
INDEPENDENT EVALUATION OF THE NILE BASIN TRUST FUND (NBTF)

Final Report

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Client

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Foreword

The Stockholm International Water Institute (SIWI) was contracted by the World Bank to perform this Independent Evaluation of the Nile Basin Trust Fund (NBTF). While the World Bank was SIWI's client for the assignment, we firmly believe that the beneficiaries extend to the Development Partners of the NBTF (and the constituencies they represent), the citizens of the Nile River riparian states; as well as citizens of other countries sharing international watercourses, which may benefit from the lessons identified in this report.

Transboundary water management is a long-term and at times, slow, process; to be expected given the large number of interests and actors involved. SIWI's vision is for a "Water Wise World", something we recognise will take concerted effort from a wide range of actors over a considerable time period to achieve. The challenges are legion; however as this evaluation report demonstrates it is possible to have an impact on seemingly intractable situations. By looking back and taking stock of the journey so far we are able to contribute to improved development outcomes for the future; in the Nile River basin, other watercourses (ground and surface) in Africa, as well as globally.

SIWI would like to thank the staff of the World Bank who provided time and support to this evaluation. This they did in a spirit of openness and transparency; seeking to understand where their actions made a positive impact; as well as being eager to learn where improvements could be made. Throughout the process of this evaluation the SIWI team was reminded by the World Bank that the report should truly be independent; shining an enquiring light on all recesses of the ten-year programme.

SIWI also thanks the more than 140 respondents and interviewees who contributed to this evaluation – some representing other Development Partners, but the bulk coming from the riparian states. We were struck by the high level of commitment and professionalism we encountered in our dealings with NBI and affiliated staff across the basin. If anything, this is a true indicator of what the NBTF effort has leveraged over the past decade, something we hope will be built on for the benefit of all the citizens of the Nile River basin.

I would also like to thank my team members for their skill and devotion in performing this complex assignment, as well as the inputs of a reviewer who possesses great experience and wisdom.

Anton Earle

Team Leader of NBTF Independent Evaluation

Stockholm International Water Institute

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LIST OF ACRONYMS

Acronyms

AfDB African Development Bank

ATP Applied Training Project

AU African Union

BRIC Brazil, Russia, India, China

BSF Benefit Sharing Framework

CBSI Confidence Building and Stakeholder Involvement Project

CFA Cooperative Framework Agreement

CIDA Canadian International Development Agency

CIWA Cooperation in International Waters of Africa

DANIDA Danish International Development Agency

DFID Department for International Development

DSS Decision Support System

EAC East African Community

EAPM Eastern African Power Market

EAPP East African Power Pool

EC European Commission

EIA Environmental Impact Assessment

EN Eastern Nile

ENCOM Eastern Nile Council of Ministers

ENPM Eastern Nile Planning Model

ENSAP Eastern Nile Subsidiary Action Program

ENTRO Eastern Nile Technical Regional Office

ESMF Environment and Social Management Framework

EWUAP Efficient Water Use for Agricultural Production

FAO Food and Agriculture Organization

GA Grant Agreement

GEF Global Environment Facility

GTZ German Agency for Technical Cooperation

GIZ German Agency for International Cooperation

HYDROMET Hydro metrological Survey of the Catchments of Lakes Victoria, Kyoga and Albert

IBRD International Bank for Reconstruction and Development

ICCON International Consortium for Cooperation on the Nile

ICRR Implementation Completion and Results Report

IDA International Development Association

IDS Institutional Design Study

IEG Independent Evaluation Group, the World Bank

IGAD Intergovernmental Authority on Development

ISP Institutional Strengthening Project

ISR Implementation Status Report

IWMI International Water Management Institute

IWRM Integrated Water Resources Management

JMP Joint Multipurpose Program

LVBC Lake Victoria Basin Commission

LVEMP Lake Victoria Environmental Management Project

M&E Monitoring and Evaluation

MDG Millennium Development Goals

MENA Middle East and North Africa

MDTF Multi-Donor Trust Fund

MRC Mekong River Commission

MSA Management Service Agreement

MTR Mid-Term Review

NBI Nile Basin Initiative

NBD Nile Basin Discourse

NBI-ISP Nile Basin Initiative Institutional Strengthening Project

NBD Nile Basin Discourse

NBDF Nile Basin Development Forum

NBSF Nile Basin Sustainability Framework

NBTF Nile Basin Trust Fund

NBTF-C Nile Basin Trust Fund Committee

NBUF Nile Basin University Forum

NEL Nile Equatorial Lakes

NELCOM Nile Equatorial Lakes Council of Ministers

NELSAP Nile Equatorial Lakes Subsidiary Action Program

NELSAP-CU Nile Equatorial Lakes Subsidiary Action Program Coordination Unit

NELTAC Nile Equatorial Lakes Technical Advisory Committee

NGO Non-Governmental Organization

Nile-COM Nile Council of Ministers

Nile-IS Nile Information System

Nile-TAC Nile Basin Initiative Technical Advisory Committee

Nile-SEC Nile Basin Initiative Secretariat

NORAD Norwegian Agency for Development Cooperation

NPCs National Project Coordinators

NRM&D Natural Resources Management and Development

NRBAP Nile River Basin Action Plan

NTEAP Nile Trans-boundary Environmental Action Program

PAD Project Appraisal Document

PD&T Power Development and Trade

PI Participating Institution

PICRR Programmatic Implementation Completion and Results Report

PM Project Manager

PMU Project Management Unit

PPM Project Planning and Management

PPP Public-Private Partnership

PRSP Poverty Reduction Strategy Paper

PSC Project Steering Committee

PTC Power Technical Committee

RATP Regional Agriculture Trade and Productivity Project

RBM&D River Basin Management and Development

RBO River Basin Organization

RBS Results Based System

RPM Regional Project Manager

RPT Regional Power Trade

RRFP Regional Rusumo Falls Hydroelectric and Multipurpose Project

SADC Southern African Development Community

SAP Subsidiary Action Program

SDBS Socioeconomic Development and Benefit Sharing Project

Sida Swedish International Development Agency

SSEA Strategic/Sectoral Social and Environmental Assessment

SVP Shared Vision Program

SVP-CP Shared Vision Program Coordination Project

TDA Trans-boundary Diagnostic Analysis

TECCONILE Technical Cooperation Committee for the Promotion of the Development and Environmental Protection of the Nile Basin

TOR Terms of Reference

UNDP United Nations Development Program

UNOPS United Nations Office of Project Services

USAID United States Agency for International Development

WRPM Water Resources Planning and Management

EXECUTIVE SUMMARY

Stockholm International Water Institute was contracted by the World Bank in August 2012 to undertake an Independent Evaluation of the Nile Basin Trust Fund (NBTF). The purpose of the evaluation is to identify lessons learned and to help the World Bank and NBTF partners improve the overall performance of future engagement with the NBI and other similar River Basin Organizations.

The overall purpose of the NBTF was to assist in the preparation and/or implementation of the NBI Strategic Action Program comprised of the Shared Vision Programme (SVP) and the two Subsidiary Action Programmes (SAPs). In addition funding was provided to the Institutional Strengthening Project (ISP), building on the results of the SVP. Over the NBTF period from January 2003 to December 2012, the ten participating development partners pledged and provided USD 191.74 million to the NBI.

A result framework helps measure progress towards strategic objectives as well as to achieve them, but in the case of the NBTF there is no over-all results framework. Thus the Independent Evaluation Team (IE-Team) has based the evaluation on progress made towards reaching the objectives of the Strategic Action Programme compared with the baseline period of 1999 to 2003. A wide range of literature related to both the projects funded under the NBTF and the management of the program has been consulted. This has been supplemented through other literature sources and over a hundred stakeholder interviews in the riparian countries as well as internationally.

As can be expected, the amount of data emerging after a ten year programme involving ten development partners, ten riparian countries and hundreds of stakeholders and implementation staff, is vast and potentially overwhelming. From all of this information a key task of the IE-Team has been to identify the main lessons arising from the program. In this regard three overarching features of the NBTF process can be identified:

1. *Basinwide cooperation is risky, funding basinwide cooperation is risky; and choosing to manage the funding through a multi-donor trust fund was risky.* For riparian countries to choose to cooperate on a multi-lateral level the perceived benefits associated with cooperation need to outweigh the perceived risks. Thus the fact that the riparian countries committed themselves to a multi-lateral cooperative process by forming the NBI in 1999 is of great significance as there were a range of risk factors present, both for the countries as well as for the policy-makers representing them. The Nile riparians, by embarking on the NBI process, chose to take this risk and transform it into an opportunity. The other side of the risk equation involved the cooperating partners who chose to support the NBI process. Committing to supporting cooperation across the Nile basin held a distinct possibility of failure – the riparian countries could have chosen to leave the process at any time due to a range of internal and/or external pressures. This would have resulted in a loss of investment and credibility for the partners, but more importantly it would have proved a set-back to supporting multi-country cooperative processes in politically complex environments. In 2003, there was little precedent for working on basin-wide water management through a multi-country, multi-partner, multi-sector trust fund mechanism such as the NBTF. The internal complexity and potential for conflict in operating the NBTF could have caused it to collapse or for it to be regarded as irrelevant and consequently being side-lined.
2. *Choosing to support basinwide cooperation through a multi-donor trust fund showed great vision.* Given the risks identified above it was a bold decision of the development partners to choose to support the basinwide cooperation process. By choosing to manage this support through a multi-party trust fund, the development partners themselves were creating the potential to model cooperation in action – demonstrating the potential benefits to be derived from cooperation. These potential benefits accrued to the riparian states through not having to

deal with a large number of development partners separately which would have considerably increased the transaction costs. The actual process of basinwide cooperation also benefitted from a coordinated approach where actions sought to build on and strengthen each other. Finally, the development partners stood to benefit through the simplification of development finance disbursements.

3. *A great vision, implemented in the context of considerable challenges, but leading to multiple important positive impacts.* If the development partners were bold in having the vision to support the basinwide cooperation process while modelling good cooperation amongst them, the reality of implementation highlights the associated challenges. Differences of opinion and differences of objectives amongst the development partners in the NBTF would at times become prominent. Likewise the relations with development partners outside the NBTF, while generally good, was at times strained. The same could be said for the relations between the NBTF partners (represented by the World Bank) and the riparian countries (represented by the various governance structures of NBI). Challenges emerged in the three key areas of political economy of the Nile region; the NBTF portfolio; and the implementation of an IWRM approach across the whole basin and in the riparian countries. These challenges necessitated changes and restructuring of some of the operations of the NBTF and some aspects (such as the assertion by riparian representatives that the World Bank tended to micro-manage the process) were never resolved adequately. However, after ten years of operation it is evident that the situation in the basin today is a great improvement on both the degree of cooperation as well as the quality of cooperation. Today disagreements still exist but the bellicose tone has morphed into a discourse built on mutual trust. The discussion has changed from questioning whether a cooperative approach should be pursued to working together on how cooperation can be pursued and whether the ‘perceived benefits’ will result in ‘tangible benefits’. The reduced level of risk associated with a basinwide management approach has translated into an environment attractive to investments in water and related infrastructure in the basin – evidenced by the over 1.3 billion USD of investments now associated with the SAPs.

To summarise, in the opinion of the IE-Team the NBTF and the basinwide cooperation approach was at first laden with risks, but showed great shared vision in its design and, whilst there were challenges during implementation, led to an improved regional situation compared to the baseline a decade ago. As the counter-factual analysis shows there were no viable alternative approaches at the time which were likely to deliver the same benefits as the NBTF did. However, lessons can be learned from the way it was conceived, designed and operated, providing valuable insights for future arrangements such as this.

According to the findings of the IE-Team, the NBTF and its management by the World Bank is assessed as:

- *Highly appropriate* as a funding mechanism for funding the NBI Strategic Action Program formulated by the riparian states themselves and endorsed by the Nile-COM. The approach increased development partner harmonisation in the basin, provided the necessary fiduciary assurances and was successful in attracting funding to the basin over its ten year existence.
- The NBTF portfolio of projects was *relevant* to the objectives of the NBI, being developed in response to the projects proposed by countries in the Strategic Action Programme. The World Bank was active in the discussions on the programme but mainly assisted in putting proposals into a form that could be accepted for funding by the World Bank Board.
- The NBTF has been *moderately effective* in achieving the objectives of the Strategic Action Programme. Much of the portfolio of NBTF projects was concerned with laying the foundations for improved trust, cooperation and capacity in the basin – with action on the ground nascent. Development partners pledged over 191 million USD to support these projects over ten years of operation. In addition over 1.3 billion USD has been attracted as investments to the SAPs – the groundwork for which was largely laid through the NBTF portfolio of projects.

- The NBTFs *efficiency is moderately satisfactory*, as it managed to get the full portfolio of projects implemented within budget – although some were delayed. The management structure of the NBTF was kept simple and generally operated with low transaction costs. Exceptions to this would be the use of UNOPS as an implementing agency, which was ill-suited to the role required of it, and a perception amongst riparian staff of NBI that the World Bank would micro-manage their operations – particularly with respects to procurement processes.
- The NBTF *impact is moderately satisfactory* as recently there have been tangible steps taken towards the development of water resources and related infrastructure through the NBI process, but there is a sense amongst stakeholders that this has taken longer than what was expected. Compared with the baseline period there has been great progress towards all five of the objectives of the Strategic Action Programme. The NBI as an institution is significantly strengthened, even in the face of political challenges such as those surrounding the CFA.
- The momentum built up for sustaining the NBI basinwide cooperation process is considered by the IE-Team as *moderately un-satisfactory* with country contributions to cover all the core costs only starting to rise as a recent development. However there is evidence that political deadlock can result in states withholding funding such as the situation in ENTRO until recently. Without an inclusive permanent mechanism for basinwide cooperation there is a real risk that the development outcomes of the projects supported under the NBTF will not be sustained.

The IE-Team provides the following lessons learned from the NBTF experience:

Lessons learned from Political Economy and its links to NBTF

The following lessons have been identified that would be important to consider in future transboundary trust fund development:

1. In a tense hydro-political context it is important to balance national interests with regional interests and to realise that cooperation will only be pursued to the extent that it is perceived to meet national interests. For the riparian countries this implies the building of trust to enable countries to collaborate over institutional development and joint projects, working towards the achievement of a common vision in which the interests of all are advanced. For the development partners this means supporting the riparian process (technically, financially and politically as needed) with the aim of providing a suitable enabling environment.
2. Risks associated with pursuing a basinwide approach need to be mitigated by identifying win-win options for upstream and downstream riparian countries. It is also important that development partners support the development of win-win options.
3. Where legal agreements are the cause of contention between riparian countries, great care is needed by all parties to ensure that cooperative activities which are not contingent upon such agreements are not jeopardised.
4. 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 as well as development partners to demonstrate the real value of cooperation to incentivise commitment, which in reality can prove difficult.
5. 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.
6. The simultaneous implementation of NBI and non-NBI projects for the development of the Nile water resources has occurred. These projects, in the IE-team’s opinion, should be considered positively if they respect established international practices in international waters cooperation

and management such as the principle of prior notification and the sharing of information. To reach a successful outcome it is important that such projects not only have clear benefits for the riparian countries concerned but that they build on the spirit of cooperation of the NBI vision. Development partners might, if so requested, facilitate such cooperation by providing an arena for discussions.

7. The governance relationships between the NBI centres were not clearly defined, leading to differences in important respects across the three centres. 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 the institutions in their respective countries.

Lessons learned from the NBTF as the funding instrument of the NBI portfolio

1. Flexibility and creative use of funding instruments is important, requiring well-developed cooperation between development partners and flexibility in instruments such as multi-donor trust funds.
2. The IE-team considers the composition of full members of the NBTF-C as unbalanced in favour of the development partners, including the World Bank. Whilst it is understood that trust fund management must meet the multiple different fiduciary requirements of the different donors and the World Bank, a mechanism should be developed which provides riparian countries with greater opportunities for engagement.
3. 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. The IE-team considers it important that contributing development partners (including the World Bank) harmonize reporting systems in line with the Paris agenda and do not attach excessive bureaucratic burdens on the riparian countries.
4. Many of the projects lacked a developed exit-strategy with a clear division of responsibilities for follow-up at regional as well as at national level. The IE-team considers such systems essential for sustaining the benefits derived from the program.
5. A clearer process of securing the intangible advances made through such a programme needs to be incorporated from its outset. A clearer exit-strategy should have been developed and the possibility of continuing with some activities considered.
It is important to develop capacity within the implementing organisation to carry out procurement functions satisfactorily and once this capacity is developed, to ensure that it is put into practice by the implementing agency.
6. 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 recognised by the riparians resulting in a tendency to regard confidence-building activities as less important than 'real development projects'.
7. The significance of the progression between confidence-building measures, water resources management projects and the preparation of infrastructure development projects needs to be made clear to the riparian countries and other stakeholders in order to maintain their interest in the process. There needs to be clear links as to how one type of project will serve to reduce risk which in turn makes another type of project possible. To do this riparians need to be more engaged in the sequencing or staging of the projects.

8. 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 programme to mitigate or avoid these risks. Systematic monitoring and evaluation of progress against established criteria and from this baseline situation also needs to be improved.

Lessons learned from NBI's processes and achievements towards an IWRM approach and regional cooperation

1. In a situation where water development has been predominantly considered only in terms of drinking water supplies, a concerted and systematic approach to including other sectors such as agriculture (irrigation), hydro-power, industrial water requirements, tourism, urban water needs etc. in the planning, management and development of water resources needs to be introduced from the start, with riparian countries committing themselves to making the necessary institutional changes on a national level. Development partners need to contribute to developing IWRM approaches and institutions on a national level as well as at regional level.
2. Take proactive measures so that tools such as the Nile Basin Decision Support System (DSS) for data sharing and management among riparian countries can be used for water management at various levels including at national level. Riparian countries should commit resources (financial and institutional) to integrate basin level systems with national systems to be able to benefit from the investment made at the basin level, and development partners should support this where necessary.
3. A demand-driven support system is needed to promote riparian countries' ability to incorporate integrated water management into their national policy and legal frameworks.
4. Whilst advances may be possible at regional level, these are not necessarily translated to changes at national level in multi-national programs such as the NBI. Although several of the riparian countries have developed national water policies during the implementation of the NBTF-funded projects, some of them with an IWRM-approach, it is still to be proven to what extent this has resulted in changes in national level water sector developments.

Further lessons learned

1. Embarking upon a program such as the NBI, establishing an instrument such as the NBTF and implementing a program such as that financed by the NBTF requires foresight, commitment, creativity, ability to take calculated risks and an enormous amount of work. It is not for the faint hearted. Although the results have not been perfect, such efforts have achieved a higher level of cooperation and common purpose than has ever been achieved previously in the thousands of years of history of the Nile Basin. The lesson is universal – 'nothing ventured, nothing gained'.
2. Such instruments as multi-donor trust funds are very useful and, as seen from the counter-factual analysis, probably the most, if not the only, suitable instrument for such programs as the NBI. There may be ways to incorporate the lessons learned from the NBTF experience to tailor the design of multi-donor trust funds specifically for the support of international waters work. This is partially what has been done with the establishment of the Africa-wide multi-donor trust fund called 'Cooperation in International Waters in Africa' – CIWA.
3. One of the difficulties faced in the NBTF program is how to implement international projects across multiple countries where the organisation does not have legal status in all the countries. Significant problems are faced employing staff and managing projects. In order to overcome this problem in the NBI, an implementing agency was contracted – UNOPS. This proved less than optimal and expensive. This is not an easily resolved issue. The preferred solution is the achievement of legal status of the river basin or equivalent organisation.

CHAPTER 1: EVALUATION RATIONALE

1.1 Evaluation Rationale, Objectives and Scope, Limitations

This report is the only output of the independent evaluation of the NBTF and represents a distillation of over a decade worth of development actions to support basinwide cooperation in the Nile River basin. At the outset readers will note that the report is long; an unavoidable consequence of the vast amount of data and information the IE-Team assimilated over the seven months of the evaluation period. The Executive Summary provides a snapshot of some of the key findings, lessons learned and recommendations of the IE-Team. This first chapter provides an overview of the process of the evaluation and is followed by the chapter on the background to the NBTF. Readers who are familiar with the NBTF and its inception process will be able to move rapidly through that chapter; however it is important to note that the aim of that chapter is to *establish a baseline* on which the rest of the evaluation is constructed. A key element is the *analysis of the risks* associated with the Nile River basinwide cooperation process more broadly and the NBTF instrument specifically. Initiatives to encourage and facilitate basinwide cooperation processes tend to focus on the potential benefits of cooperation; and in so doing either ignore or play-down the potential risks to the various actors (Subramanian et al, 2012). An effective basinwide management approach should mitigate extant risks and be resilient enough to avoid unforeseen risks which may derail the process.

The IE-Team views the NBTF as a *vital component in mitigating and avoiding risks* in the NBI cooperation process; a role it was largely successful in performing. This central theme is developed, critiqued and analysed through the various chapters of the report. Chapters 3-5 respectively present an analysis of the political economy of the Nile River basin; the NBTF portfolio; and the introduction of IWRM by NBI. These chapters form the body of the data and information gathered for the evaluation. This is followed by Chapter 6 which *analyses the key themes* emerging from the previous three chapters. This analysis is key to understanding the challenges and successes encountered during the implementation of the NBTF. Finally, Chapter 7 presents a set of *lessons learned and recommendations* – for both the development partners as well as the riparian states of the Nile River Basin. These lessons are relevant to supporting future basinwide cooperation in the Nile River Basin as well as to other transboundary water management initiatives in Africa and elsewhere. Finally, a set of appendices contains various pieces of information which sections of the report refer to.

In light of the planned completion of all current Nile Basin Trust Fund (NBTF) recipient executed project activities on or before December 31, 2012, the World Bank (WB) and the NBTF donors agreed to conduct an *Evaluation* of (i) the cumulative results of the NBTF's engagement with the Nile Basin Initiative (NBI); and (ii) the World Bank's engagement with and management of the NBTF. Moving forward, it is important to gather lessons learned from such a significant engagement with the NBI both in terms of resources and time. The Evaluation should, therefore, assess the progress made through the NBTF engagement among the NBI countries in terms of regional coordination and collaboration on integrated water resources management (IWRM) and the identification and facilitation of investments with regional significance.

Ultimately, the purpose of the Evaluation is to identify lessons learned and help the WB and NBTF Partners improve the overall performance of future engagement with the NBI and other similar River Basin Organisations.

The objectives of the evaluation are: (i) to determine the lessons learned from the process of engagement and cooperation among the Nile riparian countries (ii) to ascertain both the tangible and intangible results of the NBTF portfolio and the sustainability of the program's outcomes; (iii) to assess the relevance, appropriateness, effectiveness, impact, efficiency, and sustainability of the NBTF portfolio considering the program's objectives and portfolio evolution, as well as the context, governance and political economy of the member states; and (iv) to provide findings, conclusions, lessons learned, and recommendations with respect to the NBTF portfolio (WB engagement and financial instruments used as well as the NBI's role in shaping an environment for investment), the

NBI's approach and contribution to IWRM and development in the region, the political economy and governance issues that influence the NBTF's engagement, and the political economy changes that resulted from NBI activities.

