta impacts; development of suitable hydrological and economic modeling tools through which to develop and assess options; review of potential financing options; support for national and regional workshops to discuss development scenarios and review MSIOA results; and training of national and regional officials in the use of developed models and tools.

Collaboration Partner: The Permanent Okavango River Basin Water Commission (OKACOM)

Key Expected Results:

- Review and collation of existing information and data gathered for the Transboundary Diagnostic Analysis, Basin Strategic Action Program, National Action Plans, country information on planned water source augmentation and so forth.
- Analysis of various existing national and regional water development proposals, including the Strategic Action Program.
- Analysis and inclusion of multi-basin options including regional energy and food security plans and alternatives.
- Assessment of incremental costs of options to offset Okavango Delta impacts and an analysis of offset financing options.
- Development of suitable hydrological and economic modeling tools through which to develop and assess options.
- Review of potential finance packaging options.
- National workshops to verify information and discuss options and scenarios.
- Hosting by OKACOM Secretariat of a regional workshop to review results.
- Training of suitable national and regional officials in the use of developed models and tools.
- Preparation of outputs and reports consolidating the outputs outlined above.

Activity Update: The World Bank is working in close partnership with OKACOM to engage a suitable consulting firm to conduct the various tasks under this activity. Full implementation is expected in FY15.

Activity II-2. Supporting Coordination in Water Resources Management and Development in West Africa

Activity Objective: To strengthen the ability of ECOWAS to catalyze transboundary water resources management and development in support of food and energy security and of climate-resilient growth in West Africa.

Strategic Context: The West Africa region has been experiencing a high rate of positive economic growth in the past few years (ranging between 5-8 percent growth) and the trend is projected to remain positive in the near future despite uncertainty and challenges faced in the region. This poses the risk of straining finite resources in the region such as land and water, which will in turn affect the path of economic growth. However, the region has abundant water, being endowed with almost half of the continent's hydrological resources, including 25 out of 60 transboundary rivers and lake basins. These twenty five transboundary basins account for 80 percent of all surface waters, making countries in the region highly interdependent, with many countries highly dependent on water originating in other nations. With the exception of Cape Verde, each country in the region shares at least one international river, and some countries (such as Niger and Mauritania) receive as much as 90 percent of their total share of renewable water resources from outside its borders. There are also several transboundary aquifers across the region. In many parts of sub-Saharan countries, groundwater is the major source of drinking water, accounting for up to 80 percent of drinking water consumption in many countries. Therefore, the need for regional processes on IWRM, and transboundary cooperation will be key factors in the ability of individual countries to achieve sustainable growth.

Awareness of these issues in West Africa has spurred efforts by the countries of the region to galvanize support at the highest political level for a collaborative and IWRM approach to water governance, and has also resulted in an increased focus on consolidating efforts through regional initiatives in developing policy, institutional support and guidelines that will foster better management and investment opportunities in shared basins. At the regional level, these efforts are being spearheaded by the ECOWAS's WRCC, which has set up policy and organizational structures and support to advance these principles. ECOWAS can facilitate, coordinate, and catalyze investments and build capacity on institutional and regional policies (such as the ECOWAS gender strategy), and can also ensure that infrastructure investments in transboundary waters contribute to optimizing regional development objectives. Through this partnership with ECOWAS, CIWA will be working to support goals of strengthening institutions, knowledge sharing and capacity building for water resources management and development, as well as stakeholder engagement and facilitative support in the region.

Collaborating Partners: ECOWAS WRCC, NBA, VBA, Mono River Basin Authority and Senegal River Basin Development Authority (OMVS).

Key Expected Results:

- An evaluation of transboundary RBOs in West Africa.
- Capacity building activities for select RBOs.
- Documentation of Guinea's strategic importance to water resources in the region.
- Analysis of the pivotal role of transboundary resources management for growth in the ECOWAS region.
- Dissemination of the ECOWAS Directive on Shared Water Infrastructure and harmonization with national policies.

Activity Update: Implementation is expected to begin early in FY15.

Activity II-3. Promoting Regional Cooperation in the Lake Chad Basin

Activity Objective: To strengthen national and regional impetus for cooperation in the Lake Chad basin through an exploration of political and institutional feasibility, assessment of the socio-economic potential for cooperative management and development of the Lake Chad basin, and provision of tools and technical knowledge to support decision making processes and facilitate cooperative action.-

Strategic Context: The region of Lake Chad basin, similar to the entire Sahel region, faces a series of challenges as a vast, arid and scarcely populated area, with high population growth. The livelihood of nearly 20 million people depends on economic activities carried out in the basin, which is a hydrologically-active basin of about 1 million km2, which also includes important wetlands and floodplains. The region experiences climatic variability and is extremely vulnerable to climate change. Both factors have a negative impact on human development, but they are not very well understood. The gradual reduction in the size of the Lake[1], reduction of fish stocks and desert encroachment in the basin have greatly reduced and disrupted agricultural, pastoral and fishing activities, which has in turn contributed to a loss and reduction in biodiversity and poor conditions for navigation inside the Lake and its tributaries. Addressing

1 Approximately 2,500 km^2 compared to 25,000 km^2 in the early 1970s.

these concerns requires stronger cooperation and optimization of the scarce basin resources.

The riparian countries of Lake Chad developed, through the Lake Chad Basin Commission (LCBC), the necessary legal framework for cooperation by adopting in April 2012 the Lake Chad Water Charter, and the countries are now moving toward creating the necessary mechanisms for sustainable and integrated water resource management in the basin, including transboundary aquifers. The planned activity is intended to facilitate this process and is directly aligned with the 2025 vision of LCBC, which outlines a path: to create favorable conditions for the preservation of Lake Chad; to ensure the economic security of the people who rely on its ecosystem; to conserve its biodiversity; and to improve the sustainability of WRD in order to help protect the right to the usage of water and other resources by the people living in the basin. The proposed activity sets the scene for a long-term, sustained engagement with LCBC and the basin riparian countries through regional and national consultations, improved knowledge, strengthened capacity and analytical studies leading to developmental actions and concrete investments on the ground.

Collaboration Partners: Lake Chad Basin Commission (LCBC)

Key Expected Results:

- Regional and in-country policy dialogue aiming to support the ratification of the basin's Water Charter.
- The formulation of a water balance model and a time series mapping of the water in the Lake Chad basin, executed in cooperation with the hydrology and natural resources teams at NASA Goddard Space Flight Center.
- A mapping of donor activities in the Lake Chad basin that informs an institutional analysis exploring the challenges and opportunities for regional cooperation in the basin
- An assessment of the economic potential of Lake Chad.
- In-country policy and technical dialogues to initiate the update and prioritization of the Five Year Investment Plan and the National Action Plans.
- Preliminary technical studies to confirm the feasibility of proposed actions, for example: improving the hydraulicity of Lake Chad and the Chari-Logone River; identifying water pollution control measures for the lake; and conducting capacity-building activities to increase ownership and usability of various knowledge products and technical tools produced.

Activity Update: This activity is currently under preparation in close coordination with LCBC and taking into account priorities of regional and national stakeholders in the Lake Chad basin.

PILLAR III. INFORMATION SERVICES FOR CLIMATE RESILIENCE

Activity III-1. Facilitating Africa-Wide Hydromet Services

Activity Objective: To identify and plan for a significant investment on the information, institutions, and infrastructure related to hydromet services for improving productivity and adapting to climate risks in Africa's international basins.

Strategic Context: Africa is highly vulnerable to climate variability and only has limited capacity to cope with natural disasters. Climate change threatens to exacerbate this further in all its key river and lake basins. It is essential to improve weather forecasting in Africa to help its population better manage its water and agriculture related infrastructure and investments. More specifically, a critical need for improved climate resilience is having in place a well-functioning hydro-meteorological monitoring and forecasting system. Current hydromet systems are woefully inadequate and consist of traditional manual systems and some ad hoc and poorly planned automated systems. Little real-time ground-based hydromet information is shared among riparian countries in these river basins and the availability of such information in the public domain is extremely poor. There is also little focus on provision of hydromet services based on this equipment. There is a need to help gradually fill critical missing gaps in the accessible and inter-operable hydromet networks at the regional level, to facilitate the inclusion of regional and national hydromet services in conceptualizing such shared systems, to improve incentives and systems for improved public access to the data, to improve integration of increasingly powerful earth observation products, and to improve the capacity for forecasting and last-mile connectivity.

This activity consists of preparation of a program of phased Africa Hydromet Services to modernize the hydromet services by gradually filling in missing links in the use of global and regional information in national programs among critical transboundary river and lake basins across Africa.

Collaborating Partners: This activity involves exploring collaboration with global data providers involved with hydromet services (for example WMO, NASA, ESA, IRI, UN, private sector, and so forth) as well as with regional organizations (starting with transboundary water organizations such as in the Nile and Senegal basins, and various regional climate centers) and associated national organizations within Africa.

Key Expected Results:

- An analytical scoping assessment that takes account of the current status of ongoing and proposed programs; explores good global practice on information, institutions, and investments; evaluates options for the Africa region for investment phasing, packaging and implementation; and evaluates potential costs and benefits.
- Evaluation of technical robustness, institutional arrangements, and implementation and financial feasibility for a roll-out of a phased investment program; design of incentives for sharing and public provision of hydromet data; and adoption of plans to facilitate financing.
- Technical assistance provided to transboundary basin organizations, including targeted training and professional networking to facilitate interactions among regional institutions and related national stakeholders to develop a shared vision on the use of hydromet systems, and better design, deployment, analysis, customization, and use of hydro-meteorological services.

Activity Update: This project has initiated activities that are compatible with the Public Data Access activities expected to begin full-scale implementation in FY15. Progress to date includes completion of a rapid institutional review of regional organizations, including climate centers and basin organizations, in conjunction with work on Public Data Access activity. An analytical effort which explored the use of statistical techniques (as used by the National Weather Service in the United States) for seasonal hydrologic forecasting (currently absent in Africa) was completed and pilot tested in the Blue Nile basin with very encouraging results. A more detailed review of the existing status of ongoing and proposed programs in each Basin, including describing how the programs utilize and build on previous work, is to be completed in FY15. In addition, a regional program concept is being developed for a phased investment program. It will include an outline of associated information/analysis, institution/policy, and investment needs and will consider use of new mechanisms, such as payment for results.

PILLAR IV. CAPACITY BUILDING AND KNOWLEDGE MANAGEMENT

Activity IV-1. Improved Access to Capacity Building and Knowledge Exchange

Activity Objective: To promote innovative approaches to improving capacity building and knowledge exchange on critical demand-driven areas of interest, such as improved basin planning and management, analytical tools, legal and policy instruments, holistic "bankable" investment preparation, public-private partnerships, climate risk management, and so forth.

Strategic Context: The effective development and management of water resources requires a paradigm shift in the way capacity is built in Africa's regional and national institutions. There is a significant lack of institutional capacity across the continent when attempting to modernize the way transboundary water resources are perceived, analyzed, developed, managed, and monitored. There are also several modern tools (for example improving access to internet and video-conferencing) whose potential has not been systematically leveraged to provide African institutions with improved access to regional and global good practices. The proposed CIWA activity aims to address this gap between need and availability of capacity-building and knowledge-exchange resources by drawing upon the Bank's global expertise and partnerships to help regional counterparts learn from one another and access global expertise.

Collaborating Partners: The team has been in discussion with NASA and the United States Army Corps of Engineers (UNESCO-IHE Center), and several others to outline training topics on water-related issues, including some that are planned to be introduced using distance-learning techniques beginning in FY15. These topics include: enhanced use of earth observation data products; use of simple analytical tools for water resources planning and management; use of modern water resources observation systems and open data platforms; forecasting techniques; aquatic weed management in large transboundary lakes; dam safety; payment for ecosystem services; climate risk management, and integrating gender into transboundary water resources planning and management.

Key Expected Results:

- Training, including distance learning events, workshops, webinars, and so forth.
- Internship/young professional programs.
- Improved professional networking and connectivity with other regional and global counterparts and experts.
- Improved documentation of training and guidance material, and good practices
- Online resources support.

Activity Update: This project is expected to begin full implementation in FY15. Thus far, with the support of the Public Access to Basin Data initiative, the activity has focused on providing a rapid analysis of the needs and interests of global, regional, bilateral, and other institutions involved in regional capacity-building activities in Africa related to transboundary waters, as well as identifying tools useful for improving data sharing.

Activity IV-2. Improving Public Access to Basin Data

Activity Objective: To develop a range of knowledge products to improve public access to information on transboundary basins in Africa.

Strategic Context: A critical obstacle to improved water resources management in a transboundary context in Africa is the poor availability of even basic water resources information in the public domain. Today, modern spatial databases and tools can help organize and visualize a wide variety of useful spatial and other information in an informative, interactive setting. However, there is a lack of well-designed and easily accessible online applications to access such data on international basins in Africa, and it is becoming increasingly critical to make publicly accessible a rapidly-growing, comprehensive knowledge base, including categories and topics such as: water resources; energy; agriculture; climate variability and climate change; environmental, economic, social, demographic, and administrative indicators; water infrastructure; and opportunities and risks. This activity aims to bridge the challenges on the one hand of poor availability of critical spatial and temporal data in the developing world with on the other hand the abundance of new high-quality datasets available from a number of institutions such as different UN agencies, NASA, NOAA, CIESIN, IRI, and the World Bank on the other, to facilitate formulation of solutions to critical water-related problems.

Collaborating Partners: UN agencies, NASA, NOAA, CIESIN, IRI

Key Expected Results:

- A suite of knowledge products—interactive web portal, innovative mobile apps, web-based atlases, and so forth—that integrate a number of existing spatial datasets (on historical climates, climate change, disasters, water resources, social and economic indicators, environmental and natural resources management, infrastructure, and so forth) that provide a general overview of any transboundary basin as well as listing specific resources that would be of interest to anyone examining water resources management issues.
- Support for select regional institutions in Africa to adopt such portals, apps, and atlases as part of their online services.
- A Primer to document sources, advantages, limitations, and potential uses of public domain global and local datasets.
- Strengthened partnerships among public-domain knowledge providers and potential institutional users working on development issues.
- Application development by the general public in the form of "Hackathon" competitions,

Activity Update: The activity is under implementation and various knowledge products have been released (Spatial Agent app) or are under development (web portal, web-based atlases, integration with CIWA web portal). A version of the "Spatial Agent" app, which demonstrates an innovative way to visualize key multi-sectoral public domain data from 300 data sources, is now available (For more information see below—Highlight: Spatial Agent). Efforts to expand the reach of this work include increasing support for riparian and basin-driven efforts to provide better access to public information through technical support. For example, technical support facilitated NBI's development of an NBI app and an NBI Flood app along with support for the Web Portal. The first "Appathon" competition will take place in FY15 in association with CIWA's Capacity Building activity. A primer on key public-domain data sets is under development.

