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THE WORLD BANK





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# ACRONYMS AND ABBREVIATIONS

<b>AC</b>	Advisory Committee
<b>ANBO</b>	African Network for Basin Organizations
<b>BoC</b>	Basis of Commitment
<b>CIWA</b>	Cooperation in International Waters in Africa
<b>CIWA-TF</b>	CIWA Trust Fund
<b>CG</b>	CIWA Consultative Group
<b>CSP</b>	CIWA Support Plan
<b>DRC</b>	Democratic Republic of Congo
<b>DP</b>	development partner
<b>DSS</b>	Decision Support System
<b>ECOWAS</b>	Economic Community of West African States
<b>ENTRO</b>	Eastern Nile Technical Regional Office
<b>ESIA</b>	environmental and social impact analysis
<b>FAO</b>	Food and Agriculture Organization
<b>FY</b>	Fiscal Year
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GMI</b>	Groundwater Management Institute
<b>GMP</b>	Groundwater Management Program
<b>GWP</b>	Global Water Partnership
<b>ICP</b>	International Cooperating Partners
<b>IDA</b>	International Development Association
<b>IUCN</b>	International Union for the Conservation of Nature
<b>IWRM</b>	integrated water resources management
<b>IZS</b>	Interim ZAMCOM Secretariat
<b>LCBC</b>	Lake Chad Basin Commission
<b>LEAP</b>	Long-Range Energy Alternative Planning System
<b>MISOA</b>	Multi-Sector Opportunities Analysis
<b>MoU</b>	Memorandum of Understanding
<b>MS</b>	moderately satisfactory
<b>NBD</b>	Nile Basin Discourse
<b>NBI</b>	Nile Basin Initiative
<b>NBTF</b>	Nile Basin Trust Fund
<b>NCORE</b>	Nile Cooperation for Results
<b>NEL</b>	Nile Equatorial Lakes
<b>NELSAP-CU</b>	Nile Equatorial Lakes Subsidiary Action Program-Coordination Unit
<b>NGO</b>	non-governmental organization
<b>ORASECOM</b>	Agreement on Establishment of the Orange–Senqu River Commission

<b>PCN</b>	Project Concept Note
<b>PDO</b>	Program Development Objective
<b>RBO</b>	river basin organization
<b>REC</b>	Regional Economic Community
<b>SADC</b>	Southern African Development Community
<b>SAPP</b>	Southern Africa Power Pool
<b>SVP</b>	Shared Vision Planning
<b>VBA</b>	Volta Basin Authority
<b>WEAP</b>	Water Evaluation and Planning
<b>WRCC</b>	Water Resources Coordination Centre
<b>ZAMCOM</b>	Zambezi Watercourse Commission
<b>ZAMTEC</b>	ZAMCOM Technical Committee
<b>ZAMWIS</b>	Zambezi Water Information Management System
<b>ZRA</b>	Zambezi River Authority
<b>ZRB</b>	Zambezi River Basin

# FOREWORD

**W**ater is the key to Africa's future. Sustainable management and development of water resources play a vital role in ending poverty and boosting shared prosperity across Africa. With 345 million people in Africa lacking access to safe drinking water, only 10 percent of its hydropower potential exploited, a mere 5 percent of the land cultivated and irrigated, and climate variability posing a constant threat, catalyzing and improving the quality of water resources management and development are critical for Africa to fully optimize its growth potential.

Improved water management and development can significantly help the region to grow while improving people's livelihoods. In 2011, the World Bank joined development partners in launching the Cooperation in International Waters in Africa (CIWA) program. CIWA was established to strengthen cooperative and collaborative management among riparian governments, expand the development of international waters in Sub-Saharan Africa, facilitate sustainable, climate-resilient growth, improve investments in infrastructure, and broaden engagement with other essential sectors, such as agriculture and energy.

This CIWA Annual Report, covering the period of July 2012–June 2013, catalogs progress made by the program in building a strong portfolio of engagements across Africa and presents an overview of its accomplishments during the past year. It also demonstrates the ways in which CIWA is mobilizing financing, knowledge, and technical resources to deliver its mandate of fostering cooperation and assisting African countries in meeting their needs and aspirations for the sustainable management and development of shared water resources.

Developing shared solutions that are based on trust and emphasize project excellence, technical feasibility, knowledge, and environmental and social sustainability remains a key focus of CIWA's work. CIWA complements other efforts to promote water resources management and development, including those by national governments, World Bank country offices, regional organizations, and bilateral donors.

With a steadily rising population and increasing growth, Africa is a continent on the move. In support of that growth and of Africa's continually evolving landscape, the CIWA program is poised to expand its work in fostering cooperative engagement in transboundary activities. The program continues to identify and assess new opportunities for better management of water resources, as well as expand its engagement with and implementation of projects that pave the way toward sustainable, climate-resilient economic growth, a vision consistent with the World Bank Group's commitment to transformational development projects across Africa.

Thank you for your interest in CIWA's evolving work program. I am confident that, on the basis of results achieved, CIWA will benefit from your continuing support and partnership.

**Jamal Saghir**  
*Director, Sustainable Development  
 Africa Region*





## MESSAGE FROM THE PROGRAM MANAGER

Water is vital to human health and welfare, agriculture, energy, industrial expansion, and the environment. The development and management of water resources contribute significantly to the realization of numerous and varied economic development opportunities that exist across Sub-Saharan Africa. Water is in fact key to Africa's future. The transboundary nature of the continent's water resources, however, adds a layer of complexity to the task facing African countries when it comes to harnessing water resources and thus facilitating sustainable climate-resilient growth. Virtually all of the rivers, lakes, and aquifers in the region are shared by more than one country, a reality that at once poses complex political and logistical challenges yet also creates unique opportunities for increased benefit sharing and greater regional integration. The Cooperation in International Waters in Africa (CIWA) program is uniquely positioned to help riparian countries address challenges such as these and take advantage of related opportunities through its support for regional cooperation and stakeholder engagement in strengthening water resources management and development.

This year, the CIWA program made significant progress working with riparian countries in Sub-Saharan Africa, continuing to unlock the potential for development, growth and poverty reduction. CIWA met its target of influencing US\$4 billion in potential investments. About 12 million people stand to benefit from those investments, more than twice the target number of potential beneficiaries set by CIWA for this year. Significantly, in FY13, CIWA more than doubled its funding resources and potential new donors are on the horizon. The increased demand for the program is a testament to a desire and need to strengthen water resources development and management through cooperation in Sub-Saharan Africa.

CIWA anticipates fully meeting its goals for FY14. Its dialogue and engagement in the Nile Basin continue to bring value as is evidenced by implementation commencing on a large-scale project designed to promote climate-resilient growth, and the preparation of a sizable project in the Nile Equatorial Lakes region which will further strengthen cooperative water resources management and development, as well as stakeholder engagement in both rural and urban areas. There are also several projects at the appraisal stage in both the Nile and Zambezi Basins.

The CIWA program influenced a number of notable outcomes, including an agreement between Botswana, Lesotho, and South Africa to cooperate on water resources development, materialized through a Memorandum of Understanding (MoU). Also of note, CIWA forged partnerships and made progress with two Regional Economic Communities (RECs), SADC and ECOWAS. Over the past twelve months, the program has made significant advancements in establishing a solid basis for implementation going forward. Building on the lessons learned from the Nile Basin Trust Fund (NBTF) and other World Bank's international waters initiatives, CIWA developed a Strategic Framework that will be used as a tool for selecting the regions in which CIWA ultimately engages, the partners with which it collaborates, and the activities it chooses to support. The Framework at once helps to refine CIWA's focus, identify its Value Proposition, and define the key elements of its approach to delivering results.

CIWA strengthened the Results Framework, further clarifying the incorporation of issues such as climate resilience, gender and poverty in results monitoring and reporting. In addition, the

completion of the design of the Catalytic Program, an essential and instrumental tool focused on crosscutting issues with significant economies of scale, provides CIWA the much-needed analytical underpinnings and alignment. This program positions CIWA to be able respond to demand, explore high impact investment opportunities, and also facilitates and clearly demonstrates the tangible benefits of cooperation in international waters.

The CIWA Consultative Group (CG) held its second meeting in Stockholm, Sweden, to discuss the Strategic Framework and Catalytic Program with a broad group of stakeholders. The CG provided important feedback on regional priorities and views regarding methods to further promote cooperative water resources management and development. Taking these into account, CIWA is now working to update its Strategic Framework and to define the path forward. Finally, CIWA has streamlined its program management, both by recruiting new staff with relevant expertise and by solidifying programmatic policies and procedures.

Looking to the future, CIWA will focus on three priority actions: i) accelerating the implementation of basin and REC programs and projects; ii) attracting additional financing to meet the high level of demand and to expand current engagements; and iii) building partnerships with complementary programs to leverage funding and expertise.

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

**Gustavo Saltiel**

*CIWA Program Manager*

# INTRODUCTION

The World Bank works with riparian countries and river basin organizations (RBOs) to address transboundary water challenges in order to unlock the potential for development, growth, and poverty reduction. In line with World Bank and development partner (DP) priorities, the Cooperation in International Waters in Africa (CIWA) program supports cooperative water resources management and development in Sub-Saharan Africa to promote climate-resilient, inclusive growth. Launched in 2011, the CIWA program has been steadily building a strong portfolio of engagements and partnerships across Sub-Saharan Africa, striving to both offer strategic assistance in building cooperation where it is most needed and to balance its portfolio geographically. This report showcases the results of fiscal year (FY) 2013 and is organized as follows:

**Section 1: “CIWA Program at a Glance”** provides an overview of CIWA’s program and expected results.

**Section 2: “CIWA’s Major Engagements”** summarizes the current demand registered by CIWA from basins and regional economic commissions in Sub-Saharan Africa, provides the justification for the selection of four new engagements (with the Volta Basin, the Lesotho Highlands-Botswana Water Transfer Study in the Orange–Senqu Basin, the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC)) and outlines ongoing programs in the Nile and Zambezi Basins.

**Section 3: “Overview of Results”** captures CIWA’s progress in relation to the predefined annual targets for the Program Development Objective (PDO) indicators, as well as the intermediate results.

**Section 4: “Catalyzing Transboundary Water Management and Development”** provides an overview of CIWA’s catalytic plans to help address the challenges of water resources management and development in Sub-Saharan Africa.

**Section 5: “Financial Report”** presents a summary of donor contributions and the allocation of funds.

**Section 6: “Refinement of CIWA’s Strategy and Future Plans”** provides an outline of planned activities and targets for coming years.







## SECTION 1

## CIWA PROGRAM AT A GLANCE

## Africa's water challenges

Containing 9 percent of the world's water resources and 11 percent of the world's population, Sub-Saharan Africa is not necessarily "water poor." However, the region faces water-related challenges that threaten economic growth and jeopardize livelihoods:

- Only 5 percent of the region's cultivated land is irrigated. The rest is rain-fed and highly susceptible to climate variability.
- Hydropower, the main source of electricity, is largely underdeveloped. Current installed capacity represents 10 percent of the sector's potential. Urban electrification is at 60 percent, while rural electrification is at a mere 14 percent.
- Only 58 percent of people have access to safe drinking water and these levels are actually declining in many cities due to urban migration and lack of bulk supply.

These challenges are exacerbated by limited water storage and management capacity, a rapidly expanding population, and increasing climate variability; they are further complicated by the transboundary nature of the continent's waters, given that 74 percent of Sub-Saharan Africa falls within 53 international river basin catchments crossed by multiple borders.

While cooperative management and development of transboundary waters present complex challenges, they also provide tremendous opportunities to optimize regional benefits and mitigate shared risks, including those of climate variability and change. For example, a multisector analysis of the Zambezi River shows that cooperation could lead to a 23 percent increase in firm energy production without any additional investments. However, political, technical, environmental, and financial complexities involved in cooperative action often result in stalled investments or in the adoption of sub-optimal development choices that have significant costs, many of which disproportionately impact poor and vulnerable populations. The urgency to facilitate cooperation around shared waters in Africa increases as competition for the resource grows and climate change exacerbates hydrological variability and unpredictability.

## CIWA as a response

The Cooperation in International Waters in Africa (CIWA) program, a multi-donor trust fund administered by the World Bank, seeks to support riparian governments in unlocking the potential for sustainable, inclusive, climate-resilient growth by addressing constraints to the cooperative management and development of international waters. CIWA will achieve this by improving the quality and accessibility of information, strengthening institutions, and providing support for preparing and/or improving the quality of investments with regional benefits. 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 convening power to mobilize multiple stakeholders and experience managing international waters in other regions of 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 around the Nile Basin Trust Fund (NBTF) and translate these to its work continent-wide (Box 1). More details on how CIWA has incorporated lessons learned from the NBTF Independent Evaluation (NBTF IE) into its program design are included in Annex 3.

## Results areas and long-term targets

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

1. **Strengthened regional cooperation and integration**—to foster cooperative transboundary institutions for greater regional stability and the creation of an enabling environment for inclusive, sustainable growth;

## BOX 1. LESSONS LEARNED ON COOPERATION IN INTERNATIONAL WATERS

- Riparian commitment to cooperation, driven by perceptions of risk vs. opportunities, changes over time; perceptions are continuously shaped by changing water realities, both human and climate-change induced.
- Institution building is a long-term process and can accelerate or lapse around specific issues; progress is both systematic and opportunistic.
- Operating at a regional level can increase benefits, reduce risks, and establish benefit-sharing mechanisms; challenges include difficulties with resource mobilization and allocation and the perception that regional processes extend project timelines;
- Progress must occur in both development and institution building to mitigate the risk of frustration with the pace of multilateral institution building as well as the risk that development is disconnected from the regional perspective and institutions that coordinate regional action; intended results should be outlined at the start of engagement, as possible, to manage expectations.
- Analytical work (economic, social, environmental, political) can help to unlock the potential for cooperation and to target and maximize investments.
- External actors, including development partners, can provide stability through a long-term engagement and help stakeholders manage risks and invest in opportunities.
- Riparian representation and participation are important in the governance of funding mechanisms.



2. **Strengthened water resources management**—to support evidence-based knowledge for planning and decision making to maximize climate-resilient development opportunities;
3. **Strengthened water resources development**—to support investments that improve climate resilience, enhance food and energy security, and enable countries to follow a lower carbon growth path;
4. **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:

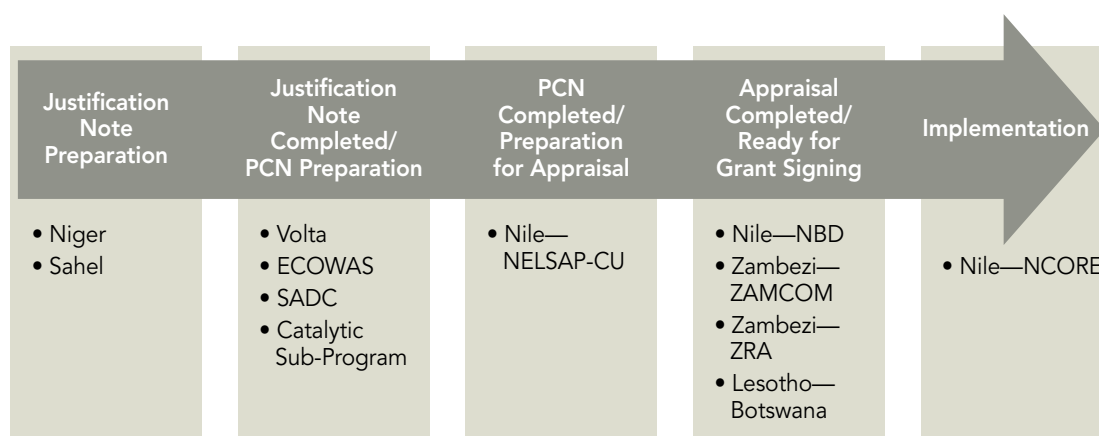
- US\$10 billion in financing mobilized for projects supported by CIWA
- 50 million people directly benefitting from projects supported by CIWA
- Five basins with strengthened institutions
- Five basins with improved analytical tools, data, and capacity for water resources management
- 10 investment opportunities with regional benefits advanced through CIWA support
- Five basins with improved engagement with civil society, the private sector, and/or academia

## Results and impact

CIWA's objective is to strengthen cooperative management and development of international waters in Sub-Saharan Africa to facilitate sustainable climate-resilient growth. Long-term achievement of this objective will be measured by assessing the financing mobilized for the cooperative management and development of international waters and the number of people directly benefitting from improved water resources management and development. Anticipating that the program will require significant lead time to plan for and deepen engagement across Africa, FY13 targets make it possible to evaluate how CIWA is operationally influencing outcomes. In the current reporting period, CIWA assessed the value of potential projects influenced by CIWA and the number of potential direct beneficiaries of such projects. Having set a target of US\$4 billion in the value of potential projects influenced, the program ultimately met this goal by influencing \$4.02 billion in potential investments. The program surpassed its target of 6 million potential direct beneficiaries for this reporting period by 6.3 million, for a total of 12.3 million people. Given the progress in project preparation achieved during this year, resulting in numerous projects and programs in the pipeline and several nearing implementation, CIWA anticipates fully meeting FY14 targets.