The Evaluation involves three main assessments, which assess the relevance, effectiveness, efficacy, impact, and sustainability of the NBTF's engagement with the NBI program from 2003 through December 2012 (see ToRs in Appendix 1).

- I. Analysis of the political economy and governance issues relevant to NBTF engagement with the NBI
- II. Review of the NBTF portfolio
- III. Evaluation of the NBI's approach and contribution to IWRM and development

I. The analysis of the governance and political economy issues covers the relationship between the political economy within and among the NBI member states, how it has affected NBTF engagement over time, and how the NBI activities have impacted the region's political economy and governance. The assessment considers (i) how the political context within the Nile Basin affected the delivery of NBTF activities at key points during the course of NBTF engagement; (ii) how the NBI's governance structure (Nile-COM, Nile-TAC, appointment of senior managers, etc.) impacted NBTF delivery; (iii) the extent to which legal recognition/status of the NBI (including ENTRO and NELSAP-CU) impacted delivery of NBTF activities; (iv) the stakeholders, incentives, historical legacies, gender issues, and social trends and forces (e.g. regional tensions), and how they have shaped stakeholder positions and impacted the NBTF program; (v) whether the NBI has played a role in shaping policies and fostering reforms that impacted regional cooperation in the areas of engagement under the NBTF; and (vi) to what extent the NBI, through the NBTF, influenced and changed the political economy and governance of the region.

II. The NBTF Portfolio assessment appraises World Bank engagement with the NBI as well as the instruments used by the World Bank to finance NBI activities. The analysis covers the evolution of the NBTF portfolio over time – seeking to identify a systematic staging of projects. The evaluation also appraises donors' engagement with the NBTF and the NBTF's contribution to aid effectiveness and donor harmonisation. The evaluation of the portfolio specifically considers the Shared Vision Program and its Programmatic Implementation Completion and Results Report (PICRR) in order to review the program's outcomes and performance, and target key aspects of implementation that provide feedback and lessons learned for moving the engagement forward. In addition, the NBTF portfolio assessment reviews the efforts undertaken by the NBI to create an enabling environment for cooperation and investment; and to develop a program through the NBTF. This evaluation examines the evolution of the portfolio in terms of investment flows and recipients, nature of the projects, innovations in the water sector and related sub-sectors; and briefly considers how environmental, poverty eradication and gender issues were addressed.

III. The evaluation of the NBI's approach to Integrated Water Resources Management assesses processes and achievements undertaken by the NBI towards developing an approach for IWRM with a regional focus for managing the Nile Basin's shared water resources. This area examines the technical assistance provided by the NBTF and how these short-medium term interventions contributed towards the NBI's long-term Shared Vision, as well as to the development of regional ownership and sustainability of the NBI program.

The assessment considers (i) the establishment of the Nile Decision Support System (DSS), knowledge management databases, data sharing and cooperation; (ii) the Nile Equatorial Lakes Subsidiary Action Program (NELSAP); (iii) the Eastern Nile Subsidiary Action Program (ENSAP); (iv) the Institutional Strengthening Project (ISP); (v) the Shared Vision Program (SVP); and (vi) technical assistance in water-dependent sectors such as hydropower and agriculture from an IWRM perspective. The findings of the above three sections are analysed in Chapter 6 from the perspective of the appropriateness, relevance, efficiency, effectiveness, impact and sustainability of the NBTF. From these findings and analysis a set of Lessons Learned and Recommendations is presented in Chapter 7.

1.2 The Independent Evaluation Team

The Independent Evaluation Team is comprised of:

- Mr. Anton Earle, transboundary water resources management expert (Team Leader from March 2013 to June 2013)
- Ms. Kikki Nordin, former Swedish member of NBTF development partners
- Dr. Ana Elisa Cascao, political economy expert
- Mr. Drake Rukundo, economy evaluation expert, local expert Equatorial Lakes region
- Mr. Wondwosen Michago Seide, water resources management expert within the Eastern Nile Basin region
- Dr. Gunilla Björklund, evaluation expert (Team Leader from start until March 2013),

1.3 Methodology

1.3.1 General approach

The Independent Evaluation team drew on criteria and principles outlined in the OECD/DAC Evaluation Quality Standards in addition to those identified by IEG World Bank in its *Sourcebook for Evaluating Global and Regional Partnership Programs, Indicative Principles and Standards*.

The Independent Evaluation Team has identified interviewees and has structured the questions to be posed to each interviewee in lieu of the purpose and main objective of the evaluation in order to ensure the adequate representation of all possible stakeholders' perspectives. Semi-structured interviews were conducted to ensure the broadest representation of information.

1.3.2 The Evaluation Matrix

The Scope of the Evaluation is specified in the ToR (See Appendix 1). For the purpose of identifying interviewees and drafting the questions/questionnaires to be used during the process, the Independent Evaluation Team has used a matrix format which has previously proven effective. The Matrix (See Appendix 4) draws on the Scope of the Evaluation as stated in ToR.

The points of departure for the evaluation are (i) the NBI and the Nile Basin Trust Fund documents and other relevant documentation, (ii) the roughly 140 semi-structured interviews with relevant stakeholders including current and past NBI staff members, Nile-COM and Nile-TAC-members, former and present project managers of SVP and SAP projects, policy-makers from the Nile riparian countries, development partners, World Bank staff, and with some NGOs and civil society organisations, and (iii) the written responses by the staff members at the three centres to the evaluation questions, compiled as anonymous responses by one person at each centre. The purpose of compiled responses was to ensure inclusiveness so that everyone, including those not present during the physical interviews, would have the possibility to express their opinion anonymously. The outcomes of the interviews, which were cross-verified by interviews with other stakeholders, were used within our analytical framework matrix, on which we base Chapter 6. In total approximately 140 interviews were performed – face-to-face in most of the basin countries, in Stockholm, in Washington D.C. and telephonically (see Appendix 3 for a list of people consulted). Literature consulted included, amongst others, documentation produced in the lead-up to the ICCON meeting, documentation associated with the design of the SVPs and other programmes, reports from World Bank and other monitoring, evaluation and supervision missions, annual NBTF-C and NBTF informal meeting reports, guidelines and reports from the Independent Evaluation Group of the World Bank; and outside (non-NBTF or World Bank) literature sources.

The final stage in the analysis of data consisted of combining results from different types of sources. As detailed in our validation matrix (Appendix4), the data-collection techniques included studies of written documents and interviews, which vary to some extent from one evaluation element to another. Thus, the evidence presented is a combination of documentary, physical, testimonial and analytical reflections. In this way the IE-Team was able to provide reasonable assurance that evaluation evidence is competent (valid and reliable) and actually represents what it purports to represent. The evaluation criteria representing the normative standards against which the evaluation evidence is judged was also varied. The final analysis concentrates around four elements. In applying our

question matrix the four key elements associated with the NBTf, the Structure and shape; the Process; the Financial input-output; and the External environments, have been analysed in order to provide findings, conclusions, lessons learned and recommendations with respect to the NBTf portfolio, the NBI's approach to IWRM in the region, and the political and governance issues that influence the NBTf's engagement.

1.3.3 The Results-based Analysis

The Nile Basin Initiative Policy Guidelines adopted by the Nile-COM on February 22, 1999 (NBI 1999a) define the purpose of the NBTf “to assist in the preparation and/or implementation of the Program (Strategic Action Programme)”, which has as its main objectives:

- (a) Develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people;
- (b) Ensure efficient water management and the optimal use of the resources;
- (c) Ensure cooperation and joint action between the Nile Basin countries;
- (d) Target poverty eradication and promote economic integration;
- (e) Ensure that the Program results in a move from planning to action.

The World Bank in its funding of programs and projects over the last decade requires a results framework to organise information regarding intended outcomes and results and against which performance can be measured. A results framework should capture the essential elements of the cause-effect relationships among inputs, outputs, results or outcomes and impact. As an evaluation aims at measuring results and performance, on which lessons-learned can be developed, such a framework would be important. A results framework helps measure progress towards strategic objectives as well as helping to achieve them. At the start of NBTf a results based system was not required and it was only in 2007 that NBI developed a Results Chain which defines the expected impact and medium and short term outcomes at corporate level. This results chain has served as a base for the more elaborated result based systems developed for the different NBI projects. However the results chain does not define baseline or the indicators to be used in assessing the achievements.

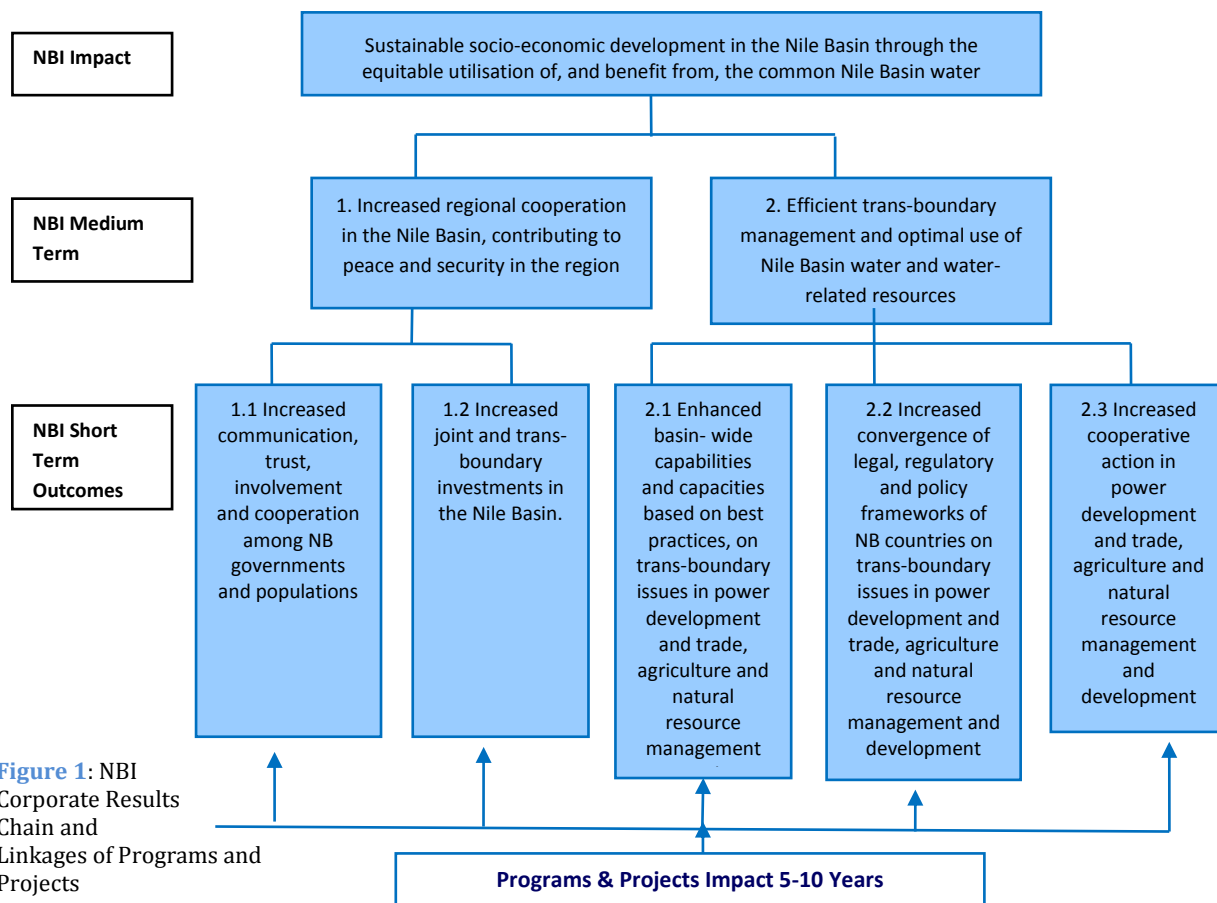


Figure 1: NBI Corporate Results Chain and Linkages of Programs and Projects

This evaluation has developed a baseline for assessing the progress made from the start of NBI (see 2.2). This baseline is derived from a baseline for the Shared Vision Projects used in the final results report by the World Bank (World Bank 2011d). This independent evaluation has drawn on this baseline to use as one of several proxy indicators for assessing the change precipitated through the support of the NBTF. Findings from this evaluation have been included and two new outcome indicators have been added; “water resources development and investments” to include the activities of the Subsidiary Action Programmes and “harmonisation of support from development partners” to capture one of the important purposes of the NBTF.

For the purpose of this independent evaluation a results framework has been developed by linking the objectives and outcomes defined in the documents above. The analysis of results reached through the NBTF-funding of projects has been done based on data available, but without the level of details that should have been applied for project evaluations. An assessment of the results achieved includes assessments of the achievements of the original objectives in the Strategic Action Programme and of the impact and outcomes in the NBI Results Chain; and is found in chapter 6. Otherwise concluding analysis of results and performance has resulted in shorter evaluation statements in the different chapters. Conclusions based on results building on outcomes of the role played by the NBTF in NBI performance from the ICCON-meeting (baseline) till its termination 31 December 2012 form the first part of chapter 7.

CHAPTER 2: BACKGROUND

- Basinwide cooperation is risky, funding basinwide cooperation is risky; and choosing to manage the funding through a multi-partner trust fund was potentially risky.
- Choosing to support basinwide cooperation through a multi-partner trust fund showed great vision.
- A great vision, implemented with challenges; but leading to multiple important positive impacts

2.1 Introduction

This chapter presents the background of the NBTF, and the process towards a basinwide Nile cooperation approach adopted by the riparians. The IE-Team recognise that performing an evaluation of a ten-year programme which has had no formal mid-term review process and lacks explicitly-developed monitoring tools, such as a baseline analysis or project logical framework, is a daunting task. Ten years is a long time in international development; key staff engaged in the formation of the process retire, national development policies are changed, technical terms and approaches wax and wane (from catchment planning, to IWRM; and now to nexus); and new countries are formed. The core theme established by the IE-Team is that the NBTF and the basinwide cooperation approach was at first laden with risks, but showed great shared vision in its design and while implemented with challenges led to an improved situation compared to the baseline a decade ago. To substantiate this claim a baseline situation is constructed – drawing on documentation developed near the start of the NBTF (such as project appraisal documents) as well as documents and speeches from the ICCON. Interviews with former and current staff of development partner agencies and riparian institutions have also yielded valuable insights.

Once a baseline is established, the chapter charts the evolution of the NBI cooperative process as well as the formation of the NBTF which is vital background information needed to understand the present situation and to assess the impact of the NBTF. Particular attention is paid to the analysis of risks for various actors and emanating from various sources. It is easy to lose sight of the risk associated with a long established endeavour such as the NBTF – as mentioned, ten years is a long time. Cooperation (amongst riparian counties but also amongst development partners) is ultimately a risk-reducing mechanism, however, it also introduces a range of its own risks; making some countries reticent to embark on cooperative approaches. This chapter concludes with a discussion on possible alternative funding mechanisms available at the time of NBTF formation. This serves as a starting point for the counter-factual analysis of Chapter 6; understood as “a comparison between what actually happened and what would have happened in the absence of the intervention” (IEG, 2006). Here we investigate alternatives to the existence of the NBTF, other models of funding basinwide cooperation in the basin and possible likely outcomes.

2.2 Drawing a Baseline: Casting the Scene before the NBTF

In the early 1990s Nile basin riparian states made history by choosing to collaborate, at the highest political level; aiming to find ways of promoting basinwide cooperation. In 2001 this process culminated in the International Consortium for Cooperation on the Nile (ICCON) meeting, consisting of both the Nile Basin governments and their international development partners. The ICCON meeting in Geneva aimed to raise broader donor support of basinwide cooperation on the Nile through the Strategic Action Programme. When the Nile Basin Trust Fund became operational in 2003 five outcome indicators were established followed by the development of a baseline for the SVP (World Bank 2011d). This independent evaluation has drawn on this baseline to use as one of several proxy indicators for assessing the change precipitated through the support of the NBTF. Findings from this evaluation have been included and two new outcome indicators have been added. The revised baseline is presented below and the achievements by the end of NBTF in December 2012 are assessed in chapter 6.4.2.

Baseline outcome indicators in 2003 adapted from World Bank, AFCRI and AFTWR Response To IEG Review of NBI SVP PICRR
<p>1. Increased basin-wide dialogue and exchange of information</p> <p>In the mid 1990's, there were low levels of cooperation in the Nile and frequent political tension. The political scene on the Nile was characterised by non-cooperation, and relations were not always cordial. The level of trust between upstream and downstream countries was very low as some upstream countries did not recognise the Nile Treaties. For instance, there was a point in 1999 when Ethiopia threatened to lodge a formal complaint about Egypt at the United Nations. It was clear that Nile basin countries had different incentives to cooperate. Upstream riparians had two main incentives; negotiations for a new legal and institutional framework and possible access to international finance for water related infrastructure, which the upstream countries always desired to have in the past cooperation initiatives. It was obvious that countries were guided by their national interests when identifying investment projects. Downstream riparians were mainly interested in the establishment of an institution where they might influence upstream water management and development, and the possibility of additional water resources that could be generated from upstream water conservation projects. In 2003, following an extensive participatory preparation process, NBI countries agreed to move forward with the SVP, which entailed dialogue and information exchange across the eight SVP projects.</p>
<p>2. Functioning networks of professionals</p> <p>Only a few networks beyond the Hydromet group (with only 6 countries) existed in the Nile Basin. At the political level the cooperation between the Ministers for Water had been re-established as the Nile Council of Ministers (Nile- COM) through the Nile Basin Initiative.</p>
<p>3. Enhanced skills and expanded information bases</p> <p>Asymmetrical capacity has been a characteristic in the 9 NBI countries until recently. Two downstream countries (Egypt and Sudan) had an intensive and systematic knowledge about the Nile water resources and its potential, while most of the upstream countries did not. Also in terms of internal capacity to develop the water resources (technical expertise, human resources and policy formulation) the upstream riparians have lagged far behind the two downstream neighbours.</p>
<p>4. Informed riparian dialogue on transboundary development opportunities, challenges, and impacts</p> <p>In the past riparian dialogue was mainly concerned with water sharing issues. There has been little to no on-going dialogue around joint or regional investment opportunities. While the countries had elaborated water policies, most did not have aspects/components of water resources management. Countries like DRC, Rwanda, and Burundi did not have Water Policies by 2003. Other countries that had water policies were focused more on the 'supply side' (on water development) than on the linkages to catchment protection and natural resources conservation. The essence of integrated water resources management was not embedded in their policy platform. The policy platforms that countries had developed were mostly inward looking and had little or no emphasis on trans-boundary issues.</p>
<p>5. Increased basin-wide water resources development and trans-boundary investments</p> <p>Prior to the NBI unilateral water resources development was the hallmark of the Nile Basin. Riparian countries used to publicly express their firm stand to unilateral development at many occasions for example the Ethiopian official declaration at the UN Water Conference, Mar del Plata, Argentina 1977. In general, two different and contradictory approaches were employed in the years prior to the NBI. The riparian countries opposed unilateralism, but on the other hand engaged themselves in unilateral water resources development activities within their territory (Cascao 2009). Examples of unilateral projects are:- In Egypt: the Aswan High Dam, the New Valley project, the Al-Salaam Canal and the Toshka Project; In Ethiopia: smaller dams, like Tis Abay I and II dam, Finch Dam, Koga Dam, micro-dams (on Tekeze and Blue Nile. These unilateral developments were considered as potential sources of conflict (see, Whittington 1997, Waterbury 1998, who argued that the large number of micro-dams in Ethiopia and the New Valley Project may lead Egypt and Ethiopia to conflict). In the NEL-region the water developments have been less controversial but came to 'blatant words of war' in 2004 when Tanzania announced its intention to pipe waters from Lake Victoria to the arid areas of Shinyanga and Kahama.</p>
<p>6. Enhanced stakeholder participation in the NBI process</p> <p>Prior to the Strategic Action Programme identification process, no regional mechanism existed to engage stakeholders in the Nile issues. By 2003, stakeholders were involved in the participatory preparation of the 8 SVP Projects.</p>
<p>7. Increased cooperation and harmonisation among development partners.</p> <p>The UNDP, CIDA of Canada and the World Bank supported basinwide cooperation in various ways, however there was limited coordination amongst them. Several other bilateral donors were engaged in various parts of the basin but in an un-coordinated way.</p>

Table 1: Baseline outcome indicators

The points in the above table will be considered by the IE-Team as forming part of the baseline for the period 1999 to 2003, when the NBTF was launched. In addition to the above points, one needs to consider the fragmented nature of development partner assistance during the baseline period. UNDP, CIDA of Canada and the World Bank had all been supporting basinwide cooperative processes in various ways; however there was limited coordination amongst them. Several other bilateral donors were engaged in various parts of the basin. Sweden, for example, supported the Lake Victoria cooperation process through the EAC. The potential existed that development partners would pursue disparate objectives leading to duplication of efforts, implementation gaps and the support of activities with conflicting objectives and outcomes. At the ICCON meeting the development partners referred to “NBI as a preview of the future ... as a leading-edge precursor of a new generation of development initiatives. They will have more impact, because they will be shaped by deeper insights. They will be locally-driven, integrated, multi-stakeholder efforts, rather than an assortment of discrete bilateral projects” (opening speech by CIDA representative). At the meeting the UNDP representative spoke of the previous six years of cooperation between the UNDP, CIDA and the World Bank to support the Nile basinwide process as a “unique form of partnership” which blurred the distinctions between the actions of the individual organisations. These six years of cooperation between three development partners was viewed as a vital ingredient leading to the successful initiation of a basinwide cooperation approach by the riparians. Thus, in the run-up to the formation of the NBTF there was a sense amongst development partners that this was a ground-breaking approach for a basinwide regional programme, given that the degree of cooperation between development partners being proposed under the NBTF was greater in scope and scale than anything preceding it in the region. However, it is worth noting that cooperation between development partners had increased in several national programmes in the run-up to the agreement on the Paris Declaration on effective aid in 2005.

To summarise, the baseline for this evaluation is the 1999 to 2003 period, when a nascent basinwide cooperation process was emerging. Riparian states had committed themselves to working together, itself an action with a high degree of risk both to the countries as well as to the individual policymakers. Very little cooperative action was visible on the ground, with great asymmetries in technical capacity levels between countries. The commitment to cooperate was only just starting to translate into a formal political negotiation process, through the CFA. Countries took the first step towards committing to a basinwide approach, and then took the second step of asking the international development partners to support this process through a coordinated structured approach, which had not existed prior to 2003.