HIGHLIGHTED FOCUS

SPATIAL AGENT: BRINGING THE WORLD'S DATA TO YOUR FINGERTIPS

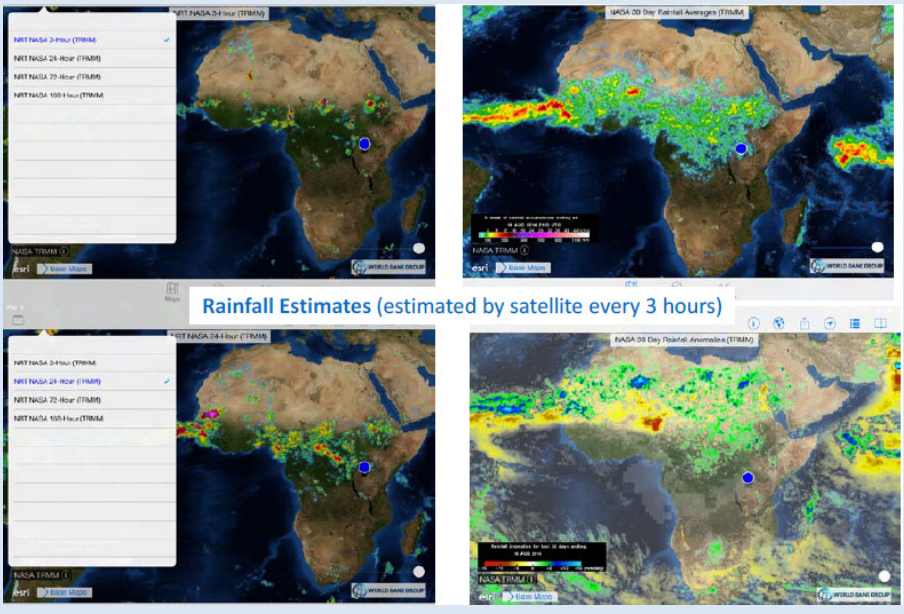
The "Spatial Agent" mobile app is an innovative way to help water, energy, agriculture and other decision makers visualize thousands of key multi-sectoral public domain spatial and temporal datasets from over 300 data sources. Now publicly available, Spatial Agent provides users with a general overview of the economic, social, environmental, and climate aspects of any transboundary basin, in addition to a range of indicators specifically related to water resources management.

Many high-quality datasets, ranging from earth observation systems that can systematically collate and analyze national data, to hundreds of different climate models that can generate future climate scenarios are available from institutions such as the United Nations agencies, the NASA, the World Bank, and basin organizations, such as the NBI. At the same time, solutions to development challenges that exist across the globe related to agriculture, energy, water supply, sanitation, and climate risks are hampered by the poor availability of information that can support water and climate-related decision making. Spatial Agent directly addresses this data accessibility gap and provides anyone who has access to a computer with a range of these publicly available datasets through a single window, enabling the user to find answers to an endless list of development-related questions. For example, those working on solutions for shared water use in the Lake Victoria Basin can find out how water levels have changed over the past decade, what the estimated rain levels were over various time periods, including hours, days and months, and how climate change is expected to change rainfall patterns over the coming decades.

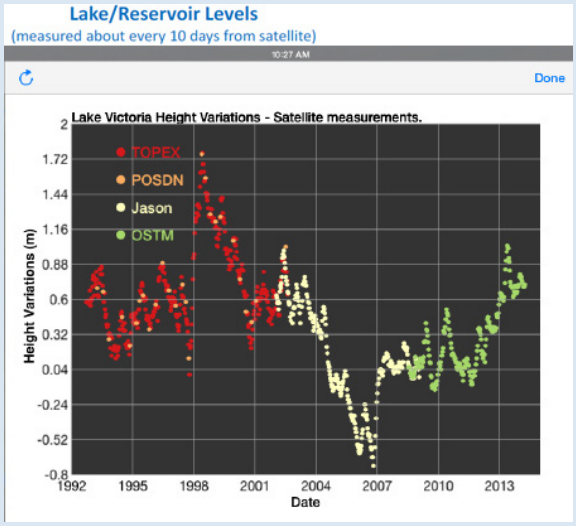
By facilitating data sharing in the public domain, Spatial Agent strengthens partnerships among public-domain knowledge providers, boosts long-term knowledge cooperation, and leverages the comparative advantages of various institutions to support water and energy planning in Sub-Saharan Africa.

The app is currently accessible on iPhone and iPad, and is under development for Android and PC platforms. CIWA's support for this app leverages funding from the World Bank, the World Bank-Netherlands Partnership Program, the Trust Fund for Environmentally and Socially Sustainable Development, and the Central Asia Energy-Water Development Program.

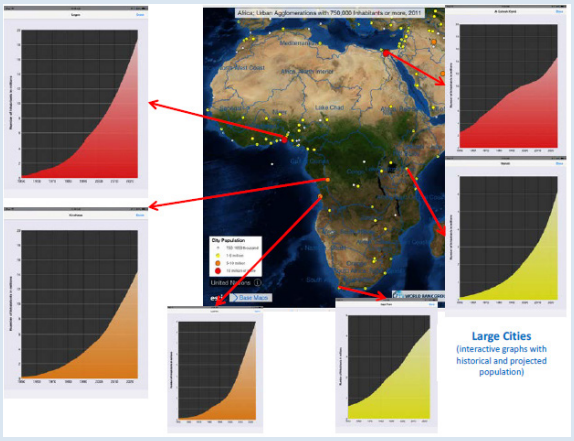
Users can find answers to a variety of questions such as those below:



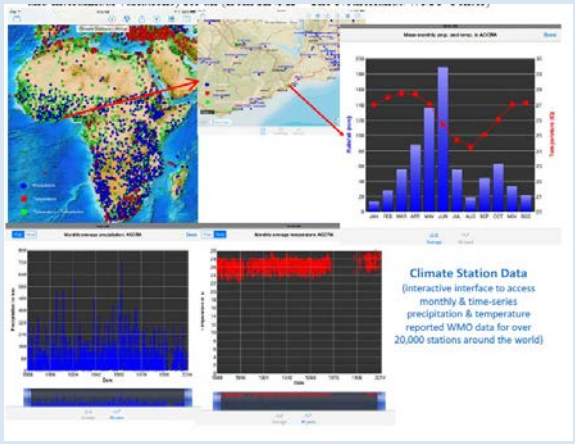
Which areas in Africa experienced rainfall in the last 3 hours? 24 hours? 3 days?



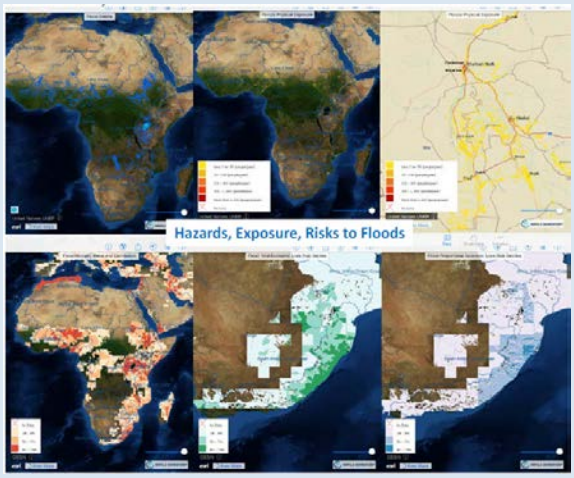
How has the water level in Lake Victoria changed over the past decades?



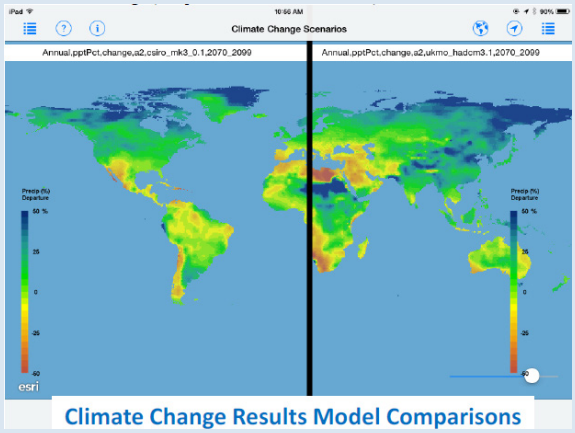
How is population changing in Cairo? In Entebbe?



What are the seasonal and year-to-year precipitation patterns in Accra?



What is this year's wet season flood forecast for Khartoum? What are mortality risks and potential economic losses?



What are the differences in climate model projections for rainfall in the next century across models?

4

SECTION 4

OVERVIEW OF RESULTS

The overall impact of CIWA has been to strengthen sustainable climate-resilient growth in Sub-Saharan Africa. CIWA seeks to support riparian countries in unlocking the potential for sustainable and climate-resilient growth by addressing constraints that limit cooperative management and development of international waters. CIWA's focus on water-related growth reflects the desire of riparian governments engaged in cooperative management to accelerate development efforts aimed at supporting economic growth and poverty reduction. It also leverages the comparative advantage of the program's host institution, the World Bank, to bring knowledge and experience of infrastructure investment across the water-related sectors in Africa.

CIWA reports its results in terms of indicators which help assess how it achieves both its PDO and its IR, as defined in its Performance Management Framework (PMF) (Appendix A). The PMF provides rationales for inclusion of CIWA's indicators, describes how results are calculated, and includes information on data sources, known data limitations, and definitions of key terminology. It is important to note that for the purposes of CIWA reporting, the status of "in operation" is established when the project concept note (PCN) has been endorsed by the CIWA AC and has been subsequently approved using standard Bank practices, and when the project is either under preparation or under implementation. Projects that do not require a PCN are considered to be "in operation" when the Grand Funding Request (GFR) has been approved by Bank management. Because CIWA recognizes that often progress is made that cannot be easily aggregated across its various engagements, these reports also provide qualitative information about progress that has been made. Details of individual basin programs and projects are available through the CIWA website and are included in the Implementation Supervision Reports (ISR) for each project.

This section includes a summary of results to date which contribute towards meeting targets for the program's development objectives, including: potential investment dollars influenced; potential direct beneficiaries; highlights of CIWA's key achievements this year; and a detailed account of the progress made toward the FY14 targets for each of CIWA's four Intermediate Results areas.

Results to Date: Program Development Objective (PDO)

The program's development objective is to strengthen cooperative management and development of international waters in Sub-Saharan Africa to assist in achieving sustainable climate-resilient growth. In order to accomplish this objective, CIWA supports the institutions that manage and develop the basins, catalyzes and enables transformative water-related investments, and facilitates information gathering and sharing on the benefits of cooperation. As with all infrastructure preparation projects, information sharing efforts, and institutional strengthening work, the impact of any support provided may not be fully realized for many years. In particular, CIWA works upstream of actual investment,

making immediate attribution of results a challenge. CIWA tracks progress towards these long-term results by measuring on an interim basis the estimated value of potential investments influenced by CIWA, and by identifying potential direct beneficiaries of the investment projects influenced. Depending on the basin, and on the cooperation status of that specific basin, the way CIWA influences investment and beneficiaries can vary and is defined in the results presented below and in the CIWA Support Plans (CSP). Ultimately, CIWA will focus on quantifying actual secured financing for investment projects and actual direct beneficiaries of those projects it has specifically supported (See the PMF in Annex 1).

HIGHLIGHTED FOCUS

THE KEY ACHIEVEMENTS IN FY14 INCLUDED:

- **New engagement initiated in the Niger Basin.** CIWA engagement in the Niger Basin was endorsed and was significantly advanced in close cooperation with the NBA. Activities will support cooperative water resources management, improved benefit sharing around water resources development, and strengthened stakeholder engagement.
- **Substantial number of engagements are under implementation.** This year, CIWA moved a number of projects to implementation (that is, Catalytic Sub-Program, NBD, NCORE AF, ZRA, and SADC Groundwater Management) totaling more than $30 million in project financing. All of the projects are designed to support transformative cooperative engagements and climate-resilient growth, and to help countries tackle energy, and food security, and poverty reduction challenges.
- **CIWA continues to strengthen and build its portfolio.** Preparation of many projects (VBA, NBA, Lake Chad, Okavango MSIOA, ECOWAS, ZAMCOM and the Lesotho Highlands Botswana Water Transfer) is nearly complete and implementation is expected to begin in FY15.
- **Targets for investment financing influenced and potential beneficiaries exceeded.** CIWA's support for potential investments grew to $7.8 billion. The number of beneficiaries who are expected to experience positive results downstream of the programs and projects grew to 46 million.
- **Nile Basin Program significantly expanded.** Support for the Nile basin was expanded with an additional $18 million dollars in FY14 (CIWA and NBTF financing) bringing its total budget to US$27 million (an increase of 48 percent). This additional financing allows the recipient partner to prepare upstream work for several new potential investments with expanded targets for potential investments advanced and potential direct beneficiaries.

Program Development Objective: To strengthen the cooperative management and development of international waters in Sub-Saharan Africa to facilitate sustainable climate-resilient growth.

Indicator i): US$ financing mobilized for cooperative management and development of international waters projects supported by CIWA.

Target FY14: US$6 billion (value of potential projects influenced by CIWA)

Actual: US$7.8 billion in potential investments influenced by CIWA

Disaggregated:

- **US$250 million[2] (new result)—*CIWA helps to catalyze discussions on the rehabilitation of the Kariba Dam.*** CIWA signed a grant with ZRA in FY14 to support cooperation for the development of the Batoka Gorge HES in the ZRB and to enhance the legal and institutional framework for the operation and safety of the Kariba Dam hydropower complex. As part of the preparation process for CIWA's support to the ZRB, CIWA provided a platform for riparians and financiers to reopen promising discussions on rehabilitation of the Kariba Dam. Progress towards funding mobilization has been demonstrated by receipt of formal requests from both Zambia and Zimbabwe to explore financing options. The World Bank has been asked to take the lead in preparation activities. In addition, joint missions by the World Bank, the African Development Bank and the EC have been carried out to meet with riparians and ZRA, with the World Bank planning to take the project to the Board in November 2014.
- **US$1.3 billion (new result)—*CIWA helps to facilitate cooperation around the Fomi Dam.*** In FY14, CIWA initiated an engagement with the NBA for the purpose of improving water resources management and development in the Niger River basin. The project will strengthen the NBA's ability to deliver on its core mandate and will enhance regional benefit sharing around the Fomi Dam. The PCN for this project has been approved and full project development is underway with implementation expected to begin in FY15. Through project development and the projection of CIWA support, CIWA has influenced the potential investment in the Fomi dam which is currently estimated to be approximately US$1 billion[3]. CIWA support is expected to enhance riparian understanding of benefits and trade-offs, and to increase stakeholder input, as the project progresses. In addition, CIWA's contribution is closely coordinated with potential financing from the IDA for the anticipated Sahel Disaster Resilience Project (around $200 million) and an anticipated third phase project (around $100 million) under the ongoing regional Water Resources Development and Sustainable Ecosystems Management Program.
- **US$3 billion (updated)—*CIWA supports the Nile countries in their efforts to promote investment in regional cooperative water resources management and development.*** CIWA provides support to the NBI by facilitating cooperative activities, improving integrated water resources planning and management and identifying and preparing potential investments of regional significance[4]. In FY14, CIWA finalized the NCORE additional financing package which provided significant additional support to the NBI for preparation of multi-sectoral cooperative regional investments. NCORE supports upstream work on multiple investments throughout the entire project, the sum of which are estimated to require $3 billion in financing. The total sum of investment projects influenced by the NCORE grant through FY14 was $1.8 billion. Further detail on investments influenced by CIWA support through FY14 is provided in Table 1. CIWA support will create feasibility and design studies, and package investment information to reach national agreement to advance the investment, as well as improve river basin planning and strengthen stakeholder participation in the investment, in order to advance projects that improve watershed management, irrigation, electricity production, and water supply. In addition, through the NBD project, CIWA is supporting enhanced civil society participation in the preparation and implementation of Nile investments of regional significance. While the NBD has not yet finalized selection of investment

2 The value for the Kariba Dam rehabilitation (US$250million) is based on a series of feasibility and design studies completed by ZRA in July 2012. These initial estimates have been escalated to account for possible advanced infrastructure, tendering, supervision and engineering costs, along with ZRA's own costs, provisional sums and escalations from 2012.