CIWA's objectives are clearly outlined and its results framework has well-defined targets and long-term goals. However, often the most exciting outcomes are those motivated by external factors and facilitated or incentivized by the program. While the CIWA program is still in its early stages of development and though implementation is just getting under way, it has already prompted some higher-level impacts. For example, the platform provided by CIWA for continued dialogue in the Nile Basin continues to be valued by participating countries, as evidenced by Sudan's resumption of participation in the Nile Basin Initiative (NBI) and South Sudan's induction into this organization. Moreover, it was thanks in part to the role CIWA played in bringing parties together with the support of bilateral donors and World Bank country offices that Zambia recently acceded to the Agreement on the Establishment of the Zambezi Watercourse Commission (ZAMCOM). CIWA's support for the riparian initiative to explore the possible options and opportunities for augmenting the existing transfer of water from the Highlands in Lesotho provided the concerned parties with an incentive to finalize a MoU establishing an agreement to collaborate on the project. While these outcomes do not specifically contribute to CIWA's stated targets for this reporting period, it is important to note that CIWA provided the



**FIGURE 1: Status of CIWA Engagements**

support that facilitated these actions and allowed for continued cooperation.

## CIWA's portfolio and financial overview

In this reporting period, CIWA focused on developing and advancing a strong portfolio of key partnerships with RBOs, regional economic communities (RECs), and other regional institutions involved in prioritized basins in order to support cooperative water resources management and development across Africa. CIWA's work with RBOs in East Africa and Southern Africa is well under way, through the Nile and Zambezi Basin Programs. The Nile Cooperation for Results (NCORE) project—part of the Nile Basin Program—is already under implementation and CIWA has initiated engagement with the Nile Equatorial Lakes Subsidiary Action Program-Coordination Unit (NELSAP-CU) and the Nile Basin Discourse (NBD) to complete Phase I of the Nile Basin Program; both the NBD and NELSAP-CU projects are expected to begin implementation in FY14. CIWA has also initiated engagement with SADC on groundwater management and the Lesotho Highlands–Botswana Water Transfer project in the Orange–Senqu Basin, which will complement the Zambezi Basin Program by meeting important water management and development needs in Southern Africa. Engagements in West Africa were also initiated in this reporting period, both through the Volta Basin Program, which will focus on institutional strengthening, and with ECOWAS, on advancing prioritized infrastructure projects through cost-benefit sharing and increased stakeholder participation in decision making. CIWA is exploring possible

engagements in the Niger Basin and in the Sahel Region. Figure 1 provides a snapshot of the stage of each CIWA engagement status, while Sections 2, 3, and 4 provide detailed summaries of ongoing and planned engagements.

As of June 30, 2013, Denmark, Norway, Sweden, and the United Kingdom have pledged a combined total of US\$45.9 million to CIWA. Of this total, US\$40.7 million has been allocated, the majority of which contributes to activities in the three prioritized basins: Nile, Zambezi, and Volta. A total of 12 projects are under preparation or under implementation, as indicated in Figure 1.

The largest share of CIWA support currently goes to East Africa (39 percent), followed closely by Southern Africa (37 percent). West Africa receives a significant share of support (21 percent), and future planned engagements in the Sahel and Niger will increase CIWA's partnerships with West African organizations. CIWA also supports analytical activities that have an Africa-wide scope (3 percent). Seventy-eight percent of CIWA support is allocated to recipient-executed activities, with the remaining 22 percent of activities being led by the World Bank.

In FY13, a total of US\$2.7 million was disbursed and committed in grant agreements. CIWA expects such grant commitments and disbursements to significantly increase in FY14 with the approval of seven projects currently under preparation and totaling US\$30 million.

## Looking forward

The first two years of the program focused on program establishment and project preparation—time well-spent by CIWA, which managed in this period to establish solid partnerships across Africa and to build a pipeline



of engagements. In FY13, CIWA made significant progress negotiating and developing grant agreements with NBD, ZAMCOM, and the Zambezi River Authority (ZRA), and full implementation is expected to begin in early FY14. Similarly, the Catalytic Sub-Program has undergone significant review, incorporating guidance from the CIWA Advisory Committee (AC) as well as advice from the Panel of Experts, and implementation of priority activities is expected to begin by mid-FY14, after obtaining the AC's endorsement and funding commitment.

In the coming year, CIWA will broaden its scope in a number of ways: deepening its engagement in West Africa; addressing cooperation with respect to groundwater in the Sahel; launching the implementation phase in collaboration with regional economic communities; undertaking significant analytical work; and furthering engagement in international groundwater management. The Volta Basin Program design is now complete; the review and endorsement of the CIWA Support Plan (CSP) and Project Concept Note (PCN) for the grant with the Volta Basin Authority (VBA) are expected in early FY14. Considerable progress was made in working with ECOWAS and SADC to develop PCNs; both projects are expected to move into implementation in FY14 (engagement with SADC is contingent upon future

funding availability). CIWA will also finalize the concept note for the Catalytic Sub-Program in FY14 and will ramp up catalytic activities.

CIWA anticipates receiving a new pledge of US\$25 million from the Netherlands in FY14, bringing the total funding envelope to US\$71 million. Although new engagements and projects are subject to endorsement, CIWA has developed a preliminary allocation projection that includes funding a program in the Niger Basin, complimenting the grant to the VBA with a Volta Basin Support Program, supporting efforts to more sustainably manage Lake Chad, funding the SADC engagement, supporting the exploration of productive uses of water in the Sahel, and expanding the Catalytic Sub-Program.

Finally, following guidance from its AC, CIWA has prepared a set of deliverables that will help to refine its strategic focus and more comprehensively track results through a highly consultative process. CIWA enhanced the articulation of its engagement strategy and targeted results in four key strategic program documents: Strategic Framework, Results Framework, Catalytic Sub-Program Concept Note, and CIWA Proposal. With greater strategic focus, a ready pipeline, and an expected new pledge, CIWA will accelerate results delivery in FY14.





## SECTION 2

## CIWA'S MAJOR ENGAGEMENTS

## Demand for CIWA Engagement

The CIWA Program provides support for cooperative water resources management and development in international waters, including basins, aquifers, and lakes (generically "basins"). Multiple entry points are required to ensure that cooperation leads to sustainable growth. As such, CIWA engages with basin organizations as well as with regional economic commissions in tailoring the engagement to fit the basin's needs and demands and in defining the organization's role in promoting cooperation with respect to water resources. This section presents the demand for CIWA engagement from basin organizations and regional economic commissions (Table 1), the selection of new engagements (Volta, Lesotho Highlands, ECOWAS, and SADC) along with a summary of justification for their selection, and an overview of ongoing progress in basin programs previously presented (Nile and Zambezi).

## New Engagements: Volta River Basin, Orange–Senqu River Basin, ECOWAS, and SADC

Requests from basin organizations, regional economic commissions and Member States were reviewed according to the following criteria:

- **Alignment:** Engagement must align with the CIWA objective 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.

TABLE 1: Demand for CIWA Support

Basin/Region	Organizations Requesting Engagement	Countries
Nile	Nile Basin Initiative Nile Basin Discourse	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	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 (observer), South Africa
Southern Africa aquifers	The Southern African Development Community (SADC) through the SADC Groundwater Management Institute (GMI)	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
Knowledge Management/ Technical Assistance	CIWA's Consultative Group, African Network of Basin Organizations, World Bank teams	Africa-wide

- **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.

Objectives for CIWA's engagement with the basin and opportunities for projects were explored with each potential recipient to better outline the scope of possible support. This information was summarized in the form of a brief "Justification Note," outlining the reasons CIWA should engage with the basin. These Justification Notes informed the Bank's review of the merits and challenges involved in such an undertaking and were available to the CIWA AC in considering whether to endorse engagement.

This fiscal year, the AC endorsed engagement with the VBA, with the Government of Botswana on the Lesotho Highlands–Botswana Water Transfer in the Orange–Senqu River Basin, with the ECOWAS Water Resources Coordination Centre (WRCC), and with the SADC Groundwater Management Program (GMP). Given these endorsements, CIWA negotiated with basin counterparts and developed PCNs detailing

the arrangements specific to each engagement.

Subsequently, CIWA processed PCNs following Bank procedures and then finalized project negotiation and appraisal for each engagement. It has been estimated that the process of preparing a project, from drafting the initial Justification Note through the appraisal and negotiation stages, takes approximately one year. To ensure that CIWA develops a robust pipeline free of additional significant delays in implementation, the organization may undertake initial project development steps for funding amounts that exceed pledged funds. However, it must be noted that CIWA cannot approve a recipient grant until sufficient financing has been pledged; as such, if funding limitations exist, endorsement by the 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, matching the pace of project preparation with funding availability. Consequently, time lags can occur between the moment donors pledge funds and the subsequent disbursement of these funds to recipients.

Justification for potential engagement in the Volta and the Orange–Senqu River Basins as well as for the work proposed in partnership with ECOWAS and SADC is provided in more detail below.









#### SCOPE OF CIWA ACTIVITIES IN THE VOLTA BASIN

The VBA requires the establishment of the underpinnings of an institutional framework that will enable it to:

- Take a leading role in basin cooperation;
- Improve the knowledge base and water resources management in the basin; and
- Advance water resources development projects with regional benefits.

This framework includes developing a Water Charter, drafting a communications plan, and establishing the internal procedures and regulations of the VBA.

## Engagement in the Volta Basin

### CRITERIA: Alignment

**JUSTIFICATION:** Engagement in the Volta Basin contributes to three of CIWA's four expected results:

- Institution 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 improved stakeholder engagement

### CRITERIA: Strategic importance

**JUSTIFICATION:** The Volta River Basin is a critical resource economically and ecologically for the six riparian countries of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo. The 20 million people inhabiting this 400,000 km<sup>2</sup> basin depend almost entirely on its water and natural resources for their livelihoods. In addition, the Akosombo dam, the only hydropower infrastructure along the river, is the sole source of energy for some of the riparian countries, supplying for example 70 percent of Ghana's electricity needs.

A number of large infrastructure development projects are currently progressing unilaterally. To avoid the negative effects of uncoordinated water resources development on regional dynamics and water flow regimes, there is increased regional support for cooperatively planned water resources development and the establishment of a clear pipeline of hydropower infrastructure resulting from basin-level coordination.

Regional riparians took an important step in launching the VBA in 2007 with a strong mandate. However, the VBA's capacity to implement its mandate remains limited by the lack of an internal institutional framework. The VBA is a young basin organization with ample opportunity for catalyzing international cooperation and sustainable water management and development in the region.

### CRITERIA: International River Basin Benefits

**JUSTIFICATION:** Work with the VBA will link to the regional West Africa work spearheaded by ECOWAS to promote investments, cooperation, and regional integration in the water sector. Specific linkages include the ongoing Multi-stakeholder Dialogue on Large Hydraulic Infrastructure in West Africa to draft guidelines for the sustainable development of water infrastructure in West Africa. ECOWAS has already identified two dam sites in the Volta Basin as priority projects in the region.

### CRITERIA: Strong regional interest and/or country commitment

**JUSTIFICATION:** The commitment of the riparians to strengthening the VBA was recently evidenced at a meeting of line ministries (January 2012) in which a series of recommendations included: (i) strengthening VBA capacity for the full implementation of its mandate, including technical and financial support from the riparian countries; and (ii) ensuring a good representation of water users, civil society members, and decentralized authorities in the Forum of Parties; and (iii) establishing a sound dialogue framework between VBA, the Member States, and stakeholders at the community level. Subsequently, CIWA received a formal request from the Executive Director of the VBA for institutional support.

### CRITERIA: Complementarity and Additionality

**JUSTIFICATION:** This engagement will complement and build on the following: (i) the VBA Strategic Plan; (ii) an Observatory for Water Resources and Ecosystems; (iii) development of the knowledge base and decision support system; (iv) development of a basin-wide hydrological monitoring system; (v) CIWA's engagement with ECOWAS; and (vi) Bank-financed projects in the region.





#### SCOPE OF CIWA ACTIVITIES IN THE ORANGE–SENQU BASIN

The proposed CIWA-funded areas of activity would include:

- Financing a planning study to investigate water resources development options; and,
- Supporting the institutional cooperative arrangements to oversee implementation of the study and facilitate an agreed roadmap on regional options.



## Engagement in the Orange–Senqu River Basin on the Lesotho Highlands–Botswana Water Transfer Study

### CRITERIA: Alignment

**JUSTIFICATION:** Support to the Lesotho Highlands–Botswana Water Transfer within the Orange–Senqu River Basin contributes to two of CIWA's four expected results:

- Strengthened regional cooperation and integration
- Strengthened water resources development

### CRITERIA: Strategic importance

**JUSTIFICATION:** The Orange–Senqu River Basin—encompassing Botswana, Lesotho, Namibia, and South Africa—is among the top three most economically important basins on the African continent, accounting for over 10 percent of the continent's gross domestic product (GDP). The basin is characterized by wide variability in precipitation and availability of renewable water. Lesotho, which covers 5 percent of the basin surface area, contributes 40 percent of annual runoff; its high altitude, abundance of water, and geographic proximity to major demand centers in Southern Africa means that Lesotho is strategically situated and globally recognized as the water tower of Southern Africa.

The proposed study is a catalytic assessment of potential development options for the further transfer of water from the Lesotho Highlands to water-scarce regions in southern Botswana and northern South Africa. The study will also provide a regional analysis of long-term water supply considerations in Southern Africa. It will inform decisions on regional trade-offs relating to the potential costs and benefits associated with different supply options for Botswana, Zimbabwe, and South Africa from the Zambezi River, the Okavango delta, and other sources, such as the Limpopo and groundwater. This kind of regional strategic planning would illustrate the incremental gains and improved efficiencies to be achieved through cooperative ventures and help catalyze regional infrastructure developments.

### CRITERIA: International River Basin Benefits

**JUSTIFICATION:** In addition to direct benefits to Lesotho, Botswana, and South Africa, CIWA's engagement will deepen cooperation within the Orange–Senqu River Basin by providing a regional platform for exploring alternative, regionally integrated models of development. The study would be the first among

a series to inform the SADC Regional Infrastructure Development Master Plan Water Sector Plan (August 2012), which provides a blueprint for securing infrastructure development, optimizing the use of water resources, and realizing regional objectives. This study could launch a process that informs other development planning in the SADC region.

### CRITERIA: Strong regional interest and/or country commitment

**JUSTIFICATION:** The countries' commitment to this study is evidenced by the MoU signed by Botswana, Lesotho, and South Africa in March 2013. The MoU is positioned within the context of the Revised SADC Protocol on Shared Watercourses and the Agreement on Establishment of the Orange–Senqu River Commission (ORASECOM). The three riparian States have agreed on the establishment of a Joint Study Management Committee to provide management and guidance. The routine administration will be managed by Botswana on behalf of the parties and as recipient of the planned CIWA grant.

### CRITERIA: Complementarity and Additionality

**JUSTIFICATION:** This initial engagement within the Orange–Senqu River basin would build on cooperative efforts, consolidating the bilateral relationships for specific infrastructure development within the context of basin planning and management provided through ORASECOM. It could also provide the foundation for a longer-term regional assessment of potential regional water transfer linkages and trade-offs in the Southern African region going forward.

This engagement would additionally take advantage of linkages to a number of ongoing and past World Bank projects, including the Bank program in Lesotho, and will link the basin management issues with infrastructure development options. It will leverage proposed work across the African continent looking at the Africa Infrastructure Country Diagnostic through a climate lens at the river basin level, where the Orange–Senqu is one of the proposed case studies. It would also be aligned with ongoing discussions around the LHWB and the proposed assessments of Climate Change in Lesotho under the Global Facility for Disaster Reduction and Recovery.



#### SCOPE OF CIWA ACTIVITIES WITH ECOWAS

CIWA support to the ECOWAS WRCC will:

- Help RBOs advance prioritized infrastructure projects;
- Put in place mechanisms for cost and benefit sharing among States and with local populations;
- Ensure effective and informed participation of the local populations in decision making;
- Develop economic analyses of infrastructure and ensure linkages to regional initiatives (e.g., World Bank's Sahel strategy; West Africa Power Pool; food security efforts).





## Engagement with ECOWAS

### CRITERIA: Alignment

**JUSTIFICATION:** Engagement with ECOWAS contributes to all four of CIWA's expected results:

- Strengthening the platform for region-wide cooperation
- Improving capacity for water resources management
- Improving the sustainability of investments and investment planning
- Increasing opportunities for involvement of civil society in the planning and implementation of water management and development projects

### CRITERIA: Strategic importance

**JUSTIFICATION:** The Water Resources Coordination Centre (WRCC) within ECOWAS has the mandate to support water resources management and development across West Africa, including supporting RBOs, building cooperation, and providing guidance on sustainable infrastructure development. The region can greatly benefit from increased cooperation on shared water resources, in particular:

- Possibilities exist to spur cooperation around the large pipeline of major infrastructure that is under development (mostly unilaterally);
- RBOs within West Africa have a range of institutional capacities and many could benefit from sharing best practices or establishing a common framework for regional infrastructure development;
- ECOWAS has an enabling role with respect to regional water investment in its mandate to promote regional integration and as the coordinator for the New Partnership for African Development (NEPAD) program implementation;
- ECOWAS is able to provide wide-reaching guidance and to establish legally binding directives for the West African region;
- ECOWAS has a strong convening role and could support learning across river basins that builds on and disseminates best practices.

### CRITERIA: International River Basin Benefits

**JUSTIFICATION:** ECOWAS is currently developing a legal framework for improving sustainability of water resources management and development

in the region. This support will improve the quality and applicability of the best-practice guidelines for management, social and environmental protection related to infrastructure investment, and will encourage uptake by Member States, RBOs, and stakeholder engagement.