2.3 The Nile Basin Initiative

The Nile Basin Initiative (NBI) was formally launched in February 1999 by the Council of Ministers of Water Affairs of the Nile Basin Countries (Nile-COM). The NBI was developed in a follow-up process that began with the Technical Cooperation Committee for the Promotion of the Developmental Protection of the Nile Basin (TECCONILE), established in 1993 and comprised of 6 members; Egypt, Rwanda, Sudan, Tanzania, Uganda and DR Congo. Within the framework of TECCONILE, the Nile River Basin Action Plan was prepared in 1995. In 1997 the World Bank, UNDP and CIDA, on a request by the Nile-COM, began working as cooperative partners to facilitate cooperation between the Nile Basin riparian states. This process resulted in a ‘transitional mechanism for cooperation’, with the NBI comprising all the Nile Basin riparian states, in 1999.

However, unlike TECCONILE, which dealt exclusively with technical cooperation around water resources, the NBI was established around the concept of integrated water resources management (IWRM) focusing on several relevant sectors including energy, agriculture and environment. The NBI is guided by an agreed Shared Vision “*to achieve socio-economic development through the equitable utilisation of, and benefit from, the common Nile Basin water resources*”.

The continued work in the NBI process after 1999 followed a two track-approach: a process towards a long-term legal and institutional framework where the Nile riparians had established a forum for a legal and institutional dialogue aiming for an agreement; and a process under which cooperative activities for the development of common resources could, guided by the shared vision, take place between *all* ten riparians. The two processes have intersecting points and are not completely parallel, which is the basis for the analysis in Chapter Two of this report. However, as defined in the ToR, this Independent Evaluation concentrates on the concrete steps to realise the development potential of the Nile ensured by the NBTF as the financial mechanism for the operationalisation of the Strategic Action Program for the Nile (See Figure 2).



Figure 2: The Strategic Action Program

The *Shared Vision Programs* includes technical assistance and capacity building-type projects to be implemented basinwide. The goal of the Shared Vision Programme (SVP) programmes was to “*build trust and capacity, and an enabling environment for investments in the Nile Basin countries.*” Projects such as Institutional Strengthening Project, and SVP Water Resource Planning and Management Project (WRPM)- and SVP Regional Power Trade Project (RPT)- were developed as a result. The SVP was largely completed during 2009.

The *Subsidiary Action Programs* were developed in parallel to the SVPs to ‘identify and implement investment projects that confer mutual benefits at the sub-basin level and that the riparians agree to pursue cooperatively’. The two programmes are the Eastern Nile SAP and the Nile Equatorial Lakes Region SAP.

2.4 Nile Basin Initiative Core Functions, Governance and Structure

Nile-COM, supported by their technical advisors, members of the Nile- Technical Advisory Committee (Nile-TAC), is responsible for establishing policies and also for creating the programme content. The Nile Secretariat (Nile-SEC) was established as an executive agency responsible for programme execution and for coordination and information sharing. In 1999 the costs for Nile-SEC were covered by the country contributions from the riparians, which meant that the basic structure of the Nile-SEC was kept very lean.

When the Subsidiary Action Programmes (SAP) took off, it became clear that the lean Nile-SEC could not manage both the SVP and the SAPs (which was not the intention). Consequently, decisions were taken to establish an Eastern Nile Technical Regional Office (ENTRO) and a Nile Equatorial Lakes Subsidiary Programme Coordination Unit (NELSAP-CU). In order to maintain a balanced geographical distribution of the organisations, it was decided that ENTRO should be located in the Eastern Nile in Addis Ababa and that the NELSAP-CU should be located in Kigali (although Kisumu as well as Tanzania were also discussed).

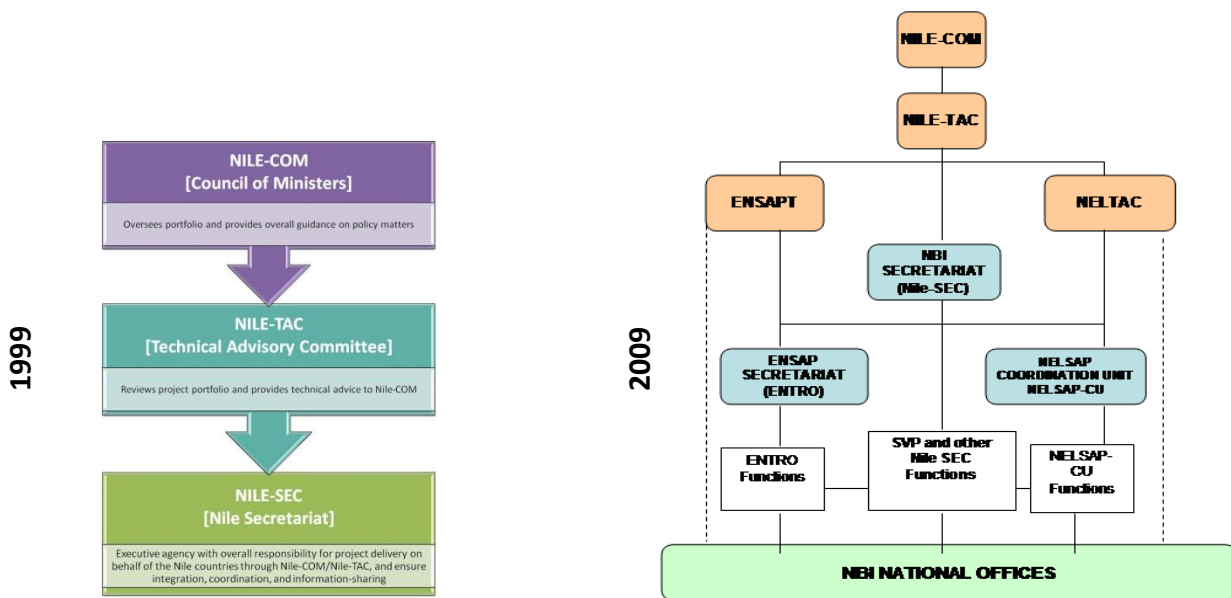


Figure 3: Evolution of the NBI governance structure (1999-2012) – key points

Figure 3 shows how the Nile Basin Initiative governance structure has evolved and become more complex since its inception in 1999. Although the decision-making bodies are still the same – Nile-COM is the highest decision-making body and Nile-TAC remains as their advisors and link to the NBI institutions and the Nile-SEC as the executive agency – the governance structure has evolved in order to reflect the adoption of the subsidiarity principle and the increasing number of NBI activities and projects since NBI inception (NBI 1999). Although the idea of establishing two subsidiary institutions was not immediately accepted by some of the Nile countries and some of the development partners, it became clear that in order to reflect the different nature of the Nile sub-basins, this had to be established.

ENTRO and NELSAP-CU were initiated in 2003. Their portfolios and activities have been overseen by the ENSAPT and NELTAC respectively. All the NBI countries are part of the NELSAP (although Ethiopia had always been an observer and joined as a full member in 2011; and South Sudan did so in 2012). In the ENSAP, Egypt, Sudan and Ethiopia are the three members. The core mandate of the SAPs have been to identify projects and produce pre-feasibility and feasibility studies for a series of investment projects that were then “returned” to the countries for implementation. The Nile-SEC performs secretariat functions and was also responsible for the implementation of the SVP programmes, which mostly had been closed by 2009 (World Bank 2010). The NBI National Offices; established in all Nile countries in 2007/2008, are an important part of the structure that have the mandate to serve as Focal Point institutions of the NBI at the national level and provide a link to the Nile-SEC and the SAPs (the linkage was sometimes loose). It should be pointed out that the Focal Points were actually part of the national ministries. The governance structure adopted by the NBI was decided by the countries themselves, and according to many this was the only governance structure possible considering the complex political context in the region. Nevertheless, this created challenges when the SVPs were phased out and the core functions of the three centres had to be refined. The ISP, also financially supported by the NBTF, provided some clarity on the way forward.

2.5 The Nile Basin Trust Fund and the Role of the World Bank

In June 2001 the International Consortium for Cooperation on the Nile (ICCON), consisting of both the governments of the Nile Basin countries and their international development partners, met in Geneva to raise broader donor support of Nile cooperation, and specifically, of the SVP and SAP programs depicted in Figure 1 above. The Nile-COM in March 2001 decided to request the World Bank to establish a Nile Basin Trust Fund as a preferred funding mechanism for SVP. It would be governed by a Trust Fund Committee consisting of riparian states and donors and co-chaired by the World Bank and the Nile-COM Chair. The Trust Fund was then planned to be initially administrated by the World Bank, and transferred into a Nile Basin institution at a later time. The reasons for choosing a Trust fund support of the NBI were:

- To maximise riparian ownership and control of the process;
- To meet donor requirements for fiduciary accountability; and

- To provide timely and efficient administration of funds.

The NBTF, established in January 2003 after significant pledges from ICCON, is the mechanism by which ten donors¹ have actualised these commitments. Several other development partners² support the NBI bilaterally in coordination with the funding via the NBTF, and the funding provided has thus far exceeded the ICCON pledges. NBTF has supported a total of twenty eight NBI projects, including all projects of the SVP and preparatory projects for SAPs, and later an Institutional Strengthening Project within the areas of capacity building, institutional development, technical studies, analytical work and project preparation and implementation. Note that a timeline with mile-stones for the NBI/NBTF process is presented in Appendix 5.

The choice of a trust fund as a financing mechanism and the World Bank as the manager of the fund was based on several factors;

- The estimated cost for the SVPs and preparatory phases of the SAPs was too heavy for any single development partner to accommodate.
- The World Bank had proven to be an efficient manager of other important trust funds such as the Global Environment Facility and was trusted by the other development partners as a fund manager.
- The World Bank's sound capacity to manage trust funds was expected to attract more development partners to pledge support for the NBI.
- The NBI/SVP was considered to be a "high risk program" where possibility for failure to reach the stated objectives was assessed as substantial.
- The SVP was designed and implemented to build trust, capacity, and an enabling environment for investment – all outcomes that should help lead the riparians towards their ultimate political goals. (World Bank, Africa Region, Regional Integration Department and Water Resources Management Unit, 2011, January). Few, if any, development partners were willing to run the reputational risk of individual involvement in NBI's development programs even if this was a process that ran parallel to the political processes around the CFA.

The NBTF is managed by the World Bank in accordance with Trust Fund agreements with Development Partners (DP). The World Bank is responsible for managing the resources on behalf of the DPs and reviews expenditure documentation, processes withdrawal applications, and disburses funds. The World Bank also shares with the NBI the responsibility for program planning and project development in relation to use of NBTF funds as well as the other functions. World Bank staff conducted regular implementation review missions and provided reports to a trust fund committee (the NBTF-C). The Committee is responsible for overseeing the operation of the trust fund and the use of its resources to meet the objectives of the Program.

The NBTF-C is co-chaired by the World Bank and the Nile-COM chair, the nine development partners are members of the Committee whilst the Nile-TAC chair and key NBI management representatives participate as observers. Bilateral donors such as Germany through its implementing agency GIZ; and the African Development Bank (AfDB) are not officially members of the NBTF-C but they have been participating actively as the function of the committee has always been seen as more important than the formalities. The governing structure of the NBTF is unique as the NBI does not have legal status as a River Basin Organisation (RBO) and it is operating as a transitional entity. The NBI is represented by its highest-level representative, the chair of the Nile-Council of Ministers, (who is both co-chair of the NBTF-C and the Nile-TAC), together with other key NBI representatives. This allows for the possibility to influence decisions within the NBTF-C, especially as decisions are to be taken on the basis of consensus. The World Bank has greatly contributed to creating a platform for all development partners, inside or outside of the NBTF, which is important for harmonisation and coordination of the support to NBI in line with the intention of the Paris/Dakar agendas.

¹ Canada (CIDA), Denmark (DANIDA), European Commission(EC) Finland, France, Netherlands, Norway (NORAD), Sweden (Sida) United Kingdom (DFID) and the World Bank.

² Including Germany, represented by (GIZ), African Development Bank (AfDB), Japan (JICA), etc.

The NBTF supports actions which advance the policy guidelines adopted by the Nile Council of Ministers in 1999:

- to develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people;
- to ensure efficient water management and the optimal use of the resources;
- to ensure cooperation and joint action between the Nile Basin countries;
- to target poverty eradication and promote economic integration;
- to ensure that the program results in a move from planning to action.

The NBTF Committee operates in accordance with its rules of procedure stated in the original Trust Fund Agreement. These rules were changed in 2007 to better handle an increasing need to be stricter in the decisions to support projects and to be flexible in disbursing funds to the projects that developed at differing paces. The rather slow process of deciding on new projects and re-allocations within the NBTF was amended by allowing decisions to be made through email and by authorising the World Bank to approve supplementary funding or re-allocations below one million USD.

When projects have been approved for funding by the NBTF-committee, the World Bank enters into grant agreements with NBI; in accordance with policies and procedures applicable to World Bank Loans and Credits. The World Bank supervises the projects and reports back mainly on the financial performance of the projects. Through the Implementation Review missions and the close contacts with NBI governance bodies and institutions, the World Bank has provided the development partners with a good link to the activities of the NBI.

A Nile-COM meeting in 2002 decided to contract UNOPS to “support the Nile-SEC, acting on behalf of the Nile-COM in the execution of the Shared Vision Program through the provision of project services, particularly in general administration, financial management, procurement, and capacity building” (See further Chapter 2).

2.6 Risks

‘Basinwide cooperation is risky, funding basinwide cooperation is risky; and choosing to manage the funding through a multi-partner trust fund was risky.’

A risk can represent both threats and opportunities. When the NBI was established, and later the NBTF, the riparian countries as well as the development partners were aware that risks had to be taken in order to promote cooperation in a region particularly marked by political tensions and low levels of previous regional cooperation. In general there are several types of risks associated with the NBI: political and economic risks related to riparian countries engaging in cooperative initiative; risks for the development partners engaging in the trust fund agreement; and risks of not achieving a sustainable outcome of the projects financed under the NBTF. This last includes a risk that what has been funded under the NBTF will not achieve the development objectives of the NBI; that a project may be rated “unsuccessful” or “failed”. Nevertheless, these are risks that can be understood, managed and mitigated if foresight and scenario-planning tools are used.

If we look more specifically at the categories of risks associated with the NBI and NBTF (see figure 4 below), we can identify four broad types of risks: Political Risks, Financial Risks, Operational Risks and Performance Risks. These risks are interrelated and interdependent in nature, in the sense that increased risk in one area can increase the risk in the other three areas. Analysis and mitigation strategies should consider the different risks in an integrated manner. Note that the following discussion of risk is not intended to evaluate the performance of the NBI, NBTF or the World Bank but rather to better understand the baseline situation and the operational risks which existed at the time of forming the NBTF. Many of the risks noted below were indeed mitigated through the programme.



Figure 4: NBTF risks

Political Risks

Political risk is a type of risk faced by both the riparian countries and the development partners. This kind of risk can include extreme events such as: revolutions, conflicts, independence and economic downturns. Examples of these situations, and how they have impacted NBI/NBTF, are analysed in the report as impacts from 'external environment' (see Chapter 3). In this report, the IE-Team will also be looking at specific political risks related to the NBI/NBTF modus operandi, and how risks were incurred and/or ignored. Below are the four main direct political risks analysed through the report:

1. *Separation of technical and political tracks*: the decision to separate the two tracks implied both opportunities and risks. But taking into account the deadlock in the political negotiations and its impact on the NBI activities, it is important to reflect on how (and if) this risk was understood and/or mitigated;
2. *Sovereignty*: the understanding that the NBI has as amongst its core functions the management and development of water resources, in principle would mean that riparian countries would have to relinquish part of their sovereignty to the (future) RBO; this could eventually imply political risks to the riparians countries. It is important to understand why countries are loathe to relinquish sovereignty rights; how this might have been a loss or an opportunity and the implications this had for the functioning of the NBI and NBTF;
3. *Withdraw from the cooperation process*. Risk associated with the fact that at any time a specific riparian country could choose to leave the cooperation process, and what impacts this would have on the process as a whole and the NBTF financing. In multilateral inter-governmental organisations this risk is usually mapped, and measures are taken to prevent or minimize the impacts this might have for the organisation. This risk, despite being real, seems not to have been factored into the design of the NBI nor the NBTF.

Political risks could (and can) jeopardise, delay or collapse the cooperation process, the shared vision aimed for by the NBI, and the process of funding multilateral cooperation. This report (in particular Chapter 3) will look at how these political risks were tackled or transformed into opportunities.

Financial Risks

Financial risks have been taken mainly by the development partners that have been supporting the NBI. Despite the fact that the riparian countries themselves have also contributed directly to the operational costs of the NBI, most of the funding originated from development partners. Chapter 3 and 6 will look at the details of the NBTF portfolio –funding quantities, projects supported, value for money, and so forth. But in brief, the IE-Team identifies three main general financial risks:

1. *Funding high-risk high-reward activities.* Financing a cooperative initiative that lacked a permanent legal and institutional framework was a risk – it could fail and this would mean financial and political implications for the development partners; these risks were believed to be off-set by high potential rewards;
2. *‘Putting all eggs in the same basket’:* decision to allocate contributions all at the same time for a multiple-year and multi-project process, instead of opting for a sequenced approach where contributions could have been incrementally phased over time or selectively implemented in terms of the projects chosen for implementation;
3. *Possibly funding the ‘wrong’ projects:* a risk of funding projects which would not deliver the shared vision or produce tangible results, or where the capacity to deliver is limited compared with the sums invested (see Chapter 6 for more details on cost-efficiency). The IE-Team will also review projects where this risk was taken because the many positive outcomes were judged to justify the expense.

The report looks at how working with a Trust Fund mechanism has helped to decrease these risks.

Operational Risks

An operational risk is defined as a risk incurred as a consequence of an organisation's internal activities. These risks are mainly associated with the way the NBI has performed its functions, which includes its relationship with the NBTF. These risks are related to the governance structure of the NBI but also the governance linkages of the NBI with the NBTF-C. Chapter 3 and 6 will look at specific issues related to this topic, but from the outset three main operational risks can be identified:

1. *Governance structure.* The governance structure (COM-TAC-SEC) in place in the NBI might not have been ideal for such a complex process as the NBI. One of the risks incurred is that slow decision-making could jeopardise the activities and pace of the NBI and its funding; the other is related with the composition and capacity of the organs – the right people with the right qualifications in the right position;
2. *Weak linkages between NBI and NBTF-C:* risk of a lack of clarity concerning financial management decisions, which is also intimately connected with the issue of ownership – Chapter 6 discusses this issue further. There was the possibility that financial decisions would ultimately be taken by development partners, and not by the riparian states; and a donor-driven agenda would be prevalent, even after all the efforts to focus the NBTF on the needs of the riparians;
3. *Lack of clarity on institutional mandates:* a transitional institution, with several centres of power with unclear institutional mandates, without legal status, funded through a transitional Trust Fund mechanism, can be considered a formula for several operational risks in terms of direction, execution, delivery and process management;

The ISP sought to harmonise and strengthen the corporate governance functions across NBI, but no changes were made as there was no agreement. This review came late in the process of cooperation, which makes the IE-Team question if the operational risks arising from institutional uncertainty were tackled or mitigated.

Development Outcome Risks

Development Outcome risks are associated with the chain of basinwide cooperation which can be evaluated by looking at the different stages and functions of promoting the NBI Shared Vision,

namely: 1 - implementation of shared vision; 2 – promotion of basin-wide trust and cooperation; 3 - delivery of tangible benefits; 4 – management and development of water resources. Several risks of this type can be identified, namely:

1. *Risk of wrong sequence or incomplete process*: related to the fact that shared vision and subsidiary action programs (SVPs and SAPs) were implemented as separate processes but in reality had many overlaps;
2. *Risk of derailing*: risk that certain functions have not been working properly, and ended up affecting the performance and outcomes of the other elements of the cooperation process, which could end-up derailing the basinwide process;
3. *Risk of high expectations*: expectations of tangible deliverables too high, which translated into frustration among all stakeholders involved, including riparian countries and development partners; this is usually a risk associated with not having a clear timeline for sequencing and triggering of actions or when un-realistic expectations are held through the process.

The IE-Team will draw on this framework to analyse how risks have been assessed, managed, mitigated and communicated in the NBTF process of support to the NBI. This will be done across the core areas of the evaluation – political economy, the NBTF portfolio and NBIs promotion of IWRM across the basin.

2.7 Alternatives to a World Bank managed Nile Basin Trust Fund

The Nile Basin Trust Fund was established as the preferred funding mechanism for the NBI. From interviews performed by the IE-Team with various stakeholders, including representatives of the riparians, development partners and the World Bank, it stands clear that nearly all the actors involved were in agreement that the NBTF was the only viable funding option available at the time. A majority of the interviewees engaged in the NBI even before the start of the NBTF had no recollection of any other financing mechanisms being discussed. No reference is found in the literature related to alternatives.

If the NBTF had not been established in 2003 there could have been alternative models for funding NBI's Strategic Action Programme with the SVPs and SAPs. This section proposes a selection of possible alternatives which may have been feasible at the time. It serves as a starting point for the counter-factual analysis performed in Chapter 6 – investigating possible outcome scenarios in the absence of the NBTF mechanism.

A basket fund managed by one of the development partners other than the World Bank

Basket funding is a form of harmonised support from development partners that has functioned well in many settings and was a well-known option at the time that the SVP began. However, it requires a development partner that is willing to take on the added responsibility and the additional administrative burden to manage the fund. Normally the basket funds function best when the development partners involved are located in the same place and are able to meet regularly. This was not the case in the Nile Basin as donor support is managed from the development partners' capital cities in most cases. In the case of NBI no development partner, other than the World Bank, came forward with the suggestion that they could manage the fund.

In Southern Africa support to river basin organisations or transboundary water resources management programmes are often put into a basket fund managed by a development partner (ICP) but the support is coordinated by SADC, which is the most prominent REC in the region. A description of SADC's model for managing IWRM in the region can be found in Appendix 7. As described in the appendix, water management in the SADC region is a multifaceted enterprise – with a well-developed institutional framework through which various actors and partners collaborate. In contrast to the Nile basin, all the SADC states are members of a common REC – allowing a greater degree of harmonisation of water management approaches. The fact that most of the countries in the SADC are also parties to the SADC Protocol serves as a conflict avoidance and reduction mechanism. This is different to the case of the Nile where the opening for signature of the CFA has, arguably, heightened tensions amongst the riparians.

Separate basket funds for each SVP managed by development partners

An alternative could have been to give different development partners the responsibility to form basket funds for the various SVPs and channel funds through the systems of the development partners active in the host-countries. This could have functioned as a reinforced form of ear-marking for the development partners. The managerial burden on the development partners would have been less for each of the partners, but at the same time Nile-SECs coordinating task might have been too much for the newly established institution with few staff experienced in management of development programmes and handling development partners. The NBI through the SVP projects would not have had the possibility to establish national NBI-offices in other riparian countries but could have encouraged and supported establishment of nationally funded NBI focal point offices instead of the separate NBI-offices. It would have also required a more developed process for cooperation between the NBI, development partners and riparians in order to safeguard the principles of the Shared Vision. There could also be a risk that the neutrality of the development partners would have been compromised because of bilateral political influences.