3 The US$ 1.1 billion of potential investment for Fomi Dam is calculated as the sum of the costs associated with the remaining detailed design studies (about US$ 10 million), the cost of the dam (~US$ 315 million, estimated in 1999 Feasibility Study), the related hydroelectric plan and transmission lines (~US$ 220 million, estimated in 1999 Feasibility Study), and implementation of social and environmental plans (~US$ 560 million, estimated in 2009/2010 ESIA, RAP and ESMP).

4 Note that CIWA support for the NBI is blended with NBTF support. See Section 5 for more details.

projects for enhanced stakeholder dialogue, they are working with NELSAP to identify opportunities for NBD member organizations to improve community benefits from the Nyimur multipurpose water resources management and development project (currently an investment agreed to by NEL Technical Advisory Committee, but not planned for CIWA support). If NBD's engagement on the Nyimur project is expanded, or if the NBD engages around investment projects in addition to those described above, the reported value will increase accordingly.

- **US$2.5 billion (previously reported)—*CIWA catalyzes the resumption of negotiations for the preparation of the Batoka Gorge hydroelectric scheme.*** CIWA conducted an analysis of the financial implications of the stalled development of this long-identified major infrastructure project. CIWA then facilitated negotiations between Zimbabwe and Zambia to review the implications of the analysis and encourage the resumption of project preparation. The total expected cost of this project was estimated in the 1993 feasibility study to be US$2.5 billion. In FY14, the World Bank signed a grant with ZRA which supports updating the engineering studies, as well as undertaking a new environmental and social assessment in line with international best practices in the development of this important scheme under the Zambezi River Basin Development Project. The reported figure will be adjusted based on the outcomes of these studies.
- **US$0.8 billion (previously reported)—*CIWA provides analytical support to inform the Lesotho Highlands-Botswana Water Transfer Project*.** CIWA recently signed an agreement with the Government of Botswana (on behalf of the governments of Lesotho and South Africa) to fund an analytical study which will explore the costs and benefits of the transfer of water from the highlands of Lesotho to southern parts of Botswana and northern South Africa. CIWA's support incentivizes cooperation among the riparians around this potential $800 million investment. This figure is the best available estimate at this time and is based on the current concept and experience in water-transfer infrastructure in the region. However, details of the potential cost will depend on the outcomes of the study and the preferred design of any proposed scheme.

Indicator ii): Number of people directly benefiting from improved water resources management and development in target basins through projects supported by CIWA.

Target FY14: 8 million (number of potential beneficiaries of projects influenced by CIWA)
Actual: 46 million potential beneficiaries of projects influenced by CIWA

- **3 million (new result)—*Potential beneficiaries of rehabilitation of the Kariba Dam.*** The Kariba Dam is the second largest hydro-electric scheme in the ZRB, contributing more than 50 percent of the power generation in Zambia and Zimbabwe. Without rehabilitation, the reservoir cannot be operated as designed and in accordance with international dam safety regulations, because power production and flood control capabilities are not fully functional. A failure of the Kariba Dam could result in the loss of 40 percent of the generation capacity within the Southern African Power Pool (outside of South Africa) and would put other assets, livelihoods and lives in the basin at risk, with severe regional implications; an estimated 3 million people would be severely impacted if a catastrophic failure occurred. Therefore, CIWA's influence in advancing this project by providing a platform for dialogue among riparians, the ZRA and financiers will benefit more than 3 million people by helping to avoid catastrophic failure and by securing the efficiency and safety of the dam's operation.
- **30.8 million (new result)—*Potential beneficiaries of the planned Fomi Dam*[5].** This figure captures the potential beneficiaries from the development of Fomi Dam that would benefit from increased electricity production, enhanced food security from irrigated agriculture and increased sustainability of fisheries, and increased employment opportunities. Beneficiaries from electricity generation are estimated at around 4.6 million people based on current design plans. Around 25 million people are estimated to benefit from increased food production from irrigated agriculture and 0.8 million people are projected to benefit from enhanced fisheries. Nearly 0.5 million people can anticipate to benefit from jobs created. These estimates are based on the information currently available. It is anticipated that future studies, including those that will be supported by CIWA, will refine these estimates, and add estimated beneficiaries from improved transportation due to increasing

[5] Current design for Fomi Dam as outlined in the 2010 ESIA and the 1999 Feasibility Study which projects an annual generation of 374.2 GHh. The 4.6 million beneficiaries figure was calculated assuming a 20 percent energy loss (both technical and non-technical), 80 percent consumption in Guinea and 20 percent in Mali, and per capita electricity consumption of 78.8 kHw in Guinea and 37.64 kHw in Mali.

the river's navigability, from reduced impacts of climate variability and climate change due to regulation and control of the upper basin, and due to increased local development in areas influenced by Fomi Dam.

- **4.2 million (updated result)—*Potential beneficiaries of CIWA support to the NBI regional investment portfolio in the Nile Basin.*** People in the Nile Basin benefit from cooperative management and development of water resources facilitated by the NBI. Among other activities, CIWA's NCORE project supports the NBI's efforts to prepare project documentation for investments with regional benefits (that is, identification and prefeasibility studies, environmental studies and social impact studies). CIWA's support influences investments that are projected to benefit over 4.2 million people based on the current, on-going and planned efforts (See Table 1 for a breakdown of potential beneficiary figures and data sources for the data estimates). Additionally, as the NBD engages in consultation and enhancement of investment projects in addition to those already counted here, this indicator would increase to also include the beneficiaries of the additional projects.
- **6 million (previous result)—*Potential beneficiaries of the planned energy production of the Batoka Gorge hydroelectric scheme.*** This number is the "people-equivalent" figure derived from the mean energy production (estimated at 8,739 GWh/yr by the 1993 feasibility study) and average household consumption in Zambia (estimated 1.2 million households, assuming five people per household) of 7,200 KWh/yr.
- **2 million (previous result)—*Estimated potential beneficiaries of the Lesotho Highlands-Botswana Water Transfer Project.*** While the details of the preferred scheme will be developed through a CIWA-sponsored analytical study, initial potential beneficiary estimates indicate that 600,000 people in Botswana should benefit through provision of water, 1,000,000 people in Lesotho should benefit from additional revenues, and 400,000 people in South Africa should benefit through provision of water along the transfer route. This estimate is based on the current concept, demographics of the region, and experience in water-transfer infrastructure. The number of beneficiaries is subject to refinement and confirmation at the conclusion of the study and when investment is actually mobilized.

Results to Date: Intermediate Results (IR)

This FY, progress towards deepening implementation and broadening of the CIWA portfolio in order to achieve all four of the IR areas resulted in significant implementation progress. In FY14, CIWA's engagement with the Niger Basin was approved and important steps were taken for preparation of the project. After an additional financing package was approved for the Nile basin, which significantly expanded CIWA's support to the basin, implementation was begun for projects with ZRA, SADC, and the NBD. In addition, important progress was made in making preparations for the Volta Basin Program and the Lesotho Highlands Botswana Water Transfer project, both of which are expected to begin execution under implementation in FY15. Finally, the structure of the Catalytic Sub-Program was approved in FY14, and significant progress was made on a number of catalytic activities: a framework was developed for examination of political economy in international waters; support for ECOWAS was approved; support for the Lake Chad Basin was advanced; and procurement began for the Okavango MSIOA. (Full details on the Catalytic Sub-Program are reported in Section 3).

Progress toward the FY14 targets for each Intermediate Result is presented below.

Intermediate Result 1. Regional cooperation and integration strengthened

Target FY14: Four basins with programs and CSPs designed.

Progress against target: Fully achieved.

- ***Niger Basin Program Designed (new result).*** In FY14, CIWA presented and received AC endorsement of a new engagement in the Niger Basin, including an allocation of up to $7.5 million for a recipient-executed grant to the NBA. Preparation of the project is underway, with appraisal expected in November 2014 and approval and implementation expected in early 2015. The draft Niger Basin Support Plan (BSP) was developed in discussions between the CIWA team and the NBA, and a final version is expected by October 2014.
- ***Nile, Zambezi and Volta Basin Programs Designed (previously reported).*** Three Basin Programs were designed in FY12 and FY13. In FY14, the Zambezi BAC discussed progress on the implementation of the Zambezi Basin Program and the BAC noted

delays in the transition of the ZAMCOM Secretariat and resulting impacts on the CIWA program implementation. However the transition to the permanent Secretariat has been completed and the project is to be re-appraised with a view to obtaining approvals in early 2015. Also in FY14, the Nile BAC approved the Nile CSP. The Volta Basin CSP was discussed and reviewed with the VBA. The Volta Basin CSP highlights the long term strategic goals of VBA and potential support of CIWA for priorities for facilitating collaborative investments in water resources infrastructure. Discussions with the VBA determined that its Committee of Experts, which meets regularly, will form part of the BAC, and meetings of the Volta BAC will commence as preparations advance.

Target FY14: Five relevant institutions with projects in operation that contribute to strengthening regional cooperation and integration.

Progress against target: Fully achieved.

NBA, VBA, NBI, ZAMCOM, ZRA and SADC (six basin institutions) have projects currently in operation that contribute to strengthening regional cooperation and integration.

- ***Engagement with the NBA helps to demonstrate linkages between regional cooperation and shared benefits.*** CIWA support to the NBA will contribute to strengthening regional cooperation and integration by supporting the institution in delivery of its core mandate. This will include using institutional strengthening measures to improve the basin-wide cooperative platform, such as implementing key financial sustainability measures; and facilitating, promoting and informing dialogue dealing with the preparation of a key transboundary investment in order to improve the quality of the project and to help riparians better share benefits from the planned development.
- ***Engagement with the VBA supports institutional strengthening and development for improved regional cooperation (new result).*** Among its many activities that will advance cooperation in the basin, CIWA's engagement with the VBA will primarily focus on institutional strengthening. This will include help to establish clear roles and responsibilities for the institutions main organs, to strengthen procedures for administration and financial management and to support establishment of a Water Charter that will be the legal foundation which delineates riparian water usage and related roles and responsibilities. CIWA will help strengthen the capacity of the basin riparians' Focal Points to engage on cooperative water resources management and development issues. In addition, the political economy analysis that will be conducted for the Volta will inform the VBA's strategic planning by identifying key points of entry and engagement with riparian countries in order to increase cooperation.
- ***Engagement with Southern African Development Community (SADC) will strengthen the institutional capacity for cooperation around the sustainable management of groundwater in Southern Africa (new result)***. CIWA support will help to enable SADC to operationalize the SADC Groundwater Management Institute (SADC GMI) which will provide a platform for cooperation on groundwater management and development in the region.
- ***Engagement with the NBI strengthens the platform for regional cooperation (updated result)***. The project contributes to regional cooperation and integration by supporting a platform for dialogue between Member States, strengthening national and regional linkages, building an evidence base for cooperation, and supporting the transition to coverage of core financing from Member States. In FY14, the NBI organized a Nile Day Event that attracted more than 400 attendees from different water-related sectors; four Member States (DRC, South Sudan, Kenya and Tanzania) supplemented this with National Nile Days. The NBI also brought together Permanent Secretaries from the Nile countries to discuss common challenges and to review tangible results stemming from their cooperation to date. In addition, the Secretariat held a regional meeting of the National Focal Points to review NBI progress, plan for 2013 and identify strategic challenges.
- ***Engagement with ZAMCOM will strengthen the platform for dialogue between the eight Member States (previous result).*** The permanent ZAMSEC has now been established in Zimbabwe and approval of the grant is envisaged in early 2015. CIWA's engagement with ZAMCOM is intended to assist the institution in becoming a financially sustainable, efficient RBO that provides a useful platform for dialogue among its Member States. Activities will include institutional support and institutional strengthening for the ZAMSEC, confidence building and negotiation training initiatives

aimed at engendering cooperation, support for communications to foster greater dialogue among the ZRB riparians, and support for harmonizing the legal instruments of cooperation. This project also is designed to build partnerships between power authorities and the basin commission in recognition of existing bi-lateral agreements for power generation and trade.

- ***Engagement with ZRA will strengthen regional cooperation and integration (previous result).*** The project contributes to efforts to strengthen regional cooperation by advancing cooperative WRD in the Zambezi basin in conjunction with the institutional and policy support provided to ZAMCOM and the Bank-executed analytical basin support program. The grant with ZRA was signed in FY14.

Target FY14: Three strategic analyses conducted that will be used to illustrate the evidence base for cooperation.

Progress against target: Partially achieved.

Numerous strategic analyses are underway, several of which will be used to inform cooperation across Africa, and several of which will be used to provide evidence for the benefits of cooperation in specific basins. One study has been completed and is being used to improve cooperative management of waters in the Zambezi Basin.

- ***Zambezi River Basin Support Program supports studies that will illustrate the evidence base for cooperation.*** The ZRB political economy analysis titled "The Context for Cooperation in the Zambezi River Basin" is intended to contribute to deepening cooperative development and to fostering sustainable economic growth and development in the ZRB. The case study explores details of the underlying geo-political context for framing cooperative agreements and for informing contemporary hydro-political positions. The study was presented to the Zambezi BAC in August 2013 and will be completed in consultation with the ZAMSEC. The "Institutional Assessment of the Zambezi River Authority" has been completed. It includes a review of the governing legal framework for the effective and efficient use of waters and other resources within the Zambezi River under the ZRA. The study helped to identify national and local legislation that has resulted in potential overlapping authority over economic, environmental, technical, safety, and other areas affecting the Zambezi River. Based on the Institutional Assessment, an options paper was drafted to identify potential measures, inform options and outline detailed steps toward harmonizing existing policies and laws to improve the cooperative management of waters within the ZRB.