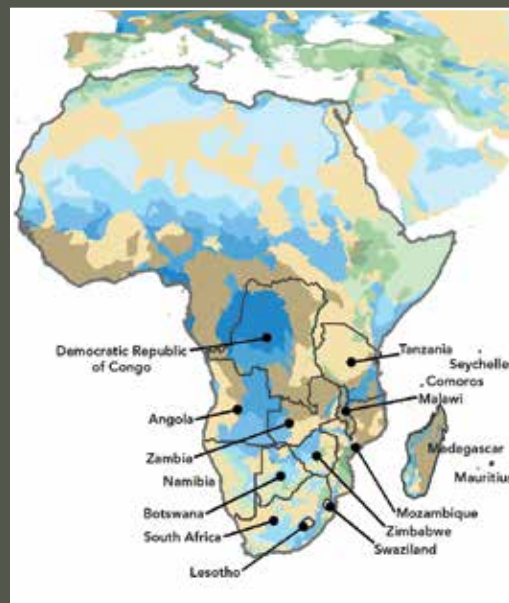
### CRITERIA: Strong regional interest and/or country commitment

**JUSTIFICATION:** This is a demand-driven intervention and requests for CIWA support have been formally provided by the ECOWAS WRCC. In addition, the political will to jointly address water resources challenges was also manifested in numerous political statements and regional policies (e.g., the Vision 2020 Statement, or the West Africa Regional Water Policy). It was also made clear through the highly collaborative regional effort to develop Good Practice Guidelines for Large-Scale Infrastructure Development and the ongoing development of a Directive on WRM and transboundary hydraulic infrastructure.

### CRITERIA: Complementarity and Additionality

**JUSTIFICATION:** CIWA support to ECOWAS will complement several current and proposed DP and World Bank programs under way in the region, including:

- *CIWA support to West-African RBOs:* this work will contain a strategic link between the Volta Basin Program and the anticipated Niger Basin Program, as well as the possible engagement on groundwater in the Sahel, which will help these RBOs and others to improve the quality of planned regional investments.
- *Projects by other donors:* Water Observatory (African Water Facility), WRCC institutional support provided by Sweden.
- *Possible additional collaborations:* (i) the Food and Agriculture Organization (FAO) on irrigation; (ii) the Global Water Initiative on economic instruments for water valuation; (iii) the International Union for Conservation of Nature (IUCN) on the dialogue on large-water infrastructure; (iv) the Global Water Partnership (GWP) on the dialogue for groundwater management.



#### SCOPE OF CIWA ACTIVITIES WITH SADC

The proposed CIWA-funded areas of activity include:<sup>1</sup>

- Operationalize the SADC Groundwater Management Institute (GMI) as a financially viable and technically advanced regional center on shared groundwater management;
- Strengthen integration of groundwater considerations into shared watercourses at the river-basin level; and
- Conduct transboundary aquifer diagnostics to address conjunctive groundwater management challenges in priority groundwater systems.

<sup>1</sup> SADC project implementation is contingent on future funding contributions.

## Engagement with SADC

### CRITERIA: Alignment

**JUSTIFICATION:** Support to the SADC GMP, which is part of the SADC Regional Strategic Action Plan III (2011–2015), will contribute directly to CIWA's objectives by strengthening regional cooperation on the management of shared groundwater resources. It will also advance the SADC goals of fostering regional integration through the development of common resources, improving climate resilience, and enhancing stakeholder engagement through the promotion of sustainable management of groundwater resources.

### CRITERIA: Strategic importance

**JUSTIFICATION:** Groundwater resources are largely underdeveloped in Southern Africa, where use is estimated to represent only a small fraction (1.5 percent) of available groundwater resources. Across the SADC Member States, precipitation is low and exposure to climatic variability is high, with reoccurring floods and droughts. Groundwater will play an increasingly important role in ensuring human well-being, economic growth, and sustainable development in the region. However, in spite of the fact that SADC Member States face shared challenges in improving the management of groundwater, few legal or institutional frameworks exist that would enable collaboration or the cooperative management of resources.

The GMP in the SADC Regional Strategic Action Plan sets out a path to address shared challenges and to promote the sustainable development of groundwater resources at a regional level, including related research, assessment, exploitation, and protection. Implementation of the GMP will enhance cooperation and shared benefits among Member States.

### CRITERIA: International River Basin Benefits

**JUSTIFICATION:** CIWA support would:

- Provide a regional platform for dialogue and cooperation, as well as a center of excellence on groundwater;

- Elevate the importance of groundwater in river basin agreements, institutions, and work programs as an integral part of "shared watercourses;" and
- Strengthen the technical capacity to manage groundwater challenges at the national level.

### CRITERIA: Strong regional interest and/or country commitment

**JUSTIFICATION:** The proposed CIWA support responds to the cooperative program of water resources management outlined in the SADC GMP. Operationalization of the SADC GMI as a regional center of excellence to promote cooperation on groundwater resources is further evidence of the high level of commitment from the 15 SADC Member States. The host of the SADC GMI was selected through an open, competitive, and consultative process among the SADC Member States, with interest expressed throughout the region.

### CRITERIA: Complementarity and Additionality

**JUSTIFICATION:** This engagement will be fully aligned with the regional activities of International Cooperating Partners supporting the SADC Regional Strategic Action Plan. The Subcommittee on Hydrogeology (reporting to the SADC Water Resources Technical Committee and SADC Council of Ministers) will serve as the Board and Project Steering Committee, helping to ensure alignment with national priorities and activities. CIWA support will also link to the Global Groundwater Governance Program.

The proposed CIWA project will be implemented with cofinancing from the Global Environment Facility (GEF). The proposed GEF funds are on the order of US\$9 million and endorsement will be confirmed by the GEF Council in November 2013. The SADC Member States have communicated their commitment to the proposed GEF funds and project through Endorsement Letters from 12 of the 14 Member States (Madagascar is under suspension with SADC).





## Planned Basin Programs: Volta

In FY13, CIWA requested endorsement for longer-term engagement in the Volta Basin. A PCN and CSP were prepared for the Volta Basin engagement and an overview of the Volta Basin Program is provided below.

### VOLTA BASIN PROGRAM

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

**Strategic context:** The Volta River Basin presents both complex dependencies with respect to its natural resources and opportunities for development benefits. Five of the six riparian countries of the Volta River Basin rank among the poorest in the world. All the riparian countries are facing 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 flood risk. For example, Ghana remains concerned about the functionality of upstream floodgates of the Bagre dam (located in Burkina Faso) on the functionality of the downstream Akosombo dam (located in Ghana). The Akosombo requires 28 km<sup>3</sup> of the river's 33 km<sup>3</sup> average annual flows and is the main source of electricity 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. These needs prompted the neighboring States to form the VBA in 2007 to promote cooperation in the management and development of shared resources.

The pressing issues in the Volta Basin include the need to: (i) improve management of water resources factoring in climate variability and change; (ii) restore favorable social and environmental conditions through improved land and water resource practices; (iii) increase incomes through greater agricultural productivity and other related water resources-based activities; (iv) support cooperation and stakeholder participation to strengthen institutional capacities for sound decision making and political and economic stability;

and (v) address increasingly competitive water uses and trade-offs among them.

**Recipient Basin Partners:** 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 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 capacity, 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 to establish the legal, fiduciary, and procedural foundation needed to confront the challenges facing the larger basin context.

### FIRST-PHASE PROJECT: STRENGTHENING THE PLATFORM FOR COOPERATION IN THE VOLTA RIVER BASIN

**Budget:** US\$4.5 million

**Implementation Start Date:** January 1, 2014

**Duration:** 4 years

**Partner:** Volta Basin Authority

**Project Development Objective:** To strengthen the cooperative management and development of Volta Basin water resources and to ensure a sustainable socio-economic development for the entire region.

The key results of the proposed engagement are the following:

- Strengthened VBA procedures for administration and financial management, a clear decision-making and reporting hierarchy, and well-defined designs, roles and responsibilities for each arm of the institution.
- A legal foundation for establishing the roles and responsibilities of riparian countries with regard to water resources use.



- Improved data collection and monitoring and increased exchange of information on transboundary issues.
- Improved communication and cooperation among the riparian countries on water resources development.
- Increased stakeholder engagement.

### Activities

These results would be realized through the following activities: (i) Development of a Water Charter for the Volta Basin; (ii) Formulation of a process for the identification, monitoring, and dialogue related to projects; (iii) Development and implementation of a communication plan; (iv) Establishment and implementation of procedures for internal regulations; (v) Support for the VBA to strengthen regional benefit sharing in current and future water resources development; and (vi) Institutional assessment of the VBA.

## Ongoing Engagements: Nile and Zambezi River Basin Programs

### NILE BASIN CLIMATE-RESILIENT GROWTH 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: Burundi, the Democratic Republic of Congo (DRC), Egypt, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, and Uganda. Each Nile riparian country 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 RIVER BASIN PROGRAM

The CIWA Nile program was designed recognizing that the degree and types of cooperation in international waters vary greatly throughout the Nile Basin. It builds upon the work undertaken by the Nile countries over the past ten years and encourages continued strategic cooperation where agreement between countries exists. CIWA support to the Nile will also allow for dialogue in cases where agreement does not exist, through the provision of a platform for continued dialogue. The flexible nature of the CIWA engagement in the Nile Basin will allow for CIWA plans to be adapted as new priorities and agreements emerge, which is necessary considering the rapidly evolving events in the basin.

**Recipient Basin Partners:** The Nile Program is envisaged as a long-term engagement, through a series of phases, with projects engaging different sectors and entities within the basin. For the first phase of the program, support is provided through recipient-executed grants to the three centers of the NBI, with an additional targeted investment program for the Nile Equatorial Lakes Subsidiary Action Program-Coordination Unit (NELSAP-CU), and to the NBD. Additional grants may be identified as basin cooperation and the CIWA program evolve, and as additional donor funds are made available.

1. **Nile Basin Initiative.** 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-CU) in Kigali, Rwanda; and
  - The Eastern Nile Technical Regional Office (ENTRO) in Addis Ababa, Ethiopia.
2. **Nile Basin Discourse.** 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.

## FIRST-PHASE PROJECTS

### 1. Nile Cooperation for Results (NCORE) Project

**Budget:** US\$1.5 million (complementing US\$13.8 million from the NBTf)

**Implementation Start Date:** January 2013

**Duration:** 3 years

**Partner:** Nile Basin Initiative—three centers

**Project objective:** To facilitate cooperative water resources management and development in the Nile Basin.

**Project update:** The NCORE project was appraised by the World Bank in August 2012, and negotiations were held on the project agreements in November 2012. The project has been under way since early 2013.

#### Highlights of progress to date:

- Platform for dialogue among stakeholders provided to strengthen regional dialogue and cooperation, including:
  - A regional Nile Day event was carried out in early 2013, where country commitment to cooperation was reiterated and, particularly, the importance of transboundary watershed management challenges was recognized.
  - Sudan announced resumption of full participation in NBI at the Nile Council of Ministers meeting in June 2013.
  - National Focal Points received training to better help them serve as liaisons for the NBI and bring national-level governments' attention to pressing Nile issues.
- Planning under way for the 2014 Nile Basin Development Forum, 2014 Regional Nile Day, and other major fora.
- Strategic water resources modeling and analysis under way, including:
  - Nile Technical Advisory Committee prioritized areas of importance for NBI water resources planning and management in March 2013, setting the analytical priorities for the NCORE project.
  - Nile DSS Help Desk was established at the Secretariat, to assist the Nile ministries in the use of the shared modeling framework in their national water resource planning.
  - Five Flood Early Warning bulletins for the Eastern Nile were issued at a time when communities along the Blue Nile were experiencing severe flooding. The flood early warning system is being expanded to include additional areas in south-western Ethiopia and South Sudan.
  - Drafting of the design and specifications for a basin-wide monitoring network was initiated—consultancy selection is under way.
  - An additional support program for South Sudan has been designed. It will assist the newest member with capacity building, knowledge management, and planning.
  - Initial stages of a multi-sectoral investment opportunity analysis for the Eastern Nile is under way. This will build on the sectoral studies carried out by ENTRO, and draws from the methodologies for similar work employed in the Nile Equatorial Lakes regions and the Zambezi.
  - A dam safety toolkit with consolidated information on dams in the Eastern Nile is in development, to be released later in 2013. Training in dam safety was delivered for Eastern Nile stakeholders.
- Investment projects of regional significance advanced, including:
  - Feasibility level studies for a new 13,000 ha irrigation and additional watershed management project have been initiated and selection of consultants is under way.
  - Study of least-cost power generation expansion for South Sudan, and integration of South Sudan into the regional grid has been initiated and selection of consultants is under way.

- Strengthened stakeholder engagement and participation, including:
  - NCORE's kick-off workshop in the Eastern Nile generated feedback from government, academia, and NGO participants, which was then reflected in the project's design.
  - Intensive technical training for 16 Eastern Nile young professionals has been initiated, with government and academic participants from all Eastern Nile countries.
  - Training on water resources management tools (Riverware) provided in three Eastern Nile countries.

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

**Budget:** US\$1.5 million

**Implementation Start Date:** October 2013 (expected)

**Duration:** 3 years

**Partner:** Nile Basin Discourse

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

### Project Update:

- Project preparation has advanced. In late 2012, the NBD refined the project design to focus on three key areas: strengthening the NBD Secretariat, improving communications and outreach, and capacity building for NBD members.
- World Bank project appraisal and negotiations of project legal agreements are ongoing as of September 2013. Project approval is expected in October 2013.
- NBD has advanced the selection of staff for key positions to lead the project, so that implementation can begin soon after project approval is obtained.

## 3. Nile Equatorial Lakes (NEL) Transboundary River Basin Management and Development

**Budget:** US\$10 million

**Implementation Start Date:** July 2014 (tentative)

**Duration:** 3 years (2014-2017)

**Partner:** Nile Equatorial Lakes Subsidiary Action Program-Coordination Unit (NELSAP-CU)

**Project objective:** The project is expected to primarily facilitate investment project preparation, to aid in

the establishment of frameworks for cooperation, to strengthen sub-regional capacity and mobilization of investment finance, and at the sub-basin level to serve as a vehicle for diagnostic and preparation studies in the fields of power trade and development and natural resources management and development (tentative).

### Project Update:

- Project is in early concept stage. Pre-Appraisal is expected in August 2013.
- Project is expected to build upon the earlier river basin management and project identification work undertaken in the framework of the NEL Water Resource Development Project, Sio-Malaba-Malakisi, Mara and Kagera River Basin Management Projects, and the Regional Agricultural Trade and Productivity Project.

## 4. Nile Basin Support Program

**Budget:** US\$1 million (initial allocation)

**Implementation Start Date:** January 2015

**Duration:** 3 years

**Partner:** World Bank-executed

**Description:** Implementation support and technical advice for recipient organizations. Analytical work is also being proposed. This work will be managed by the World Bank in partnership with basin organizations.

**Progress to date:** To make the best use of scarce resources, the NBTF is being used to fund the Nile Basin Support Program until 2015, when the NBTF closes. In the past year, as part of the Nile Basin Support Program, the NBTF has supported an Independent Evaluation of the NBTF, technical assistance for the NBI in modeling, 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.

In the coming years, the World Bank will be undertaking a "Nile Results Story" to summarize and capture results and lessons learned from joint partner engagement to date—including a detailed exploration of the Rusumo Falls project—and will focus on dissemination and discussion of these lessons for the benefit of other transboundary programs. The World Bank also plans to provide technical advice to Nile riparians and their representative organizations through its work, in areas such as resource mobilization for new investments, strategic water resources modeling, technical communications, and gender/poverty analysis.

## HIGHLIGHTS

### CATALYZING DEVELOPMENT IN THE NEL REGION THROUGH CIWA SUPPORT

#### **The Nile Equatorial Lakes Subsidiary Action Program-Coordinating Unit (NELSAP-CU)**

NELSAP-CU has a demonstrated track record of preparing multisectoral, cooperative regional investments. Since it was launched in 2001, NELSAP-CU has served as a vehicle for a number of important diagnostic studies that have provided an excellent resource base for project identification. In parallel, the center also focuses its efforts on investment preparation, resource mobilization, and facilitating the advancement of investment projects to the feasibility and design stages.

The Strategic Social and Environmental Assessment of Power Options study carried out by NELSAP-CU examined a number of power investments of regional significance, including the Rusumo Falls project that is under advanced preparation. A number of transmission interconnections examined by the study have been facilitated and advanced with NELSAP-CU support. Multisectoral options assessment and basin planning activities on transboundary sub-basins have also helped identify opportunities for regionally significant water-related investments.

These studies produced a number of investment projects that were then taken up by national governments for implementation, assisted by NELSAP-CU along the way. In fact, the center has advanced over US\$1 billion of investment projects that are currently in implementation or advanced preparation stages and that directly benefit approximately

1 million people in the region. These include mobilizing support and preparing Regional Transmission Interconnection projects that connect Kenya–Uganda, Uganda–Rwanda, Burundi–Rwanda, and Burundi–DRC–Rwanda; natural resources management planning for the Lakes Edwards and Albert Fisheries and the Lake Victoria Environmental Management projects; and support in preparing the Regional Rusumo Falls Hydroelectric and Multipurpose Project, which has recently secured International Development Association (IDA) funding. NELSAP-CU's river basin management projects have led to the installation of hydro-meteorological stations in selected sub-basins, and have identified additional water resources development projects.