Shared Vision Projects managed by the Host-country

The Shared Vision Projects (SVP) were located in six of the riparian countries and administrated by UNOPS. A possible alternative could have been to give the host-countries the responsibility for management of the SVPs located in each country. Many of the riparians have extensive experience in the satisfactory management of development projects and would without doubt be able to fulfil the fiduciary and other requirements for management of NBTF-funded activities. To channel funds from NBTF to riparian governments might have raised some problems, but these probably could have been overcome. Coordination of development partners, monitoring and follow up of the projects as well as technical assistance could have been the responsibility of a lead development partners active in the respective countries just as support to national sector programmes often function. An increased ownership of the SVPs by the riparians and a strengthened awareness of the Nile-cooperation among national stakeholders might have impacted positively on the sustainability of the SVPs and the NBI as a whole. Also this alternative funding mechanism would demand a strong coordinating function by the Nile-SEC to safeguard the principles of the Shared Vision.

A Fund managed by an existing regional institution

In the early 2000's regional cooperation mechanisms (REC) with some capacity to manage donor funds emerged in Africa. However, none of the RECs cover all the Nile Basin countries and it would have been difficult to empower a single REC to manage the NBTF.

At the start of the NBI the African Union (AU), based in Addis Ababa, was still a weak institution that was primarily focused on conflict resolution. Today, the AU, with support from GIZ, is building the capacity of the Union's Environment, Climate Change, Water and Land management division. The programme also aims at developing the skills and performance capability of the African Water Ministers, Regional Economic Communities (RECs) and River/Lake Basin Organisations (R/LBOs). In the future, the AU will fill an important coordinating role in Transboundary WRM in Africa. The Common Market for Eastern and Southern Africa (COMESA) includes all the Nile Basin countries apart from Tanzania. Lately COMESA has emerged as an important actor in Climate Change, but concentrates on issues concerning agricultural productivity and trade. Water resources are not prominent on their agenda.

The East African Community EAC was extended to include all 5 East African countries in 2005. EAC's permanent institution, the Lake Victoria Basin Commission (LVBC) established in 2004, has proved to have the capacity to handle support from development partners such as the Lake Victoria Partnership Fund and the Lake Victoria Environment Management Project II (LVEMPII), a large programme financed by the World Bank and bilateral development partners (Appendix 7). However between 2000 and 2004 the Lake Victoria secretariat of the EAC secretariat managed the Lake Victoria Partnership Fund which is smaller than NBTF and with fewer development partners and countries involved. The infant Lake Victoria institution at that time had limited capacity to manage a

huge fund like NBTF. In the Institutional Design Study (IDS), under the ISP, the option of a merger between NELSAP-CU and LVBC was discussed but not brought forward. Today the LVBC could potentially execute the roles of NELSAP-CU as South Sudan has applied for membership in EAC. Possibilities to include DRC in the cooperation around transboundary water resources could be found as this was done before Burundi and Rwanda were formally admitted to EAC.

The situations in EAC/LVBC and SADC are notably different to that of the Nile – with formal RECs in place the foundations for cooperation are strong, meaning that there is not much emphasis today on activities such as trust or confidence building. More focus is instead placed on economic development, trade, and the development of infrastructure as well as the management of shared resources. The existence of a formal REC with the stability, both financial and cooperative, is the major advantage of having a REC in charge of the transboundary water resources management. However, if the recently established NBI Trust Fund attracts sufficient funding, there could be a role for the NBI to coordinate the financial support of international development partners in the Nile basin – similar to the SADC Water Division’s relationship with the Lead International Cooperating Partner in the SADC.

In Chapter 6 the IE-Team has elaborated three scenarios for the possible development of the NBI (or basin-wide multilateral cooperation) in the case that the NBTF was not established.

CHAPTER 3: POLITICAL ECONOMY, GOVERNANCE AND LEGAL ISSUES, AND THE NBTF ENGAGEMENT OVER TIME

3.1 Political Economy and NBTF

This Chapter presents a short narrative of the key issues pertaining to the Political Economy of the Nile Basin (including governance and legal issues) directly related to the NBTF engagement over time. It identifies what the main challenges have been, and how these issues were dealt with during the NBTF period. As a brief introduction, it is possible to identify a set of major challenges:

- Tense political relations before the NBI start and during its implementation. The existence of a complex hydro-political context meant that high political risks were present, both for the riparians as well as the development partners;
- Ambitious riparian expectations of infrastructure project development without a specific timeline. In retrospect, the expectation that infrastructure would by now be built was unrealistic;
- Coexistence of NBI and non-NBI projects (unilateral) for the development of the Nile water resources. Cooperation is proceeding, but not necessarily through the NBI format;
- Upstream and downstream riparians had different incentives to join the cooperation process, which were informed by national interests and rather than by a shared vision. This presented a different set of risks for each set of riparians;
- Riparian partners withdrawing from the basinwide cooperation process has always been a risk in the Nile basinwide cooperation, for which mitigation measures were not adequately considered when starting the NBTF;
- Ownership of the NBTF process has been questioned by the riparians;
- Impacts of NBTF-funded projects were mainly at the regional level and in terms of regional thinking, but impacts at national level and in other non-water sectors is still limited;
- ‘Reforms’ in the governance structure of the NBI came too late in the process;
- The deadlock in the political track (CFA negotiations) had severe impacts in the NBI performance and created uncertainties about the future of the NRBC;

3.1.1 General Political and Economic context and its impact on NBI/NBTF delivery – key points

The Nile Basin region has historically been characterised by political and economic instability, which are some of the root causes of the lack of development of the Nile water resources. Diplomatic conflicts related to the lack of a basin-wide legal agreement, the existence of controversial bilateral agreements and the absence of a regional institutional framework have prevented an integrated approach to the management and allocation of the Nile waters (Waterbury 1979, 2002). The Nile Basin has often been considered as a complex hydropolitical security context (Schulz 1995). The end of the Cold War marked a tipping point in the regional and national political economies. Improvements in regional political relations, increasing national demands for food and energy security, and growing understanding of the need for a regional approach to the development of the Nile waters, brought the riparian countries and external development partners together to establish the NBI in 1999. The assumption was: there are huge benefits to transboundary cooperation in the basin due to the (still) untapped hydropower and agriculture development potential (Sadoff and Grey 2002, 2005; Subramanian et al. 2012). The establishment of the NBI was followed by the ICCON meeting to raise funds to support its activities in 2001 and later by the establishment of the NBTF in 2003. The political economy changes in the 1990s have been fundamental stepping-stones for establishing the NBI and the NBTF. Despite the positive political changes in region, there was the assumption that there were political risks involved, namely that this new cooperative attempt could fail as others have failed in the past.

Main political and economic changes in the 1990s.

The factors that brought the Nile countries together to cooperate over its shared waters include:

- a) The end of the cold war;
- b) The end of a number of armed conflicts in the Nile countries;
- c) The improvement of bilateral and multilateral relations between neighbours;
- d) The increased awareness of the importance of regional cooperation;
- e) The interest in and support by the international community of regional integration; and
- f) The interest of the countries in accessing international finance to develop water-related projects.

The combination of two factors – national ambitions to develop hydropower and agriculture projects and the support of external partners – have been crucial in bringing political decision-makers and development partners together to establish the NBI, the first cooperation attempt in the Nile to tackle technical, socio-economic, institutional and legal issues. Improved political stability, growing populations, increasing demands for food and energy, and increasing awareness of the unavoidable interdependency necessary to develop the Nile water resources have been leverage forces to bring countries together to manage and negotiate over their common resources. Climatic issues – uneven rainfall patterns, floods and droughts – have increased the awareness that common action could be achieved by establishing a multilateral institution. At the same time, in the international arena there was an increased move towards providing support to transboundary water cooperation. The Nile Basin had been the best example of a highly securitised basin where benefits of transboundary cooperation could be created and shared, due to its untapped potential to develop hydropower and agriculture. As a result a large number of traditional development partners became involved in the NBI activities in the late 1990s, and pledged funds to it at the 2001 ICCON Meeting. Most of the bilateral partners would eventually join the NBTF – the financial mechanism established to manage those funds.

Main political and economic changes in the 2000s.

The changes in the 1990s were followed by new developments in the 2000s. The evolution of the NBI has resulted in a growing awareness amongst the different parties of the various possibilities to develop the Nile water resources. At the same time, there has been a growing ambition amongst riparian countries to develop real projects on the ground in order to deliver tangible economic benefits to their populations. In the 2000s, Nile countries were moving ahead with projects outside of the NBI sphere. New hydropower dams were built in Sudan, Ethiopia and Uganda. New agricultural projects, including irrigation, were built in Egypt, Sudan, Kenya and Tanzania. These projects became a reality through national or bilateral financing. As the NBI had become increasingly focused on hydropower, upstream riparians have continued expanding agriculture through other mechanisms. For example, since the global food crisis in 2008, many of the upstream riparians became preferential countries for large investors in foreign land acquisitions, developing large-scale projects. How have these changes impacted the NBTF delivery? Mostly the NBTF has been funding the promotion of a shared vision in the basin and undertaking identification, pre-feasibility and feasibility studies. At the end of the 2000s, the shared vision had been ‘delivered’ and some investment projects had been implemented on the ground with the finance of the countries themselves and loans from the NBTF partners. Investment from outside the NBTF mechanism continues with large-scale projects are being financed through other sources. This is partially explained by the political and institutional challenges that have emerged since 2007 in the Nile Basin (see next).

Besides the development of the Nile regional cooperation, other political economic changes would also take place during the 2000s, specifically during the latter half. Unilateral development of projects, namely dams and large-scale agriculture projects took place in almost all of the countries, but in particular in Sudan, Ethiopia, Uganda, Kenya and Tanzania. These projects became a reality through national or bilateral financing, and had little or no explicit links to the NBI or the multilateral cooperation process. The NBTF has funded SVPs and the identification and pre-feasibility studies for investment projects in the two sub-basins. By the end of the 2010, not many NBI investment projects had been implemented, and countries were eager to receive tangible benefits in the short-term. Thus

investment from outside the NBTF mechanism has not stopped; and on-going large-scale projects are being financed through other sources. Examples of this are the Merowe, Tekezze, Bujagali dams (in Sudan, Ethiopia and Uganda respectively), and more recently the Grand Renaissance Dam in Ethiopia; all being developed on a national level. Likewise, examples of investments in large-scale commercial agriculture (a sector that is water demanding) can also be found in the Nile basin countries. The move towards unilateral projects is partially explained by the political-diplomatic challenges that have emerged since 2007 in the Nile Basin, but it is clear that the possibility of unilateral projects was always there. With the emergence of new sources of financing, such as from China, Saudi Arabia and India, there is a possibility that some of these national projects will proceed unilaterally.

Three main conclusions can be drawn. First, it is possible to conclude that the ambitions of the riparian countries attached to the NBI were too high, resulting in countries expecting that investment projects would become a reality during the life-span of the NBTF. Second, riparians continued with their own national projects and the NBI and its partners were unable to convince the countries that, in the long-term, this could be incompatible with the basin wide approach being promoted. Third, the political risks related to delays in NBI delivery of tangible benefits and the coexistence between multilateral and unilateral/bilateral projects were not addressed by either the riparian countries or the development partners in a systematic way.

The coexistence of NBI and non-NBI projects has been a reality in the last decade. The impacts of national (or bilateral) projects on the management and development of the Nile water resources, and the cooperation process in general, it is not yet fully clear. On the one hand, unilateral/national projects have the potential to hinder the cooperation process in the sense that harmonisation of the different projects – in particular the large-scale ones – might be difficult to achieve. Allocation of water between different projects might become a major issue of dispute between the countries, once projects are fully implemented. On the other hand, the non-NBI projects can also be seen as an offspring from the cooperation process. Countries have now more capacity to plan and implement projects than they had a decade ago. Riparian countries are also more open now to different types of collaboration/cooperation with their neighbours. The Grand Renaissance Dam in Ethiopia, currently under implementation, is an example. Although it started as a national Ethiopian project, it now involves the two downstream countries and together the three countries have established a Tripartite Committee which has endorsed an International Panel of Experts to look at different specific issues related to the Dam. It is likely this would have not been possible 15 years ago, prior to establishment of the NBI cooperation process.

3.1.2 Regional tensions and stakeholders positions concerning Nile issues

Main stakeholders and positions. Downstream riparians, Egypt and Sudan, have a vital stake in the Nile waters. They are the current main users of it, have a bilateral agreement including allocations, and aim at protecting ‘historical rights’ to the Nile waters. As such they have been supportive of the NBI process but mainly focussed on projects that are not water-consumptive (such as the SVPs). Upstream riparians have a major interest in the negotiation of a new legal and institutional framework, and have been interested in the development of investment projects and in moving forward with the NBTF-funded projects that could deliver tangible benefits, such as hydraulic infrastructure for power generation and agriculture development. Upstream riparians have also been supportive of the NBTF-funded projects that helped close the capacity gap between them and the downstream neighbours, such as the WRMP.

Incentives for cooperation. When the NBI was established, Nile basin countries had different incentives to cooperate; mitigating some of the risks associated with adopting a basin-wide management approach. Upstream riparians had two main incentives. It was the first time that negotiations for a new legal and institutional framework were endorsed by the cooperation process; something that the upstream countries always desired in previous cooperation initiatives. Second, the NBI promoted studies for the development of water-related infrastructure. Access to international finance for these projects was considered a great benefit for the upstream riparians – funds that otherwise might not have been available. Downstream riparians were interested in the cooperation opportunity and investment funds, but also in the establishment of an institution where they might

influence water management and water development decisions being taken within the basin. Egypt was also interested in the possibility of additional water resources that could be generated from water conservation projects upstream. In principle, the different incentives that upstream and downstream countries had to cooperate were not incompatible, as the projects envisaged from the outset by the NBI could deliver multiple outcomes that would benefit all of the riparians. Indeed the NBI portfolio was designed to satisfy the multiple needs, as well as to create a shared vision that was previously absent from the individual countries' approach. The NBTF funds allocated to projects was designed to avoid some countries' interests taking priority over others, and on the contrary would benefit all. However, the main challenge had been that multilateral cooperation in a region characterised by water-security related issues takes time and although a lot of effort was put into the SVP, the investment projects took longer to materialise than the riparians expected. In the last couple of years it is possible to detect increasing levels of frustration (in particular from upstream riparians) towards the NBI; associated with the lack of results on the ground, meaning infrastructure built. The absence of an agreement on the overarching legal and institutional framework (another incentive for the upstream riparians) has also contributed to that sense of frustration.

Impact of regional tensions and stakeholders positions in the NBTF performance. Exactly as the NBI and CFA processes were impacted by the regional tensions and national positions, the NBTF funding and managing processes have also been. Whenever the tensions and riparian positions affected the NBI, they have also directly or indirectly impacted the NBTF in a variety of ways. First, as mentioned above, the different countries have developed different expectations when joining the NBI. In the case of the SVPs, both upstream and downstream countries had their interests largely covered by the different programmes supported by the NBTF. Interviews with the Nile-TAC members from the riparian countries indicate that countries such as Burundi and DRC have appreciated and benefitted from capacity building oriented SVPs such as the ATP and NTEAP; while Ethiopia was particularly interested in the RTP; and Rwanda and Uganda have benefited directly from the WRPM. But the individual interests of the riparian countries were more visible in the selection of the 'hard'-type of projects – the SAPs' investment projects. According to interviews conducted with ENTRO and NELSAP-CU officers, the SAPs' list of projects was compiled according to a combination of different national interests, after consultation amongst Nile-COM and Nile-TAC representatives of the different countries. The specific preferences and positions of the riparian countries have influenced not only the selection of investment projects, but also their objectives, performance and their pace of implementation. Thus at the start of the NBTF it is evident that countries were very much guided by their national interests when identifying investment projects. However, during the NBTF period the projects were increasingly designed to adopt a cooperative approach, including Cooperative Regional Assessments (CRAs), where the regional (and not national) benefits were clearly identified. This is a sign of increased trust both at the technical and political levels and a positive trend included in some of the NBTF-funded projects, which will be discussed later in the report.

The ENSAP Integrated Development of Eastern Nile (IDEN) projects are examples of projects wanted by Egypt, Sudan and Ethiopia. Interviews with ENTRO regional managers indicated that the three riparians have identified priorities in each of the projects related to hydropower, agriculture, and flood prevention, amongst others. The financial support to IDEN projects was initially provided by several bilateral partners such as Finland, UK, Norway and the Netherlands. From 2006, the NBTF became the main source of funding for some (but not all) of the IDEN projects. According to interviews with ENTRO staff, the projects that have moved faster and proved less controversial to countries' interests (such as the Eastern Nile Power Trade Program Study and the Ethiopia Sudan Transmission Interconnection) were partially funded by the NBTF. The same goes for projects delivering benefits without major impacts on water-consumption, such as the Flood Preparedness and Early Warning Project (FPEW) project, mainly because it was initially easier to find consensus among the countries to move forward with the studies at the regional level and then to be implemented later at the national level (NBD 2009). However, some of the projects were too controversial and exposed conflicting interests among the countries, which resulted in them not being funded by the NBTF (such as the Baro-Akobo-Sobat Multipurpose Water Resources Study). There are also examples of projects concluding prematurely without producing significant deliverables after being financed by the NBTF due to rigid national positions and political challenges related to the CFA (such is the case of JMP). These SAP examples demonstrate that the countries' interests or reservations towards certain specific

projects may have contributed significantly to delay, change or close of the NBTF-funded projects. The lack of consensus between riparian countries had been a main challenge that had been difficult to overcome, mostly because the lack of consensus was politically motivated. This risk had been addressed by bringing the countries together in more meetings and by promoting further studies in order to increase clarity on the benefits of projects and decrease the perceptions of risks. Nevertheless, in some of the critical projects such as the JMP, this consensus was never reached and the project was restructured before it delivered what it was supposed to. Once again, part of the explanation for this situation is also related to the political-diplomatic conflicts related to the CFA, as explained next.

Besides the national positions influencing the performance of the projects, there have also been particular examples of how regional tensions became influential factors. The most notable is the impact of the old legal-political grievances and the CFA process in particular. The conclusion of the negotiations in 2007 contributed to a return of political mistrust between downstream and upstream riparians. The signing of the CFA in 2010 by six of the upstream riparian countries resulted in regional tensions directly interfering with the progress of NBTF-funded projects. One of the main reasons was Egypt's and Sudan's decision to "freeze" participation in all the NBI activities, except for the Nile-COM meetings. This has largely contributed to a delay or halt in SAP investment projects; and delays to the process of establishing a permanent Nile River Basin Commission (and the adoption of a new legal and institutional framework). The "free-rider problem", where one party is not committed to the process while still deriving benefits from it, was a risk right from the start of the NBI and the NBTF. There was always a possibility of a country withdrawing from the process and during the baseline period (1999-2003) there were no clear mitigation mechanisms designed to counter this risk. However, several of the project appraisal documents for projects funded under the NBTF identify the possibility of a total breakdown in Nile basin cooperation as seen in the case of the East Nile Planning Model PAD of 2009- deemed by the World Bank to be "substantial".

In some senses this withdrawal from the basin-wide cooperative process has been done by both upstream and downstream riparians – upstreamers when they signed the CFA without the consent of some of the countries (Egypt, Sudan but also Burundi and D.R. Congo), and downstreamers when they withdrew from selected NBI activities. NBI centres could do little more than talk the countries back to political dialogue. From the development partners/NBTF side, it was difficult to deal with this issue, linked as it was to decisions taken by sovereign states. The next section analyses how the issue was dealt with by the NBTF.

3.1.3 Riparian countries' perceptions of the NBTF: donor-recipient relationship

The importance of third-party involvement. The riparians' perceptions of the NBTF and the development partners' engagement in the Nile transboundary cooperation are generally positive. The Nile riparians are aware of the key importance of the third-party support for the establishment of the NBI, as well as the relevance of the World Bank in convening several development partners³ to the ICCON meeting in 2001 and as fiduciary manager of the NBTF. Nevertheless, as this report will show, the operationalisation of the NBTF is not without criticism from the NBI centres and the political decision-makers (COM and TAC), namely in so far as ownership of the process is concerned.

Ownership. Key stakeholders consider that the ownership of the NBTF process remained excessively in the hands of development partners, and that it was not progressively handed over to the countries/NBI centres as expected. The IE Team was constantly confronted with this allegation, sometimes meaning that the NBI staff felt that they were being micro-managed by the World Bank and some other times meaning that countries (COM/TAC) were not consulted as frequently as they would have wished in the decisions involving allocation of the NBTF funds. The limited presence of TAC members in the NBTF-C meetings, where the main financial decisions were taken, is problematic in the sense that it is the Nile-TAC members that have the mandate to bridge the NBI and

³ 17 bilateral and multilateral donors attended the ICCON Meeting: African Development Bank, Canada, Denmark, European Union, Finland, France, GEF, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, World Bank and UNDP

the Nile-COM decisions. The IE considers that this has contributed to the perception that the decisions on financial issues were in the hands of the NBTF-C and its development partners and not in the hands of the Nile-COM, ultimate decision-makers in the Nile Basin affairs. Thus at the outset the NBTF was intended to model good cooperative behaviour, a laudable objective and one which was important as an encouragement to the riparians to work together, but in practise this cooperation within the NBTF was not as deep as it could have been. Despite the recognition by riparians that the NBTF was a sound mechanism, which resulted in improved outcomes for cooperation in the basin, there is a lingering perception that it never fully engaged them. The ICCON meeting reflected a high degree of engagement with the riparians, with explicit high-level inputs being made by their representatives at the meeting in addition to the comprehensive and well-developed plans for basin development by the riparians and submitted to the development partners. This reflected a true bi-directional approach to engaging with the riparians- in essence a partnership. However the NBTF operation, while firmly rooted in the participative ICCON process, represented a lower degree of riparian participation at the start of the process, but has gradually improved through the establishment of the forum for Strategic Dialogue. The Strategic dialogue between Nile-TAC and development partners held in connection with the NBTF-C meetings has created an informal forum for dialogue, which can help to improve the imbalance in the governance of the NBTF.

Political influence. After 2009, the positive relationship and perceptions between countries and development partners was disturbed by the CFA-related events. Interviews with Nile-COM and Nile-TAC members outlined the negative reactions to the letter sent by the development partners in June 2009. This letter was sent only one month after the decision of the upstream countries to move ahead with the signature of the CFA (without Egypt and Sudan) during the Nile-COM meeting in Kinshasa. The letter circulated by the development partners to all riparian countries stated that the agreed donor country support was for an all-inclusive (that is, basin-wide) cooperation process. This reaction was considered by interviewees from the riparian countries as interference in the sovereignty of the riparian countries (see section on legal issues, in this chapter) and this could eventually imply political risks to the riparians governments. In practical terms this situation has contributed to a cleavage between upstream countries that aimed at establishing the Nile River Basin Commission as soon as possible; and the development partners having strong concerns about the establishment of a Commission not including all the basin states.