Intermediate Result 2. Water resources management strengthened

Target FY14: Four relevant institutions with projects in operation that improve water and climate risk management and/or investment operation coordination.

Progress against target: Fully achieved.

NBI, ZAMCOM, ZRA, SADC and VBA (five basin institutions) have projects in operation that contribute to strengthening water resources management.

- ***Engagement with VBA will strengthen WRM (new result)***. CIWA's support for the VBA will strengthen cooperative water resources management by implementing several priority actions with transboundary significance. For example, activities will help riparians address water quality concerns, better manage soil erosion and sedimentation, and reduce costal degradation. The project will also increase the monitoring and flow of information by developing standardized tools for data collection and monitoring and for facilitating exchanges of information that will help riparians better prepare for and respond to climactic events such as floods and droughts.
- ***Support for the SADC Groundwater Management Institute will strengthen groundwater management in southern Africa (new result).*** The engagement with SADC includes development of guidelines, standards and management tools to strengthen national and regional groundwater monitoring and data management systems—supported by a regional data sharing platform. The engagement will also target Transboundary Aquifer Diagnostics with the use of Strategic Action Plans for selected shared groundwater systems in the region. Targeted analytical work will also focus on threats to sustainable groundwater management, such as climate change. At the regional and multinational level, efforts will be made to facilitate the integration and harmonization of groundwater provisions between national and basin-level commitments.
- ***Engagement with the NBI strengthens WRM (updated result).*** The NCORE project includes the application of many tools and models to help the

Nile countries understand the hydrovariability in the basin. This includes the Nile basin DSS to identify and analyze the opportunities and challenges related to basin management, including climate risk assessment. Support is being provided to the DSS user communities of the ministries of water of all member states, and of academics, in an effort to advance DSS development and application. Additional DSS software and an initial set of models and data were distributed to seven NBI countries. The System is improving the knowledge and analytical foundation for a shared understanding of cooperative water resource management and development options. CIWA supports the enhancement of the flood forecasting system to include new areas in the EN. It also supports the mainstreaming of sustainable environmental and social practices into investment project development. In FY14, the Flood Forecasting tool was enhanced to include real-time earth observation data, and flood bulletins are now routinely released to enable national governments and communities along the Blue Nile to respond more quickly during flood season. In a related effort to enhance water and climate-variability related knowledge, ENTRO recruited experts in hydropower and climate to enhance its major reports and studies, including integrating climate change into its modelling. Finally, CIWA support will allow the NBI to develop a detailed specification of the planned basin-wide hydro-meteorological system.

- ***Engagement with ZAMCOM will strengthen WRM (previously reported).*** The engagement with ZAMCOM will improve the WRM knowledge base and analytical capacity by strengthening the water information management system and undertaking basin-level climate risk analysis. The project will also develop a flood forecasting and early warning system for better management of extreme events. CIWA will additionally support the improvement of key institutional functions through technical assistance, confidence-building measures, and negotiation training.
- ***Engagement with ZRA will strengthen WRM (previously reported).*** The engagement with ZRA will enhance the regional institutional arrangements for catastrophic disaster risk management, enhance the legal and institutional framework for the operation and safety of the Kariba Dam hydropower complex, and enhance the ZRA's capacity for water resource management and control within the ZRB.

Intermediate Result 3. Water resources development strengthened

Target FY14: Two investment opportunities with regional benefits influenced by projects in operation.

Progress against target: Fully achieved.

NBA, NBI, and ZRA have projects in operation which contribute to advancing 16 investment opportunities.

- ***Niger Basin Program will advance development of the Fomi Dam with an emphasis on regional benefit sharing.*** CIWA support for the NBA will help advance the development of the Fomi Dam by providing process, dialogue and analytical support upstream of a potential future investment. The PCN for this engagement was endorsed in FY14 (the project is in operation) and progress towards implementation is advancing in close consultation with the NBA.
- ***Nile Basin Program makes progress on advancing multiple investment opportunities (updated result).*** The NCORE project supports preparation of transformative investment projects of regional significance in hydropower, irrigation, water supply and watershed management. Progress toward advancing these investment projects in FY14 included: preparations moved forward on the final design of the Muvumba Irrigation and Watershed Management project; the NBI is using the Nile DSS to identify five relevant investment projects and will prepare "project profiles" designed to help secure project financing; and procurement is underway for feasibility studies and associated ESIAs for seven additional investment projects in the NEL region. Future work that will contribute to this result area includes an analysis for a Least-Cost Power Expansion Plan for South Sudan, which will enhance planning for the integration of South Sudan into the Regional Power Grid and will allow for optimal development of the region's water resources. More details on investments the NBI is advancing with CIWA support are provided in Section 2 and Table 1.
- ***ZRA project to advance and strengthen two investment opportunities with regional benefits (previously reported).*** This project is supporting the ZRA in updating the feasibility studies for the Batoka Gorge HES, preparing an ESIA, and exploring transaction options. Also, the Zambezi River Basin program will support the ZRA to enhance the operations and safety of the Kariba hydropower complex, including dam break analysis.

Target FY14: Two institutions with projects in operation that improve the approach to sustainable investment planning and bankable investment preparation[6].

Progress against target: Fully achieved.

NBI and ZAMCOM (two basin institutions) have projects in operation that contribute to improving the approach to sustainable investment planning.

- ***Engagement with NBI/NELSAP strengthens integration of gender considerations into institutional planning.*** In FY14, NBI/NELSAP began to implement recommendations from a recently concluded gender audit. CIWA provided expert guidance and support on how to functionally mainstream gender into its operations by reviewing policy and guideline documentation, providing advice on how to integrate a gender perspective into conferences and strategic events, and by collating and expanding on gender resources developed by the Bank that NBI/NELSAP could use to address issues highlighted in the gender audit. Gender-related expert advice may be expanded in the coming year to include informational sessions on relevant Bank resources and expansion of advisory services to the other two NBI centers. NBI and NELSAP gender guidelines and lessons learned will be shared with other basin teams to facilitate integration of gender into their programs.
- ***Engagement with NBI/ENTRO strengthens sustainable investment planning including integration of climate and safety considerations into project planning.*** The NCORE project launched and is further developing an EN Climate Change portal with tools and data to enhance climate resilience and adaptation in project planning. The project also provides significant technical support and capacity building to improve dam safety in the EN. In FY14 ENTRO provided training to its members on aspects of establishing a regional Dam Safety framework and guidelines, and provided hands-on training to country technicians on assessing and preventing potential dam failures. Training studies were completed on 5 dams in Ethiopia and Sudan.
- ***Analytical work supports incorporation of climate change considerations into Zambezi River Basin planning.*** CIWA is partnering with the University of Cape Town to assess the potential impacts of climate change on the energy-water nexus in the ZRB. The results will show the feedback mechanisms between water management and development in the ZRB and power generation in Southern Africa. These results will illustrate the trade-offs between irrigation and hydropower due to limited water resources, and will also provide estimates of Greenhouse Gas emissions under different development scenarios. This work will provide an input into the formulation of the Strategic Plan to be developed by the ZAMCOM.

Intermediate Result 4. Stakeholder engagement and coordination strengthened

Target FY14: Three basin institutions with projects in operation that contribute to strengthening stakeholder engagement and coordination, thirty percent of which include organizations representing interests of women and/or the poor.

Progress against target: Fully achieved.

Progress against sub-indicator target: Partially achieved.

NBA, NBI, NBD, and ZAMCOM (four basin institutions) have projects in operation that contribute to strengthening stakeholder engagement and coordination. CIWA's support facilitates the NBD (with 25 percent of basin institutions contributing to IR4, Stakeholder Engagement) in their collaboration with organizations representing the interests of both women and the poor. When engagement with ZAMCOM and NBA is fully under implementation, CIWA expects to have increasing clarity on how its support increases stakeholder engagement with organizations that represent women and/or the poor.

- ***NBA project focuses on stakeholder engagement around the coordinated management of hydraulic works in the basin including those associated with Fomi dam construction, flow regulation and ecosystem services.*** The Niger River Basin Management Project will facilitate informed decision-making around the Fomi dam investment, and will convene investor forums to facilitate engagement with the private sector. The project will also develop a stakeholder engagement strategy involving the operation of Annex 2 of the Water Charter. The Water Charter lays out general rules and recommendations for coordinated management of hydraulic infrastructure, and supports an information tool that would facilitate consultation and communication with regards to the operation of the river basin's dams, both current and planned. This tool is expected to enhance engagement with a broad group of stakeholders, including civil society and academia.

6 Sustainable investment preparation includes consideration of poverty, gender, long-term climate change among other social and environmental considerations.

- ***NBI project expands partnerships with academia and civil society (updated result).*** The NCORE project enhances knowledge partnerships with stakeholder networks, including government, power utilities, and academia, through an internship program that provides training to regional specialists. For example, in FY14, ENTRO and the NBI Secretariat recruited new interns whose focus will be on increasing the knowledge base, and on developing outreach and knowledge products. In addition, the project has supported, and will continue to support, holding modeling forums where members of professional networks and civil society organizations can explore and debate regional water issues.
- ***NBD project designed to better coordinate civil society engagement in the Nile basin (updated result).*** The project will support bridging policy and practice to both inform project design and to help monitor NBI activities, creating a safe space for dialogue with civil society groups, and also to contribute to capacity development in Nile Basin communities directly affected by ongoing projects. Implementation began in FY14 and the NBD is already engaging with the NBI on water planning through CIWA support. For example, the NBD worked with NELSAP to identify how the organization's members could enhance the livelihoods of communities that are intended to benefit from the Nyimur Multipurpose Water Resources management and development project planned in the Aswa basin. It is important to note that the NBD has significant membership from organizations that represent the interest of women and the poor, and that the organization routinely monitors representation from this constituency.
- ***Engagement with ZAMCOM to enhance external communications and build partnerships with academia (previously reported).*** The project will enhance partnerships with academia to help broaden the base of transboundary knowledge and analysis in the basin. CIWA is also supporting ZAMCOM to conduct a detailed stakeholder analysis, followed by the development and distribution of targeted communication materials to foster greater awareness within the Basin on equitable and reasonable utilization of the Watercourse.

Target FY14: One basin with increased water resources management and development information in the public domain.

Progress against target: Fully achieved.

CIWA's engagement in the Nile Basin has contributed to increased public access to and updating of water resources information and knowledge.

- ***Engagement in the Nile basin increases water related knowledge in the public domain and supports outreach to user communities (new result).*** Building off of previous support from the NBTF, CIWA support for the NBI has strengthened public access to water-related information in the Nile basin. For example, a project has been launched for further development of an EN Climate and Flood portal, which includes tools and data to enhance consideration of climate resilience and adaptation issues in project planning, and has a flood forecasting app under development. In addition, the NBI is actively enhancing its portal user interface by developing and strengthening communications material and conducting outreach to ensure that users are aware of available products, and to ensure that the outputs are readily accessible on the internet. The NBI's efforts have already begun to demonstrate results in terms of public uptake of information, where enhancements to the NBI's web portal increased web hits by 35 percent.

5

SECTION 5

FINANCIAL OVERVIEW

This year CIWA made important progress in working with countries and organizations in Sub-Saharan Africa, deepening its engagements and supporting the implementation of several basin projects. The World Bank approved four projects (NBD, NCORE AF, Zambezi River Basin Development, and SADC Groundwater Management). Of particular note, the pace of disbursement nearly doubled in FY14, while at the same time, 95 percent of the available funding was allocated to CIWA projects and activities. During this FY, CIWA has also worked to leverage additional resources in an effort to better establish itself and to maximize the use of trust fund resources for its projects. For example, CIWA has established partnerships with the NBTF to co-finance the NCORE AF project and with the GEF to co-finance two projects—one led by SADC on groundwater management and the other led by the VBA on institutional strengthening and watershed management. A significant milestone for the program involved finalizing the design of the Catalytic Sub-Program, an essential tool for focusing on cross-cutting issues that provides CIWA with much needed analytical underpinnings, and that advances implementation of key activities under the Catalytic Sub-Program.

The CIWA program is supported by a MDTF and administered by the World Bank on behalf of contributing development partners. This specific type of MDTF is known as a "Programmatic Trust Fund" to which donors commit funds designed to support a thematic framework rather than financing any 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, funding for CIWA is pledged by donors (current pledges total US$71.2 million) and funds are deposited on an agreed schedule (current deposits total US$26.5 million). Then, in accordance with CIWA's strategic planning efforts, funding is allocated to basin programs or projects (current allocations are US$59.9 million) and allocations are endorsed by the CIWA AC. After allocation, CIWA works with its riparian partners and the Bank task team to develop GFRs and funds are committed by the Bank through its standard fiduciary processes (current commitments are US$35.7 million). Funds are then disbursed according to the grant agreements and financing plans (currently US$4.4 million has been disbursed). Additional details on pledges, deposits, allocations, commitments, and disbursements are presented below.

This section includes the following: a description of the CIWA financial framework; a summary of the donors and the total funds pledged (Table 4); an overview of CIWA allocations (Table 5); a detailed account of allocations (Table 6); the financial distribution among basins (Figure 7); and a summary of the status of CIWA projects. This section also provides a quick look at the details of projects funded (Table 7); a listing of the disbursement and funding balance of the program (Figure 8 and Table 8); and a summary of how program design and delivery work prominently incorporates Value for Money (VfM) principles for minimizing costs and for maximizing the impact of CIWA resources in order to achieve overall program objectives. Finally, this section includes a financial summary of program management,

TABLE 4: Overview of Donor Pledges and Deposits

Contributing Partners	Pledges			Deposits	
	Currency	Amount (in Donor Currency)	Amount (US$)	Amount Received (US$)	Outstanding Balance (US$)
Denmark (DANIDA)	DKK	18,700,000	3,398,597	3,398,597	0
The Netherlands	USD		25,000,000	5,000,000	20,000,000
Norway (NORAD)	USD		882,746	882,746	0
Sweden (SIDA)	SEK	170,000,000	25,493,276	7,644,234	17,849,042
United Kingdom (DFID)	GBP	10,000,000	16,393,762	9,579,800	6,813,962
TOTAL			71,168,381	26,505,377	44,663,004

and a summary of the funding requirements needed for future projects and those already under preparation.

Unless otherwise noted, the financial information presented in this report, including exchange rates, reflects the status as of June 30, 2014.