Currently, a US\$10 million CIWA-funded NELSAP-CU project is under preparation. The project strives to address poverty in the NEL region and is expected to prepare multi-purpose reservoirs that will irrigate 60,000 ha of land, generate electricity, and supply water to 400,000 people in rural and urban settings in the Sio-Malaba-Malakisi, Kagera, and Mara sub-basins. The NELSAP-CU project would advance these projects to pipeline status through feasibility-type studies and packaging of prepared investments, improved river basin planning, and strengthened stakeholder participation in investment.

The scope of investment facilitation capacity at NELSAP-CU makes it a one-stop-shop for water resources development in the NEL region.



After 2015, when the NBT is closed, it is expected that a Bank-executed program will help build synergies between the CIWA Nile Program, leverage projects within the World Bank Group portfolio across the riparian States, and contribute analytical work to promote equitable and reasonable utilization of the resources within the basin.

## Ongoing Engagements: Zambezi River 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.

The ZRB has been the subject of a long history of sustained efforts to foster cooperative development. While there has been little investment in the ZRB over the last 30 years, sustained economic growth above 6

percent in many of the riparian States is 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 stage of preparation, and the combined GDP among the ZRB riparian States is estimated at over US\$100 billion. Despite the increasing prosperity in the region, poverty is persistent across the basin and income inequality in some States is among the highest in the world. Reflecting the dual nature of the regional economy, new investments in large infrastructure co-exist alongside a parallel subsistence economy that is reliant upon environmental services provided by the river. 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.

**Outcomes:** CIWA support through the Zambezi River Basin Program was designed to align with the integrated water resources management (IWRM) strategy developed for the basin. The potential outcomes envisaged over the next 10 to 15 years under the IWRM Strategy through cooperation include:





- i. Poverty reduced throughout the basin as a result of expanded development, improved, coordinated, and sustainable water resources management.
- ii. Energy security through hydropower investments (US\$10.7 billion), resulting in an additional 35,300 GWh/yr firm energy and an additional 60,000 GWh/yr average energy.
- iii. Agricultural production increased, enhancing regional food security through an additional 343,000 ha, increasing irrigation to 775,000 ha/yr (85 percent in Malawi, Zambia, and Zimbabwe).
- iv. Increased employment, particularly in the Agricultural Sector, with over 500,000 jobs created.
- v. Economic resilience increased and growth benefits sustained through reduced exposure to floods (>US\$1 billion in avoided losses on average per year) and adaptive measures to climate change.
- vi. Regional transport costs and travel times reduced through bridge investments and navigation.
- vii. Water supplies secured for urban and industrial demands (>1,000 million m<sup>3</sup>/yr to Botswana, Malawi, Zambia, and Zimbabwe).
- viii. Environmental restoration of the Zambezi Delta and improved fisheries production through systematic introduction of basin-wide environmental flows.
- ix. Tourism and Mining contributions to GDP increased through integrated, sustainable development.
- x. Fisheries production enhanced through improved management of water resources.

#### Recipient Basin Partners:

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 (at the country level, among sub-regional clusters, across the basin) and across different sectors within the basin. The program will utilize a mix of instruments, including continuing dialogue, analytical work and technical assistance, investment preparation, and infrastructure financing. The first phase of the program has two recipient partners: the ZAMCOM Secretariat and the ZRA.

#### 1. The ZAMCOM Secretariat

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, 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. The riparian States established an Interim ZAMCOM Secretariat (IZS) in May 2011. The IZS 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 will be established in January 2014 in Harare, Zimbabwe, as instructed by the Council of Ministers.

#### 2. Zambezi River Authority

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 at the approval of the council, construct, operate, monitor, and maintain any other dams on the Zambezi River; liaise with the National Electricity Undertakings in activities that affect the generation and transmission of electricity; and make recommendations to the Council to ensure the effective and efficient use of the waters and other resources of the Zambezi River.

### FIRST-PHASE PROJECTS

#### 1. Zambezi River Basin Management Project

**Budget:** US\$4 million

**Implementation Start Date:** January 2014

**Duration:** 3 years

**Partner:** Interim ZAMCOM Secretariat (IZS)

**Project objective:** To strengthen ZAMCOM's role in promoting cooperative management and development in the Zambezi River Basin through institutional strengthening, improved information sharing and decision support, and strategic planning.

**Project update:** The project concept was presented by the ZAMCOM Secretariat to the ZAMCOM Technical Committee (ZAMTEC) at its first meeting on November 1, 2012. The ZAMTEC includes representatives from all riparian States and the full documentation was

presented to the second ZAMTEC meeting in March 2013, along with the first meeting of the Council of Ministers held in Luanda, Angola, in May, 2013, without objection. The first Basin Advisory Committee (BAC) meeting was held in January 2013 with the second meeting in September 2013, reviewing the final project document. This same documentation has been through management review and is being finalized for grant signing. Procurement of a number of key activities has been initiated with several activities launched in August 2013 as part of a multi-donor partnership to support the transition and establishment of the ZAMCOM Secretariat.

#### Key Expected Results:

- Permanent ZAMCOM Secretariat legally established with functions defined in the ZAMCOM Agreement
- Plan for financial sustainability based on Member State contributions
- Basin-wide Master Plan developed
- Flood-forecasting and early warning system developed
- Zambezi Water Information System enhanced

### 2. Zambezi River Basin Development Project

**Budget:** US\$6 million

**Implementation Start Date:** October 2013

**Duration:** 3 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.

**Project update:** The project concept was presented by the ZAMCOM Secretariat to the ZAMTEC at its first meeting on November 1, 2012. The ZAMTEC includes representatives from all riparian States and the full documentation was presented to the second ZAMTEC meeting in March 2013, along with the first meeting of the Council of Ministers held in Luanda, Angola, in May, 2013, without objection. The first BAC meeting was held in January 2013, with the second meeting in September 2013 devoted to reviewing the final project document. This same documentation has been through Bank management review and is being finalized for grant signing. The main consultancies for the Engineering Studies and the Environmental and Social Impact Assessment have been concluded and are currently under negotiation.

#### Key Expected Results:

- Updated feasibility study for the Batoka Gorge Hydroelectric Scheme
- Environmental and Social Assessment for the Batoka Gorge Scheme
- Improved safety of the existing Kariba hydropower complex with completion of dam break analysis
- Legal review of governance and organizational oversight completed
- Options developed for future role of ZRA in the Zambezi basin

### 3. Zambezi River Basin Support Program

**Budget:** US\$1 million (initial allocation)

**Implementation Start Date:** January 2013

**Duration:** 3 years

**Partner:** World Bank-executed

**Description:** Implementation support, technical advice, and analytical work to support the overall basin-wide objectives of promoting the equitable and reasonable utilization of the water resources of the Zambezi watercourse, as well as the efficient management and sustainable development thereof. This work is managed by the World Bank in partnership with basin organizations, Member States, and key stakeholders.

#### Progress to date:

The program was formulated through a consultative process led by the ZAMCOM Secretariat in collaboration with the Technical Committee, riparian States, the International Cooperating Partners (ICP), and the CIWA BAC, comprised of contributing donors to the CIWA-TF. Activities were endorsed during the BAC meetings held in January and September 2013. The activities have also been presented as an integral part of the overall basin program to the ZAMTEC at its first meeting in November 2012 and second meeting in March 2013.

A political economy case study on the context of cooperation in the Zambezi River Basin was prepared to inform preparation of the project activities. It was complimented with just-in-time analytical support to the ZAMCOM Secretariat on strategic issues around financial sustainability and planning for implementation of the permanent Secretariat.

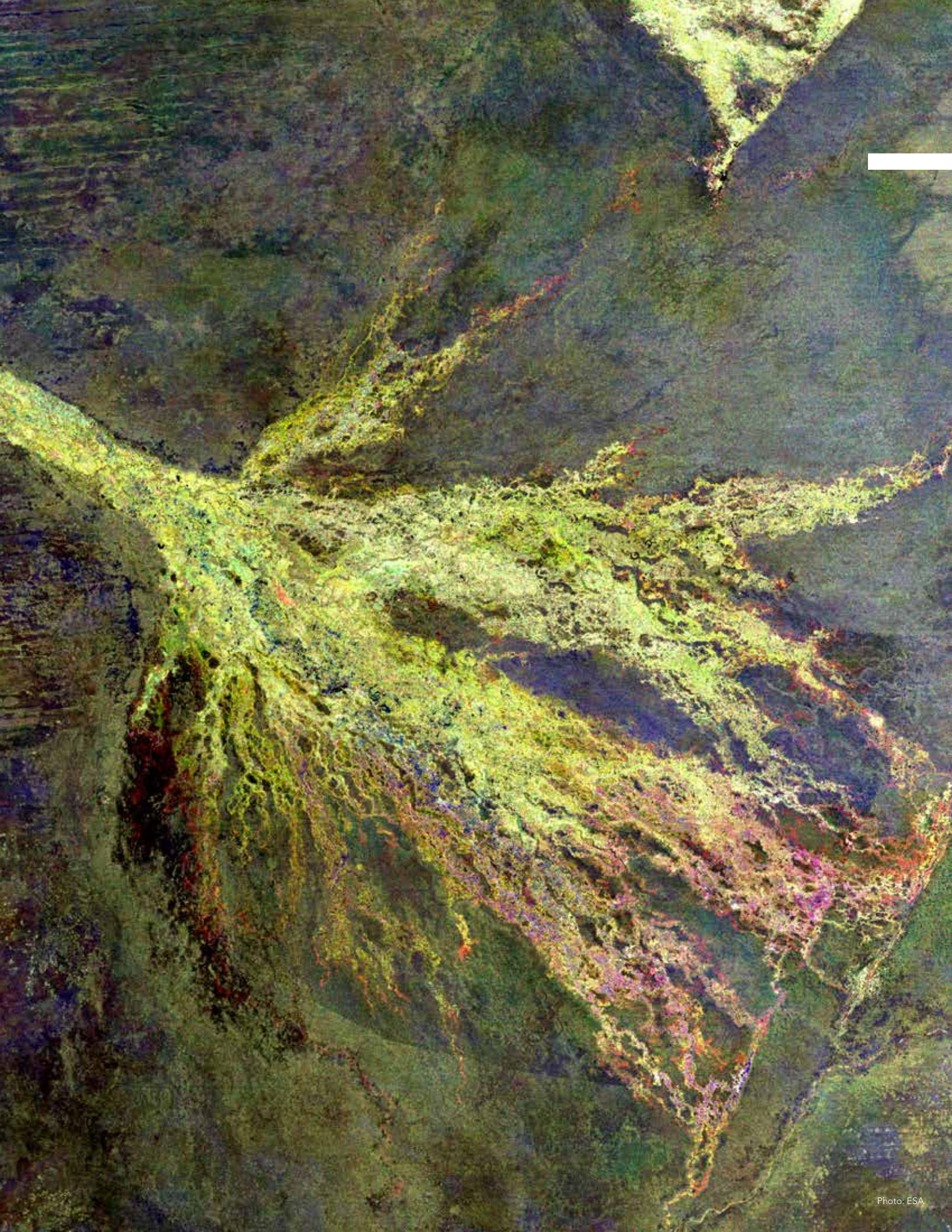
A *Climate Change Assessment of the Energy-Water Nexus in the Zambezi River Basin* is under procurement. The scope of work has been prepared and will build on a number of existing initiatives within the basin and throughout the Southern African region. The results,

anticipated in early 2014, will include Long-Range Energy Alternatives Planning System (LEAP)-modeled power simulations of the Southern Africa Power Pool (SAPP), linked to the Water Evaluation and Planning (WEAP) model for the Zambezi River Basin. The results will show the feedback mechanisms at work between water management and development in the Zambezi River Basin and power generation in Southern Africa, and will illustrate the tradeoffs between irrigation and hydropower due to limited water resources. The LEAP model will further give estimates of greenhouse gas emissions under different development scenarios in the SAPP. These results will inform the feasibility and environmental and social impact analysis (ESIA) studies for

Batoka Gorge hydroelectric scheme on essential areas, such as climate change mitigation potential and cumulative impacts of the proposed scheme.

Some activities were rescheduled and aligned with other ICP activities due to resource constraints and re-allocation of funds within the CIWA program. The Environmental-Economic Accounting for Water is now being pursued through alternative financing mechanisms, for instance, though the Bank continues to play a coordinating role to ensure the respect of common standards in accordance with the SADC and internationally accepted methodology, allowing participants to capitalize on the Bank's technical expertise and existing networks.







## SECTION 3

## 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 the constraints to 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.

## Results to Date: Program Development Objective

The overall impact of CIWA has been to strengthen sustainable climate-resilient growth in Sub-Saharan Africa by addressing the constraints to cooperative management and development of international waters. In order to achieve this objective, CIWA supports the institutions that manage and develop the basins, catalyze and enable transformative water-related investments, and facilitate information gathering and sharing on the benefits of cooperation. As with all infrastructure preparation projects, information sharing, and institutional strengthening work, the impact of any support offered may not be fully realized for many years. In particular, CIWA often works upstream of actual investment, making immediate attribution of results a challenge. CIWA tracks progress towards these long-term results by measuring the estimated value of potential investments mobilized and influenced and potential direct beneficiaries of the projects it influences on an interim basis. 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 CSPs. 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 Performance Management Framework in Annex 1).

**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 FY13:** US\$4 billion (value of potential projects influenced by CIWA<sup>2</sup>)

**Actual:** US\$3.2 billion

### Disaggregated:

#### ■ US\$720 million (new result)

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 studies of potential investment of regional significance. The NCORE project supports upstream work on potential major water resources management and development investments that have regional benefits (estimated at US\$440 million in potential investment), namely: i) scoping and pre-feasibility-level studies related to irrigation and watershed management projects in the NEL region; ii) support for project preparation for new watershed management interventions in the Eastern Nile; and iii) design work for a regional hydromet system. In addition, in FY13, CIWA began development of a grant supporting NELSAP-CU's work in preparing multisectoral cooperative regional investments in the NEL region (estimated to influence US\$280 million in potential investments). The grant will support feasibility-type studies and packaging of prepared investments, as well as improved river basin planning and strengthened stakeholder participation in

<sup>2</sup> CIWA defines its influence on a potential project as beginning after JN endorsement and grant preparation activities begin. The influence that the Program has prior to grant signing is justified by the fact that CIWA's interest in specific activities can often spur action before grant funding is mobilized (see Highlighted Results for examples). It should be noted that often CIWA provides analytical support, which advances investment preparation, and that the value reported is the most reliable value available at the date of publication of this report, but that the total value is expected to change as projects develop.

investment in order to advance projects, including watershed management, irrigation, electricity production, and water supply. Additionally, through the NBD project, CIWA is supporting enhanced civil society participation in the preparation and implementation of Nile investments of regional significance, quite likely a selection of the projects listed above. If and as NBD engages around investment projects in addition to those listed above, this value will increase.

■ **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 1993 as US\$2.5 billion. CIWA is supporting the ZRA in updating the engineering studies, as well as undertaking a new environmental and social assessment in line with international best practices and advances in the development of this important scheme under the Zambezi River Basin Development Project.

■ **US\$0.8 billion (new result)**

**CIWA catalyzes action on negotiations for the Lesotho Highlands—Botswana Water Transfer Project.** CIWA support for the 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, helped to incentivize cooperation among the riparians around this potential \$800 million investment. This figure is the best available estimate at this time, however 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 FY13:** 6 million (number of potential beneficiaries of projects influenced by CIWA)

**Actual:** 12.3 million

■ **4.3 million (new result)**

**Potential beneficiaries of CIWA support to the NBI regional investment portfolio in the Nile Basin.**

Estimated numbers of potential beneficiaries of projects under preparation that are influenced by CIWA through

the NCORE and NELSAP-CU grants are 1.8 million and 2.5 million people, respectively. 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 (an estimated as 8,739 GWh/yr) and average household consumption in Zambia (estimated 1.2 million households, assuming five people per household) of 7,200 KWh/yr.

■ **2 million (new result)**

**Estimated potential beneficiaries of the Lesotho Highlands—Botswana Water Transfer Project.** While the details of the preferred scheme will be developed through the 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. 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: Additional Outcomes

CIWA's objectives are clearly outlined and its results framework lists targets and long-term goals. However, the most exciting results are often changes or effects that indirectly result from the program-specific outcomes or were motivated by external factors and facilitated or incentivized by the program. While the CIWA program is still in the early phases of development and implementation is just getting under way, it has registered some higher-level impacts.

■ **Platform for continued dialogue in the Nile Basin.**

Through its support to the NBI, CIWA provided a platform for dialogue and cooperation in the Nile Basin, which included facilitating a Nile Day celebration. This platform is valued by the countries, as evidenced by Sudan's payment of its country contribution arrears to the Nile Secretariat, effectively signifying its resumption of participation in the NBI and a renewal of the country's commitment to cooperation.

■ **South Sudan inducted into the NBI.** The recent induction of South Sudan into the NBI presents an opportunity for broader-basin engagement and will allow the NBI to expand regional cooperation. CIWA's institutional support for the NBI allowed the institution to demonstrate its ability to develop an integrated approach across its three centers to present an integrated South Sudan activities package, which will deliver on its water resources management and development needs. The NCORE project is now being restructured to increase the support provided by the NBI to South Sudan, which will in turn enhance South Sudan's capacity to manage the shared resource and to participate in regional cooperative efforts.