The understanding of the IE Team is that in this case, the political risks of sending that letter (and in that particular timing) were not measured carefully by the development partners. As a result, its effect was antagonistic instead of helping to manage the on-going diplomatic conflicts between the riparian countries. The fact that the upstream riparians considered the letter to be favouring the downstream riparians is not surprising, due to the language used in the letter. Looking back, some of the NBTF development partners also consider this to be a mistake on their behalf. Instead, the partners should have remained observant of the situation without contributing directly to the mixing of the parallel tracks (i.e. the NBI and CFA processes).

3.1.4 Impact of NBTF-funded activities on the regional and national political economies

Impact of NBI/NBTF-funded projects at the national level. The impact of NBTF-funded projects on national political economies, and the level of national uptake of NBI projects, will be analysed in Chapter 5. But in general, the outcomes of the interviews with governmental representatives of the countries are that the projects were less impactful than expected at the beginning of the cooperation process in the mid-1990s. This mostly reflects the expectation that the NBI process would have led to more tangible water resources development type projects on the ground in the riparian countries. In the view of the IE Team, these expectations of the riparian countries (that there would by the end of the NBTF period be tangible investments in water-related infrastructure as a result of the programme) were unrealistic. International experience shows that the development of joint infrastructure on the transboundary level takes a particularly long time. For instance, the construction of dams in Lesotho to transfer water to South Africa was identified in the 1950s as a solution to the water scarcity of the Johannesburg region. Negotiations proceeded through the 1970s, with an agreement only being reached in 1986, and water only starting to be transferred from 2001 through the Lesotho Highlands Water Project.

As mentioned in our analysis previously in this chapter, part of the problem is that expectations were most likely unrealistic considering that the establishment of a permanent commission (that would make these investment projects possible) was an intricate political process that could take several years to be finalised. The main challenge here is to understand how these expectations (both from countries and development partners) were fuelled along the years. Was it merely based in wishful thinking, based on a timeline that was not realistic? Or was it an outcome of extremely unrealistic promises that did not match the actual political developments on the ground? The opinion of the IE Team, based on the multiple interviews conducted in the region, is that previous to 2007 the political developments were so positive that they led to the idea that investment projects identified by the SAPs would soon be implemented on the ground. However, the political derailing of the CFA negotiations became an obstacle to implementation- particularly in the Eastern Nile region.

Impact of NBI/NBTF-funded projects at the regional level. Besides the actual and potential impacts at the national level, the NBI process has definitely contributed to an understanding and development of a basin/region-wide political economy, according to the majority of the stakeholders interviewed. From a conceptual point of view, Nile riparian countries and actors are now more aware of the regional interdependency and the large potential for benefits. SVP projects (funded by NBTF), have contributed to a shared vision and a much improved trust and cooperation at the technical level that was lacking before the NBI was initiated. The seven projects (although each to a different extent) contributed to the understanding by the countries of the connectivity of the Nile region, in terms of hydrology, environment, energy, agriculture and trade.

An important outcome of the SVP projects is a comprehensive knowledge-base informed by principles of regional cooperation, where regional cooperation and integration is now regarded by riparian states as the preferred scenario for optimising benefits. The same can be said for the SAP projects that have developed Cooperative Regional Assessments (CRA) for the majority of the investment projects (Eldaw and Fekade 2009). The concept of CRA involves collaborative analytic studies including documents and project plans based on a “no-borders” perspective using transboundary analysis to identify challenges and opportunities for investment projects and to propose mechanisms for regional cooperation (NBI 2011). This is clearly an innovation that goes beyond the idea of benefits at national level by identifying the region-wide benefits of the different projects. Many of the experts interviewed for this evaluation consider this to be an important tool used to contribute to the greater understanding and delivery of regional benefits. CRAs have been developed for NBTF-funded projects such as the EN Irrigation and Drainage Study, Watershed Management Project, Flood Preparedness and Early Warning (at ENTRO) and Power Trade Opportunities (at NELSAP). In addition, there have been cooperative activities between the riparian countries outside of the water sector but which have been linked to the improved levels of trust as a consequence of the NBI, such as the recent trade agreement between Ethiopia and Egypt on the cross-border trade of cattle and the announcement to open a land-bridge which will link Ethiopia and Sudan with Egypt.

Measuring intangible results is always difficult; precisely because they are intangible. Finding indicators for an increase in trust, cooperation or other intangible benefits is a challenge. Once indicators are found then it is difficult to ascribe these to a specific development initiative, such as the NBI. Generally there will be a wide range of factors contributing to (or at times militating against) positive outcomes. As described above there would appear to be a sense amongst riparian staff of the NBI as well as most of the other stakeholders interviewed that there is today a greater level of regional cooperation and integration – evidenced by factors such as more cross-border movement of people and goods. Here the increase in trade in agricultural products is particularly important (see Figure 5).

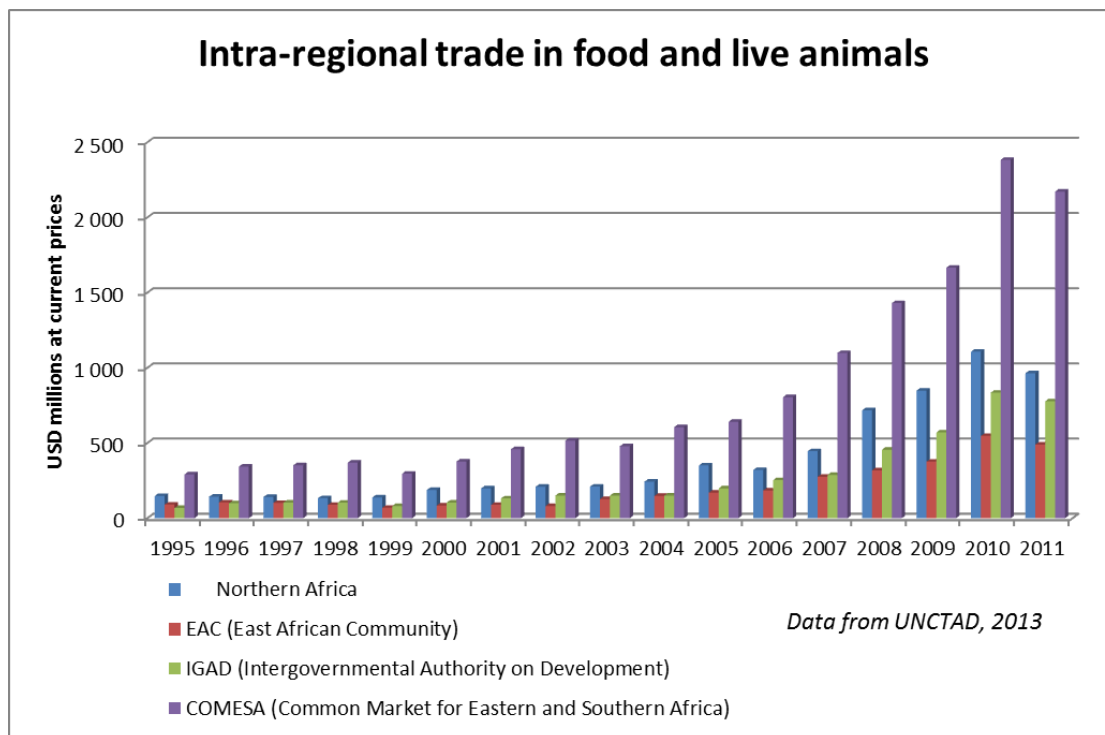


Figure 5: Intra-regional trade in agricultural products amongst NBI countries

An increase in trade in agricultural products is indicative of two factors: one is the greater degree of trust and regional integration associated with more trade generally; second is that it shows the principle of efficient use of water being implemented. Countries start specialising in producing products suited to their agro-climatic zone – and rely on trade to import other products needed and to earn exports earnings on locally-produced products – the *virtual water trade* approach. During the period 1999 to 2011 intra-regional trade in agricultural products amongst trade blocks of which NBI countries are members (EAC, COMESA, IGAD & North Africa region) increased from 829 mil USD during the baseline period (1999-2003) to 4.4 billion USD. Though not directly attributable to NBI it does show that NBIs objectives are in-step with regional trends. It should also be noted that the above trade figures are not only based on the NBI countries in isolation (such figures were not possible to obtain); but represent three trade blocks and a region; together covering all the NBI countries. Thus various other countries which are members of these groupings are included in these figures. While not definitive this does indicate a picture of increasing regional cooperation over trade issues – something which NBI certainly took steps to promote and should be able to claim at least some credit for.

In brief, the NBTF-funded projects have strongly contributed to the dissemination and adoption of a regional approach for management of transboundary water resources in the Nile Basin. This can be considered as an extremely positive outcome of the NBI/NBTF processes but a challenge remains, which is to understand how much of this regional thinking went beyond the specific sector of water resources, namely in key sectors such as agriculture, energy or environment. From what the IE Team could surmise from interviews with people outside the water sector in the riparian states, this regional thinking has been adopted in a very limited manner. Although the NBTF-supported SVP projects have often included stakeholders from the other governmental and non-governmental sectors, this involvement was limited only to some consultations that did not often have a systematic follow-up. The team considers that a continuation of the SVP on Confidence Building and Stakeholders Involvement (CBSI) could have been pursued further after the phase out of the project, as this would have strengthened the work under the Shared Vision Programme umbrella.

3.2 Legal issues and NBTF

This section aims at understanding how legal issues have influenced the NBTF delivery. Two main legal issues are analysed: 1) how the negotiations and aftermath of the CFA negotiations (and related

legal status of the NBI) have influenced and impacted the NBTF-funded activities; and 2) how the legal status of the three NBI centres has influenced and impacted the NBI/NBTF-funded activities.

3.2.1 Analysis of how the CFA process has influenced the NBI/NBTF – key points

NBI and CFA as parallel tracks and NBI as a temporary cooperative arrangement. From the outset (already during the TeccoNile period) of the cooperation process in the Nile Basin, there was a high-level decision that the two tracks of cooperation – the NBI technical activities and the political negotiations on a CFA – should be separate; in order to avoid the risk of the political-legal process interfering with the evolution and implementation of NBI projects. The two processes would potentially be related in the sense that until the CFA was adopted (signed and ratified) by the countries, the NBI would be the interim cooperative arrangement. The temporary nature of the NBI had implications for the delivery of the NBTF, namely in the sense that the NBI institutions did not have legal status in all of the riparian countries – making it difficult to disburse funds and manage projects on a basinwide scale. In operational terms, the absence of a firm legal status meant that in order to employ staff and pay their salaries, NBI recruited UNOPS to deal with those issues. (See Chapter 6 for an analysis of the role of UNOPS in the NBI process.

Impact of the CFA negotiations and signature. Until 2007, when the CFA negotiations were declared as ‘concluded’ by the Nile-COM (and referred to the Heads of State of the Nile countries for resolution), the technical track and the political track (NBI and CFA) have indeed been parallel tracks. However from 2007 onwards, with a draft CFA ready to be signed and the opposition to it by the two downstream riparians, the two tracks have crisscrossed with significant effects for the NBI and NBTF-funded projects. The signing of the CFA by six of the upstream countries was the culmination of a conflictive political-diplomatic process with significant impacts for the NBTF delivery. The impacts are multiple. *First*, the tensions between upstream and downstream countries resurfaced when downstream countries referred to past agreements. The national interests became more prominent, and the political ‘diplomatic conflicts’ returned to the multilateral relations. *Second*, the downstream riparians’ decision to freeze its participation in the NBI/SAPs activities meant that the two countries had not been participating in meetings, formal discussions and decisions concerning the projects; all of which resulted in severe delays of several of the projects. Egypt and Sudan’s decision to cancel their financial contributions to the Nile-SEC and the SAPs was also detrimental to the operations and cash-flow of the NBI centres, in particular for ENTRO where only Ethiopia continued paying its contributions. *And third*, it also had an impact on the relationship between riparian countries and NBTF development partners as already explained in 2.1.3. The signing of the CFA and consequent reaction of the development partners created a suspicion among upstream countries that development partners were protecting the downstream riparians, delaying adoption of the CFA and establishment of the NBC. From the development partners’ side, there was also a frustration with the lack of results in the political track, and fears that without the CFA, their respective governments and development agencies would question the continued funding of the NBI.

Impact of enduring delay in the adoption of the CFA. The signing of the CFA by six countries in 2010 came at a time when the IDS (part of ISP) was being conducted, namely to identify the possible different options for a river basin commission in the Nile Basin. This process was impacted in several ways by the signing of the CFA and consequent political-diplomatic process. First because Egypt and Sudan stopped their participation in the discussions and meetings related to the IDS the legitimacy of the study was placed at risk. Second, because the study now had to include different scenarios – namely a longer period of the NBI as a temporary institution as the NRBC would not be a reality as soon as expected; and also the possibility of having a commission without all the riparians. The legal implications, for the interim period and a not-all inclusive scenario, had to be included. As of yet, none of the six riparians have ratified the agreement resulting in increased uncertainties. Nevertheless, the six upstream countries officially stating they will ratify the CFA in 2013 and Ethiopia and Rwanda have recently started the process in the respective parliaments.

Questions linked to potential establishment of not all-inclusive NRBC. The six upstream riparians have officially stated that regardless of the opposition of the two downstream riparians, they will ratify the CFA during 2013. This is causing concern in the NBI centres and among the development partners. Several questions have emerged: Will the NBI and NRBC co-exist? How will the interim

period be managed? What are the positions of the development partners? How are projects going to be implemented and funded? There is currently no consensus position, and political and legal issues will continue to influence the NBI activities and the NBTF-funded projects.

The I.E. Team concludes that 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, knowing that sooner or later the two processes would intersect and could cause major disturbances to the NBI activities. In the end, the outcome had been a political deadlock since 2010 that has endured until the present time. This became a challenge to the NBTF partners – taking a position was considered to be political interference, but not taking position could also have severe implications. The decision to study the different alternatives – all-inclusive and not-all inclusive NRBC – under the IDS was a wise decision, showing flexibility to look at the pros and cons of the alternative institutional arrangements.

Some questions remain open, and the IE Team can only partially answer these questions. Could the NBTF-C have prevented the political deadlock? Most likely not, because the CFA negotiation process was outside of its domain of influence. Could the NBTF-C have done more to influence the Nile-COM after the signature in 2010? Most likely not, as by then the political decisions were not anymore at the Nile-COM level but instead were taken at the highest political level (i.e. ministries of foreign affairs and presidential cabinets). Could the NBTF-C have suggested alternatives to establish the NRBC without the CFA? Probably not, considering this had always been the underlying request of the upstream countries. To join the NBI and to suggest a NRBC without an overarching legal and institutional framework would be against the odds. Could the NBTF-C put pressure in the downstream riparians to accept the CFA as it was, and renegotiated the controversial Article 14b at a later stage once the NRBC would be established (as indicated in signed 2010 Agreement)? Perhaps it could, but Egypt and Sudan have never shown the political will to accept such an option.

3.2.2 Assessment of legal status and recognition of the NBI centres (Nile-SEC, ENTRO and NELSAP-CU)

Legal status and recognition of the 3 NBI centres. Despite the fact that the NBI itself is a temporary institution, the Nile centres have had their legal status established in order for them to be able to operate. The NBI Secretariat (SEC) was established in Entebbe in 1999 legally recognised by Uganda, and it operates under the Ugandan legal setting. The centres connected to the SAPs were established later. In 2003 ENTRO was established in Ethiopia and had legal recognition by the government of Ethiopia, and it was later recognised by the other two countries. ENTRO is independent of the Nile-SEC, and has its own legal structure, as well as an Executive Director. NELSAP-CU was first established as part of the SEC and based in Entebbe, but in 2005 moved to Rwanda. The NELSAP-CU is not an independent centre, but is financed through the Nile-SEC, to which it has to report. The NBTF has been funding many of the activities and projects of the three centres, but this has been challenging in countries where NBI does not have a legal personality, complicating the disbursement of funds for specific projects, in particular the SAPs.

Future of the Nile-SEC. Regardless of the adoption of the CFA, the ISP has resulted in an institutional transformation of the NBI. There were no institutional reforms to governance structures in the NBI – issues were raised under ISP but no action agreed by the NBI Governance. From 2011, the Nile-SEC has acquired more core functions (mainly linked to Water Resources Management and Water Resources Development) and has a larger staff complement. What will this imply? The Nile-COM had never been in favour of a big SEC with strong political powers, as the decision-making body is still and will be the Nile-COM. Some interviewees at the NBI criticised the centralised tendencies that a larger Nile-SEC would represent, despite the fact that it is recognised that the new core functions of the SEC ('Facilitating Cooperation' and 'Water Resources Management' and 'Water Resources Development') are aimed at supporting all the three Nile centres. Several of those interviewed consider that after the close of the SVPs, that had offices in all the Nile countries and with a trend towards centralisation at the Nile-SEC, the NBI might be losing visibility in some of the countries. In many of the Nile countries, Nile Focal Points under the ministries for water were established as a link between the NBI-offices and the riparian governments. These Focal point offices,

often staffed by only one person, received some initial support to establish the offices from NBI. Today, the NBI national offices remain hosted by the TAC and include the National Focal Point. Engagement and capacity depends on the interest of the countries. Staff members from the SAPs interviewed during this evaluation suggests that the subsidiarity principle that had been so important in the formation of the NBI could be lost in favour of more ‘unionist’ conceptualisations that form the base of the ‘One NBI’ strategy.

Future of the SAPs. Both of the SAPs are currently facing challenges that need to be addressed. The nature of the challenges are different. In the ENSAP region, ENTRO had been adversely impacted by the fact that Egypt and Sudan have frozen their participation and financial contributions, with serious impacts for several of the NBTF-funded projects. If an NRBC is established and only Ethiopia and eventually South Sudan would be part of it (but not the other two countries), there could be operational challenges. In November 2012, the ENCOM agreed to continue with ENTRO and not to create a “Permanent Cooperative Mechanism in the Eastern Nile Sub-basin” (NBI 2012b) that would co-exist with ENTRO as a transitional arrangement. However, in this region, the developments indicate that the three countries are pursuing bilateral/trilateral cooperation outside of the NBI/ENTRO sphere. The case of the trilateral cooperation over the Ethiopian Grand Renaissance Dam is an example of important positive cooperation outside of the formal NBI process. Other questions remaining are whether ENTRO will survive if Ethiopia were the only ENSAP country ratifying the CFA- becoming part of a future NRBC; and if trilateral cooperation (outside of the NBI) will become the predominant way of cooperation in the Eastern Nile. Will NBTF and the multi-donor mechanism that will follow financially support ENTRO activities? What is evident is that the process of cooperation supported through the NBTF has resulted in a much greater degree of cooperation in the Eastern Nile region – within the NBI process or outside of it. This should be noted as a success since it less important *how* countries cooperate and more important that they choose to cooperate – in whatever format. See Chapter 4 for an analysis of the JMP project.

In the NELSAP region, the challenges are different. The NELSAP portfolio has been growing systematically over the last decade, with several new projects on the ground and ambitious projects such as Rusumo Falls proceeding (see Chapter 4 for an analysis of the Rusumo Project). However, the NELSAP does not have an independent legal status from the Nile-SEC, even if NELSAP’s independence from Nile-SEC has increased considerably lately, and some interviewees felt this might bring several challenges when the NBTF closes and the capacity for project management and coordination at Nile-SEC decreases. These challenges are unlikely to be insurmountable- a prime example being the Rusumo Falls hydropower project, which will be implemented through a special purpose vehicle formed by the three countries concerned. NELSAP has had support both from NBTF funds and from bilateral funds, with some development partners choosing to support the NBTF as well as fund specific projects such as the Kagera River Basin Management Project. Merging the NELSAP with the Lake Victoria Basin Commission (part of the East Africa Community- that all except DRC and South Sudan are part of) has been discussed in the Institutional Design Study (IDS) under ISP but are unlikely at this time. It is the view of the IE-Team that a possible future merger between NELSAP-CU and LVBC should be further explored. Such a merger could bring some positive elements, such as a stable future financing of the NELSAP-CU through EAC member-states contributions. This would be in addition to increased political support and stability coming from being included in a formal REC as well as increased capacity for project development to be transferred from NELSAP-CU to LVBC. South Sudan’s application to become a member of EAC gives additional reasons to look into this issue.

3.3 Key findings concerning the impact of political economy, governance and legal issues on the NBTF-funded activities as a vehicle to deliver a shared vision in the Nile Basin

Analysis included in the previous sections aimed at showing how the political economy, governance and legal issues (and changes) have impacted the NBTF over the course of time. What becomes clear from the analysis is that the region has been the stage of a lot of political, social and economic changes – some external to the NBI and some directly related to the NBI. The most striking change is the move from a situation of mutual mistrust between upstream and downstream riparians very

focused on their national interests to a situation where countries work together to identify (and implement) opportunities of managing the Nile water resources in a cooperative way. The portfolio of NBI activities shows clearly that since 1999 the countries have been collaborating in order to initiate, develop and disseminate a Shared Vision. This has been possible thanks to the development partners' support, both financial and technical. As from 2003 the NBTF has increasingly become the main source of funding of the SEC and SAP's activities. The ever-present risk of riparian countries pulling out of the cooperative process has not fully materialised – despite Egypt and Sudan choosing not to participate in selected NBI activities. Generally cooperation has been maintained, but not always in the envisaged NBI format. To a large degree this positive outcome is a result of the increased levels of trust between the riparians both at political and technical level, compared to the baseline period, with the SVP having played a major role in this.

CHAPTER 4: EVOLUTION OF THE NBTF PORTFOLIO

4.1 The NBTF and World Bank Management

At its establishment in 2003 the NBTF was a highly innovative funding instrument. Traditionally, development financed is committed on a country basis (or to a well-defined region such as that represented by an economic community); focussing on discrete economic sectors (such as water supply, agriculture, energy); and would be budgeted on an annual or two to three year basis. The NBTF broke with this orthodoxy by working across several countries which are not linked by any common regional economic community. Thus it was different to the Lake Victoria Partnership Fund which was centred on the five EAC countries. The NBTF also cut across different sectors – due to the nature of the projects presented at the ICCON by the Nile basin riparian countries it was necessary to include sectors such as energy, agriculture and health; in addition to the water sector. These two points are especially relevant to the World Bank; which operates along a matrix system aligning country programmes and sectorial programmes thorough three to four year Country Assistance Strategies (IEG, 2012). Most development agencies operate on annual budgets or work plans; with overall programmes typically being less than five year in duration. The NBTF proposed that partners would commit funding for a period of ten years – substantially longer than the norm. This was needed due to the long-term nature of supporting complex cooperation processes such as that of the Nile where intangible objectives, such as improving trust and confidence amongst riparians, are unpredictable and don't readily fit tightly-defined funding cycles.