Donor Pledges and Deposits

The total funds pledged as of June 30, 2014 amounted to US$71.2 million. The Netherlands joined as a new partner in December 2013, pledging US$25 million and expanding the then US$46 million program size by over 54 percent. Of these funds, US$26.5 million was deposited in the CIWA–MDTF account. This leaves a remaining balance of US$44.7 million to be deposited in the coming years. Table 4 shows the pledges, deposits, and outstanding balances. Contributing donors to date include the governments of the Kingdom of Denmark, the Kingdom of the Netherlands, the Kingdom of Norway, Kingdom of Sweden, and the United Kingdom of Great Britain. Development partners 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 partners. This schedule can be revised as necessary to meet project disbursement requirements.

TABLE 5: Overview of Availability and Allocation of Funding

Allocation of Funding	US$
Pledges in signed Administration Agreements	71,168,381
Plus current investment interest income	160,543
Less 2% administrative cost recovery fee	–1,423,368
Funds available for project/activities	69,905,556
Less contingency for currency fluctuation (unallocated, 15% of donor receivables, $44.7M)*	–6,699,451
Funds available for allocation	63,206,105
Less allocation to projects/activities	59,865,461
Unallocated Funds	3,340,645
% Allocated	95%

*The Basis of Commitment (BoC) of the CIWA MDTF is based on cash-plus future donor contribution receivables (that is, including amounts not yet paid in by a trust fund donor under a signed administration agreement or equivalent). Trust funds may be exposed to BoC risk if grant agreement amounts (that is, commitments) exceed the cash received from donors at the time the grant agreements are signed. The BoC risk may arise when donors provide less than agreed—or delay—funding to a trust fund, after grant commitments have already been entered into with recipients based on the expectation of future contributions from these donors. Most trust funds operate under the Bank's best practice recommendation of committing new grants only against donor contributions already received in cash. However, on an exceptional basis, some trust funds enter into grant agreements based on future donor receivables. To help avoid an over-commitment of grants against available donor funding due to currency volatility, the Bank applies an automatic discount on future donor receivables. This discount is applied on the US dollar-equivalent value of donor contributions in currencies other than the holding currency for a given trust fund. The regular discount percentage equals 15 percent of future donor receivables, but it can be increased by CTR in times of heightened currency volatility in the financial markets. In practice, the Bank system will only allow grant commitments of up to 85 percent of the prevailing US dollar value of future donor receivables.

TABLE 6: Detailed Account of Allocation of Available Funding

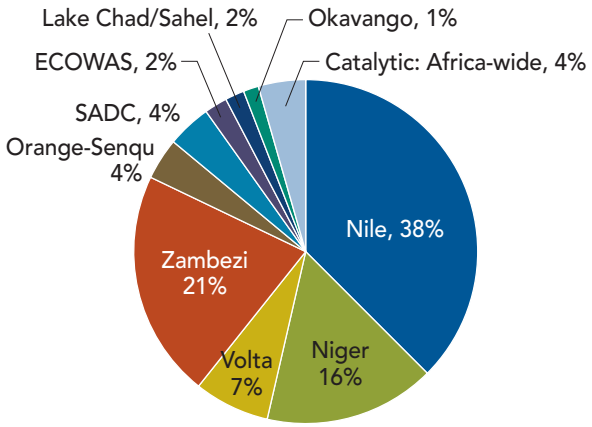
Basin/REC/Sub-program/Activity	Description	Allocated Amount (US$)
Niger	NBA, Niger Basin Support Program	8,950,000
Nile	NBI (incl. SEC, NELSAP and ENSAP), Nile Support Program, Nile Basin Engagement (contingent upon NBI financial strategy)	20,850,000
Volta	VBA, Volta Basin Support Program	3,950,000
Zambezi	ZAMCOM, ZRA, Zambezi Support Program	11,900,000
Orange Senqu	Government of Botswana (Water Transfer Study)	2,175,000
SADC	SADC Groundwater Management	2,300,000
ECOWAS	West Africa	1,200,000
Lake Chad / Sahel	Water Balance and Strategic Communication	1,000,000
Okavango	OKACOM MSIOA	800,000
Africa wide	Knowledge management and technical assistance catalytic activities	2,470,358
PMU	Program Management and Administration (incl. evaluation, reporting and partnership coordinaton)	4,270,103
Total		59,865,461

Overview of CIWA Allocations

As of June 30, 2014, US$59.9 million has been allocated to CIWA projects and activities, which effectively has assigned most of the available funding (95 percent) to activities under preparation or implementation. Table 5 presents an overview of the availability and allocation of funding. Table 6 presents a detailed account of allocation of available funding.

The majority of available funds are allocated to the four sustained basins: Nile, Niger, Volta, and Zambezi.[7] Basin programs include recipient-executed projects and Bank-executed support programs that fund technical assistance and analytical work which supplements the recipient-executed projects (basin program allocations currently total US$45.7 million). In certain cases, CIWA also pre-allocates funding for follow-up work on current projects, based on project and organizational performance and riparian commitment. In the current envelope, US$3 million is pre-allocated for support in the Nile Basin subject to demonstrated commitment of the riparian states. In order to broaden CIWA's impact beyond the water sector and to complement basin programs, CIWA allocated US$3.5 million for projects with RECs. Support for RECs is comprised of US$1.2 million for engagement with ECOWAS (Bank-executed) and US$2.3 million for the SADC Groundwater Management Program. In addition, CIWA allocated US$2.2 million to the Lesotho Highlands–Water Transfer Study executed by the Government of Botswana. Finally, an allocation of US$5.5 million will go to support the Catalytic Sub-Program, and the Bank will use this amount to execute opportunistic projects that contribute to meeting the program's objectives in the ECOWAS, Lake Chad and Okavango (a total of $3 million) and on Africa-wide activities on knowledge management, economic sector work and technical assistance (a total of $2.5 million) to generate and share knowledge and to build capacity. Table 7 lists all CIWA projects and shows financial results of projects for which grants have been established.

FIGURE 7. Financial Distribution Among Basins



[7] The final allocation for the Niger Basin Support Program is contingent upon endorsement by CIWA AC.

TABLE 7: Details of Projects Funded by CIWA

Basin/Sub-program	Executed by	Fund Name	TF#	Grant Amount	Actual Disbursement
NIGER	NBA	Niger River Basin Management Project	tbd	7,500,000	0
	WB	Niger Basin Support Program*	tbd	1,000,000	0
	WB	Enhanced Supervision (NBA)	TF016609	450,000	79,384
		Niger Total		**8,950,000**	**79,384**
NILE	NBI (incl NEL, EN)	Nile Cooperation for Results (NCORE)	TF013767	1,500,000	0
	NBD	Engaging Civil Society for Social and Climate Resilience in the Nile Basin (NBD)	TF015834	1,500,000	399,678
	NBI (incl NEL, EN)	NCORE Additional Financing I	TF013767	13,000,000	0
	NBI (incl NEL, EN)	Nile Basin Engagement(subject to contingency of NBI financial strategy)*	tbd	3,000,000	0
	WB	Nile Basin Support Program	TF014064	1,000,000	0
	WB	Enhanced Supervision (NBD)	TF014064	400,000	122,556
	WB	Enhanced Supervision (NCORE AF)	TF015335	450,000	26,519
		Nile Total		**20,850,000**	**548,753**
VOLTA	VBA	Volta River Basin Institutional Support Project	tbd	3,000,000	0
	WB	Volta Basin Support Program	TF015556	500,000	0
		Enhanced Supervision (Volta)	TF015557	450,000	104,504
		Volta Total		**3,950,000**	**104,504**
ZAMBEZI	ZAMCOM	Zambezi River Basin Management Project (ZAMCOM)	tbd	4,000,000	0
	ZRA	Zambezi River Basin Development Project (ZRA)	TF016238	6,000,000	0
	WB	Zambezi River Basin Support Program	TF011577	1,000,000	434,675
	WB	Enhanced Supervision (ZAMCOM)	TF014926	450,000	186,268
	WB	Enhanced Supervision (ZRA)	TF014927	450,000	204,790
		Zambezi Total		**11,900,000**	**825,733**
ORANGE-SENQU	Botswana	Lesotho Highlands - Botswana Water Transfer	TF016233	2,000,000	0
	WB	Enhanced Supervision (LH-B)	TF016038	175,000	9,189
		Orange-Senqu Total		**2,175,000**	**9,189**
SADC	SADC	Sustainable Groundwater Management in SADC Member States	TF016748	2,000,000	0
	WB	Enhanced preparation (SADC)	TF015336	300,000	90,095
		SADC Total		**2,300,000**	**90,095**
CATALYTIC PROGRAM	Pillar 2: Opportunistic Investment by WB	ECOWAS / West Africa	TF016610	1,200,000	25,783
		Lake Chad / Sahel	TF015878	1,000,000	49,867
		Okavango MSIOA	tbd	800,000	
	Africa-wide	Pillar 1: Analytical Work for Catalyzing Cooperation	TF011569 TF011626	1,110,358	702,162
		Pillar 3: Information Services for Climate Resilience	tbd	300,000	0
		Pillar 4: Capacity Building and Knowledge Management	TF016747	700,000	142,443
		Peer Review/Admin & Mgmt of Cat. Prgm. (6% of CP)	tbd	360,000	
		Catalytic Total		**5,470,358**	**920,255**
		Sub-total (projects)		**55,595,358**	**2,577,912**
PMU	WB	Program Management and Administration	TF011372/ 11377	4,270,103	1,256,746
		TOTAL		**59,865,461**	**3,834,658**

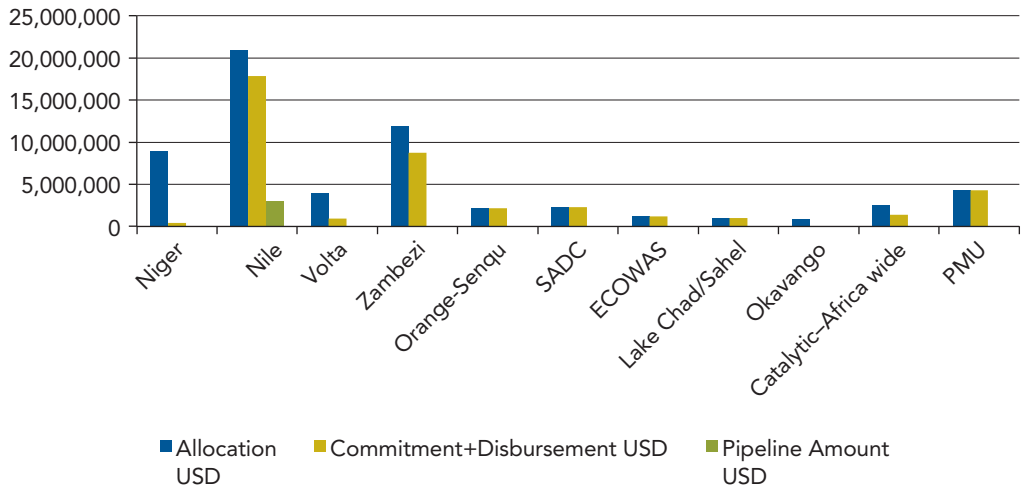
*Contingent upon endorsement by CIWA AC.

Commitment, Disbursement, and Funding Balance

By the end of FY14, the program had committed and disbursed a cumulative US$40 million. (US$39.5 million for projects and US$0.5 million for administrative fees). The pace of disbursement nearly doubled in FY14. While a cumulative amount of US$1.9 million had been disbursed from the start of the program until the end of FY13, an additional $2.4 million was disbursed during FY14 alone. Figure 8 and Table 8 provide a summary of the overall allocations, commitments and disbursements, and pipeline activity amounts per basin/sub program.

Going forward, CIWA expects to commit an additional US$17.4 million (Niger, ZAMCOM, Volta, Okavango and various knowledge projects) in FY15. The pace of disbursements is expected to significantly increase in FY15 because all CIWA projects will be in a full implementation phase by the end of FY15. Since its

FIGURE 8. Overall Endorsed Budget, Disbursement and Commitment, and Pipeline Activity Amounts per Basin/Sub-program



*Pipeline activities are those for which an endorsement was initiated with conditions.

TABLE 8: Allocation, Commitment, Disbursement and Pipeline Amounts per Basin/Sub-Program

Basin/Sub-Program	Allocation USD	Commitment USD	Disbursement USD	Commitment + Disbursement USD	Commitment + Disbursement % of Endorsed Budget	Pipeline Amount USD
Niger	8,950,000	370,616	79,384	450,000	5%	0
Nile	20,850,000	17,301,247	548,753	17,850,000	86%	3,000,000
Volta	3,950,000	845,496	104,504	950,000	24%	0
Zambezi	11,900,000	7,074,267	825,733	7,900,000	66%	0
Orange-Senqu	2,175,000	2,165,811	9,189	2,175,000	100%	0
SADC	2,300,000	2,209,905	90,095	2,300,000	100%	0
ECOWAS	1,200,000	1,174,217	25,783	1,200,000	100%	0
Lake Chad/Sahel	1,000,000	950,133	49,867	1,000,000	100%	0
Okavango	800,000	0	0	0	0%	0
Catalytic -Africa wide	2,470,358	565,753	844,605	1,410,358	57%	0
PMU	4,270,103	3,013,357	1,256,746	4,270,103	100%	0
Total	**59,865,461**	**35,670,802**	**3,834,659**	**39,505,461**	**66%**	**0**

TABLE 9: Fund Balance

Fund Income vs Disbursement & Commitment and Balance	US$
Total Deposits	26,505,377
Plus current investment interest income	160,543
Total Income	26,665,920
Less disbursements (CIWA projects/activities)	–3,834,659
Less administrative fee accrual of 2% of deposits	–530,108
Balance	22,301,154
Less current commitments	–35,670,802
Total Balance (when including commitments)	–13,369,648

launch in 2011, CIWA has focused on building a strong pipeline of projects and programs that contribute to the program objectives. This effort has required time and effort and CIWA recognizes that rational disbursement follows a grounded, well-developed portfolio. This is not uncommon in an MDTF program like CIWA, and similar initial start-up periods have occurred in other programs, such as the NBTF and SAWI in the context of the international waters program.

By the end of June 2014, CIWA had a total income of US$26.7 million (US$26.5 million from payments received from CIWA donors plus US$0.2 million of investment income from the CIWA account). Total disbursements were US$4.4 million (US$3.83 million from projects and US$0.53 million from administrative fees). Grant commitments totaled US$35.7 million. Table 9 presents the balance available in the CIWA account which is approximately US$22.3 million and negative balance of US$-13.4 million when grant commitments are included.

Value for Money (VfM)

The CIWA program design and delivery prominently incorporates Value for Money (VfM) principles—economy, efficiency and effectiveness. VfM is valuable not only for minimizing costs but also for maximizing the impact of CIWA resources in order to achieve overall program objectives. Guided by its cost-saving measures in program management and administration, as well as in project preparation and supervision, CIWA operates within its financial targets. CIWA has not only successfully kept costs down, but has also maintained high quality in its interventions and has met its basin and program level output and outcome targets, thereby achieving a good return on the financial support provided by development partners.