■ **Zambia accedes to the ZAMCOM Agreement.** Through their sustained engagement and support over a number of years, cooperating partners have encouraged full-basin participation in the ZAMCOM in order to better facilitate basin-wide cooperation. Thanks to its efforts to catalyze action, CIWA played an important role in bringing the parties together, with the support of bilateral donors and Bank country offices, in order to collectively encourage basin-wide participation. The ZAMCOM project builds on this result by including support for the development of a strategic plan for the efficient management and sustainable development of the Zambezi watercourse, which will bring all eight riparians together to identify, categorize, and prioritize projects and programs in the basin.

■ **Botswana, Lesotho, and South Africa sign a MoU concerning cooperation on water resources development.** CIWA support for the riparian initiative to explore the possible options and opportunities for augmenting the existing transfer of water from the Highlands in Lesotho provided an incentive for the parties to reach agreement on the terms of a MoU. The parties have thus agreed to work together to develop the analytical study that will explore the costs and benefits involved in the transfer of water from the Highlands of Lesotho to the southern regions of Botswana and northern South Africa. This will further inform a more strategic regional dialogue around water security and the benefits of cooperation within the framework of the broader SADC objectives.

■ **Comparative Legal Analysis for ZRA completed.** Through the Zambezi River Basin Support Program, the Bank has supported a series of just-in-time analytical activities, including a comparative legal and institutional analysis of the ZRA and legislative framework in Zambia

and Zimbabwe. This is facilitating a longer-term strategic process of alignment of the institutions within the basin.

## Results to Date: Intermediate Results

Progress towards achieving all four of the Intermediate Results involved significant preparatory work in two priority basins, the Nile and the Zambezi, as well as initiation of engagement with the Volta Basin, two RECs, and organizations in other basins. The key milestones for this preparatory work included:

■ **Four engagements—i) the Volta, ii) ECOWAS, iii) SADC, and iv) Lesotho Highlands–Botswana Water Transfer within the Orange–Senqu River Basin—were endorsed by the CIWA AC.** In FY13, CIWA presented and received AC endorsement of four engagements, including one new basin engagement, two RECs, and support for the Governments of Botswana, Lesotho, and South Africa to undertake a study exploring investment options with respect to the Lesotho Highlands–Botswana Water Transfer. CIWA anticipates beginning implementation on these new engagements in FY14, pending PCN endorsement and, in some cases, future funding availability.

■ **Nile Basin Program design completed, CIWA Support Plan drafted, and implementation under way.** A program to support climate-resilient growth in the Nile Basin was outlined in the Nile CSP with a total budget of US\$14 million. The program includes a project with the NBI (US\$1.5 million and US\$13.8 million from NBTF), support for the NBD (US\$1.5M), a targeted program with the NELSAP-CU that expands on previous NBTF infrastructure planning work (US\$10 million), and complimentary analytical work funded through the Basin Support Program (US\$1 million). The project with the NBI was signed in January 2013 and is currently under implementation. A PCN for the NBD project was approved in FY13 and is expected to be under implementation early in FY14. The project with NELSAP-CU was endorsed by the AC in May 2013 and formal appraisal documentation is under preparation. CIWA expects to begin implementation on the NELSAP-CU project in FY14.

■ **CIWA Zambezi Basin Program design completed, CIWA Support Plan endorsed by the BAC.** The long-term vision of the CIWA Zambezi Program was outlined in the Zambezi CSP, which describes how CIWA



will support the riparian States, regional bodies, and other stakeholders to facilitate investment and growth through cooperative planning and development of water resources in the basin. The CIWA Basin Advisory Committee met for the first time in January 2013 and again in August 2013 to ensure consensus among the members of the Committee on proposed CIWA support to the Zambezi River Basin Program. The Zambezi Program is envisaged as a long-term engagement through a series of phases, with projects at various levels across different sectors within the basin. For the first phase of the program, support will be provided through recipient-executed grants to the ZAMCOM through the IZS (US\$4 million), the ZRA (US\$6 million), and complimentary analytical work funded through the Basin Support Program (US\$1 million). CIWA made significant progress in preparing project documentation during FY13 and expects that both grants will be signed in early FY14.

■ **Support for the Lesotho Highlands–Botswana Water Transfer endorsed and project nears implementation.** The project with the Government of Botswana on the Lesotho Highlands Water Transfer study project (US\$2 million) was also endorsed in FY13 and significant progress has been made in moving towards commitment, including approval of the terms of reference and drafted project papers. Grant signing is expected in mid-FY14.

Progress toward the FY13 targets for each Intermediate Result is presented below. Note that several results-monitoring targets include a metric that requires a project to be “in operation.” For the purposes of CIWA results reporting, a project is considered to be “in operation” when the PCN (or equivalent) has been endorsed by the AC and approved using standard Bank practices and the details of the project are under negotiation with the basin institution and/or project implementation is under way.

## INTERMEDIATE RESULT 1. REGIONAL COOPERATION AND INTEGRATION STRENGTHENED

**Target FY13:** Three basins with programs and CSPs designed.

**Progress against target:** Fully achieved.

■ **Nile Basin Program Designed.** The Nile Program is envisaged as a long-term engagement and builds upon the work undertaken by the Nile countries over the past 10 years. The Nile Program encourages continued

strategic cooperation in cases where agreement between countries exists, and holds open the possibility for increased support for new transformative cooperative engagements, if requested by the countries and approved by donors. As outlined in the CSP, support for the first phase of the program will be provided through recipient-executed grants allocated to the three centers of the Nile Basin Initiative, with an additional targeted investment program intended for the NELSAP-CU, and for the NBD.

■ **Zambezi Program Designed.** This project will contribute to regional cooperation and integration by supporting the establishment of a permanent Secretariat that will serve as a platform for dialogue among the eight Member States. Additionally, it will support the development of the first-ever basin master plan to guide the equitable and reasonable utilization of shared water resources required under the Agreement. Parallel support under the program will help unlock the development potential and advance preparation of strategic infrastructure investments.

■ **Volta Program Designed.** The proposed program objective is to strengthen cooperative management and development of Volta Basin water resources and to ensure a sustainable socioeconomic development of the entire region. The Volta CSP has formulated programmatic interventions designed to provide the recently established VBA underpinnings of an institutional framework that will enable it to take a leading role in basin cooperation, improvement of the knowledge base, and water resources management in the basin. These interventions include development of a Water Charter, water resources monitoring, diagnostic and knowledge tools, a communications plan, and establishment of the internal procedures and regulations of the VBA.

**Target FY13:** Three basin institutions with projects in operation that contribute to strengthening regional cooperation and integration.

**Progress against target:** Fully achieved.

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

■ **Engagement with the NBI will strengthen the platform for regional cooperation (previous result).** The project will contribute to regional cooperation and integration by supporting a platform for dialogue among 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. For example, this engagement endorses an evidence-based analysis to illustrate the benefits of cooperation and continues to support the Nile Basin Development Forum, Nile Day, and coordination meetings with government focal points. Further, this project enables the production and dissemination of technical briefing notes on cooperative opportunities in the NEL region and will disseminate the findings of past studies using a range of communication techniques.

■ **Engagement with ZAMCOM to strengthen the platform for dialogue between the eight Member States (new result).** Several of the activities in CIWA's engagement with ZAMCOM are intended to assist the institution in becoming a more financially sustainable, efficient RBO. Activities include institutional support for ZAMCOM's transition towards establishing a permanent Secretariat, confidence building and negotiation training initiatives aimed at engendering cooperation, funds for communications to foster greater dialogue among the Zambezi River basin riparians, and aid in harmonizing the legal instruments of cooperation. This project also seeks to build partnerships between power authorities and the basin commission in recognition of the existing bi-lateral agreements for power generation and trade.

■ **Engagement with ZRA will strengthen regional cooperation and integration (new result).** The project will contribute to strengthening regional cooperation by advancing cooperative water resources management and development in the region in compliment with the institutional and policy support provided to ZAMCOM.

## INTERMEDIATE RESULT 2. WATER RESOURCES MANAGEMENT STRENGTHENED

**Target FY13:** Three basin institutions with projects in operation that contribute to strengthening water resources management.

**Progress against target:** Fully achieved.

NBI, ZAMCOM, and ZRA (three basin institutions) have projects in operation that contribute to strengthening water resources management:

■ **Engagement with the NBI will strengthen WRM (previously reported).** The NCORE project includes the application of the Nile Basin Decision Support System (DSS) to identify and analyze the opportunities and challenges related to basin management, including

climate risk assessment. Furthermore, support is being provided to the DSS user communities of all Member State line ministries of water, professional networks, civil society organizations, as well as academics in an effort to advance DSS development and application. The project will improve the knowledge and analytical foundation for a shared understanding of cooperative water resources management and development options. Also, the project will support the enhancement of the flood forecasting system to include new areas in the Eastern Nile, as well support the mainstreaming of sustainable environmental and social practices into investment project development. Finally, the project will provide 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 knowledge base and analytical capacity by strengthening the water information management system (ZAMWIS) 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 (new result).** The engagement with ZRA will enhance the regional institutional arrangements for catastrophic disaster risk management and will harmonize the legal frameworks for transboundary water management.

## INTERMEDIATE RESULT 3. WATER RESOURCES DEVELOPMENT STRENGTHENED

**Target FY13:** Two basin institutions with projects in operation that contribute to strengthening water resources development.

**Progress against target:** Fully achieved.

NBI, ZAMCOM, and ZRA (three basin institutions) have projects in operation that contribute to strengthening water resources development:

■ **NCORE project advances a variety of investment opportunities (previously reported).** The NCORE project aims to plan and prepare transformative investment projects of regional significance in hydropower, irrigation, and watershed management. The project will undertake the preparation of five "project profiles" and resource-mobilization activities, as well as prepare

pre-feasibility studies (or full feasibility studies, if NBTF Additional Financing is granted) and associated ESAs for two additional investment projects in the NEL region. The project is also providing analysis for a Least-Cost Power Expansion Plan for South Sudan, to enhance planning for the integration of South Sudan into the Regional Power Grid, and to allow for optimal development of the region's water resources. The project will also provide technical support and capacity building to improve dam safety in the Eastern Nile with the development of a regional dam safety framework and guidelines.

■ **ZRA project to advance investment opportunities with regional benefits (previously reported).** This project is supporting the ZRA in updating the feasibility studies for the Batoka Gorge Hydroelectric Scheme, preparing an Environmental & Social Assessment, and exploring transaction options. Also, the Zambezi program will support the ZRA to enhance the operations and safety of the Kariba hydropower complex, including dam break analysis.

■ **Engagement with ZAMCOM will strengthen institutional capacity to plan and implement regional investments (new result).** The project will strengthen ZAMCOM's investment analysis and planning capacity by supporting the institution's efforts to expand its analytical capacity for identification and assessment of basin-wide opportunities and risks, support the development of a common investment planning framework, and helping to increase the clarity of roles across key institutions in the basin.

#### **INTERMEDIATE RESULT 4. STAKEHOLDER ENGAGEMENT AND COORDINATION STRENGTHENED**

**Target FY13:** Three basin institutions with projects in operation that contribute to strengthening stakeholder engagement and coordination.

**Progress against target:** Fully achieved.

NBI, NBD, and ZAMCOM (three basin institutions) have projects in operation that contribute to strengthening stakeholder engagement and coordination:

■ **NBI project expands partnerships with academia and power utilities (previously reported).** The NCORE project enhances knowledge partnerships with stakeholder networks—including government, power utilities, and academia—with an internship program that provides training to regional specialists. The project has launched and is further developing an Eastern Nile Climate Change portal with tools and data to enhance climate resilience and adaptation in project planning. In addition, the project includes providing support to the DSS user community, including professional networks, civil society organizations, as well as academics to advance DSS development and application.

■ **NBD project designed to better coordinate civil society engagement in the Nile basin (previously reported).** The project will support bridging policy and practice to both inform project design and 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. Progress in project design and planning was accomplished this year.

■ **Engagement with ZAMCOM to enhance external communications and build partnerships with academia (new result).** 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.



## SECTION 4

CATALYZING TRANSBOUNDARY  
WATER MANAGEMENT AND DEVELOPMENTOverview of the Catalytic  
Sub-Program

Regional cooperation on water resources management and development can often be accelerated by filling knowledge gaps related to technical approaches and economic opportunity, more clearly understanding the social and political implications of cooperation, and building technical, management, and cooperative capacity. Thus, cooperation is often enhanced by analytical work and technical assistance that supports deeper stakeholder understanding and appreciation of the opportunities, risks, and benefits of cooperation in international waters. For nascent and under-resourced basin organizations, this deeper understanding can often be improved by providing access to relevant knowledge products and global best practices, as well as by providing the tools for building analytical and technical capacity. The Catalytic Sub-Program aims to service this need within the broader CIWA framework.

The Catalytic Sub-Program will contribute to the CIWA PDO through the following three channels:

- Generate, share, and manage knowledge that can facilitate cooperative development and management of international waters
- Explore potential high-impact collaborative investment opportunities in defined basins
- Create a shared understanding of the opportunities, risks, costs, and benefits of cooperative development and management of international waters among stakeholders

The Catalytic Sub-Program  
Structure and Processes

During the reporting period, CIWA's Catalytic Sub-Program structure, content, and implementation was refined to more clearly articulate the intention and expected outcomes of the sub-program. CIWA's vision for the Catalytic Sub-Program includes support for knowledge management, technical assistance, and advancing high-impact investment opportunities

with regional benefits. More specifically, the Catalytic Sub-Program will support:

- Basic analysis that furthers the understanding of barriers to cooperation
- Development of new models and tools
- Exploration of investment opportunities that have regional benefits
- Quality assurance of recipient-executed analytic activities
- Generation of regional public goods
- Exchange of information, knowledge, and approach among basins

The sub-program will focus on cross-cutting issues with significant economies of scale and will operate through two windows:

- The Knowledge Management/Capacity-Building Window
- The Opportunistic Window

The function of the Knowledge Management/Capacity-Building Window is to generate, tailor, and share knowledge and build capacity that can facilitate cooperative development and management of international waters. Geographically, it will service basins and aquifers throughout Africa. The Opportunistic Window will respond to demand for exploring high-impact collaborative investment opportunities with regional benefits. Geographically, it services basins and areas in Africa identified and selected by CIWA using agreed criteria.

The Sub-Program is also organized around five thematic pillars (Table 2), which help to focus and organize the work stream.

The Catalytic Sub-Program has flexible entry points and avenues of engagement, depending on need, demand, opportunity for impact, and alignment with CIWA's objectives. The major geographic emphasis will be on Africa-wide work and on the basins other than priority basins (particularly for the Opportunistic Window). Areas such as the Sahel and the Horn of Africa, where water scarcity directly and indirectly fuels conflict and

**TABLE 2. Thematic Pillars of the Catalytic Sub-Program**

Thematic pillars	Description
Institutions and Policies	Enhance the understanding of institutions (e.g. laws, treaties, agreements, property rights, etc.) and policies that govern the development and management of water resources at the national, basin, and regional levels
Economic and Financial Context	Explain the economic rationale for cooperation and collaborative investments and enhance knowledge of the economic and financial implications of cooperation
Political Economy	Enhance the understanding of the political economy surrounding regional water cooperation in order to better appreciate the context of regional cooperation
Climate change	Improve understanding of these issues and effectively mainstream climate considerations into the cooperative management and development of international waters
Poverty, equity, and gender	Mainstream gender and poverty considerations into cooperative management and development of international waters

limits economic progress, are examples of possible entry points. In addition, engagement will not be limited to basin institutions, as alternative entry points such as RECs and other institutions such as the African Network of Basin Organizations (ANBO) can provide economies of scale.

The Catalytic Sub-Program will implement a transparent process for identifying, selecting, and prioritizing activities; the details of this are presented in the PCN (anticipated finalization early in FY14). Regional demand and consultative processes will be used to identify potential opportunities for engagement. Specific criteria such as alignment with CIWA's objectives and the Catalytic Sub-Program's thematic pillars, demand for the activity, technical robustness, additionality, potential for leveraging other resources, partner engagement, and implementation and financial feasibility will be used for selecting and prioritizing possible catalytic activities. The prioritized activities will be subject to further technical review following implementation of the Bank's standard review procedures.

## Anticipated Catalytic Sub-Program Activities

A set of potential activities has been identified for the initial phase of the Catalytic Sub-Program. These are designed to lay the foundation for CIWA's continuing support, to provide a guiding overview of potential opportunities for engagement, and to develop a deeper understanding of the economic and financial impacts of strategically important water investments that contribute to building climate-resilient growth. Anticipated initial catalytic activities include:

- Economic Rationale for Cooperation in Transboundary Basins
- Strategic Overview of International Waters in Africa
- Africa Basin Spatial Knowledge Services
- Facilitating Africa-wide Hydromet Services
- Okavango Multi-Sector Opportunities Analysis (MISOA)
- Cooperative Groundwater Management and Development in the Sahel Region
- ECOWAS Water Resources Coordination Support

## SECTION 5

## FINANCIAL REPORT

## Structure of the Trust Fund

CIWA is a Multi-Donor Trust Fund (TF) managed by the World Bank on behalf of contributing development partners. This specific type of TF is known as a "Programmatic Trust Fund," to which donors commit funds destined to support a thematic framework rather than to finance any specific project. Within this framework, CIWA will support projects executed by recipient organizations as well as projects directly managed by the World Bank.