The trust fund approach holds some clear advantages for the Nile situation with the IEG noting that trust funds allow regional public good type objectives (such as transboundary water management) to be combined with the interests of individual countries (IEG, 2012). In essence it meant that the management and disbursement of funds to support basinwide water management of the Nile could be done in a way which mirrors good practise in cooperation and coordination – in this case amongst the development partners but being of equal relevance to what was expected of the riparian countries under the NBI. This cooperation was not without its challenges, with a range of issues being faced by the partners over the ten years. For instance at the outset of the NBTF there was a practise of “soft earmarking” whereby development partners could specify specific programmes or issues which they would like to see their contribution support. In practise this proved unworkable, not least due to the fungible nature of money, leading to an amendment of the NBTF agreement in 2007. In addition the practise of soft-earmarking ran the risk of diverting attention from the set of priority projects identified by the riparian countries in the Strategic Action Programme. The overall risks of deciding to support the NBI process through a trust fund were high; with a distinct possibility that the internal challenges associated with coordinating the funding of 10 development partners leading to its collapse. Despite the challenges of the uncharted waters being entered into it is evident that the NBTF survived; remaining relevant to the original set of partners as well as being able to attract new partners over its ten years of operation. An indicator of this success is the call made by development partners to establish a trust fund for transboundary water management in Africa – leading to the establishment of the CIWA.

4.1.1 NBTF as the Funding Instrument and Modality for activities within the NBI

The NBTF as an instrument led directly to greater harmonisation amongst donor countries in supporting cooperation efforts in the Nile basin and is assessed by the IE-Team as being appropriate to support the NBI process. At the time of establishment of the NBTF there was disparity and a lack of coordination between the programmes of the various development partners, which coupled with a lack of a well-established basin-wide perspective amongst the riparian states, contributed to gaps as well as overlaps in funding. Thus a key contribution of the NBTF as a mechanism was to promote greater harmonization in the international development efforts around the Nile – this includes the countries which are members of the NBTF as well as other development partners such as Germany (GIZ, and KfW), UNDP and the AfDB whose activities were coordinated with the NBTF group.

The governance of the NBI across its three centres has been challenging, with disparities on issues such as staff management, procurement, human resource strategy and relations with national governments. The governance structure adopted for the SVP-programme was complicated and the powers of project management units versus Nile-COM, Nile-TAC and the NBTF-committee and the World Bank were not always coordinated. The ISP was developed when it was evident that the Nile-SEC was lagging behind the SAPs in terms of institutional development and was intended to promote greater unification of the NBI. These types of imbalances could be addressed within the trust fund setup – where there was a good understanding of the long-term support given to the NBI and the required flexibility to develop a response. It is unlikely that a proactive response to develop the capacity of the Nile-SEC and harmonise operations across the NBI would have been possible if each development partner had a separate relationship with NBI and worked in relative isolation.

The NBTF as a mechanism was generally considered, by a large majority of the interviewees, to be appropriate to the circumstances prevalent when it was established in 2003 – addressing the lack of coordination between the aspirations of the Nile riparians. In the lead-up to the ICCON there was a process of countries contributing their preferred projects, often with limited “regional perspective”, but many of which were then incorporated in the Nile River Basin Action Plan (NRBAP) designed by Nile-COM; identifying 22 technical assistance projects and addressing economic development and equitable use of the Nile waters. The NRBAP constitutes the base for the SVP- and SAP-programmes supported by NBTF.

4.1.2 World Bank oversight of the suite of projects financed

One of the key advantages of using the NBTF as a funding mechanism was that it provided a high degree of assurance to potential donors that there would be sufficient fiduciary oversight. This is an important consideration for all development partners spending public funds – they need to be able to demonstrate to domestic stakeholders that the funds under their control were spent efficiently and effectively. To provide the required degree of risk mitigation the World Bank needed to be strongly engaged in the management of projects funded under the NBTF. This included the fiduciary issues (such as reporting, procurement and financial policies) as well as technical issues concerning the actual design and implementation of projects. This was all the more needed due to the low levels of capacity which existed in most of the riparian countries at the outset of the NBTF – there simply was not a large cadre of available professionals with the requisite skills to apply to the management of the projects. Coupled with a lack of individual capacity, there was also little capacity at the institutional level; with no basin-wide organisation existing to receive and disburse funds across the basin.

It is evident from interviews with the other donor partners (non-WB) of the NBTF that the WB performed the fiduciary responsibilities highly satisfactorily. There was regular reporting at the annual NBTF-C meetings which detailed progress with the various projects and provided figures on disbursements. What emerges from interviews with NBI staff though is that while the fiduciary oversight and reliability provided by the WB is appreciated it was at times too much. The term “micro-management” was frequently used by NBI staff (current and former) during interviews. When probed about what was meant by this term it seemed to be comprised of two elements.

The first element related to the lengthy process for gaining a statement of “no-objection” from the WB for a specific project activity to proceed. This “no-objection” statement from the WB was needed for activities of a relatively small size – 10,000 USD. NBI staff commented that this process was cumbersome and slowed down project implementation. They cited frequent cases of long delays in gaining the “no-objection” statement – referring to the project procurement plans of a selection of NELSAP projects it is clear that the majority of them experienced delays in gaining a no-objection from the WB on the approval of ToRs and other actions. However it is not clear from the project procurement plans whether this was because of questions by the WB about the proposal submitted – needing time for a dialogue. It was however made clear in interviews that there were a substantial number of instances where the NBI staff member believed they had drafted the application or proposal correctly but that it took a long time to get a decision, during which time there were no further questions being raised by the WB. At times the delays were attributed to changes in the WB team – necessitating re-submission of documents. It is the opinion of the IE-Team that these delays

were caused by both sides – not by only one. The point was made that over the last three to five years of the NBTf capacity had been built in the three regional NBI centres for the management of financial resources – including procurement, reporting, planning and financial policies. With the capacity having been developed there was the expectation that the responsibilities would also be transferred to the centres.

The second element of the “micro-management” claim seems to revolve around issues of a more technical nature. Here it was reported by some interviewees that at times the WB would dictate the way a project was implemented – possibly influencing the approach taken to a study. It was generally acknowledged though that this only became an issue with specific individuals – or pairings of individuals – between the WB and the NBI. Thus it was claimed that specific WB staff may become more engaged in technical issues of the project than others; and likewise some NBI staff would perceive this engagement either as constructive input or would view it in a negative light.

Finally the WB system for paying consultants (client connection system) was criticised by some NBI staff for being very slow. Examples were provided in the evaluation interviews of instances where payments were delayed by several months, leading to strongly-worded letters being sent by the consultant to the NBI.

4.2 The NBTf portfolio evolution

When the NBI was instituted among its nine riparian countries it comprised five among fifteen of the poorest countries of the world. At the time there was a low level of trust, low technical and institutional capacity as well as financing mainly via bilateral support for the NBI and very little regional integration. Development partners dealt with NBI only bilaterally. Increased bilateral financing (both in number of donors and in volume of financial support) created accompanying increased financial reporting and fund management requirements – which had to be performed in accordance with the requirements of each donor. This increase in transaction costs was not a sustainable framework and eventually coordinating development support and financing for the Nile became necessary.

The NBTf supported 28 projects over its ten year existence, committing 191 million USD and disbursing 203 million USD by 31 December 2012 (World Bank, 2013). These projects are listed in Table 1 below, showing the support given to the Nile-SEC, mainly through the SVP Coordination Project and the Institutional Strengthening Project (ISP), as well as support to the two regional centres through the SAPs. A detailed overview of the projects – including more information on each project – appears in the appendix of this report. Table 1 has classified the 28 projects into three broad categories. This classification makes it easier to gain an understanding of what sorts of projects the NBTf has supported and how this mix has changed over time. As part of the ISP a set of “core functions” for NBI was identified (NBI, 2011). The core functions build on the NBI Shared Vision and 1999 Policy Objectives, as well as subsequent agreements by the Nile Council of Ministers (Nile-COM). These were presented to the Nile-TAC in March 2011 and have now been approved by NBI and guide the relationships between the Nile-SEC and the two regional centres (World Bank, 2011). The three core functions of the NBI are i) Facilitating Cooperation, ii) Water Resources Management, and iii) Water Resources Development; all supported by the corporate services function.

Core functions of an RBO are those actions which member states have mandated it to perform as a minimum requirement to fulfil its mission (NBI, 2011). Typically the eventual set of core functions performed is a product of the mandate as well as the maturity of the RBO. In the initial stages of RBO formation and development the emphasis would be on facilitating cooperation and reducing risk. Over time a greater emphasis would be placed on developing the systems to perform water resources management – these are usually the “soft” actions needed to understand better the functioning of the hydrology as well as climate, social and economic factors. Depending on the mandate of the RBO it may progress to the planning and eventual construction of physical infrastructure – the water resources development function.

It should be recognised that NBI is not an RBO – but a transitional arrangement which may or may not lead to the formation of an RBO and it is thus not at all self-evident that all the above functions

would be performed (NBI, 2011). But it does provide a framework for charting progress in achieving the overall development vision for the Nile River Basin. Also note that the core functions were only identified and adopted late in the implementation of the NBTF; hence in no way influenced the identification of projects for inclusion in the NBTF portfolio. Using the core functions to classify the projects in the NBTF portfolio does not imply that the projects were selected to address the three core functional areas and is done entirely on a post-hoc basis – after the fact and purely for analytical purposes in this report. What does emerge with the benefit of hindsight is that the NBTF portfolio served to support the NBI Vision and Policy Objectives of 1999; given that the latter informed the subsequent development of the core functions of NBI. This is to be expected as the core functions chosen for the NBI reflect international experience and best practise in river basin management (refer to Hooper, 2006; Granit, 2010; GWP-INBO, 2009).

Name	Start Date	Project Category	Amount Disbursed (mil USD)
SVP: Shared Vision Programme Coordination Project	2003-04-03	1	9,94
NELSAP: Coordination Unit Project	2003-04-22	1	0,67
NBI Facilitation	2004-01-01	1	21,08
SVP: Applied Training Project	2004-02-12	1	14,13
SVP: Confidence Building and Stakeholder Involvement	2004-03-17	1	11,35
NBI: Nile Basin Secretariat	2005-01-25	1	0,20
SVP: Socio-economic Development and Benefit Study	2005-02-03	1	3,65
NELSAP CU Institutional Strengthening	2006-06-30	1	1,87
Grant for Institutional Strengthening of the ENTRO	2006-10-12	1	2,58
NBI ISP	2008-10-21	1	24,02
SVP: Nile Transboundary Environmental Action Project	2003-04-22	2	8,99
SVP: Water Resources Planning and Management Project	2004-10-15	2	6,79
Eastern Nile Watershed Management Project	2004-11-08	2	2,50
SVP: Efficient Water Use for Agricultural Production	2005-03-16	2	4,12
EN Flood Preparedness and Early Warning Project - Phase 1	2007-06-19	2	3,96
NELSAP: Agriculture and Trade project	2008-04-29	2	0,60
SVP: Additional Grant Financing Water Res Planning and Mangt - II	2009-03-31	2	17,22
EN Planning Model	2009-09-09	2	6,50
NELSAP: Kagera RBM	2009-09-17	2	3,77
NELSAP: Sio-Malaba-Malakisi RBM	2009-09-24	2	2,15
NELSAP: Mara RBM	2009-09-24	2	2,15
NELSAP: Additional Grant to Agriculture and Trade - II	2010-11-30	2	7,00
SVP: Regional Power Trade Project	2004-11-01	3	5,76
ENTRO Grant for Joint Multipurpose Program	2005-09-28	3	1,14
NELSAP: Regional Rusumo Falls Hydroelectric and Multipurpose Project Preparation Grant	2006-10-24	3	7,72
EN Joint Multipurpose Program Identification Phase (JMP1)	2009-09-09	3	7,00
SVP: Additional Grant Financing Regional Power Trade Project - II	2009-09-16	3	4,56
NELSAP: Coordinated Water Resources Development	2010-02-04	3	4,90
NELSAP: Power Program	2010-04-24	3	3,80
Total:			171,36
<i>Notes: Project categories taken from NBI core functions as follows: 1 = Facilitating Cooperation; 2 = Water Resource Management; 3 = Water Resource Development. "NBI Facilitation" is included as a 29th project – but consisted of WB institutional support to NBI of 1.5 mil USD annually over the 10 years of the NBTF</i>			

Table 2: Portfolio of NBTF-supported projects (as of 30 June 2012)

The 28 NBTF projects have been classified on a subjective basis by the Independent Evaluation team—based on which category of function they primarily intend promoting. That is not to say that a project in one category does not contribute to supporting functions in the other two categories – most projects would support elements in at least two of the functional categories. However, for each project it is possible to make a judgment on where the emphasis is placed; category one, two or three. The reader should also note that the functional categories are not mutually exclusive, in fact they do (and so they should), support each other. For instance, if work for the preparation of infrastructure development plans is to proceed (a category three action) it is dependent on a sound knowledgebase existing (a category two type action). Likewise, for a meaningful basinwide knowledgebase to be established there needs to be a sufficient level of trust between riparian states – something dependant on category one type actions. This dependency is not one-directional as projects to develop infrastructure may lead to an increase in the degree of support for the basinwide cooperation process in riparian states (through facts on the ground becoming evident), thus supporting category one objectives. Generally it should be expected that more work needs to be done in categories one and two before it is possible to proceed with infrastructure development projects.

Table 2 shows that the types of projects supported by the NBTF are fairly evenly distributed across the three categories, with category one having 11 projects, category two with 11 and category three having 7. Note that “NBI Facilitation” is included as a 29th project – but consisted of WB institutional support to NBI of 1.5 mil USD annually over the 10 years of the NBTF; clearly a category one action. However

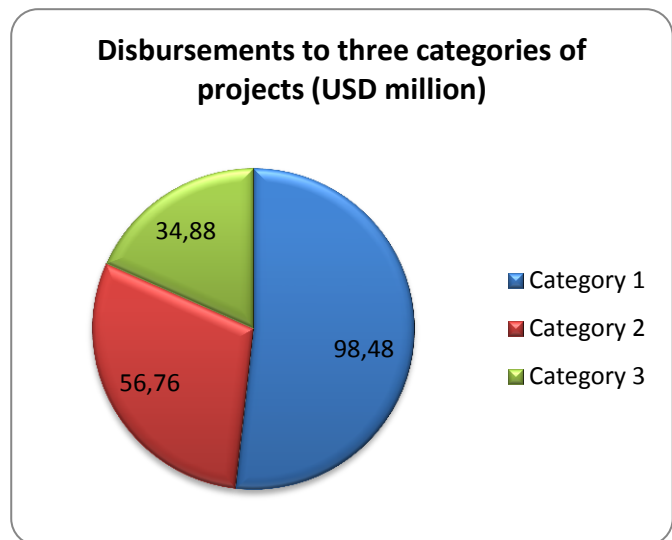


Figure 6: Disbursements to NBTF projects

figure 6 shows that in terms of funding disbursed (as of 31 December, 2012) there is greater disparity, with category one projects receiving over half of the support. Category three projects receive the lowest amount; less than 16 per cent of the total. This is to be expected; as noted above it is necessary to have trust and a commitment to cooperation in place and then a functional knowledgebase before proceeding with infrastructure development actions.

Figure 7 below represents the NBTF portfolio of projects graphically by time (project start date), category (one, two or three); and size (amount disbursed in million USD). Any attempt to display graphically an overview of 28 projects implemented over a ten year period runs the risk of simplification; it is recognised that the duration of the projects being implemented is an important piece of information lacking from the figure. However it serves a useful purpose of showing what sorts of projects were focused on at various points during the decade of development of the NBI from 2003. In its first three years of operation (2003 – 2005 inclusive) the NBTF supported seven category-one projects, four category-two projects and two category-three projects; indicative of the need to establish trust in the cooperation process at that time

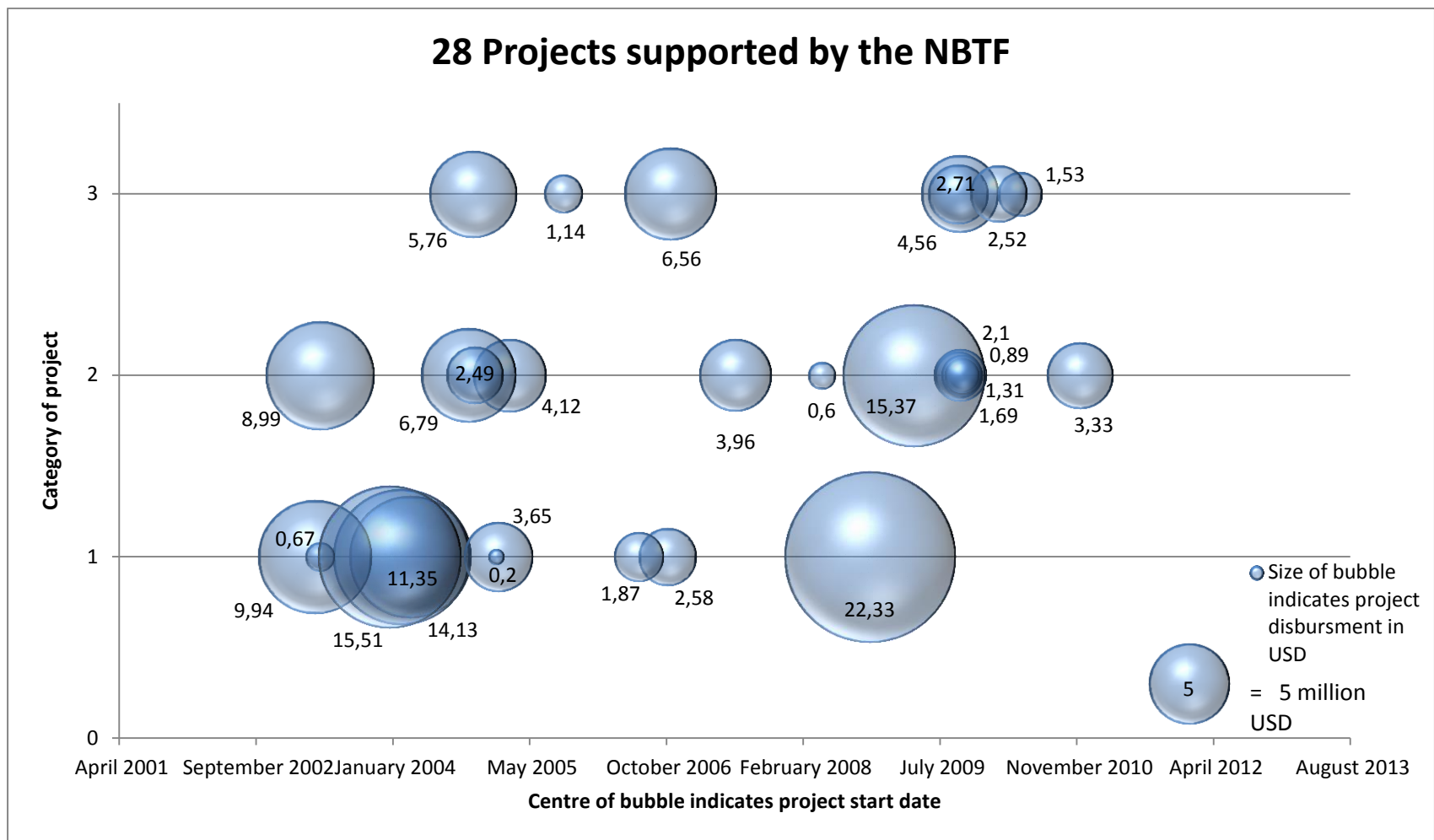


Figure 7: Typology of projects supported by the NBTF⁴

⁴ Project categories taken from NBI core functions as follows: 1 = Facilitating Cooperation; 2 = Water Resource Management; 3 = Water Resource Development

During interviews with representatives from Nile riparian states (including Nile-TAC and Nile-COM members as well as riparian staff at the three NBI centres) the point was frequently made that the countries were then, and are now, most interested in projects resulting in actions “on the ground”. When asked what precisely was meant by this the response consistently indicated that countries wanted the development of water-related infrastructure (water storage and transfer as well as electricity generation and transmission). To some degree this tension between the need to establish and facilitate cooperation; and the desire to develop infrastructure has remained throughout the lifespan of the NBTF. However it should be recalled that the original portfolio of projects was based on the pledges made at the ICCON in 2001, possibly reflecting the realisation of countries that the requisite level of trust between the countries to allow the development of water resources did not yet exist, hence the emphasis in the first three years of the NBTF on category-one type projects.

Period 2003 – 2005:

During the period 2003-2005 seven category-one projects were initiated. These projects all aimed to either promote trust, cooperation and capacity across the basin or to strengthen the NBI institutions. At the early stage of the NBTF operations these represented important issues to address and the types of projects chosen are thus appropriate to the needs at this time. In total these projects disbursed 55.45 million USD over their respective implementation periods.

Four category-two projects were initiated during this period, contributing to developing basin-wide capacity for water resources management actions – including environmental protection, resource planning and cost benefit analyses. Each of the projects had strong elements of capacity building and institutional development incorporated in them; representing actions more commonly associated with the category-one projects. These would have been needed during this early period of the NBTF implementation where trust and cooperation levels were low. In total these projects disbursed 22.39 million USD over their respective periods of implementation.

Only two category-three projects were initiated during 2003-2005; with both aiming at developing the institutional base from which later infrastructure preparation projects could be launched. These projects provided visible evidence to the riparian countries that the NBTF would support actions which could eventually lead to the development of water and energy infrastructure – a key concern of these countries. In total these projects disbursed 6.9 million USD over their respective periods of implementation.

Period 2006 – 2008:

During the next three years of the NBTF’s implementation (2006 – 2008 inclusive) the institutional landscape of the Nile basin had coalesced and matured. The report prepared for the 2006 annual NBTF partners meeting in Bujumbura lists amongst achievements of the NBI process the engagement of hundreds of professionals across the basin in the process, greater institutional maturity of the three NBI centres (specifically the SAPs) and the shift from focusing on planning to a focus on action (World Bank, 2006). In this report the need to strengthen NBI institutions in light of the long term goal of forming a full-fledged RBO is raised. In 2006 the Lake Victoria Basin Commission (LVBC) was fully constituted and grew rapidly from then, necessitating a consideration of the relationship between it and the NELSAP-CU. The discussions on concluding the CFA were proceeding well during this period; though with an expectation that they would still take some time to conclude.

Generally during this period there is a sense of urgency associated with delivering more activities “on the ground” – visible in the riparian states. Most of the SVPs were reaching their mid-way point during this period; allowing lessons to be learned from their mid-term evaluations. One of the key factors to emerge from these mid-term evaluations was that the objectives of the SVPs would need to be realigned to reflect the reality that the SAP investment projects had progressed much faster than originally anticipated (World Bank, 2007).

Three category-one projects were initiated during the 2006-2008 period, all with ambitions to improve the institutional functioning of NBI – equipping it to manage and implement projects, comply with fiduciary requirements and attract investment funding (World Bank, 2008). During this period the term “One NBI” is used frequently in the annual reports – taken to mean a desire to harmonise the operations and project implementation across the three NBI centres. There was divergence between the centres in areas such as corporate governance, human resources strategies, financial reporting and project implementation and analysis capacity (World Bank, 2008). This divergence was largely the result of the pragmatic development of the three centres to respond to the different issues raised through the implementation of the SAPs (by the two regional centres) and the SVPs by the Nile-SEC. By the end of the 2006 – 2008 period progress on discussions around the CFA was good – with only one issue outstanding.