CIWA's positioning within the World Bank is crucial to achieving economy, and to leveraging technical and financial support in a way that has a multiplier effect on efficiency and effectiveness. This has been accomplished in the following ways:

- By tapping into the World Bank's experience and expertise in managing trust funds, thereby streamlining administration costs;
- By leveraging the strong technical expertise of Bank staff across a wide range of relevant sectors;
- By drawing on the Bank's longstanding experience in international water cooperation through other mediums such as the NBTF, SAWI, WPP, among others;
- By tapping into the Bank's deep partnerships with global collaborators to leverage regional experience and networks;
- By leveraging additional sources of financing, such as from the NBTF (US$18.8 million), GEF (US$15.4 million), for CIWA-supported projects; the African Water Resources Management Initiative (US$46,212), and additional World Bank resources (US$0.5 million) supported the start-up of CIWA.
- By leveraging multiple sources of follow-up financing such as IDA, African Development Bank, and other investors for projects where CIWA supports bankable project preparation.

Annex 5 contains additional reporting on the Value for Money of the program.

Financial Summary of Program Management

CIWA management costs include expenses incurred by the Program Management Unit (PMU) and the Bank's technical experts who provide strategic advice and support to the overall CIWA program. In addition to staff and consultant costs, this category encompasses costs associated with CIWA donor coordination, outreach and communications, monitoring and evaluation, reporting, partnership meetings, and dissemination activities (website, brochure, publications, and so forth).

The CIWA Administration Agreement establishes that PMU costs should not exceed six percent of total donor contributions. From the beginning of the program, CIWA has spent less than two percent of the current envelope, which is well within the agreed-upon range.

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

Future Funding Requirements

Demand for the CIWA program from potential recipient organizations has exceeded the program's current resources. At present, CIWA has allocated most of its available funding and has provisional plans for an anticipated FY15 pledge that will bring the program's total funding envelop to US$78 million. The program has identified a pipeline of potential projects that will exceed the projected 10-year funding envelope of US$200 million. Demand is high from current recipient-partners who would like to expand their current engagements. Demand from catalytic partners and other basins is increasing. CIWA will explore these future opportunities in parallel to its efforts to identify additional sources of funding.

6

SECTION 6

TOWARDS SUSTAINABLE CLIMATE RESILIENT GROWTH: FY15 AND BEYOND

As this report demonstrates, CIWA has a robust portfolio of engagements and projects across Africa. Many projects are under implementation and are beginning to demonstrate results. A significant pipeline of projects and engagements are under development and are expected to be under implementation in FY15. CIWA undertook a serious effort in FY14 to plan a coordinated, strategic approach to addressing demands and needs in West Africa, including hosting a CG meeting focused on West Africa and Central Africa (described in Section 3), initiating and advancing engagement with the Niger basin, and moving the engagements in the Volta basin and with ECOWAS towards implementation and initiating procurement activities. In addition, the Catalytic Sub-Program's design was completed this year and many opportunistic, knowledge management and capacity building activities are also under implementation. Meaningful progress on analytical work to inform cooperative efforts is expected in FY15.

In FY15, CIWA anticipates that the majority of funding pledged will be committed to specific projects and programs that are under implementation, further advancing disbursements. However, riparians, RBOs and RECs continue to express demand for new and expanded engagement with CIWA. The program is actively engaged in fund-raising efforts to address needs across Africa. The EC, in the context of the EU "Global Public Goods and Challenges" thematic programme and the 2015 Action Programme, intends to pursue a likely contribution to CIWA with a budget of €5 million. This contribution will bring the total funding envelope to approximately US$78 million. Although new engagements and projects are subject to endorsement, CIWA has begun to plan funding allocations with the additional financing and it anticipates expanding ongoing work in the Nile basin, promoting cooperation around critical needs in the Sahel and advancing important catalytic work with a likely focus on the food-water-energy nexus.

In the coming year, CIWA will be near the mid-point of its planned 10-year lifetime, which provides a good opportunity to review the program and identify any priority areas that should be addressed as the program advances. CIWA will plan and initiate the MTR during FY15 to ensure that the program is as relevant, efficient, and effective as possible.

Planning for the Mid-Term Review

CIWA plans to undertake its MTR during FY15. The MTR will follow standard internal review processes employed by organizations such as the World Bank Group and the United Nations for international development programs such as CIWA. Planning for the MTR is underway and the scope of the review, including the main topics that will be considered in the review and the process that will be undertaken for the review, will be established by the end of the calendar year. Currently, the program anticipates that the MTR will assess the degree to which

CIWA is "fit for purpose" in meeting its objectives moving forward. The MTR will evaluate the program's progress towards reaching its goals and will explore the different components of the program's structure from the standpoint of their efficiency, relevance and effectiveness. In addition, the review will likely consider if and how CIWA is playing a strategic role in helping Africans to meet their water resources management and development needs. Experts in the field of international water resources will support the MTR process, providing important and strategic guidance for CIWA moving forward.

Notionally, the MTR activities will include:

a. A comprehensive document review that incorporates strategic documentation, project documentation, reports and reviews,
b. Consultations and workshops with relevant stakeholders from CIWA's governance structure, core team, project teams and clients, and
c. Triangulation of qualitative findings through quantitative analysis of the results of CIWA-funded projects, impact assessments and review of relevant project documentation

The MTR will take place over the course of the upcoming year and is expected to generate recommendations for priority reforms. Recommendations could be geared towards improved program planning, execution and monitoring.

ANNEX 1

CIWA'S PERFORMANCE MANAGEMENT FRAMEWORK[1]

IMPACT: Strengthen sustainable climate-resilient growth in Sub-Saharan Africa

Indicator	Target FY12[2]	Target FY13	Target FY14	Target FY15	Target FY16	Target 2020
Program Development Objective: to strengthen cooperative management and development of international waters in Sub-Saharan Africa to aid sustainable climate resilient growth.						
i) US$ financing mobilized for cooperative management and development of international water resources projects supported by CIWA Baseline: $0 billion (value of projects influenced by CIWA)	$2 billion (value of potential projects influenced by CIWA) FY12 Achievement: $2.5 billion of potential investment influenced	$4 billion (value of potential projects influenced by CIWA) FY13 Achievement: $4.02 billion of potential investment influenced	$6 billion (value of potential projects influenced by CIWA) FY14 Achievement: $7.8 billion of potential investment influenced	$8 billion (value of potential projects influenced by CIWA)	$8 billion (value of potential projects influenced by CIWA)	US$10 billion mobilized for cooperative management and development international waters projects
ii) Number of people directly benefiting from improved water resources management and development in target basins through projects supported by CIWA Baseline: 0 people directly benefiting	3 million (potential direct beneficiaries of projects influenced by CIWA) FY12 Achievement: 6 million potential direct beneficiaries	6 million (potential direct beneficiaries of projects influenced by CIWA) FY13 Achievement: 13.2 million potential direct beneficiaries	8 million (potential direct beneficiaries of projects influenced by CIWA) FY14 Achievement: 46 million potential direct beneficiaries	10 million (potential direct beneficiaries of projects influenced by CIWA)	15 million (potential direct beneficiaries of projects influenced by CIWA)	50 million people directly benefiting from improved water resources management and development projects
Intermediate Result 1. Regional cooperation and integration strengthened						
i) Number of relevant transboundary institutions strengthened to improve regional cooperation Baseline: 0 institutions strengthened ii) Number of strategic analyses and knowledge products used to illustrate the evidence base for cooperation, needs, and challenges Baseline:0 strategic analyses conducted by CIWA	2 project design outlines completed for projects that aim to strengthen regional cooperation and integration FY12 Achievement: 2 relevant project design outlines completed	i. a) 3 basins with programs and CSPs designed FY13 Achievement: 3 basins with programs and CSPs designed i. b) 3 basin institutions with projects in operation that contribute to strengthening regional cooperation and integration FY13 Achievement: 3 basin institutions have contributing projects in operation	i. a) 4 basins or RECs with programs and CSPs designed FY14 Achievement: 4 basins with programs and CSPs designed i. b) 5 relevant institutions with projects or activities in operation FY14 Achievement: 5 relevant institutions with projects in operation ii) 3 strategic analyses conducted FY14 target partially met: Many strategic analyses are underway, none are complete.	i. a) 4 basins or RECs with programs and CSPs designed i. b) 6 relevant institutions with projects or activities in operation ii) 4 strategic analyses conducted	i. a) 4 basins or RECs with programs and CSPs designed i. b) 6 relevant institutions with projects or activities in operation ii) 5 strategic analyses conducted	8 transboundary institutions in at least 5 basins have strengthened regional cooperation and integration 10 strategic analyses used to illustrate the evidence base for cooperation

(continued)

1 For additional information regarding CIWA's Results Framework, indicators, targets, data sources and terminology used, please see the document titled CIWA's Results Framework and Monitoring on the CIWA website.

2 Note that targets for all indicators are cumulative

Indicator	Target FY12[2]	Target FY13	Target FY14	Target FY15	Target FY16	Target 2020
Intermediate Result 2. Water resources management strengthened						
i) Number of relevant transboundary institutions using improved analytical tools, knowledge products, data, forecasting, and/or capacity for improved water and climate risk management or investment operation coordination Baseline: 0 institutions using tools, data and capacity improved with CIWA support	2 project design outlines completed for projects that aim to strengthen water resources management FY12 Achievement: 2 relevant project design outlines completed	i. a) 3 basins with programs and CSPs designed FY13 Achievement: 3 basins with programs and CSPs designed i. b) 3 basin institutions with projects in operation that contribute to strengthening water resources management FY13 Achievement: 3 basin institutions have contributing projects in operation	i. b) 4 relevant institutions with projects in operation that improve water and climate risk management and/or investment operation coordination FY14 Achievement: 5 relevant institutions have projects in operation that contribute to strengthening water resources management	i. b) 5 relevant institutions with projects in operation that improve water and climate risk management and/or investment operation coordination	i. b) 5 relevant institutions with projects in operation that improve water and climate risk management and/or investment operation coordination	5 institutions in at least 4 basins using improved analytic tools, knowledge products, data, forecasting, and/or capacity for improved water and climate risk management or investment operation coordination
Intermediate Result 3. Water resources development strengthened						
i) Number of investment opportunities with regional benefits that have been advanced through CIWA support Baseline: 0 investment opportunities with regional benefits advanced by CIWA ii) Number of relevant transboundary institutions with an improved approach to sustainable investment planning and bankable investment preparation[3] Baseline: 0 basins supported by CIWA	2 project design outlines completed for projects that aim to strengthen water resources development FY12 Achievement: 2 relevant project design outlines completed	2 basin institutions with projects in operation FY13 Achievement: 2 basin institutions have contributing projects in operation	i) 2 investment opportunities with regional benefits influenced by projects in operation FY14 Achievement: Multiple investment projects are being advanced by projects in operation. ii) 2 institutions with projects in operation that improve the approach to sustainable investment planning and bankable investment preparation FY14 Achievement: 2 institutions have relevant projects in operation	i) 4 investment opportunities with regional benefits influenced by projects in operation ii) 3 institutions with projects in operation that improve the approach to sustainable investment planning and bankable investment preparation	i) 6 investment opportunities with regional benefits influenced by projects in operation. ii) 4 institutions with projects in operation that improve the approach to sustainable investment planning and bankable investment preparation	i) 10 investment opportunities with regional benefits that have been advanced through CIWA support ii) 5 relevant transboundary institutions with an improved approach to sustainable investment planning and bankable investment preparation
Intermediate Result 4. Stakeholder engagement and coordination strengthened						
i) Number of basins with improved engagement with civil society, private sector and academia; percentage of basins with improved engagement of organizations representing the interests of women and/or the poor Baseline: 0 basins with improved engagement ii) Number of basins with increased water resources management and development information in the public domain Baseline: 0 basins	2 project design outlines completed for projects that aim to strengthen stakeholder engagement and coordination FY12 Achievement: 2 relevant project design outlines completed	i.a) 3 basins with programs and CSPs designed FY13 Achievement: 3 basins with programs and CSPs designed i.b) 3 basin institutions with projects in operation that contribute to strengthening stakeholder engagement and coordination FY13 Achievement: 3 basin institutions have contributing projects in operation	i.b) 3 basins with projects or activities in operation; 30 percent of which include organizations representing interests of women and/or the poor FY14 Achievement: 4 basin institutions have projects in operation that contribute to strengthening stakeholder engagement; only 25% of which have an explicit linkage with organizations representing the interests of women ii) 1 basin with increased information in the public domain FY14 Achievement: 1 basin has increased information in the public domain	i.b) 4 basins with projects or activities in operation; 50 percent of which include organizations representing interests of women and/or the poor ii) 2 basins with increased information in the public domain	i.b) 4 basins with projects or activities in operation; 50 percent of which include organizations representing interests of women and/or the poor ii) 3 basins with increased information in the public domain	5 basins with improved engagement with civil society, private sector and academia; 60 percent with improved engagement of women and/or the poor 5 basins with increased information in the public domain

3 Sustainable investment preparation includes consideration of poverty, gender, long-term climate change among other social and environmental considerations

ANNEX 2

DEMAND FOR CIWA ENGAGEMENT

Basin/Region	Organizations Requesting Engagement	Countries
Nile	Nile Basin Initiative Nile Basin Discourse Lake Victoria Basin Commission	Burundi, Democratic Republic of Congo, Egypt, Eritrea (observer), Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda
Incomati-Maputo	Progressive Realization of the Inco-Maputo Agreement	Mozambique, South Africa, Swaziland
Lake Chad	Lake Chad Basin Commission (LCBC)	Cameroon, Central African Republic, Chad, Libya, Niger, Nigeria, Sudan (observer)
Niger	Niger Basin Authority (NBA)	Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Guinea, Mali, Niger, Nigeria
Okavango	Okavango River Basin Water Commission	Angola, Botswana, Namibia
Orange–Senqu	Government of Botswana International Waters Unit (on behalf of Lesotho and South Africa)	Botswana, Lesotho, Namibia, South Africa (Namibia is member of ORASECOM, but an observer to the MoU governing the study)
Southern Africa aquifers	The Southern African Development Community (SADC) through the SADC Groundwater Management Institute	Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe
Volta	Volta Basin Authority (VBA)	Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo
West Africa	ECOWAS	ECOWAS Member States
Zambezi	Zambezi Watercourse Commission (ZAMCOM) Zambezi River Authority (ZRA)	Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, Zimbabwe Zambia and Zimbabwe
Knowledge Management and Capacity Building	CIWA's CG, African Network of Basin Organizations (ANBO), World Bank teams	Africa-wide

ANNEX 3

RECIPIENT PARTNERS

This annex provides background information on recipient partners for all of CIWA's projects which are recipient executed and are in operation. The description below provides a link to the Partner's website for additional information.