## Donor Pledges and Deposits

The total funds pledged as of June 30, 2013 amounted to US\$45.86 million. Of these funds, US\$13.49 million was deposited in the CIWA-TF account. This leaves a remaining balance of US\$32.37 million to be deposited over the coming years. Table 3 presents the pledges, deposits, and outstanding balances. The contributing donors to date include the Government of the Kingdom of Denmark, the Government of the Kingdom of Norway, the Government of the Kingdom of Sweden, and the United Kingdom of Great Britain. Development partners deposit funds in the CIWA-TF account according to an agreed schedule of deposits that is detailed in the Administration Agreement or other documents exchanged between the Bank and the Partner. This schedule can be amended as necessary to meet project disbursement requirements.

Unless otherwise noted, the financial information presented in this report, including exchange rates, reflects the situation as of June 30, 2013.

CIWA can sign grant agreements allocating resources to recipient-executed projects up to the amount of pledges in signed Administration Agreements, less the cost of administration, contingency, currency fluctuation reserve,<sup>3</sup> and Bank-executed projects and activities.

<sup>3</sup> The Basis of Commitment (BoC) of the CIWA-TF is based on cash-plus future donor contribution receivables (i.e., 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 (i.e., commitments) exceed the cash received from donors at the time of signing the grant agreements. The BoC risk may arise when donors provide less than agreed—or delayed—funding to a trust fund, while grant commitments have already been entered into with recipients based on 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 exception 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 the World Bank Controller in times of heightened currency volatility in the financial markets. In practice, the Bank system will only allow grant commitments up to 85 percent of the prevailing US dollar value of future donor receivables.

**TABLE 3: Overview of Donor Pledges and Deposits**

Contributing Partners	Pledges			Deposits		Outstanding Balance (US\$)
	Currency	Amount (in Donor Currency)	Amount (US\$)	Date of Deposit Received	Amount Received (US\$)	
Denmark (DANIDA)	DKr	18,700,000	3,329,423	20-Feb-2012	1,703,119	1,626,304
Norway (NORAD)	NKr		882,746	24-Sep-2012	882,746	0
Sweden (SIDA)	SKr	170,000,000	26,133,625	14-Dec-2012	4,588,700	21,544,925
United Kingdom (DFID)	£	10,000,000	15,512,361	7-Jan-2011	6,311,600	9,200,761
TOTAL			45,858,155		13,486,165	32,371,990



## Allocations and Projected Disbursements

As of June 30, 2013, US\$40.69 million has been allocated to CIWA projects and activities, which effectively assigns all of the available funding to activities under preparation or implementation. Table 4 presents a detailed account of the allocation of funding.

The majority of funds have been allocated to projects in the three prioritized basins: Nile, Zambezi, and Volta.<sup>4</sup> There are six recipient-executed projects in the three priority basins, as well as Bank-executed support programs that provide technical assistance and analytical work in the priority basins for a combined total of US\$32.20 million. In addition to the Nile, Zambezi, and Volta, US\$2.0 million has been allocated to the Lesotho Highlands Water Transfer Study executed by the Government of Botswana. CIWA has also allocated US\$2.5 million for engagement with ECOWAS (Bank-executed) and has allocated an initial preparation budget of US\$65,000 for preparation of CIWA support for the SADC GMP. Finally, an allocation of US\$1.0 million has been made to support the initial phase of the Catalytic Sub-Program, where CIWA anticipates bank-executed activities that have an Africa-wide scope.

In summary, thirteen projects—eight recipient-executed and five Bank-executed projects—are in preparation or under implementation. In addition, the World Bank executes activities through CIWA program management and administration to (a) administer and manage the CIWA-TF; and (b) to monitor and evaluate

**TABLE 4: Allocation of Funding**

Allocation of Funding	US\$
Pledges in signed Administration Agreements	45,858,155
Plus current investment interest income	93,364
Less 2% administrative cost recovery fee	–917,163
Funds available for project/activities	45,034,356
Less contingency for currency fluctuation	–4,855,799
Funds available for allocation	40,178,558
Less allocation to projects/activities	–40,691,489
% Allocated	101%

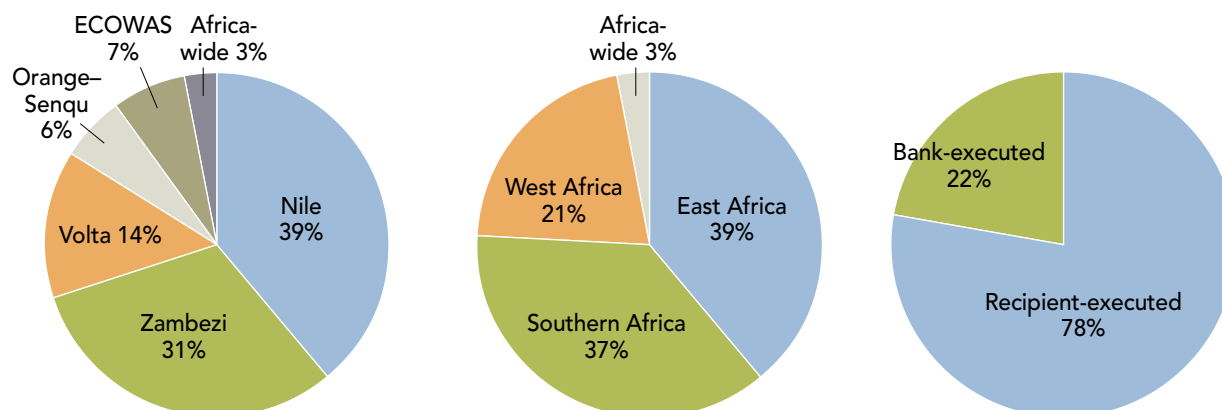
the progress of strategic overview of the program. Table 5 provides a breakdown of the funding allocation and a projected disbursement schedule.

CIWA envisions a geographically distributed program that services the major needs across Africa. Figure 2 provides a financial distribution among the priority basins and RECs, as well as geographical areas. Overall, East Africa currently receives the largest share of its support (39 percent), followed by Southern Africa (37 percent)<sup>5</sup>. West Africa receives a significant share of support (21 percent) and CIWA supports activities—mainly analytical and related to technical assistance—that have an Africa-wide scope (3 percent). CIWA also strives to conduct its work through recipient-executed programs wherever feasible and practicable. Figure 2 also provides an illustration of the distribution between recipient- and Bank-executed activities, where

<sup>4</sup> The final allocation for the Volta Basin Program is contingent upon endorsement of the PCN by CIWA AC.

<sup>5</sup> Figure 2 does not include the administrative fee and the program management unit costs.

**FIGURE 2: Financial Distribution among Basins/RECs, Geographical Areas and Recipient- and Bank-executed Activities**



**TABLE 5: Breakdown of Allocations by Project**

Basin/REC	Recipient	Description	Allocation	Disbursement		Legal Commitment	Projected Disbursement				
				FY12	FY13		FY14	FY15	FY16	FY17	Total
<b>Nile</b>	NBI	Nile Cooperation for Results (NCORE)	1,500,000					1,500,000		1,500,000	
	NBD	Engaging Civil Society for Social and Climate Resilience in the Nile Basin (NBD)	1,500,000		1,500,000		750,000	500,000	250,000		1,500,000
	NELSAP	NEL Transboundary River Basin Management and Development	10,000				1,500,000	3,500,000	3,000,000	2,000,000	10,000,000
	WB	Nile Basin Support Program	1,000,000					200,000	400,000	400,000	1,000,000
		Enhanced Supervision (NBD)	400,000		90,486		109,514	100,000	100,000		400,000
		Enhanced Supervision (NEL)	450,000				150,000	100,000	100,000	100,000	450,000
		<b>Total</b>	<b>14,850,000</b>		<b>90,486</b>	<b>1,500,000</b>	<b>2,509,514</b>	<b>4,400,000</b>	<b>5,350,000</b>	<b>2,500,000</b>	<b>14,850,000</b>
<b>Zambezi</b>	ZAMCOM	Zambezi River Basin Management Project (ZAMCOM)	4,000,000				800,000	1,400,000	1,000,000	800,000	4,000,000
	ZRA	Zambezi River Basin Development Project (ZRA)	6,000,000				1,500,000	2,000,000	2,000,000	500,000	6,000,000
	WB	Zambezi River Basin Support Program	1,000,000	126,857	172,591		200,000	150,000	150,000	200,552	1,000,000
		Enhanced Supervision (ZAMCOM)	450,000		112,862		90,000	90,000	90,000	67,138	450,000
		Enhanced Supervision (ZRA)	450,000		85,856		90,000	90,000	90,000	94,144	450,000
		<b>Total</b>	<b>11,900,000</b>	<b>126,857</b>	<b>371,309</b>		<b>2,680,000</b>	<b>3,730,000</b>	<b>3,330,000</b>	<b>1,661,834</b>	<b>11,900,000</b>
<b>Orange-Senqu</b>	Botswana	Lesotho Highlands—Botswana Water Transfer	2,000,000				1,000,000	1,000,000			2,000,000
		Enhanced Supervision (Botswana)	175,000				75,000	75,000	25,000		175,000
		<b>Total</b>	<b>2,175,000</b>				<b>1,075,000</b>	<b>1,075,000</b>	<b>25,000</b>		<b>2,175,000</b>
<b>Volta</b>	VBA	Volta River Basin Institutional Support Project*	4,500,000				300,000	1,500,000	1,500,000	1,200,000	4,500,000
	WB	Volta Basin Support Program	500,000				125,000	125,000	125,000	125,000	500,000
		Enhanced Supervision (Volta)	450,000				150,000	100,000	100,000	100,000	450,000
		<b>Total</b>	<b>5,450,000</b>				<b>575,000</b>	<b>1,725,000</b>	<b>1,725,000</b>	<b>1,425,000</b>	<b>5,450,000</b>
<b>ECOWAS</b>	ECOWAS/ WB	ECOWAS*	<b>2,500,000</b>				<b>200,000</b>	<b>700,000</b>	<b>950,000</b>	<b>650,000</b>	<b>2,500,000</b>
<b>SADC</b>	SADC	Sustainable Groundwater Management in SADC Member States*	TBA								0
		Enhanced preparation (SADC)	65,000				65,000	0	0	0	65,000
		<b>Total</b>	<b>65,000</b>				<b>65,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65,000</b>
<b>Africa-wide</b>	WB	Catalytic Program*	1,000,000	86,217	238,700		500,000	175,083			1,000,000
		<b>Sub-total projects</b>	<b>37,940,000</b>	<b>213,074</b>	<b>700,495</b>	<b>1,500,000</b>	<b>7,604,514</b>	<b>11,805,083</b>	<b>11,380,000</b>	<b>6,236,834</b>	<b>37,940,000</b>
	WB	Program Management and Administration	2,751,489	292,159	483,273		500,000	500,000	500,000	476,056	2,751,489
		<b>Program Total</b>	<b>40,691,489</b>	<b>505,233</b>	<b>1,183,769</b>	<b>1,500,000</b>	<b>8,104,514</b>	<b>12,305,083</b>	<b>11,880,000</b>	<b>6,712,890</b>	<b>40,691,489</b>

\* Contingent upon endorsement of PCN by CIWA AC.

78 percent of CIWA support goes to recipient-executed activities and the remaining 22 percent of funding benefits activities implemented by the Bank.

## Disbursement and Fund Balance

A total of US\$2.7 million was disbursed and legally committed in grant funds during this reporting period, which brings the cumulative total of disbursements and commitments to US\$3.2 million, as shown in Table 6. The majority of expenditures have been related to preparing four recipient-executed projects, designing the Nile and Zambezi programs, sponsoring Catalytic Sub-Program activities, and managing the overall CIWA program. In FY13, the NCORE<sup>6</sup> grant was signed and began disbursement. However, the grant combined contributions from the NBTF and CIWA and was structured to disburse from the NBTF first due to its closing in 2015, allowing CIWA's portion of disbursement to begin in FY16. Therefore, as the NCORE project is the only recipient-executed project currently under implementation, no disbursements to recipient-executed projects have been made during the current reporting period.

Since its 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. It is expected that disbursements will increase significantly in FY14 as CIWA anticipates finalizing project documentation for seven recipient-executed projects totaling over US\$30 million in FY14. Projected disbursement for FY14 is approximately US\$8 million, and the total amounts of available funds are expected to be fully disbursed by the end of FY17. This trajectory is not uncommon in an TF program like CIWA, and similar initial start-up periods have occurred in other programs such as the NBTF, the Comprehensive Africa Agricultural Development Programme, and the South Asia Water Initiative.

Where possible, CIWA has also worked to leverage additional resources in an effort to better establish itself

**TABLE 6: Fund Balance**

Fund Income vs Disbursement	US\$
Total Deposits	13,486,165
Plus current investment interest income	93,364
Less administrative fee accrual of 2% of deposits	-269,723
Total Income	13,309,806
Less commitments	-1,500,000
Less disbursements	-1,689,001
Total Disbursement and Commitment	-3,189,001
<b>Fund Balance</b>	<b>10,120,805</b>

and to maximize the use of trust fund resources for its projects. For example, the NBTF provided the resources for the preparation of the NBI project (NCORE I). In addition, resources from the African Water Resources Management Initiative were utilized (US\$46,212) and the World Bank provided internal resources (US\$0.5 million) to support the establishment of CIWA.

## Future Funding Requirements

Demand for the CIWA program from potential recipient organizations has exceeded the program's resources. At present, CIWA has allocated all of its available funding. Meanwhile, it has identified a pipeline of potential projects with a current estimated total value of over US\$200 million and has near-term plans to begin work on projects and programs with an estimated value of over US\$80 million with a view to support seven international river basins and RECs, including the Nile, the Zambezi, the Niger, the Volta, the Sahel, ECOWAS, and SADC. Several of these projects are already under preparation. These opportunities will be further explored and prioritized for potential allocation when CIWA obtains sufficient funds.

<sup>6</sup> Co-financed by NBTF (US\$13.8 million) and CIWA-TF (US\$1.5 million).



## SECTION 6

REFINEMENT OF CIWA'S  
STRATEGY AND FUTURE PLANS

## Development of a Strategic Framework

CIWA is developing a Strategic Framework to refine CIWA's focus, identify CIWA's Value Proposition, and define the key elements of the approach to delivering results. The Framework will be used as a tool for selecting the regions in which CIWA engages, the partners with which it collaborates, and the activities it chooses to support. The Framework is being developed in close consultation with the AC and other development partners, and in collaboration with key members of the Panel of Experts and other well-known international waters experts. The consultative process has also involved the second meeting of the CIWA Consultative Group (CG), a CIWA consultative body that draws participation primarily from African and international experts who provide strategic advice on the direction of the program. The second CG meeting focused on gathering African and international feedback on key elements of the Strategic Framework. Finally, the Strategic Framework will account for important feedback on the program provided through the appraisal process of key potential new donors.

The Strategic Framework will build on the Strategic Overview, which outlines the typology of international waters in Africa. The Strategic Overview was developed as part of a collaboration between the World Bank, ANBO, and the GWP and will outline the typology of international waters in Africa, such as geo-physical characteristics, economic power, growth potential, infrastructure potential, and social and environmental factors. Information provided in the Strategic Overview will be a critical input when structuring strategic decision making based on each basin's priority issues.

### STRATEGIC BUILDING BLOCKS

Based on lessons learned from the NBTF engagement and the Bank's long history of water resources management and development, the Strategic Framework describes the building blocks on which CIWA will focus its work, including maintaining a results-driven agenda, ensuring that poverty is a core focus, and establishing

programmatic balance. CIWA is strategically designed to address the four key results areas:

- Strengthen regional cooperation and integration
- Strengthen water resources management
- Strengthen water resources development
- Strengthen stakeholder engagement and coordination

CIWA will focus its work in each basin on all four areas or on a sub-set of them, as dictated by the needs and demands of each basin. In order to deliver on these results areas, CIWA will focus on supporting regional and national governmental organizations, as well as civil society, academia, and other professional groups, in the development of cooperative water resources management as well as in the development of relevant information, institutions, instruments, and investments. CIWA support for cooperative water resources management and the development of relevant information will help riparians to build the evidence base for cooperation supporting development, strengthening, and sharing of data, tools, information, and knowledge. CIWA will strengthen relevant institutional frameworks and related instruments by facilitating dialogue and supporting legal, policy, and organizational development. Finally, CIWA will promote and improve the quality of regional investment opportunities by supporting relevant stages of the project development cycle.

Poverty is one of the World Bank's core concerns and determines the manner in which it plans to operate the CIWA program. The Strategic Framework specifies that CIWA's work in promoting sustainable development and management of water resources will help to end extreme poverty by participating in protecting the poor from water-related risks, stating that it will promote shared prosperity by advancing water resource management at the local, river-basin, and transboundary levels.

The Strategic Framework further specifies that CIWA will strive to maintain a balanced program in many respects. The program will commit to a few long-term programs in order to support institutional development in priority basins, but will also remain flexible enough to address strategic opportunities where a shorter-term

engagement will unlock the potential for cooperation. The Strategic Framework also conveys the fact that CIWA must connect development investments with water resources management and that international cooperation must be firmly tied to both water resources development and management. CIWA will also balance its focus on information, institutions, and investment, depending on a specific basin's needs.

### CIWA'S APPROACH TO DELIVERING RESULTS

In order to inform CIWA decision making, the Strategic Framework expands on topics related to those with whom CIWA will engage and in what activities it will participate.