During a Nile-TAC Workshop on “Change Management and Organizational Effectiveness - Framing the Conditions for a Successful Transition to a Permanent Institution” in October 2008 the participants were asked to evaluate "Trust and Confidence" as a priority critical aspect. Their assessments largely agreed that developments have been very positive in this critical aspect, and that there were important differences in the future trust to be expected with or without an agreement on a CFA. Without a signed CFA the participants expected that the trust and confidence between the riparians, politicians as well as technicians, would decline more or less rapidly. One interesting estimation done by the participants was that the trust built during the first 7-8 years of the NBI would remain at a fairly stable level for approximately 4 years even after the halt of the CFA process, and after that around 2012 would drop rapidly (NBI, AtKisson 2008d) This might be what we are seeing presently where the interest in basin wide cooperation seems to be dropping but the bi/trilateral cooperation on investments at sub-basin (EN and NEL) remains relatively high.

Amongst NBTF partners there was cautious optimism that the CFA would be concluded and agreed to by all riparians sooner rather than later (World Bank, 2007, pp7). Although recognising that it is not possible to predict how long would still be needed to conclude any CFA discussions it was decided that the NBI institutions should be strengthened in anticipation of the possible role it would need to fulfil should it become an RBO (Ibid). The institutional strengthening projects which were being implemented at the two regional centres during this period were concluded and a basin-wide institutional strengthening project (ISP) was launched. This aimed to facilitate cooperation across the basin, build institutional capacity as well as harmonise operations and functions across the three centres. In total these category-one projects (all dealing with institutional strengthening) disbursed 26.78 million USD over their respective periods of implementation. As stated in the project appraisal document of the ISP there was as early as 2005 a recognition from within the NBI that institutional strengthening and harmonisation across the NBI centres was needed (World Bank, 2008). This was articulated by the Nile-COM in 2005, from where the Nile-SEC (in collaboration with the two regional centres) started preparing a proposal for a project to strengthen the NBI in key areas; all in anticipation of its new role as an RBO once the CFA was agreed. The ISP is discussed more fully later in this report.

Only two new category-two projects (aimed at water resources management actions) were initiated during 2006-2008 – one in each of the regional centres. Both sought to promote a regional approach to tackling water management challenges – flood preparedness and food security respectively. The projects were designed to pave the way for second phases, with most activities of a scoping nature, intended to raise awareness amongst stakeholders and demonstrate some of the advantages to adopting a regional approach to the issues. The flood preparedness project included a range of on-the-ground actions – demonstration sites and pilot initiatives to reduce flooding – responding to an increasing emphasis during this period on demonstrating tangible progress and results at a national level (World Bank, 2007: pp 9). In total these projects disbursed 4.56 million USD over their respective periods of implementation.

The only category-three project to be initiated during the 2006-2008 period, the Rusumo Falls project represents a tangible contribution to economic development for the participating countries. It is a

complex project, requiring a high degree of cooperation between countries, amongst different ministries within countries (electricity, water, infrastructure etc.) and with other actors such as international financial institutions. The project is of great importance to the three participating countries and has generated a large amount of interest in the potential of developing the resources of the Nile River further. During an interview a Nile-TAC member from one of the three participating countries stated that this was the first project which he could confidently introduce to his respective minister as bringing “real benefits to the country”. By 30 June 2012 this project had disbursed 6.56 million USD.

Period 2009 – 2012:

The final phase of project initiation of the NBTF (2009-2012) was accompanied by several dramatic changes in the basin. The revolution in Egypt, the formation of South Sudan and the opening of the CFA for signing all had an impact on the operations of the NBI. As much as the NBTF-supported projects are meant to be focussed on technical issues and not on the political, it proved difficult to separate the two entirely. During this period there was great emphasis placed on promoting projects which brought visible improvements to socio-economic conditions in the basin, with a large number of projects in category-three. As could be expected in the final phase of the NBTF there were no category-one projects initiated – reflecting the degree to which trust, confidence and cooperation had been established in the basin – a key objective of the NBTF. Note though that at the very end of the previous period (2006 – 2008) the NBTF’s largest single project was supported – the ISP. Thus this project was being implemented during the current period; with a large number of activities seeking to support the institutional development of NBI.

The mix of the six category-two projects initiated during this period shows the progressive shift towards projects with tangible water management deliverables continuing. The three sub-basin projects implemented by NELSAP serve to demonstrate to national stakeholders that there are benefits to working collaboratively, as all three projects have identified possible water-related infrastructure which could be developed in the respective basins once the appropriate management frameworks are established. This is a vital part of mitigating the risks for riparians associated with working collaboratively basinwide. The projects are also indicative of the efforts to align NELSAP activities with the objectives of the LVBC, as described in the 2009 NBTF-C annual report (World Bank, 2009). In total these projects disbursed 31.03 million USD over their respective periods of implementation (up to 31 December, 2012). (Some of these projects were introduced as projects with bilateral support much earlier.)

All four of the category-three projects initiated in this period place an emphasis on studies to identify or develop investments in water or energy related infrastructure – either basin-wide or at a sub-basin level. These investments would serve to stimulate economic development within the basin countries as well as promote inter-regional cooperation. In total these projects disbursed 14.28 million USD over their respective periods of implementation (up to 31 December, 2012).

Two of the largest initiatives funded under the NBTF will be investigated in more detail below – the SVP and ISP. The way these programmes were developed and implemented serves as something of a bellwether for the rest of the NBTF portfolio – given that their total budgets accounted for more than half of the funds disbursed and that they were both focussed on the development of the needed trust, capacity, knowledge and the later institutional framework needed to make downstream investments possible.

Shared Vision Programme

Any assessment of the effectiveness of the SVP needs to be done in the framework of the overall NBI Vision being contributed to by several initiatives; and not only the SVP. Thus the objectives of the SVP (of developing trust, capacity and knowledge) form the yardstick for assessing development outcomes of the programme. As noted in the management response to the review the Independent Evaluation Group (IEG) of the Programmatic Implementation Completion and Results Report (PICRR) it is incorrect to have expected the SVP to have delivered a water-sharing agreement of

some sort, as this was explicitly beyond the mandate of the programme; falling firmly within the political track (World Bank, 2011). The other objective which was not a part of the SVP is the development of infrastructure – the SVP would only contribute to establishing the requisite environment for the development of infrastructure, where trust, capacity and knowledge are needed in order to attract the necessary financing.

As stated in the management response “There are many signs that the SVP objectives, including the building of trust, capacity and an enabling environment, remain relevant to the NBI countries:

- Trust and enabling environment for investments: Despite the current complex political situation, technical collaboration and commitment to the NBI remains strong. Even in the Eastern Nile (Egypt, Ethiopia and Sudan), where relations are currently most strained, joint technical work continues. The NBI investment portfolio now contains nearly US\$1 billion in on-going investments. Additionally, the opinion survey included in Annex 3 of the PICRR details the demand and desire for investments at the country level.
- Capacity: Largely based on the capacity building and experience gained through the NBI, most Nile countries have established or strengthened their transboundary water offices and policies, demonstrating the relevance of regional shared resource management to the national governments. For example, since beginning engagement on the Nile, Tanzania has begun work on their other transboundary basins. Rwanda, with technical assistance from the NBI, has created a new transboundary office. Other NBI Countries including Kenya, Ethiopia, Egypt and Sudan have strengthened their transboundary offices and policies over the life of the SVP”.

The PICRR assessed the project as being “moderately satisfactory” – according to the World Bank evaluation criteria (World Bank, 2010). Essentially by the end of the project in 2009 it was possible to point to an increase in levels of trust between riparian countries as well as within countries between various economic and societal sectors. At the start of the SVP there was very little regional collaboration on issues regarding the management of the Nile River resources; and by the end of the SVP this had increased greatly and made the NBI a forum for discussing these issues. This assessment of the SVP is not only made by World Bank representatives, but also by people interviewed for this assignment – including staff (current and former) of the three regional centres, water management professionals from the riparian states, civil society representatives and other donor partners supporting the NBI (members of the NBTF as well as external). Generally there was a sentiment that the SVPs had contributed to cooperation in the basin – not only between the riparian states, but also between various economic sectors such as agriculture, energy, environment and national planning. A reason for this could also be that the programme activities were chosen largely through inputs from the riparian states and sought to address the risks which countries perceived as being associated with cooperation (World Bank, 2010 and evaluation interviews).

It should be noted that for the purposes of this evaluation what is of interest is the contribution of the whole SVP set of projects (all eight) to their overall objective of developing trust, knowledge and capacity in the basin. It is beyond the scope of this evaluation to evaluate each of the projects under the SVP. The SVP was successful in achieving its internal objective, and by implication made a contribution to the achievement of the overall NBI Vision. The SVPs PICRR rates the programme overall as “moderately satisfactory”. Though the IEG then rated it as “moderately unsatisfactory” the response provided by the AFCRI and AFTWR clearly and systematically addresses shortcomings in the IEG evaluation approach. Their main critique of the IEG approach is that it sought to evaluate the SVP against the mission statement of the NBI – the NBI Vision. In reality the SVP should have been evaluated against its internal overall programme objectives – which in the opinion of the IE-Team were achieved at least moderately satisfactorily.

A sentiment expressed by a majority of the interviewees for this evaluation was that due to activities performed under the SVP it is now possible to bring up issues for discussion which previously would not have been on the table. Being able to voice contentious issues is a key requisite of cooperative basin management. Cooperation does not equate to the absence of disputes (that would be harmony) –

rather a recognition that divergent views and opinions can be discussed in a structured institutional framework – such as that provided by the NBI. The SVP was certainly grand in its scope and vision, as was the whole enterprise of the NBI and the decision to support it through the NBTF, but it is the opinion of the IE Team that the SVP made a tangible contribution to basinwide cooperation and established the foundation on which investment funding can now be attracted. The reduced level of risk associated with a basinwide management approach has translated into an environment attractive to investments in water and related infrastructure in the basin.

The gains made in stimulating regional cooperation in the basin through the SVP were attained through the disbursement of 73.06 million USD – against a planned 68.78 mil USD (variance of 4.28 mil USD or 6.2 per cent). Over the six years of effective project implementation (2003-2009) this represents an annualised spend of 12.18 mil USD – or for the 437 million people living in Nile basin states less than three US cents a head. Given the absence of any real regional approach to basin management at the outset of the programme and the eventual contributions made through the outcomes of the programme, the SVP was probably as efficient a large-scale programme as can be hoped for.

A key factor which contributed to the SVP achieving its outcomes was the dispersed project management arrangement; with project management units (PMU) located in states across the basin. These PMUs served to raise the visibility of the NBI in those states and build trust and confidence amongst stakeholders in the long term process and acted as a domestic risk mitigation mechanism for the policy-makers engaged in the NBI. Thus although the SVP projects were implemented regionally there was a sense that they were rooted in the realities of the respective riparian states, with decision-making not all taking place in a regional centre. This point is important and was stressed by several interviewees and brought up in contrast to the approach of the ISP which served to centralise decision-making in the Nile-SEC.

Institutional Strengthening Project

The ISP started in October 2008 and had as its objective according to its Project Appraisal Document, “the NBI has strengthened foundation for institutional sustainability, enhanced capacity, and harmonized corporate management to more effectively deliver programs and projects”. The rationale for the ISP was that by 2008 the NBI was being called on to transition from a project delivery mode to operating like a permanent institution, requiring a different skill mix, more clarity on roles and responsibilities, harmonisation of administrative systems across institutions, and greater focus on organisational effectiveness and financial sustainability. The annual report presented at the NBTF Committee meeting in Kampala in April 2008 explicitly links the plan to close the NBTF in 2012 with the need to develop greater institutional independence of the NBI. This is linked to the expectation of the CFA negotiations being successfully concluded and the NBI making the transition to a full RBO. By this stage the NBI had grown into a network linking “more than 500 national and regional professionals — including more than 230 regional and national NBI staff and more than 300 government-appointed counterpart staff”. Differences in human resources management amongst the three centres had become acute and pronounced.

From the outset it was envisaged that the ISP would build on what had been achieved through the SVP – specifically under the SVP Coordination Project but also drawing on the outcomes of all seven other SVP projects. The SVP-CP took the lead in drafting the proposal for the ISP and according to the 2008 NBTF-C report “SVP CP is expected to transition into NBI-ISP over the next couple of months and the new project will benefit substantially from the expertise gained and capacities built by SVP CP” (Ibid, pp 4). In addition the ISP would build on the two regional institutional strengthening projects – which had been running in ENTRO and NELSAP-CU respectively. The PAD for the ISP (dated 1 October 2008) explicitly recognizes the progress made by the NBI in promoting basinwide cooperation and laying the foundation for the management and development of the water resources of the basin. However it also lists a set of key challenges faced by the NBI at that time:

- *NBI still lacks the institutional depth to perform some important activities.* Core staffing is thin relative to the size of the NBI's work program and insufficient to respond to the increasing and emerging demands placed on the institution,
- *There is a need to harmonise policies and procedures.* As a transitional institution, the NBI has evolved pragmatically to deliver the SVP and SAP programs. In response to differing political situations in the two sub-basins, ENTRO and NELSAP-CU have evolved relatively independently. While this approach has yielded important results and whilst the vision has always been 'one NBI,' this relative independence has also led to differing sets of policies and procedures among NBI institutions. This poses a long-term challenge for operational integration across the basin,
- *Coordination and linkages with other regional institutions need to be established or strengthened.* Since NBI's inception other regional institutions and stakeholders have emerged (such as the Lake Victoria Basin Commission – LVBC), and coordination or linkages with NBI have not yet been well defined,
- *The NBI needs to prepare for the outcome of the Cooperative Framework Agreement (CFA) discussions.* Negotiations on the proposed CFA are well advanced but not yet concluded. Hence, the timing of NBI's transformation into a full-fledged river basin organization is uncertain. NBI needs, nonetheless, to plan and to be ready to assume the agreed mandate promptly if negotiations are successfully completed. If negotiations stall, the NBI will need to decide how to re-define itself as an organization,

It is concluded that “these challenges help to define the main goals of further strengthening of NBI. In the light of these challenges, NBI requires further strengthening in order to consolidate and sustain the gains made thus far, and to ensure proper adaptation to the changing regional environment. The principal requirements for further strengthening are the development of effective strategic planning capacity, and a corresponding strategic approach to river basin management, coupled with the strengthening of NBI's ability to deliver ‘results on the ground’ in the form of water resource development investments” (World Bank, 2008b, pp 4). The gains referred to above are directly linked to the outcomes of the SVP – with the PAD emphasising the need to maintain momentum to support these outcomes or else the benefits may be lost.

It should be noted at this point that in none of the relevant documentation around the ISP is there a proposal to diminish the role or responsibilities of the two regional centres (NELSAP-CU and ENTRO) in relation to the Nile-SEC. However amongst some of the interviewees for the current evaluation there is the perception that the ISP sought to strengthen the Nile-SEC at the expense of the two regional centres. A part of the ISP was the Institutional Design Study (IDS), intended to make recommendations on various models for basin management – both with NBI as a full RBO as well as in the absence of an RBO. The IDS would look at a range of institutional models – from highly centralised to highly dispersed. According to the terms of reference for the IDS “the consultant is required to provide an informed and critical commentary on the possibilities for establishing the legal institutional foundations of new sub-basin organizations and to develop options and strategies for NBI which take account of these realities whilst strengthening, if possible, the progress towards achieving the NBI Nile Basin Vision. Paramount in such strategies must be the goal of achieving the benefits that would flow from a ‘One Basin’ approach whilst recognizing the inevitability of a diversity of institutions and institutional arrangements” (NBI, 2009). Hence the IDS and more generally the ISP would seek to develop a basin management institutional complex driven by a desire for efficiency and effectiveness but cognisant of the practical realities of operating across a basin as geographically dispersed as the Nile.

The above point is important as during interviews conducted by the evaluation team a strong view emerged that the IDS sought to centralise control and power at the Nile-SEC in Entebbe. This view was expressed most prominently by staff affiliated to the two regional centres. In addition it was expressed in a milder form by other development partners, essentially stating that the way the two regional centres were engaged in the ISP was sub-optimal – leading to unclarity about roles and relationships. This view was confirmed in the mid-term review of the ISP, stating that “a key

strategic aspect of the future of the NBI is the need to develop a common understanding of the meaning of the 'One NBI' concept (Mutale & Abrams, 2010). However the IE Team found that whilst institutional strengthening of the Nile-SEC may have received greatest attention during the ISP the two regional centres continued their activities and were both successful in attracting investment projects.

The ISP at the time of performing the MTR in 2010 had been rated by the World Bank system as “moderately unsatisfactory” – based largely on the slow initiation of project activities at that time. This resulted in alterations to the project to respond to the implementation issues identified as well as extending the project period from three to four years. Prior to the ISP closing at the end of December 2012 the World Bank performed an Implementation Support and Closing Mission (from 26 November to 10 December 2012), visiting all three NBI centres. The team performing the mission included the TTLs for the ISP from each of the NBI centres as well as representatives from the World Bank and GIZ – who had also funded the ISP. The resulting report from this mission identifies the MTR of the ISP in 2010 as a turning point in the project – establishing greater clarity of purpose and ownership (World Bank & GIZ, 2012). Overall the report assesses that NBIs institutional framework has been strengthened through the ISP; allowing the NBI to deliver on its core functions (which were identified and decided on as part of the ISP) and supported by financial commitments from the riparian states. The report bases its findings on three chief inputs:

- The results framework indicators at objective and outcome levels and their targets for the end of the project. Detailed reporting by each Centre at output level was also reviewed.
- Presentations by each of Centre on results achieved related to the results framework
- An Institutional Health Check of each Centre. This was a facilitated team exercise to objectively review and assess the status of a range of issues within four categories related to institutional strength; the institutional basis, financial basis, technical capacity and operational capacity.

It should be stressed that the report resulting from the closing mission is not an independent evaluation – being conducted by representatives from the project donors (World Bank for the NBTF; and GIZ) and the project recipient – the NBI. However the team performing the current evaluation has had interviews with most of the members of the closing mission and have had similar feedback as that contained in the closing mission report. The ISP is assessed according to a set of indicators linked to the achievement of the overall objective - NBI has strengthened foundation for institutional sustainability, enhanced capacity, and harmonized corporate management to more effectively deliver programs and projects. Overall it is concluded that the project has achieved its overall objective, with specific indicators achieved including:

- Core functions of NBI endorsed by Nile-COM,
- Nile-COM endorsed NBI Strategic Plan and committed to increasing member state contributions to cover the cost of minimum functionality,
- Water Resource Management and Planning Units in three Centres fully operational with funding. Nile-SEC providing basin wide support for the DSS,
- Transboundary investment projects attract investment funding: total of 1.3 billion USD of which ENTRO USD 524 million and NELSAP-CU USD 800 million,
- 50 per cent of core staff costs covered by riparian state contributions (World Bank & GIZ, 2012, pp 7).

Generally it was found that the capacity of all three centres to manage projects and prepare for investments in infrastructure had been enhanced, citing the examples of social and environmental safeguards, “exemplary” financial management, basin-wide knowledge and decision-support capability and a clearer understanding of water resources development and water resources management responsibilities, amongst others. The assessment is that NBI is now able to play a role in attracting finance and investment for water resources development in the basin as well as having the attendant social and environmental safeguards and notification of planned measures in place; all placing it in a good position to transition to a possible future role as a permanent RBO. The ISP has

thus managed to build on the gains made under the SVP, though it remains unclear whether and how this momentum will be maintained going forward.

4.3 Interventions towards NBI's long-term Shared Vision – looking at a selection of projects

The technical assistance which has been poured into the basin has, to some extent, proved that the perceived benefits associated with cooperation roughly outweigh the perceived risks. Technical assistance has indeed contributed to the NBI's long-term Shared Vision and to the development of regional ownership and sustainability of the NBI program. In this process the integrated approach to water resources management has played an important role. Several of the SVP projects, including the Nile Decision Support System (DSS) with its knowledge management databases were designed to build capacity, confidence and reduce perceived risks across the basin. This in turn has fostered a new cooperative approach, which was not the case before the NBTF's introduction of the IWRM.

The following sub-chapter includes a brief discussion of these programs with a more detailed analysis of project examples.

4.3.1 The Shared Vision Program

Applied Training Project, APT

The Applied Training Project was one of the earliest SVP projects, initiated in October 2004 and closing in December 2009. It is a clear example of the efforts made by the NBTF towards developing an approach incorporating IWRM. The project was designed to address two important capacity gaps at NBI: lack and uneven distribution of IWRM capacity within the basin; and lack of interaction between water professionals. The basic components of the ATP used to address these gaps involved both short-term training and longer term education initiatives, capacity building in IWRM for educational institutions, and network development. However, the initial design was not clear on how short term training would result in the cumulative development of expertise. Ultimately, the patch work nature of the short-term training programme proved a problem for the project. (NBI-ATP, ICRR Summary, 2010). Partners providing inputs included Global Water Partnership, World Water Council, IWMI, and CAPNET all helping to ensure African support. The project efficiency was regarded “moderately satisfying” mainly due to inadequate staffing, procurement and disbursements delays due to UNOPS according to the SVP PICRR.

After the closing of the project it was to be transitioned to the Nile-SEC, and although funds for training were potentially available, the initiation of training has not taken place, due in part to understaffing. E-learning has been discussed as a, cost-effective option, but its value needs to be demonstrated in practice. One respondent said that ATP aimed at harmonization of curriculum with new trends in IWRM in the basin countries. There were and still are attempts to equip the national institutions with trainers in IWRM. For example, the Kenya Water Institute has included IWRM in the curricula. Rwanda has also evolved some postgraduate courses in irrigation and drainage for francophone countries at the faculty of agriculture.

NBI- Water Resources Planning and Management (WRPM) Project

The Water Resources Planning and Management (WRPM) project has been one of the eight Shared Vision Programs, and is considered to be one of the crucial pillars to the establishment of a Shared Vision in the Nile Basin. WRPM was one of the longest running SVP programs, from February 2005 to December 2012. The long-term goal of the project was “to enhance analytical capacity for a basin-wide perspective to support the development, management, and protection of Nile Basin water resources in an equitable, optimal, integrated, and sustainable manner”. Important building blocks in establishing such capacity included: “the process of developing effective national water policies and implementation strategies, project planning and management skills, and finally communication and decision-making tools”. To respond to these objectives, the Project had three components:

1. Water Policy (Good Practice Guides and Support);

2. Project Planning and Management (Good Practice Guides and Support); and
3. Nile Basin Decision Support System (DSS).

Components 1 and 2 were completed in 2008 and 2010 respectively, and the third component in December 2012. Most of the WRPM products had been streamlined to the Nile SEC after completion. They are now (in particular DSS) an essential feature in the ‘new’ Core Functions of the NBI, namely Water Resources Management and Water Resources Development. From January 2013, the monitoring and operationalization of the WRPM products will be the responsibility of the Nile-SEC.