Niger Basin Authority (NBA). The Niger Basin Authority (NBA) is the regional RBO with the mandate to promote cooperation among the nine member countries in developing and managing the Basin's water resources. The NBA emerged from the now-defunct Niger River Commission (NRC) in 1980. The "Shared Vision Process," was started in 2002 and the NBA has made significant progress in more firmly establishing the role of the NBA since it began building on this initiative. Examples include: the SDAP, approved in July 2007, Appendix 1); a 20-year $8 billion Investment Program (approved in April 2008); and the Water Charter (approved in April 2008). The NBA's current investment program encompasses a broad-based mix of large scale transboundary infrastructure investments (Fomi dam in Guinea, Kandadji dam in Niger and Taoussa dam in Mali[1]), small scale infrastructure investments in all 9 countries (rehabilitation and valorization of small dams, development of lowlands, agroforestry); ecosystem protection (regulatory systems, information tools including modeling of low flows, and investments in erosion and siltation control); and institutional capacity building (legal systems and tools, strengthening the NBA hydrological observatory and sub-basin committees; and basin stakeholder mobilization).

Partner Website: www.abn.ne

Nile Basin Initiative (NBI). The NBI is an inter-governmental organization dedicated to the equitable and sustainable management and development of the shared water resources of the Nile Basin. The NBI was established in 1999 by the Ministers of Water Affairs of each member country declaring a Shared Vision "to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile basin water resources." The NBI has three centers:

- The Nile Secretariat in Entebbe, Uganda;
- The Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP) in Kigali, Rwanda; and
- The Eastern Nile Technical Regional Office (ENTRO) in Addis Ababa, Ethiopia.

Partner's Website: http://www.nilebasin.org/

Nile Basin Discourse (NBD). The NBD is a civil society network with more than 800 member organizations that raises awareness among civil society actors on Nile basin development programs and promotes a culture of "One Nile, One Family." The NBD was established in 2002 to strengthen civil society participation in NBI developmental processes and programs. It builds civil society capacity to contribute to social and climate resilience of riparian communities, and informs the design, implementation and monitoring of Nile basin policies and programs. It is managed by a regional Secretariat based in Entebbe, Uganda, with national level forums in each of the eleven riparian states.

NBD's extensive ground presence in riparian communities makes it uniquely placed to link higher-level Nile cooperation processes and projects with local community perspectives and needs. NBD channels community-based voices to ensure broad stakeholder engagement and coordination in Nile basin programs and processes for a sustainable and equitable climate-resilient growth.

Partner's Website: http://www.nilebasindiscourse.org/

Southern Africa Development Community (SADC). The SADC Secretariat is mandated to carry out the strategic planning and management of SADC Programmes for the coordination and harmonization of policies and strategies in Member States (SADC Treaty 1992, Article 14).The institutional mechanisms and functions for the implementation of the Protocol were established in the 2000 Revised Protocol on Shared Watercourses. In the

1 Kandadji dam is the most advanced, and is the only one currently under construction.

SADC Secretariat in Gaborone, Botswana, the Directorate for Infrastructure and Services includes a 'Water Division' that provides strategic guidance and management of implementation of water-related projects. The vision of the SADC Water Division is "to attain the sustainably, integrated planning, development, utilization and management of water resources that contribute to the attainment of SADC's overall objectives of an integrated regional economy on the basis of balance, equity and mutual benefits for all member States." For many projects, the SADC Water Division chooses to achieve its vision and implement operational project activities by applying the subsidiarity principle (agreed upon by the SADC Council of Ministers in 2004). This principle aims to promote cost-effectiveness and sustainability of activities that promote implementation of the SADC Treaty and SADC Protocols (including the 2000 Revised Protocol on Shared Watercourses), and applies to the CIWA-supported project for sustainable groundwater management in SADC Member States. This project also enables implementation of the SADC Regional Strategic Action Plan's programme on groundwater (programme number 11, SADC RSAP III 2011-2015).

Partner's Website: http://www.sadc.int/sadc-secretariat/directorates/office-deputy-executive-secretary-regional-integration/infrastructure-services/sadc-water-sector/

Volta Basin Authority (VBA). An Executive Directorate in collaboration with the six National Focal Points of the riparian countries and their supporting staff comprise the VBA, the implementing agency for CIWA-supported projects in the Volta basin. The VBA came into force as a result of a regional Convention for its establishment, which was held August 14, 2009. A notable outcome of this Convention was the commitment voiced by riparian countries to engage in sustainable development and to enhance coordination and information-sharing with respect to shared water resources. Notwithstanding this important first step, the riparian States have come to realize that cooperation in the Volta basin is still in its infancy and needs to be supported by commitment, trust, and political will. In addition, evidence-based assessments are needed to strengthen riparian commitment by demonstrating that regional cooperation offers lasting and tangible development benefits. The VBA also faces the challenge of having to build on existing bilateral arrangements among some of the member States. The VBA would benefit from institutional strengthening which would help riparians establish the legal, fiduciary, and procedural foundations needed to confront the challenges facing the larger basin context.

Zambezi Watercourse Commission (ZAMCOM). The ZAMCOM was established *"to promote the equitable and reasonable utilization of the water resources of the Zambezi Watercourse, as well as the efficient management and sustainable development thereof."* The Agreement was signed on July 13, 2004, by seven of the eight riparian states—Angola, Botswana, Malawi, Mozambique, Namibia, the United Republic of Tanzania, and Zimbabwe—and came into force on June 26, 2011, after six of the eight riparian countries completed their ratification processes. Zambia acceded to the agreement in July 2013 while Malawi, which signed on July 13, 2004, has not yet ratified it. The riparian states established an Interim ZAMCOM Secretariat in May 2011. The Interim Secretariat is hosted by the Government of Botswana in Gaborone and is working with the riparian states to operationalize the ZAMCOM Agreement and ZAMCOM Work Plan. The Permanent Secretary is now established in January 2014 in Harare, Zimbabwe. All of the major organs of the organizations are now functional and the Executive Secretary has been appointed.

Partner's Website: http://www.zambezicommission.org/about.php

Zambezi River Authority (ZRA). The ZRA was established in 1987 through legislation that established joint ownership by the governments of Zambia and Zimbabwe in equal proportions. The ZRA is governed by a Council of Ministers consisting of four members, including the Ministers holding portfolios of energy and finance in each country. The primary functions of the Authority are to operate, monitor, and maintain the Kariba Complex; identify, and with the approval of the council, are to construct, operate, monitor, and maintain any other dams on the Zambezi River; to provide liaison with the National Electricity Undertakings in activities that affect the generation and transmission of electricity; and to make recommendations to the Council to ensure the effective and efficient use of the waters and other resources of the Zambezi River.

Partner's Website: http://www.zaraho.org.zm/

ANNEX 4

CIWA'S RISK ANALYSIS FRAMEWORK

The overall risk level of CIWA is Medium to High. This program level risk rating is informed by the varying levels of risk within the program.

At the impact level, the risk is high. This is a result of political risks, both regional and national, that influence the ability to sustain deep, long term cooperation and effective transboundary water management.

The risk at the outcome level is medium to high. This reflects the mix of low to medium risks at the output level, and the need for a combination of political as well as technical progress to achieve desired outcomes. Technical progress is generally low risk, but sustaining technical achievements amidst favorable political progress (for example, negotiations and effective cooperation) is higher risk. While political risks are generally outside the control of the program, the World Bank is strengthening the role of political economy analyses in the design and management of CIWA's engagement with specific basins and diversifying its portfolio across Africa, which will strengthen the effectiveness of the overall program. In addition, this risk rating includes the fact that CIWA may not reach its funding envelope target of $200 million dollars.

This document presents a matrix with key risks identified at the program level as well as corresponding mitigation actions that have been applied. While this program level risk analysis is informed by the many risks in various basins, individual basin and project-specific risk analyses and associated mitigation measures are not detailed in this matrix. However, they are included in basin and project-specific documentation. All Bank programs and projects require an assessment during the project approval process of operational risk and mitigation measures, along with appropriate documentation. Once a recipient-executed project is operational, the World Bank conducts significant technical and financial oversight, including consideration of how risks, after being initially identified, then affect implementation. When a project is being evaluated for restructuring or additional financing, the project team re-considers operational risks and incorporates any new risk mitigation measures that are required. In addition, for the CIWA program, each basin program is guided by the BAC which, in its annual meetings, reviews progress in program implementation, evaluates basin-level risks, and identifies strategic responses.

Recognizing the dynamic nature of risks and the need to actively manage them throughout the course of the program, CIWA continuously evaluates risks and mitigation measures, as well as the acceptability of residual risk, and updates the risk matrix on an annual basis.

Risk description	Probability/ Impact before mitigation	Mitigation applied	Probability/ Impact after mitigation
Political & Developmental Risks			
1. Challenging political context All work in international waters has an inherent risk that domestic or international political issues (either related or unrelated to water issues) may negatively impact the context in which such projects operate, resulting in long-term delay or even failure of specific projects which could impact the success of the program. This risk is often beyond the scope or the influence of CIWA or of the partner organizations (RBO, REC, NGO, or of other regional organizations)	Probability: High Impact: High	CIWA has diversified its portfolio in terms of both geography (programs in East, West, Central, and Southern Africa), and in terms of type of work (focus on strengthening information, institutions, and infrastructure). While the political context may be challenging for one type of work in a particular region, it may be less so for another type in another region. Portfolio diversification helps mitigate political risks at the program level. In addition, political economy issues are considered whenever possible in CIWA program planning. Basin programs in the Nile and Zambezi are informed by corresponding political economy analyses (PEA), which help to better understand risks, formulate mitigation strategies that enable effective program implementation, and design projects within an acceptable risk appetite. To further mainstream the use of PEA in informing its work, CIWA has commissioned the development of a PEA Framework that it will apply to basins in which it engages to understand basin-specific risks and on that basis to then formulate engagement strategies.	Probability: Medium Impact: Medium
2. Insufficient basin-wide commitment Some countries within a basin may not have formal membership in the participating basin organizations and/or may challenge the basin organization's engagement with CIWA.	Probability: Medium Impact: Medium	Confidence building measures will be necessary to ensure that progress is achieved. While it is recognized that it will not always be possible to have all riparians formally committing, CIWA provides an inclusive platform in the form of the BAC where it encourages participation of—and provides an open invitation to all relevant stakeholders to identify—the long-term action plan for CIWA engagement in a way that responds to the needs of the basin and is aligned with regional and national priorities as well as other development interventions in the basin. In addition, for all applicable projects, CIWA follows the World Bank Safeguards Policy on international waters OP 7.5 which, in the absence of appropriate agreements or arrangements for the entire waterway, or parts thereof, requires the beneficiary state to formally notify other riparians of the proposed project. The Policy lays down detailed procedures for the notification requirement, including the role of the Bank in the notification, period of reply and the procedures to follow in case there is an objection by one of the riparians to the project.	Probability: Low Impact: Low

Risk description	Probability/ Impact before mitigation	Mitigation applied	Probability/ Impact after mitigation
3. Inadequate stakeholder voice Stakeholders may not fully engage in the project cycle resulting in them having an inadequate voice in decision-making, raising the potential of public protest or civil action that could jeopardize or delay development projects.	Probability: Low Impact: Medium	The program prioritizes the involvement of stakeholders and indeed, one of CIWA's four result areas aims to strengthen stakeholder engagement in water resources management and development. CIWA emphasizes the creation of a favorable upstream environment for development projects and in many cases facilitates bringing stakeholders into the dialogue and sharing information in the public domain, thereby mitigating risk of resistance. Moreover, CIWA-supported basin programs convene all relevant stakeholders in the annual meeting of the BAC, which shapes CIWA's long term strategy in the basin, and shares information and gathers feedback on project cycle details.	Probability: Low Impact: Medium
Operational Risks			
4. Inadequate coordination between participating basin organizations If participating basin organizations have mutually inconsistent objectives, this may weaken the overall development effectiveness of CIWA's program.	Probability: Medium Impact: Medium	CIWA works to encourage and motivate strong cooperative working relationships. A CSP is developed for all basins or regions in which CIWA has a long term engagement and captures how CIWA projects will integrate with the broader objectives of each of the organizations. A CIWA BAC comprised of wide basin-level membership coordinates all the projects to be undertaken within the CSP.	Probability: Low Impact: Medium
5. Inadequate implementation capacity and readiness can cause short to medium-term delay Some basin organizations may have insufficient capacity or experience to effectively engage in basin management and development, causing delays in project implementation which could affect the overall pace of the program achieving its objectives.	Probability: High Impact: Medium	During project development, Bank experts assess implementation capacity and readiness of the recipient organization and plan the magnitude and complexity of CIWA's engagement accordingly. The Bank may provide support for financial management, procurement, and project management. Project supported capacity enhancement might also be a contingency for project approval, for example, a project may be conditioned on the hiring of an environmental and social expert to provide safeguards support. Many projects address this risk by designating an institutional support and capacity building component that addresses this risk. In addition, CIWA can employ Bank-executed programming as an initial financing modality to strengthen recipient implementation capacity and readiness.	Probability: Medium Impact: Low

(continued)

Risk description	Probability/ Impact before mitigation	Mitigation applied	Probability/ Impact after mitigation
6. Technical complexity of international water projects can lead to long-term delay International water programs are inherently complex and require seasoned perspective to avoid pitfalls and errors that can seriously undermine management and can adversely affect the progress of development projects and cause long-term delays.	Probability: Low Impact: Medium	CIWA taps into the strong technical expertise of the World Bank staff while developing the projects with the client and also as needed in the implementation stage. In addition, CIWA draws from external continental as well as global experience as needed to bolster technical capacity required for project design and implementation. The CIWA Panel of Experts forms the first line of expertise that provides strategic as well as technical guidance. Additionally, through the CG, CIWA benefits from the region-specific expertise of key Africa water sector professionals.	Probability: Low Impact: Low
7. Insufficient World Bank capacity to engage across an increasing number of basins	Probability: Medium Impact: Medium	Before starting an engagement with a new basin, CIWA ensures that there is sufficiently strong technical capacity as well as regional experience to lead the engagement within the World Bank. In most cases, previous Bank engagements will already have established a deep partnership with the region, which new CIWA engagements build upon. CIWA also mitigates this risk by collaborating closely with Bank country offices as well as by drawing on local knowledge of other partners. Transparency and good information flows between the Bank and partners will help ensure a strong partnership. In addition, CIWA made the strategic decision to focus the majority of its resources on four or five priority basins, thus reducing the need for increasing expansion of teams focused on basin work.	Probability: Low Impact: Low
Financial Risks			
8. Available CIWA financing is insufficient to meet demand Insufficient financing can cause risks raising expectations of potential recipient partners. Participating donors may be slow to commit resources relative to the demand for engagement by recipient basin organizations.	Probability: High Impact: High	CIWA is actively working to mobilize additional funding and requests development partners to facilitate fund mobilization from their position. CIWA will continue to update required funding amounts during AC meetings, as well as in the CIWA Annual Report. CIWA conducts regular and careful management of the pipeline of potential basin programs to match demand to available resources. As expected, there is a time lag between when a donor pledges funds, to when those funds can reasonably be committed to a basin program and to when that program can spend the funds. Development partner expectations on the disbursement of funds must be managed accordingly so as not to hinder the funds mobilization process.	Probability: High Impact: High