In terms of CIWA's partners, the Framework States that CIWA's approach to delivering results necessitates multiple modes of engagement. A description of the purpose of engagement with RBOs, RECs, national governments, civil society organizations, and other partners is included, and it describes the intended outcomes of engagement with the various types of entities. The overarching criteria articulated for CIWA engagement in both the Basin and Catalytic Sub-Programs are three-fold: the engagement must align with CIWA's objectives and CIWA must be able to evidently add value; the potential link between cooperation and water resources management and/or development must be strong; and the need and demand must be clearly and directly articulated.

The Framework provides guidelines for the ways in which CIWA selects the activities it supports, with respect to basin-specific and analytical work. A description of CIWA's method for selecting activities within a given basin based on needs, demand, and alignment with the Results Framework is included to illustrate how CIWA takes a focused approach to adding value through its projects and programs. The Framework also describes the important role of analytical work, both within the specific basin engagement as well as through Africa-wide work and knowledge management. It includes a description of the ways in which the Catalytic Sub-Program complements the Basin Sub-Program and fills critical knowledge gaps.

Importantly, the CIWA program strives to ensure that it focuses on people and their needs in conjunction with the main results areas. To this end, the Framework also articulates how important elements of water and cooperation-related engagements such as poverty, gender, and climate resilience will be explicitly addressed in CIWA activities.

## Revision of the Results Framework and FY14 Targets

CIWA is undertaking a review and revision of its Results Framework in accordance with feedback from the AC, the CG, and the Panel of Experts. The main objective of the revision is to ensure that the Results Framework is aligned with CIWA's Strategic Framework and with the Catalytic Sub-Program objectives. CIWA anticipates enhancing the current Results Framework in the following ways:

- Allowing for aggregation of results from the basin to the program level
- Better reflecting poverty, gender, and climate resilience
- Capturing a broader set of CIWA results, which go beyond PDO indicators
- Making the programmatic focus and distribution of activities explicit
- Better aligning the format and terminology with World Bank and international standards

The new Results Framework will articulate how basin programs and the Catalytic Sub-Program contribute to CIWA program-level outcomes and how cross-cutting issues—such as gender, poverty and climate change—are addressed by and contribute to the CIWA program. The enhanced Results Framework will include baseline indicators, data sources, methods of collection, and frequency of data collection. It is important to note that the Results Framework is a working program management tool that will be modified and improved throughout the program's lifecycle. PDO indicators will likely remain as agreed upon at the program's inception, however the means of achieving high-level results must remain flexible, allowing the program to respond to changing demand and shifts in the African international waters landscape.

## Dialogue on Strategic Framework Development with the CIWA Consultative Group

In September 2013, CIWA hosted the second meeting of the CIWA CG with the specific aim of receiving guidance on the strategic direction of the program and priorities, including the Strategic Framework and Catalytic Sub-Program. The CG is an advisory body of the CIWA governance structure, drawn from key water

sector professionals and key institutions across Africa that have strategic roles in development in the context of international waters. Its function is to bring expertise and knowledge to CIWA, providing guidance in achieving its objectives. The CG meeting drew participation from across Africa, including two ministers with responsibility for water resources management (Kenya and South Sudan), senior staff from several line ministries, numerous RBOs, three RECs, international organizations, other financial institutions, academia and other civil society organizations, donors, and other stakeholders with important roles in promoting cooperation in international waters in Africa.

CIWA received important feedback from the CG on regional priorities and views on effective methods to promote cooperative water resources management and development. Stakeholders emphasized the need to use multiple entry points to effectively promote cooperation, and underlined the fact that RECs are the relevant institutions for anchoring concepts in region-wide policy and financial decision making, particularly when regional integration is the top-line goal, whereas RBOs have the mandate to work directly with line ministries to promote on-the-ground action. Stakeholders noted that different levels of scale would be applicable in a different context, suggesting that in some instances it might be more effective to work at a sub-basin scale, promoting initiatives between a sub-set of basin States. The Lesotho Highlands Water Project was offered as an example of a joint infrastructure project that has been implemented and operated by two of the four basin States. The CG recognized the need to operate within the established parameters of the overall basin-wide legal and institutional framework. The need for balance between institution building and advancing investment was also a major theme of the discussion, with multiple stakeholder organizations emphasizing that both components must be advanced simultaneously to ensure that water resources management and development are sustainable. Both the riparian countries and development partners expressed interest in institution building, along with the need for infrastructure development. The Group also encouraged support for information systems, as many riparians recognize the need for enhanced information systems that underpin improved water resources management, development, and disaster risk reduction. Stakeholders noted the importance of taking a multi-sectoral approach to water management, but emphasized that the water ministry is the key entry point at the national level for water resources management and development decision making. Participants

called for basin-to-basin knowledge exchange and additional analytical work to underpin the importance of cooperation.

Participants asked questions about the path forward for CIWA on several fronts. Notably, some organizations highlighted the potential limitations of the envisioned US\$200 million funding envelope envisioned for CIWA, given that CIWA is intended to support multiple engagements across Africa, and the NBTF focused solely on one basin with the same funding envelope. Others highlighted the need for coordination among complimentary programs and several organizations highlighted their interest in partnering with CIWA. Stakeholders from both riparian organizations and development partners stressed that co-financing from riparian countries—both for institution-building as well as for infrastructure investments—is a key element of maintaining sustainability of improved cooperative water resources management and development. The group discussed the role of the political track in promoting water resources management and development, and it was recognized that CIWA should maintain its focus on the development track.

Stakeholders stressed the importance of establishing a robust monitoring and evaluation approach to CIWA, which is vital to ensuring that funds committed to supporting international water management initiatives represent value for money for the contributors. This will be needed to attract new contributions and is a vital part of ensuring sustainability. Additionally, a well-designed and operated monitoring and evaluation framework can become an effective knowledge-sharing tool, allowing lessons learned from one region or basin to inform new projects.

## Major Activities Anticipated Next Year and Beyond

CIWA has developed a robust pipeline of projects and engagements that will continue or move to full-implementation in FY14 (Figure 1). The Nile engagement is well under way, with a grant signed with the NBI and implementation of the planned grants with NELSAP-CU and the NBD beginning shortly. Multiple engagements in Southern Africa are anticipated to move into full implementation in early FY14, including grant signing with ZAMCOM and ZRA and with the Government of Botswana on the Lesotho Highlands Water Transfer Study. CIWA also anticipates beginning implementation in the short term of a project designed to strengthen



**TABLE 7. Indicative Allocation of the Anticipated FY14 Pledge (US\$25 million)**

Basin/REC	Project Description	Indicative Allocation (US\$)
<b>Volta</b>	Volta Basin Support Program	\$500,000
<b>SADC</b>	Groundwater Management Program	\$2,300,000
<b>Niger</b>	Engagement with the Niger Basin Authority; Niger Basin Support Program Project preparation and supervision	\$10,000,000
<b>Sahel</b>	Enhancing Productive Uses of Water in the Sahel	\$2,000,000
<b>Nile<sup>7</sup></b>	Phase I—NBI/NELSAP	\$3,000,000
<b>Lake Chad</b>	Engagement with LCBC	\$2,000,000
<b>Africa-wide</b>	Catalytic Sub-Program	\$3,000,000
<b>Fees</b>	Administration Fee	\$500,000
<b>Fees</b>	Program Management Unit Fee	\$1,500,000
<b>Total</b>		<b>\$24,800,000</b>

<sup>7</sup> The \$3 million future allocation to Nile Phase I includes activities excluded from NCORE and NELSAP-CU projects due to funding limitations.

ECOWAS's capacity to facilitate cooperation on water resources management and development. CIWA has designed a program of engagement in the Volta Basin, including strengthening the ability of the VBA to convene and engender cooperation in the region, and CIWA anticipates moving the project through the concept note and appraisal process in mid-FY14. It also plans to begin work on the Catalytic Sub-Program in FY14 and will identify activities associated with the Knowledge Management/Capacity Building Window and the Opportunistic Window. Plans to complete the project appraisal cycle and to begin implementation on the engagement with SADC are contingent on the availability of funding.

CIWA anticipates receiving a new pledge of US\$25 million in FY14, bringing the total funding envelope to US\$71 million. Although new engagements and projects are subject to endorsement, CIWA has begun to plan new funding allocations, and indicative funding values are presented in Table 7. Upcoming plans

include beginning a new engagement in the Niger Basin, for which CIWA will develop a Justification Note and subsequent PCN in FY14. The primary focus of the Niger Basin engagement will be to facilitate cooperation around planned investments in the region and to support deeper incorporation of the important ongoing work on climate-resilient water resources management into the development planning that is already under way. In addition, CIWA will use a portion of the incoming pledge to fund the SADC GMP, which will improve cooperation around management of shared aquifers in water-stressed Southern Africa (engagement approved in May 2013). Finally, CIWA plans allocate funding to explore how productive uses of water can be enhanced in the Sahel, to support the Lake Chad Basin Commission (LCBC), to expand the Catalytic Sub-Program, and to fund the Volta Basin Support Program in complement to the VBA project funded with the current envelope (all future allocations are subject to consultation and endorsement).







## ANNEX 1

## PERFORMANCE MONITORING FRAMEWORK

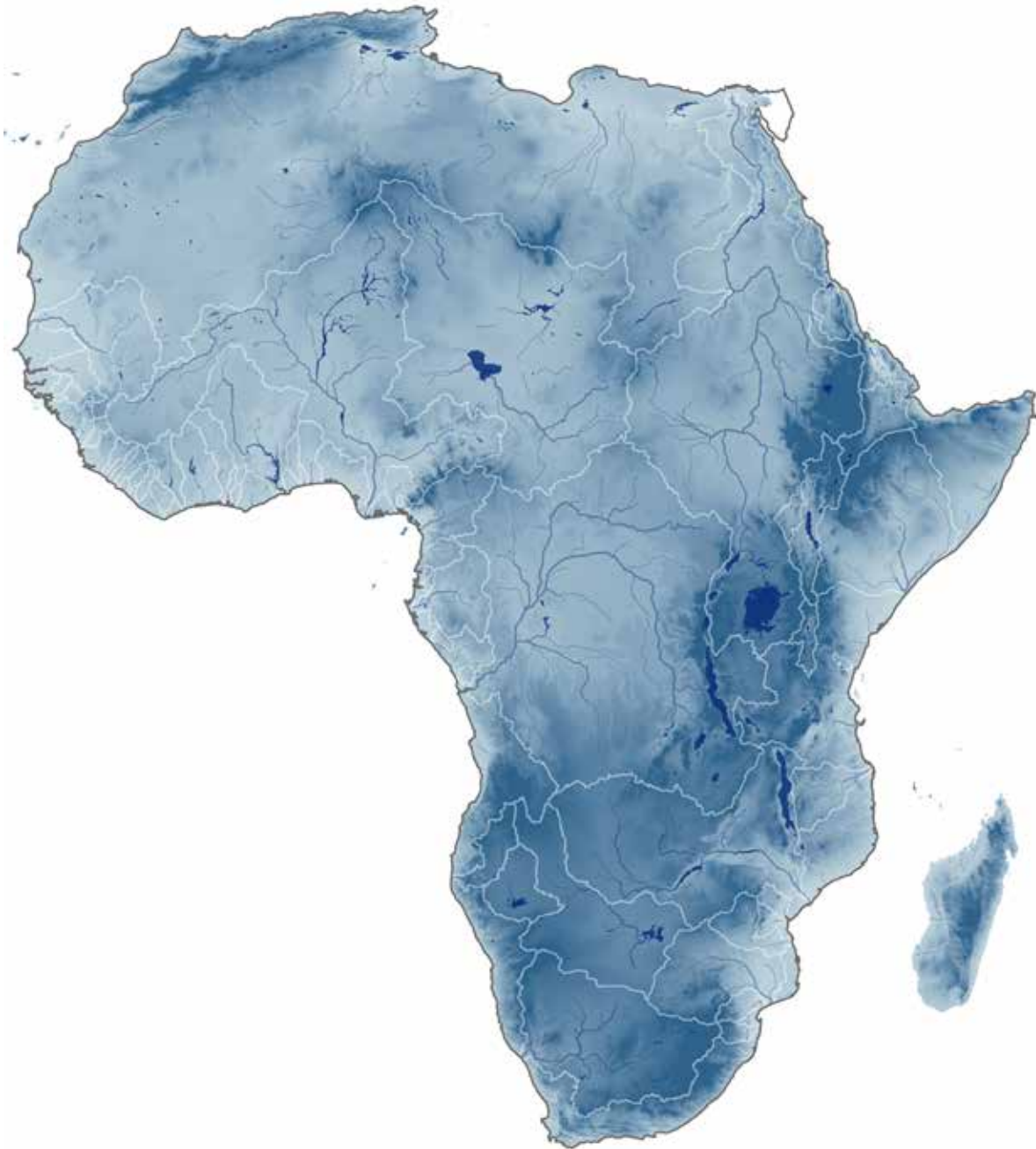
Indicator	Target FY12	Target FY13	Target FY14	Target FY15	Target 2020
<b>Program Development Objective:</b> Cooperative management and development of international water resources strengthened					
i) US\$ financing mobilized for cooperative management and development of international waters projects supported by CIWA  <b>Baseline:</b> \$0 billion (value of potential projects influenced by CIWA)	\$2 billion (value of potential projects influenced by CIWA)  <b>Achievement:</b> \$2.5 billion of potential investment influenced	US\$4 billion (value of potential projects influenced by CIWA)  <b>FY13 Achievement:</b> US\$4.02 billion of potential investment influenced	US\$6 billion (value of potential projects influenced by CIWA)	US\$8 billion (value of potential projects influenced by CIWA)	US\$10 billion mobilized for cooperative management and development of international waters projects
ii) Number of people directly benefiting from improved water resources management and development in target basins through projects supported by CIWA  <b>Baseline:</b> 0 people directly benefiting	3 million (potential direct beneficiaries of projects influenced by CIWA)  <b>Achievement:</b> 6 million potential direct beneficiaries	6 million (potential direct beneficiaries of projects influenced by CIWA)  <b>FY13 Achievement:</b> 13.2 million potential direct beneficiaries	8 million (potential direct beneficiaries of projects influenced by CIWA)	10 million people directly benefiting from improved water resources management and development projects	50 million people directly benefiting from improved water resources management and development projects
<b>Intermediate Result 1.</b> Regional cooperation and integration strengthened					
Number of transboundary basin institutions strengthened to improve regional cooperation based on progress, as defined in the CSP  <b>Baseline:</b> 0 basin institutions strengthened	2 project design outlines completed for projects that aim to strengthen regional cooperation and integration  <b>Achievement:</b> 2 relevant project design outlines completed	i) 3 basins with programs and CSPs designed  <b>FY13 Achievement:</b> 3 basins with programs and CSPs designed  ii) 3 basin institutions with projects in operation that contribute to strengthening regional cooperation and integration  <b>FY13 Achievement:</b> 3 basin institutions have contributing projects in operation	4 basins/RECs with programs and CSPs designed  4 basin institutions with projects in operation with at least 3 rated moderately satisfactory (MS) or higher	5 basins/RECs with programs and CSPs designed  5 basin institutions with projects in operation with at least 3 rated MS or higher	5 basins have strengthened regional cooperation and integration as defined in the CSP

(continued)

Indicator	Target FY12	Target FY13	Target FY14	Target FY15	Target 2020
<b>Intermediate Result 2. Water resources management strengthened</b>					
Number of basin institutions with improved analytic tools, data (including real-time monitoring systems) and capacity based on progress, as defined in the CSP  <b>Baseline:</b> 0 basin institutions with improved tools, data, and capacity	2 project design outlines completed for projects that aim to strengthen water resources management  <b>FY12 Achievement:</b> 2 relevant project design outlines completed	i) 3 basins with programs and CSPs designed  <b>FY13 Achievement:</b> 3 basins with programs and CSPs designed  ii) 3 basin institutions with projects in operation that contribute to strengthening water resources management  <b>FY13 Achievement:</b> 3 basin institutions have contributing projects in operation	4 basins/RECs with programs and CSPs designed  4 basin institutions with projects in operation with at least 3 rated MS or higher	5 basins/RECs with programs and CSPs designed  5 basin institutions with projects in operation with at least 3 rated MS or higher	5 basins with improved analytic tools, data (including real-time monitoring systems) and capacity based on progress, as defined in the CSP
<b>Intermediate Result 3. Water resources development strengthened</b>					
Number of investment opportunities with regional benefits that have been advanced through CIWA support  <b>Baseline:</b> 0 investment opportunities with regional benefits advanced by CIWA	2 project design outlines completed for projects that aim to strengthen water resources development  <b>FY12 Achievement:</b> 2 relevant project design outlines completed	2 basin institutions with projects in operation  <b>FY13 Achievement:</b> 2 basin institutions have contributing projects in operation	2 investment opportunities advanced at least one stage	4 investment opportunities advanced at least one stage	10 investment opportunities with regional benefits that have been advanced through CIWA support
<b>Intermediate Result 4. Stakeholder engagement and coordination strengthened</b>					
Number of basins with improved engagement with civil society, private sector, and academia, based on progress as defined in the CSP  <b>Baseline:</b> 0 basins with improved engagement	2 project design outlines completed for projects that aim to strengthen stakeholder engagement and coordination  <b>FY12 Achievement:</b> 2 relevant project design outlines completed	i) 3 basins with programs and CSPs designed  <b>FY13 Achievement:</b> 3 basins with programs and CSPs designed  ii) 3 basin institutions with projects in operation that contribute to strengthening stakeholder engagement and coordination  <b>FY13 Achievement:</b> 3 basin institutions have contributing projects in operation	4 basins/RECs with programs and CSPs designed  4 basin institutions with projects in operation with at least 3 rated MS or higher	5 basins/RECs with programs and CSPs designed  5 basin institutions with projects in operation with at least 3 rated MS or higher	5 basins with improved engagement with civil society, private sector, and academia, based on progress as defined in the CSP

## ANNEX 2

## MAP OF BASINS IN SUB-SAHARAN AFRICA







## ANNEX 3

# MAJOR LESSONS FROM NBTF INCORPORATED INTO CIWA'S DESIGN

The joint partner engagement around the Nile Basin Trust Fund (NBTF) has generated a number of lessons that are beneficial for the CIWA program. CIWA aims to capitalize on these lessons in its work throughout the continent. NBTF successes include deepened and sustained donor partnerships, the ability to develop and work towards a larger strategic vision while reducing individual risk, and reduced transaction costs for both riparians and individual donors. The NBTF has made gains in cooperative management and development of water resources because it was able to work programmatically to achieve tangible benefits.

The NBTF experience has underscored the importance of flexibility in support, as the needs and requests of stakeholders evolve over time. CIWA recognizes that the context and requirements of each river basin are different and has accordingly designed its engagement based primarily on long-term strategic planning for each basin, while maintaining the possibility of implementing discrete activities in additional basins when these are considered to be strategic and beneficial.

The NBTF has demonstrated that analytical work supporting processes to increase cooperation can help in targeting and maximizing the effectiveness of

investments, as well as advance regional investments that would, without cooperation, be impossible to undertake. CIWA has assimilated this lesson and will ensure, going forward, that each major basin engagement has an accompanying analytic component that provides an appropriate level of support.

Communication, a critical component of NBTF engagement, can be further strengthened. To this end, CIWA will work to efficiently and effectively communicate both with its clients and its development partners (DPs) (both CIWA donors and non-CIWA donors). Reporting on the results of the NBTF could have been much stronger if a results framework had been agreed upon at the outset, including baselines against which progress could be measured. The CIWA program is placing increased emphasis on this area.

The findings of the NBTF Independent Evaluation (NBTF IE) are summarized here, along with a brief description of how these lessons have been and will continue to be incorporated into CIWA. The findings are grouped into five main areas in the table below: scope, institutional arrangements, program and project management, coordination and relationship building, and communication.

NBTF IE FINDING	CIWA LESSON INCORPORATION
<b>Scope</b>	
<b>Overall.</b> The NBTF portfolio of projects was deemed relevant to the NBI's objectives. CIWA plans to maintain the basin-driven model of engagement, to ensure that projects and activities undertaken by CIWA align with RBO, riparian States' and other stakeholders' priorities, including existing riparian strategic plans. Each basin will have its own portfolio of recipient-executed projects within an overall plan for engagement in the basin.	
While advances may be possible at the regional level, these do not necessarily translate into changes at the national level in multi-national programs such as the NBI. Although several riparian countries have developed national water policies during the implementation of NBTF-funded projects (some with an IWRM-approach), it remains unclear to what extent this has resulted in changes to national-level water sector developments.	<ul style="list-style-type: none"> <li>When working with stakeholders to determine the interventions required to motivate cooperative water resources management in a given basin, CIWA will evaluate regional vs. national needs and, where relevant, will work to integrate these needs at the appropriate level.</li> <li>CIWA is strategic in its focus, packaging water resources management and development activities together, to increase the uptake of valuable water resource management principles where they apply.</li> </ul>



## NBTF IE FINDING

The Shared Vision Program (SVP) projects made a tangible contribution to increased levels of trust and capacity in the basin—not only between the riparian States, but also between various economic sectors, such as agriculture, energy, environment, and national planning. However, by the closure of the program there was a risk that some of these advances would be lost with the lack of continuity in some SVP networks.

## Institutional Arrangements

**Overall:** The NBTF Independent Evaluation found that multi-donor trust funds are very useful and are probably the most—if not the only—suitable instrument for programs such as the NBI's. Because of this advantage, CIWA is modeled after the NBTF and will expand results outside of the Nile Basin. In line with the Independent Evaluation finding, CIWA will maintain flexibility in funding instruments and requires well-developed cooperation between DPs and the trustee. CIWA has learned many lessons from the NBTF and has incorporated the following measures to ensure that the program retains its flexibility and that the results are sustainable.

Many NBTF projects lacked a developed exit strategy with a clear division of responsibilities for follow-up at regional as well as national levels. A clearer process of securing the intangible advances made through such a program needs to be incorporated from its outset. A clearer exit strategy should have been developed and the possibility of continuing with some activities considered.

In a tense hydro-political context, it is important to balance national interests with regional interests and to realize that cooperation will only be pursued to the extent that it is perceived to meet national interests. For riparian countries, this implies building trust to enable countries to collaborate on institutional development and joint projects, working towards the achievement of a common vision in which the interests of all are advanced. For DPs, this means

## CIWA LESSON INCORPORATION

- In parallel to CIWA, several Bank programs at the national level will support riparian efforts to build capacity for water resources management, and will encourage other DPs to do the same.
  - Involvement of key stakeholders from relevant ministries is a requirement for CIWA support.
  - CIWA political economy analysis of possible opportunities on the development track, as well as risk analysis at the project level, will assess whether there are relevant incentives (including focus on results and growth) at the national level to allow for the increased and continued strategic engagement of stakeholders, where necessary. CIWA will not engage in cases where there is not reasonable incentive to keep all needed parties involved.
  - CIWA will also seek to engage with institutions that already have agreed plans in place with buy-in and validation of plans by Ministries of Planning and Finance, as well as the capacity to foster future commitment.
- 
- CIWA has learned many lessons from NBTF and has incorporated the following measures to ensure that the program results are sustainable:
    - i. Exit strategy is viewed as a key element in assessing basin engagement and in appraising projects, and is a focus of the CIWA project application process.
    - ii. Increased focus on targeted stakeholder engagement beyond the Ministries of Water will ensure increased concept uptake and validation of cooperative solutions.
    - iii. Phased engagement in CIWA priority basins that takes into account progress and opportunity and allows for the realignment of CIWA's efforts to adapt as needed to maintain the relevance of support.
  - CIWA is intended to catalyze investments but not as a means of providing support to the long-term investments directly.
  - CIWA justification notes and project concept notes must clearly define an exit strategy and outline a clear division of responsibilities for follow-up to ensure impact sustainability.
- 
- CIWA will concentrate its efforts on the development track to unlock the potential for growth through water resources management and building climate resilience.
  - Analysis of basin political economy (on the development track) will help the CIWA program focus on the strategic development interventions that can advance, given the existing political environment.
  - CIWA plans to communicate with partners involved in other tracks of engagement, to ensure that its work complements other parallel efforts, where possible, and does not undermine it.



## NBTF IE FINDING

supporting the riparian process (technically, financially, and politically, as needed) with the aim of providing a suitable enabling environment.

The governance relationships between the NBI centers were not clearly defined, leading to differences in important respects across the three centers. Although the ISP sought to resolve the governance issues of the NBI, it came late in the process. It would be advisable to include specific actions to clearly outline the governance framework early in the process. For riparian countries, this would mean a greater commitment to gaining legal recognition for regional institutions.

The composition of full members of the NBTF Committee was unbalanced in favor of the DPs, including the World Bank. While it is understood that trust fund management must meet the multiple fiduciary requirements of the different donors and the World Bank, a mechanism should be developed that provides riparian countries with greater opportunities for engagement.

The NBTF Committee operates in accordance with its rules of procedure, as stated in the original Trust Fund Agreement. These rules were changed in 2007 to better handle an increasing need to be stricter in its selection of projects slated for support and to be flexible in disbursing funds to projects that develop at differing paces. The rather slow process of deciding on new projects and re-allocations within the NBTF was amended, allowing decisions to be made by email

## CIWA LESSON INCORPORATION

- CIWA will maintain the flexibility to ensure that implementation design incorporates and takes legal and other basin-specific bottlenecks into account.
- Appraisal of possible CIWA projects will include an analysis of existing governance and institutional structures.
- The NBTF's structure was designed for riparian ownership and leadership. All decisions were made by the Nile Council of Ministers, not by DPs. CIWA has consulted with stakeholders to better understand why the NBTF decision mechanism gave the perception of DP/Bank ownership and drew two conclusions: i) Bank staff quality control on NBTF activities gave the impression of Bank micromanagement/ownership; ii) insufficient communication between the technical and political tracks caused misunderstandings about NBTF decision making authority.
- At the program level, CIWA has developed several mechanisms for communication with stakeholders, including African institutions and riparians, to ensure inclusiveness and joint-planning of CIWA at a programmatic and basin-activity level.
  - i. The Consultative Group is comprised of a broad range of international waters stakeholders—dominated by African institutions—and brings broad expertise and knowledge to CIWA; though it provides strategic guidance, it is not a decision-making body.
  - ii. The Basin Steering Committees of CIWA have been designed to increase riparian involvement in basin-level governance. They provide guidance and oversight of CIWA's projects within a participating basin and discuss coordination of CIWA activities with others in the basin. The membership of these committees is defined at the basin level, to best suit the individual needs of each basin and those of its CIWA program.
- At the project level, CIWA has a strong focus on stakeholder participation (as one of the four pillars of engagement); where appropriate, it will support measures to increase riparian involvement through the projects themselves.
- CIWA also has numerous decision points and processing steps and faces a similar risk that a complicated decision structure will delay implementation.
- CIWA must ensure flexibility to expand projects that are disbursing efficiently and reduce engagement on those activities moving at a slower pace.
- CIWA also anticipates that developing a Strategic Framework that outlines anticipated major basin engagements will facilitate future planning and implementation.

## NBTF IE FINDING

and authorizing the World Bank to approve supplementary funding or re-allocations below US\$1 million.

### Program and Project Management

**Overall:** NBTF efficiency was deemed moderately satisfactory. A full portfolio of projects was implemented within budget and the NBTF structure was kept simple with low transaction costs. CIWA is also working to maintain a simple management structure and to operate with low transaction costs, ensuring value for money. Further, CIWA is striving to maintain a results focus that is outlined in a programmatic framework with clear annual targets in relation to which it will report regularly.

A key recommendation for a future trust fund would be to undertake a comprehensive assessment of the baseline situation, incorporating all relevant risk factors and designing the program to mitigate or avoid these risks. Systematic monitoring and evaluation of progress against established criteria from this baseline situation also needs to be improved.

There was a perception among riparian staff of NBI that the World Bank would micro-manage their operations, particularly with respect to procurement processes.

Although receiving funds from a single source instead of from multiple donors through a multi-donor instrument no doubt reduced the overall administrative burden, greater support in the form of training and capacity building could have been provided to enable the NBI to meet requirements. Contributing DPs (including the World Bank) should harmonize reporting systems in line with the Paris agenda and avoid attaching excessive bureaucratic burdens on the riparian countries.

While there is appreciation of the fact that the entire approach for the implementation of SVPs and SAPs was inclusive of gender analysis and other aspects, a minority of respondents expressed concern that gender issues had not been raised in the development agenda, as they would have desired. Thus, while gender concerns have been incorporated on a project level, there is less evidence of them being incorporated at a systematic level throughout the NBI's full cycle of operations.

## CIWA LESSON INCORPORATION

- After agreement is reached on the Strategic Framework, CIWA may propose virtual decision meetings on specific projects, in addition to the annual Advisory Committee meetings, to speed implementation.

- CIWA is revising its results framework to aggregate basin-level activities at the program level. A baseline assessment will be part of the revised results framework and CIWA will systematically monitor and evaluate progress against it.

- CIWA will develop and use the capacity of implementing institutions to carry out implementation. Depending on the capacity of the different RBOs/RECs, CIWA may release part of the reporting/ supervision burden and focus more on the weaker organizations.
- The IE noted that most riparians appreciated the fiduciary rigor that the World Bank provided.
- The importance of maintaining the rigor will be clearly communicated to implementers and other stakeholders.
- CIWA has been designed to include regular reviews that include the riparians and the Bank at the basin and project levels, to review and address any issues that may emerge in a timely manner.

- CIWA will seek to reduce the bureaucratic burden on implementing agencies but must maintain the World Bank's rigorous oversight standards.

- CIWA is taking a formalized approach to gender mainstreaming and integration. The programmatic results framework is being revised to include an indicator that better reflects the program's efforts on gender.
- Many projects also set targets and track the gender of those involved in the project where possible, as well as in terms of how gender is addressed in project outcomes; project teams will continue to enhance this practice.

NBTF IE FINDING	CIWA LESSON INCORPORATION
<b>Coordination and Relationship Building</b>	
<p>The co-financing structure between funding from the NBTF and bilateral funding—as in the case of funding of the Mara, Kagera, and Sio-Malaba-Malakisi RBM-projects—has been considered an advantage. However, in some of the projects that are financed both under the NBTF and bilaterally, the different reporting systems complicated delivery, particularly where the bilateral reporting systems tended to be much more flexible than that of the World Bank-managed NBTF.</p>	<ul style="list-style-type: none"> <li>• CIWA recognizes that outside funding can be positive if it respects established international practices in international waters cooperation and management (i.e., principles of prior notification and information sharing).</li> <li>• CIWA also recognizes the IE finding that parallel funding can be a valuable complement to a pooled MDTF, as it allows additional flexibility for just-in-time support and offers opportunities to leverage resources.</li> <li>• CIWA plans to closely coordinate/cooperate with non-CIWA DPs active in CIWA basin countries and basin-level donor coordination committees. Each CIWA Basin Steering Committee will determine the best coordination methods in each basin.</li> <li>• CIWA will continue to request that its DPs actively facilitate dialogue that advances cooperation both among CIWA and non-CIWA funding sources.</li> </ul>
<p>The “free-rider problem,” where one party is not committed to the process but still derives benefits from it, is always difficult to deal with. The only possible approach is for all riparian countries and DPs to demonstrate the real value of cooperation to incentivize commitment, which in reality can prove difficult.</p>	<ul style="list-style-type: none"> <li>• Enhanced political economy analysis of management and development opportunities at the basin level will help the CIWA program to identify and avoid free-rider situations, where possible.</li> <li>• At the basin level, CIWA seeks to fund activities that balance national and regional interests. CIWA recognizes that cooperation will only be pursued to the extent that it is perceived to meet national interests.</li> <li>• All of CIWA's activities will seek, to the extent possible, to identify and support win-win options for upstream and downstream riparians and to demonstrate real value added through cooperation. This will take many different forms, depending on a basin's specific situation.</li> <li>• CIWA is supporting and may choose to support future opportunities at the sub-basin level, as they arise.</li> </ul>
<p>The momentum built up for sustaining the NBI basin-wide cooperation process was rated as moderately unsatisfactory, with country contributions to cover all the core costs only recently starting to rise. However, there is evidence that political deadlock can result in States withholding funding until recently, as in the case of ENTRO. Without an inclusive permanent mechanism for basin-wide cooperation, there is a real risk that the development outcomes of the projects supported under the NBTF will not be sustained.</p>	<ul style="list-style-type: none"> <li>• At the basin level, CIWA is supporting stakeholder outreach and partner engagement, to build support for riparian investment and ownership throughout the program's lifecycle.</li> <li>• Engagement will be informed by an assessment of the political economy of development in each basin.</li> <li>• The sequencing of projects will outline clearly how operating across the CIWA value chains will ultimately lead to results in the basin.</li> <li>• Operational risk assessments are now conducted for all World Bank projects and include an assessment of risks to sustainability, as well as mitigation measures.</li> </ul>
<b>Communication</b>	
<p>The initial idea adopted by the countries (and supported by the NBTF partners) of separating the political and technical tracks was the best solution at the time, taking into account the old grievances and mistrust between the countries. But it did not come without political risks, given that, sooner or later, the two processes would intersect and could cause major disturbances to NBI activities. This became a</p>	<ul style="list-style-type: none"> <li>• CIWA will concentrate its efforts on the development track to unlock the potential for growth through IWRM and building climate resilience.</li> <li>• CIWA will coordinate its efforts with those working in other tracks, to ensure that they are not working at cross purposes.</li> </ul>



## NBTF IE FINDING

challenge to the NBTF partners; taking a position was considered to be political interference, but not taking one could also have severe implications.

High expectations of delivery are always risky, as the process may lose support if those expectations are not met. In a situation where cooperation over transboundary water resources is already tense, such expectations should be lowered—both by riparian countries and development partners—until a solid foundation for cooperation has been built.

The projects in the NBTF portfolio were a mix of confidence-building measures, water resources management projects, and the preparation of infrastructure development projects. The strategic linkages between these types of projects were not always recognized by riparians, resulting in a tendency to regard confidence-building activities as less important than “real development projects.”

## CIWA LESSON INCORPORATION

- CIWA will strive to ensure that communication with clients and partners stresses appropriate timeframes and sets up realistic expectations.
- CIWA will seek to balance the need to build a solid foundation for management and development with the need for tangible results on the ground (through development) by supporting both aspects, where needed.
- CIWA is developing a CIWA Value Chain model that will be used to describe an indicative path towards cooperation. The Value Chain model will describe activities that will move riparians towards exploration of multilateral agreements by helping them to identify opportunities and realize increased benefits from cooperation. It will also outline steps they can take towards cooperative development, once they agree to pursue multilateral development.
- CIWA will ensure that interventions are specifically targeted to address basin-specific bottlenecks.
- CIWA will work to clearly communicate the importance of the progression between confidence-building measures, water resources management projects, and the preparation of infrastructure development projects.