Risk description	Probability/ Impact before mitigation	Mitigation applied	Probability/ Impact after mitigation
9. Fraud and funds not being used as intended	Probability: Low Impact: High	The World Bank requires all trust fund beneficiaries and bidders to observe the highest standard of ethics in Bank-financed grants and contracts. All CIWA grants are subject to the Bank's Anti-Corruption Guidelines,[1] the Procurement[2] and Consultant[3] Guidelines, and the Standard Conditions for Trust Fund Grants,[4] which delineate standard operating procedures for any fraud issues. The Anti-Corruption Guidelines provide for certain actions to be taken by grant recipients to prevent and combat fraud and corruption and the Standard Conditions provide for suspension and/or cancellation of disbursements, as well as the refund of disbursed grant proceeds in the event that fraud and corruption does occur. All recipient-executed projects are audited annually by an external auditor as specified in the grant agreement. The Bank may require less frequent audits for small grants while retaining the right to request an audit as needed. Contributing development partners agreed to amend the Administrative Agreement with the World Bank to include both a management fee and enhanced supervision which will facilitate this process. Any audits that highlight issues will be raised and discussed with the CIWA AC.	Probability: Low Impact: Medium
Sustainability Risk			
10. CIWA support for investments in institutions, information systems and/or infrastructure is not sustained or advanced by riparians CIWA operates upstream of actual investment and has limited control over country uptake, investment plans or sustained support for institutions. This risk becomes even more relevant as financiers other than the World Bank, with more flexible preparation standards, play an increasingly prominent role in financing infrastructure in Africa. This risk builds off of other risks listed in the table, for example, insufficient political will, or inadequate country buy-in) but it is important to consider because it feeds directly into the objectives, indicators and targets by which the program will evaluate its success as delineated in its PMF.	Probability: Medium Impact: Medium	CIWA is demand driven and responds to the requests of riparians and their organizations. CIWA also maintains a diversified portfolio and continued dialogue with important actors that influence investment in Africa. CIWA and the World Bank are funding analytical work to help decision makers better understand the role of emerging donors in investment in water resources in the basins in which it operates in order to understand how to better provide appropriate upstream support. In addition, CIWA will have the opportunity to revisit and reconsider how it addresses this risk as part of the 2014-2015 MTR.	Probability: Medium Impact: Medium

1 Available at http://siteresources.worldbank.org/INTOFFEVASUS/Resources/WB_Anti_Corruption_Guidelines_10_2006.pdf

2 Available at http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Procurement_GLs_English_Final_Jan2011_revised_July1-2014.pdf

3 Available at http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant_GLs_English_Final_Jan2011_Revised_July1_2014.pdf

4 Available at http://siteresources.worldbank.org/INTLAWJUSTICE/Resources/STDGC-English-12.pdf

ANNEX 5

VALUE FOR MONEY IN CIWA PROGRAM DESIGN AND IMPLEMENTATION

Summary Value for Money Statement

The CIWA program design and delivery prominently incorporates Value for Money (VfM) principles.[1] Guided by its cost saving measures in program management and administration as well as project preparation and supervision, CIWA operates within its economy targets. CIWA has not only successfully kept costs down, it has maintained a high quality in its interventions and met its basin and program level output and outcome targets, thereby achieving a good return on the financial support provided by development partners.

CIWA's positioning within the World Bank has been crucial to achieving economy, and to leveraging technical and financial support in a way that has a multiplier effect on efficiency and effectiveness. This has been accomplished in the following ways:

- By tapping into the World Bank's experience and expertise in managing trust funds, thereby streamlining administration costs
- By leveraging strong technical expertise of Bank staff across a wide range of relevant sectors
- By drawing on the Bank's longstanding experience in international water cooperation through other mediums such as the NBTF, SAWI, WPP, among others
- By tapping into the Bank's deep partnerships with global collaborators to leverage regional experience and networks
- By leveraging additional sources of financing, such as from the GEF, for CIWA-supported projects
- By leveraging multiple sources of follow-up financing such as IDA, AfDB, and other investors for projects where CIWA supports bankable project preparation

What measures can be used to assess Value for Money for CIWA?

The following measures can be used to assess CIWA's economy, efficiency, and effectiveness, which together characterize the program's VfM:

ECONOMY

Standard Bank Administrative Fee. Set at 2% of received contributions;[2] this fee covers a range of general services provided by the World Bank's Central Units—treasury, accounting, disbursements, preparation of unaudited financial statements, annual audits, supervision of external audits, donor relations including negotiating framework agreements, and so forth.[3] By covering these essential services with one standard fee, CIWA limits transaction costs and ensures than an enabling environment is provided for the managing and disbursing units to properly perform their responsibilities for the program.

Program Management and Administration. Capped at 6% of contributions to the fund, this fee covers all management and administration responsibilities of the PMU including development and implementation of program-specific management tools, procedures, and systems; negotiating the replenishment and expansion of existing

1 CIWA evaluates its Value for Money (VfM) using DFID's 3Es Framework, defined in *"DFID's Approach to Value for Money,"* July 2011 as:

- Economy—Are we or our agents buying inputs of the appropriate quality at the right price? Inputs are things such as staff, consultants, raw materials, and capital that are used to produce outputs.
- Efficiency—How well do we or our agents convert inputs into outputs? Outputs are results delivered by us or our agents. We or our agents exercise significant control over the quality and quantity of outputs.
- Effectiveness—How well are the outputs from an intervention achieving the desired outcome? Note that in contrast to outputs, we or our agents do not exercise direct control over outcomes.

2 A standard fee is applied to all contributions to World Bank trust funds based on the characteristic of the trust fund.

3 A complete list of general services covered by the Standard Bank Administrative Fee can be found in Annex 3 (3.1) of the Administration Agreement

Project	CIWA Contribution (million USD)	Co-financier	Partner Contribution (million USD)
Nile Cooperation for Results Project	14.5	NBTF	18.8
Southern Africa Development Community Engagement	2.0	GEF	8.2
Volta River Basin Institutional Development and Strategic Action Programme Implementation Project	3.0	GEF	7.2
CIWA contribution	$19.5 million	Leveraged funds	$34.2 million

programs; soliciting and evaluating activity proposals and allocating programmatic funds to implementing units; work program planning; program level resource planning; budget planning and management; program monitoring and evaluation; program communications and outreach; donor visibility, donor coordination, and donor meetings; and results reporting for the program.

Enhanced Preparation and Supervision. To ensure high quality program delivery, World Bank policies require ensuring that implementation of trust fund activities complies with applicable Bank policies and procedures[4] and that all recipient-executed activities are adequately supervised and implemented in line with the terms and conditions of the Administration and Grant Agreements as well with Bank supervision standards and procedures. Estimated at 6% of contributions to the fund, this fee covers the cost of identifying and scoping possible projects, supporting preparation and undertaking supervision. As specified in the Administration Agreement, the Bank will seek the CIWA Advisory Committee's prior approval in case enhanced supervision costs of CIWA activities increase beyond the amount noted in the administration agreement, and these costs increase as a result beyond 6%.

CIWA has established certain norms to maintain Enhanced Supervision costs under 6% of contributions to the fund—one-time identification and preparation cost of US$150,000 per project; and implementation supervision cost of US$100,000 per year for three years over the duration of a project. The CIWA norm for enhanced supervision costs are lower than standard IDA operation costs. World Bank Africa Region data shows that the average cost to prepare an investment project is around US$350,000 and the annual cost for supervision of a project around US$150,000. Costs for preparation and supervision of regional projects under IDA are normally expected to be higher due to additional complexity. CIWA achieves lower costs by basing budgets for projects on a careful assessment of estimated costs as well as through effective procurement processes, cost-sharing and greater travel efficiencies, using video connection for meetings where possible, convening different CIWA meetings back-to-back where feasible and linking to other water sector related meetings to take advantage of synergies.

Leverage Ratio. CIWA improves its economy by leveraging additional sources of funding where available and appropriate to projects, thereby reducing its unit cost of inputs in relation to the overall sum of outputs it mobilizes. CIWA uses the following metric as an indicator of increased economy due to leveraging of funds from additional sources:

$$\text{Leverage ratio} = \frac{\sum \text{Funds leveraged from additional sources for CIWA projects}}{\sum \text{CIWA contributions to cofinanced projects}}$$

In terms of leveraging additional funds to improve the economy of CIWA supported projects (by expanding overall output and thus reducing per unit cost of CIWA inputs), CIWA has established partnerships with the NBTF to co-finance the NCORE project and with the GEF to co-finance two projects—led by SADC on groundwater management and led by the Volta Basin Authority on institutional strengthening and watershed management.

At the close of FY14 the leverage ratio for co-financed projects is 1.75 co-financed dollars per CIWA financed dollar (i.e., on average, for every dollar that CIWA contributed to a co-financed project, CIWA was able to leverage additional sources of funding to provide input of 1.75 dollars to its projects).

EFFICIENCY

Intermediate Results Areas Indicators. CIWA focuses its project-level work in four intermediate results areas. Progress in these areas is measured using their corresponding indicators, as listed in the CIWA Performance Management Framework (PMF) in Annex 1. CIWA uses

4 World Bank CFPTO Trust Fund Handbook (revised July 8, 2010)

Project	CIWA Contribution (million USD)	Potential Financing Mobilized (million USD)	Potential Number of Direct Beneficiaries (million)
Zambezi River Basin Development Project—Kariba Dam Hydropower Complex	6	250	3
Zambezi River Basin Development Project - Batoka Gorge Hydroelectric Scheme	6 (counted above)	2500	6
Niger River Basin Management Project	7.5	1300	30.8
Nile Cooperation for Results Project	14.5	3000	4.2
Lesotho Highlands-Botswana Water Transfer Project	2	800	2
Total	30	7850	46

these indicators to measure its efficiency, i.e. its ability to achieve intended outputs towards its development objective. These indicators reflect the short and medium-term benefits generated by CIWA support. In FY14, CIWA fully met its targets for most of its indicators in the four IR areas. More detail on results reporting can be found in Section 4 of this report.

The indicators found in CIWA's PMF, however, do not fully capture secondary and tertiary benefits of CIWA support. A transboundary institution strengthened by CIWA, for example, is able to facilitate a series of subsequent regional cooperation actions. A vast number of people receive various levels of benefits as a result of each cooperative action facilitated by the strengthened transboundary institution. These outputs are counted and reported on at the basin and project level but are too broad and distinct to aggregate at the program level, given the nature of issues supported and the timeframe it takes for such benefits to manifest. In the long run therefore, CIWA's actual efficiency is greater than that quantified through the indicators in its Results Framework.

EFFECTIVENESS

PDO-level Indicators. CIWA measures its effectiveness, i.e. its ability to achieve its intended program outcomes, through its two PDO-level indicators listed in the CIWA Performance Management Framework (PMF) in Annex 1; further reporting on results is included in Section 4 of this report. These indicators reflect the long-term benefits generated through CIWA support.

CIWA fully met its effectiveness targets in FY14. CIWA assessed the value of potential financing influenced by the program at US$7.8 billion, which was above its target of mobilizing US$6 billion. CIWA surpassed its target of 8 million potential direct beneficiaries for the same reporting period, by potentially benefitting an estimated 46 million potential direct beneficiaries.

Potential Mobilization Ratio & Potential Beneficiaries Ratio. CIWA further uses the following two metrics to measure its effectiveness in using its available resources to achieve target outcomes:

$$\text{Potential mobilization ratio} = \frac{\sum \text{Potential US\$ financing mobilized by CIWA projects}}{\sum \text{US\$ funding in operation in CIWA projects that faciliate mobilization}}$$

$$\text{Potential beneficiaries ratio} = \frac{\sum \text{Potential direct beneficiaries from CIWA projects}}{\sum \text{US\$ funding in operation in CIWA projects that impact beneficiaries}}$$

At close of FY14, the average potential mobilization ration is 262 potential dollars mobilized per CIWA dollar committed (i.e., on average, for every dollar that CIWA contributed, the potential financing mobilized through future development is 262 dollars). The potential beneficiaries ratio is 1.5 potential beneficiaries per dollar contributed by CIWA.

Commercial Improvement and Value for Money

CIWA maintains economy in its procurement, minimizing costs and ensuring high quality, by requiring that all recipient-executed activities finance goods, works, and services in accordance with the Bank's guidelines on "Procurement under IBRD Loans and IDA Credits"

and the Bank's guidelines on the "Selection and Employment of Consultants by World Bank Borrowers," jointly referred to as the "Procurement and Consultant Guidelines."[5] Similarly, for all Bank-executed CIWA activities, the Bank is responsible and carries out procurement of goods as well as employment and supervision of consultants in accordance with applicable policies and procedures. Among other things, the guidelines provide specific instructions for use of Bank documents (standard bidding documents, requests for proposals, contract forms); conflict of interest; advance contracting; co-financing; mis-procurement; and fraud and corruption.

Role of Development Partners

At the end of FY13, CIWA was a program of US$ 45.9 million co-funded by the UK, Denmark, Norway, and Sweden. In December 2013, the Netherlands became a new partner, with support amounting US$ 25 million and expanding the program size to US$ 71 million. This is welcome as the business case argued for CIWA is to draw in new and additional financial resources to reduce individual partner burden share and also to expand overall program impact. The most recent additional contribution has reduced the UK's burden share from 33.7% in FY 13 to 22 % today, Sweden's from 56.7% to 36.8%, Denmark's from 7.2% to 4.7%, and Norway's from 1.9% to 1.2% . Alongside accelerating the pace of implementation, CIWA has maintained active fundraising; new development partners are considering supporting the CIWA MDTF in the near future.

Does the CIWA program still represent Value for Money?

Yes, there have been no significant changes in the approach and model of implementation set out in the business case and, coupled with the positive results at the end of FY14—CIWA met its intended PDO targets; maintained Program Management & Administration Costs and Enhanced Supervision Costs under 6%; showed a positive leverage ratio; improved its potential mobilization ratio and potential beneficiary ratio in FY14—the CIWA program demonstrated its commitment to the principles of economy, efficiency, and effectiveness and therefore strongly represents value for money.

5 OP 11.00 in the World Bank Operational Manual, available at http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20064773~menuPK:4564185~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html

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