WRPM was not fully financed by the NBTF, with the exception of the third component (DSS). Components 1 and 2 were bilaterally financed. The first component was totally financed by GIZ (by then GTZ), and the second component by the African Development Bank (AfDB). DSS was financed through the NBTF mechanism, and has also benefited from NBTF funds reallocated from the GEF/WB (resources provided from another SVP project - Nile Transboundary Environmental Action Program (NTEAP)), and ENTRO Eastern Nile Planning Model (ENPM) project. Giving the crucial importance of this SVP programme, the Nile riparian states have also provided significant in-kind contributions specific to the WRPM project, including project management unit facilities (located in Addis Ababa – Ethiopia), national office facilities (in all the countries), and counterpart staff time. It is important to analyse the final contributions of the WRPM vis-à-vis what was defined initially as the expected project outcomes. The expected outcomes were three-fold: National water policies and strategies improved or initiated based on sound IWRM and good-practice guidelines; Nile riparian states prepare and implement multi-country projects based on good practice in project planning and management; and Nile Basin DSS is operational and used by riparian states to exchange information, support riparian dialogue, and identify cooperative investment projects. Basing on project documentation and consultations under this evaluation, the results of this program are mixed as illustrated below:

- *Exchange, availability and production of data:* Due to the politically sensitive nature of the project, there were some challenges, namely a resistance from some countries to make data (considered ‘secret’) available to the project. In any case, the challenge of sharing data was partially overcome by the signature of a Data Sharing Interim Agreement (required by the Nile-COM), which is to be in place for an interim period until the permanent Nile Basin Commission is established. Another challenge was the lack of existing data from some countries, such as Burundi or DRC. Finally, harmonisation of data was the biggest challenge of the project, not only because of the asymmetric availability and quality of the national data, but also because ‘harmonisation’ is a word that has been often resisted by the countries, and instead ‘compatibility’ was used.
- *The Decision Support System (DSS):* The WRPM has generated several different products (‘soft’ and ‘hard’) that can be used as policy and analytical tools to influence national and regional decision-making process. On the ‘soft’ side, Guidelines and Good Practice Documents (under components 1 and 2) are now available to be used to influence policies and decisions. Consultations with officials in different riparian states noted that not always have these guidelines been fully adopted by national authorities, but at least they are available. At the regional level they have been widely adopted in project planning and management in the ENTRO and NELSAP projects. On the ‘hard’ side, the WRPM has concluded the DSS in December 2012, which is considered to be a great achievement of the WRPM and NBI in general. DSS has regional and national offices that aim at using it in the future decision-making process. The challenge now seems to be the issue of sustainability cognizant of the high cost required to maintain and make use of such an expensive tool especially in countries such as Egypt, Sudan and Ethiopia that already have policy, analytical and modelling tools at national level. It is important therefore that the Nile SEC undertakes a concerted lobby for paid-for-use of the DSS by academia, private sector and other state and non-state actors in the basin and beyond.

- *Epistemic communities:* All three components of the WRPM project were heavily invested in training and capacity building, and also networking through country-to-country visits. It is possible now to say that there is an epistemic community in the Basin and in the countries that have been trained in several different topics, such as IWRM and DSS. These activities have contributed to improve the relationships and team-building between water professionals from the different countries and in a way, soothed tensions between them. There is concern of a ‘brain-drain effect; since some experts who received training are now highly qualified resource personnel that might not necessarily been working anymore in national or regional institutions. The formation of a mechanism to address this effect was never produced.
- *Adoption of IWRM principles in National Water Policy Implementation:* Some countries such as Burundi, Rwanda, and Uganda have adopted aspects based on IWRM principles in the implementation modalities of their national water policies. But for countries that already had national water policies in place before the NBTF (e.g. Egypt, Sudan, Ethiopia, Tanzania, Kenya), these changes are less obvious. Interviews with Nile-COM, Nile-TAC members, and senior water managers from the national institutions revealed that all the WRPM tools are expected to be endorsed by the countries.
- *Transboundary dimension of water resources policies:* The biggest achievement of the WRPM project was to include, for the first time, a transboundary dimension to the discussion and studies on national water resources policy. Although there was an initial resistance to it by the countries, this was later incorporated in Components 1 and 2, and obviously in Component 3. An inventory of the transboundary dimensions (or lack thereof) regarding national water policies was completed by Component 1. The regional NBI centres have also adopted in the project planning cycle (part of the component 2). The seeds of ‘regional thinking’ concerning water resources management and development are there, but there is still a long way to go in terms of practice, according to the managers of the WRPM project interviewed under this evaluation.
- *Political will and involvement:* The WRPM has been one of the projects that best exemplify the biggest challenge of the NBI... the ‘translation’ of the good cooperation from the technical realm (among regional and national technicians) to the political realm. Although Nile-TAC members have been involved in steering the project since the beginning, it is difficult to measure the national uptake by the countries by the political elites, who are not necessarily the water experts, taking final decisions on the transboundary cooperation.

The SVP in general has created the enabling environment for cooperation at different levels, and they did involve multiple stakeholders. In one way or another, the deliverables were products that could be useful to manage transboundary water resources in the Nile Basin. The SVP project coordination offices are located in different riparian countries and the nationality of the coordinator was designed to be different from the host. This was a deliberate step to create ‘integration mentality’.

By comparison the SAP projects are more country specific than the SVP. The SAP involved projects collected from the riparian countries while the SVP was mainly crafted by others. The NBTF achievements of the SAPS, particularly in the Eastern Nile, as stated by the respondents are: 1) increase (or create) a basin-wide awareness in all countries; 2) it has substantially increased the capacity of the upstream countries in technical and political terms; 3) the decision-making capacity between downstream and upstream countries is more or less balanced, although not equalised; 4) the disparity between the countries have been decreased; 5) upstream demands for development are now more widely recognised; 6) it has contributed to a better understanding, by all those involved, of the Basin in technical, social, economic, environmental and political terms.

As both the respondents and the recently released Nile Basin 2012 Annual report noted, the Decision Support System (DSS) has “being extensively piloted by NBI in collaboration with each Member State to

answer questions relating to understanding the physical system of the Nile including river flow patterns past and present trends in climatic variables versus stream flows and the water balance of different parts of the system. More importantly, the Nile Basin-DSS is being used to answer questions about the expected benefits and potential impacts of planned development interventions.” This enables to accrue more benefit by avoiding potential risks. In this regard, the IWRM approach has bear a fruit and the DSS can be rated as a successful project, which set basis for further IWRM work.

The other appreciative projects in creating the benefits of cooperation is that the Socio-Economic Development and Benefit (SDBS) sharing project, which tries to identify benefits and share it among the basin people. As the NBI 2011 publication ‘Unlocking the Nile Basin’s Development potential, Benefits of Cooperation’ summarizes: “The benefits to riparian countries are results of more than a decade of cooperative effort in water resource management and development in the Nile Basin. Broadly and at a basin-wide level the results include: the establishment of a transitional regional institution; the preparation of investment projects worth more than USD 1.3 billion; and the creation of scientific tools (e.g. Nile Basin Decision Support System) as well as capacity building (institutional and technical) for joint planning and management of the shared waters of the Nile Basin.” Even if the SDBS tries to optimize benefit through cooperative and integrated development, there people who argue that the project is more theoretical than practical and lacks common understanding on the conceptualisation of the project in how it was going to be implemented. It can be said that this project has immense potential benefits, but very few, if there is any, has been gained out of it.

4.3.2 The Subsidiary Action Programs, NELSAP and ENTRO

The SAP, the NELSAP program and the ENTRO program, are all partner programs of the NBI, but have different features. The added value of NELSAP is its capacity to cumulatively leverage investments, including by its successful facilitation for investment of the Regional Rusumo Falls Hydro-electricity Project, which when implemented will clearly demonstrate the benefits of an IWRM perspective. The Sio-Malaba-Malakisi River Basin Management Project is a NELSAP transboundary river basin-project that demonstrates the advantages of the integrated approach.

The added value of ENTRO is the regional transboundary planning perspective applied to national problems. Political tensions have caused a decrease in project momentum and the Joint Multipurpose Project had to be restructured to adapt to new realities, whereby it could continue to contribute to transboundary cooperation. Here it can be said that the IWRM implementation ha been facing a strong challenge especially in the Eastern Nile countries. Here the storyline three can fit well-great vision, implemented imperfectly but leading to some important positive impacts

NELSAP-CU: The Regional Rusumo Falls Hydro-electricity Project

The Rusumo Falls project (as is commonly referred to) was one of the selected projects that could provide energy for the countries directly involved (Burundi, Rwanda and Tanzania) but as well for the NELSAP neighbours, through a regional power grid also envisaged by the project. A highlight of the project so far came through the support provided by the NBTF for subsequent pre-feasibility and feasibility studies that engaged rural communities in the selection of technical options that: a) would not require displacement of the majority of people in the basin; b) was most environmentally friendly, c) would ensure catchment preservation and steady flow of the river. This led to the design of the dam as a ‘run-of-the-river hydropower plant’ meeting the above requirements and now moving towards the actual implementation and construction phase slated to begin early in 2013. This will be implemented with funding from development partners but not from the NBTF, which came to a close in December 2012.

The project is poised to serve Burundi, Rwanda and Tanzania as the best power option through the NELSAP Assessment of Power development options, as well as the neighbouring countries. The project is expected to generate up to 80 megawatts deemed vital to the industrial and other domestic energy needs of these countries. Throughout the project feasibility studies and preparation, Rwanda, Burundi and Tanzania have benefitted from the pre-feasibility, feasibility and the pre-project socio-

economic assessments that have been carried out. Some of these benefits have included uptake of technical capacities for formulation of national water resources policies- processes that were much informed during the NBTF-supported period. Rwanda for instance has designed its first ever WRM National Policy in 2012 with support from the GWP that works in close collaboration with the Nile SEC. During the design period, Rwanda benefited from an exchange visit to Kenya, which is in the process as well of finalizing its own IWRM policy. Burundi (which had no water policy before the NBTF drafted its water sector development strategy in 2004) and Tanzania (which had a water policy in place since 2002) have since 2003, been moving towards a ‘transboundary water and energy policy shift’ that can be attributed to inter-country interaction undertaken through this and similar projects supported under the NBTF. This project demonstrates to what extent the IWRM has influenced the riparian countries, from appropriation of the IWRM principle, crafting of policy with transboundary mentality to the enabling environment to implement projects.

NELSAP-CU – Sio-Malaba-Malakisi River Basin Management Project

Launched in 2006, The Sio-Malaba-Malakisi Transboundary Integrated Water Resources Management and Development (SMM- TWRM) Project is implemented between Kenya and Uganda. Component 3 of the project is related to building capacity at national, catchment and local levels for sustainable management and development of the Sio-Malakisi/Malaba catchments. This project was bilaterally (Norway and Sweden) financed outside of the NBTF from the start (2004- to present day-2013). NBTF actual financial contributions stood at \$1.18m for implementing the SMM Integrated Watershed Management for the Regional Water Infrastructure Study feasibility study, which demonstrated investment options and install hydro-meteorological stations. It was not until this project was initiated that Uganda and Kenya were both engaged in a Transboundary Water Resource Management Project of this nature. Both countries also actively participated in the institutionalization of Lake Victoria Basin Commission. Water resource management staff in agencies located in both countries have been trained in technical and administrative topics, with a particular emphasis on transboundary water management. Community awareness programs have been implemented to explain the transboundary implications of water use activities. The project has also installed hydro-meteorological stations and a water quality survey has been undertaken to provide a baseline for subsequent investment projects. The flow and water quality data is presently shared between the two countries which has helped inform interventions for catchment protection. Conclusively, uptake of inputs from this project to Kenya and Uganda’s national water policies is more attributed to the engagement of SMM project in the LVBC than from the NBTF.

ENTRO - Joint Multi-Purpose Project (JMP)

Launched in 2006 and closed in closed in December 2012, the JMP was considered to be the EN project with the biggest potential for real transboundary and large-scale benefits for all three countries (Ethiopia, Sudan and Egypt). The three ENCOM members politically supported the project from the start. While the project did not fully meet its initial goals, it was beneficial for the countries in regards to their own national water policies. The NBTF funded the project entirely, which included identification and scoping studies. Delays and shortfalls caused disinvestment of about \$3.65 million of the \$7m projected. Although the project has been closed, all three countries are aiming at sustaining and finding alternative funding for it. The project faced three main challenges as illustrated below:

2008: The Scoping Study was the first large assessment of JMP’s “opportunities for cooperative water resources on the Eastern Nile: risks and rewards”, an independent assessment done by international consultants and commissioned at the request of the ENCOM. The study favoured the Blue Nile sub-basin (vis-à-vis the Tekezze/Atbara and Baro-Akobo Sobat Basins), and has completed a detailed review of the regional benefits of construction of a cascade of four large-scale dams in the Blue Nile Basin. The study was received with some concerns by Egypt, which had submitted a reaction report, namely indicating concerns about the possible impacts of major storage facilities to be built in Ethiopia and its impacts on the water flows.

- 2010:** Because of the CFA conflict between upstream and downstream riparians (mentioned in Chapter 2), Egypt and Sudan froze their participation in the NBI and also in ENTRO from 2010, stopped participating in the JMP meetings, and imperilled the progress of the project.
- 2011:** In face of the severe delays, Ethiopia decided to move ahead (initially unilaterally) with the construction of a modified version of one of the four dams identified by the JMP. The Grand Renaissance Dam (GRD) is now under construction and being supervised by a Trilateral Commission (composed by the three countries), what can be considered as an ad-hoc type of cooperation. While this is considered as a sub-optimal alternative for cooperation in the Eastern Nile Basin, in institutional terms, the GRD represents a challenge to the multilateral cooperation institution.

In the case of the Eastern Nile, the implemented projects more or less address the national priorities. The SAP projects were proposed by the countries themselves and as one respondent noted, though it can be said that the projects are small-scale and insufficient when compared with the huge needs of the countries, but they were extremely important in one aspect: they were good to promote cooperation between the three key Eastern riparian countries, they have shown the potential for transboundary cooperation in the Eastern Nile Basin. The Eastern Nile Basin pose a high risk to the implementation of the IWRM as compared to the Equatorial Region. Considering that the Eastern countries have been reluctant to ‘cooperate’ for various historical, political and other reasons, it is not surprising to see the less implementation of the IWRM in this sub-basin. It should also be noted that it is this Eastern.

4.4 Key points on the portfolio evolution

It is evident that the NBTF portfolio followed a logical progression from initially focussing on the institutional development type projects, through to water resources planning in the middle years and culminating with several projects linked to water resources development in the later years. The approach meant that there existed a relatively strong institutional base on which to build subsequent infrastructure development projects – these being of prime interest to the riparians. The IE Team is of the opinion that this was a sound approach and most likely to lead to sustainable outcomes. However the risk that riparians would lose interest in the process remained and at times seems to have become more prominent especially in those later years. A lesson can be drawn from this; showing the need to engage riparians more actively in the staging of projects – and not only in their initial selection. This in turn links with the point raised earlier that the expectations of the riparians on what could be achieved during the ten years of the NBTF were unrealistic. The reality is that a range of investment projects have secured financing. Table 3 provides an overview of investment financing for projects secured to-date (31 December , 2012); a total of 719 million USD.

Project Title	Cost (USD mil)	Funding secured	Source of funding	Start	NBTF project as input
A. NBI Project Portfolio					
NEL Regional Transmission Interconnection Projects (agreed regionally, prepared regionally and nationally, implemented nationally) • Kenya-Uganda Interconnection • Burundi-Rwanda Interconnection • Burundi-DRC-Rwanda Interconnection • Uganda-Rwanda Interconnection	402.65	350	AfDB, JICA, KFW, Netherlands	2013	Support for a comprehensive basin-wide study of power development options and trade opportunities which culminated in an assessment of electric power needs in the region.
Watershed management Projects (Reg., Egypt, Sudan; excluding US\$40 million Ethiopia - Tana Beles) (agreed and prepared regionally, implemented nationally)	52	35	GEF, Finland, Egypt, Sudan		NBTF did not support the Watershed projects in the ENSAP region, although the Bank through GEF did.
Lakes Edward and Albert Fisheries Project (Uganda-DRC)	170	40	AfDB	2011	

Ethiopia Tana-Beles Integrated Water Resources Development (including Ethiopia Watershed Management) (implemented nationally, with some preparation by ENTRO)	70	70	IDA, Finland, Ethiopia, Communities	2008	Same as above
Ethiopia Irrigation & Drainage (agreed regionally, prepared and implemented nationally)	110	110	IDA, Ethiopia	2007	NBTF did support the identification phase, done by ENTRO. But then financial support to implementation was done through bilateral funding from WB to Ethiopia
Ethiopia-Sudan Interconnection (agreed regionally, prepared and implemented nationally with technical assistance from NBI)	70	70	IDA, Sudan, Ethiopia	2008	NBTF support for identification and feasibility studies. Implementation was financed by the power corporations of both countries (I think there was some financial support to Ethiopia by the WB, but not to Sudan because WB cannot finance Sudan because of the embargo)
EN Flood Preparedness and Early Warning-Phase 1 (agreed and prepared regionally, implemented regionally and nationally)	4	4	NBTF, EN countries	2007	Identification, pre-feasibility and feasibility studies fully supported by NBTF
TOTAL - NBI Prepared or Regionally agreed	878.65	679			
B. Selected NBI assisted projects					
Lake Victoria Environmental Management Project (LVEMP)-Phase 2 for Rwanda and Burundi (prepared by NELSAP)	40	40	IDA, GEF, Sweden	2011	
TOTAL - NBI assisted projects	40	40			
GRAND TOTAL- NBI prepared & assisted	918.65	719			

Table 3: Investment financing for projects secured to-date

The portfolio was geared towards developing the required foundations from where other investors, donors or the riparians could develop infrastructure – nationally or regionally. The NBTF portfolio thus was structured in a way to reduce and mitigate the risks associated with making such investments – primarily risks in the political, institutional and capacity domains. Through focussing on promoting the objectives of the SVP in the earlier years of operation (that is, developing trust, capacity and knowledge) the NBTF portfolio started to reduce these risks. Such actions were especially needed in the Nile basin where great disparities in levels of power and levels of capacity existed in 2003; requiring concerted efforts to “level the players” as well as to “level the playing field”. This is in line with (though not performed as a formal requirement of) the World Bank’s Operational Policy (7.50) covering projects on international waterways which “attaches great importance to riparians’ making appropriate agreements or arrangements for these purposes for the entire waterway or any part thereof. The Bank stands ready to assist riparians in achieving this end.” (World Bank, 2001).

It can be argued that the NBTF represents an initiative to such an “appropriate arrangement” and that until such arrangements are in place it would not be possible to proceed with large-scale infrastructure investments in the basin. Thus although a basinwide legal agreement on the Nile (CFA or other) is not in place, there are now a set of appropriate institutional arrangements, represented by the NBI institutions as well as the knowledge and capacity generated as a result of the various NBTF projects, to make investments possible. Based on the above the IE Team finds the NBTF portfolio of projects to have been highly appropriate to the situation existing in the Nile basin at the time of the baseline.

4.5 NBTF portfolio in addressing gender mainstreaming, poverty reduction, and environmental sustainability

Gender Mainstreaming

Over the NBTF period, the NBI continued to adopt a wider stakeholder participation and engagement of all peoples of the Nile Basin as a mechanism for bolstering cooperation. This has required setting the stage for future substantive participation in processes that ensure real benefit is received and understood by all women, men and children in the basin. This has been the gist of the mandate of the Nile Basin Discourse (NBD). NBD is a civil society network with over 1200 members and partner organizations offering a platform for dialogue, partnership and cooperation among civil society organizations in the Nile Basin. In September 2007, an assessment was carried out at NBI and its associated affiliates to establish the extent of gender mainstreaming in the NBI. This was followed-up in June 2011, when at an NBD meeting in Entebbe, Uganda a report was produced to provide guidance on the future work for gender mainstreaming within the NBI. There is now a wide consensus that gender mainstreaming is vital to sustainability of Nile Basin interventions.

Part of the analysis made by the 2007 assessment report revealed that ‘there are more men than women in the public sphere, yet domestically, women play a larger role with regard to use of water in and around households and agriculture’. Since women play this role, it is imperative that they are involved further in organizing, lobbying and policy around issues that shape change in water management. A major output of this process has been the elaboration of the NBI Gender Mainstreaming Policy and Strategy in 2011. While there is appreciation that the entire approach for the implementation of SVPs and SAPs were inclusive of gender analysis and other aspects, there is a minority of respondents during our consultations that expressed concern that gender issues have not been raised up the development agenda as they would have desired. Thus while gender concerns have been incorporated on a project level there is less evidence of it being incorporated at a systematic level throughout full cycle of operations of the NBI.

Poverty Reduction

Since the September 2000 the UN Millennium Declaration, poverty reduction has been a focus for development interventions in the developing world. This is true to the NBI which is facing a growth in population, increase in durations of food insecurity, stagnating rate of infant and maternal mortality and millions of people in the Nile Basin live in poverty. Most NBTF donors especially the World Bank are keen on ensuring that interventions are inclusive of aspects that focus on poverty reduction.

The relationship between transboundary water management and poverty is tenuous – given that TWM processes usually play out at an inter-state level while poverty eradication proceeds at the local level. However in a study on the links between TWM, poverty and power; by SIWI it was found that there are several ways in which TWM initiatives within basins could bring benefits to the poor people living in the basin. More equitable and efficient water sharing amongst farmers across borders, for example, can lead to more sustainable water use and more secure yields. Transboundary initiatives can also attract new financial investments and the resulting economic benefits can, under particular circumstances, extend to poor people (Zeitoun & Jägerskog, 2011). Thus the work under the SVPs – seeking to promote greater cooperation; and the work of the SAPs – leading to benefits from water such as electricity, irrigation and flood protection could potentially benefit the poor in the basin. This reflects the fact that the Strategic Action Programme had a specific objective around poverty eradication. Looking at the NBTF portfolio though it is evident that there is a greater emphasis on economic development (for the countries individually and the basin as a whole) than there is on targeting poverty specifically. Whether general economic development in a country will benefit the lives of the poor is an open debate; but what is known is that *not* having any economic development is unlikely to ever improve the lot of the poor.

Environmental Sustainability

Over the Nile basin rainfall is gradually decreasing, dry spells and heat waves more intense and floods more eminent during wet seasons. Through the Climate Resilience Growth project the NBTF aimed at

ensuring that scientific data on climate change informs action on real interventions to meet adverse effects of climate change. The project is aiming to continue the advancement of the understanding of the Nile System especially through the regional hydro-meteorological monitoring network where real-time data is exchanged. There was concern that this project came very late into the process and that substantial resources will be needed to sustain its focus which without the NBTF will be problematic.

The GEF Nile Basin Transboundary Environmental Analysis of 2001 identified a range of environmental threats in the basin – stemming from a lack of coordination of activities between riparians in the basin. The NTEAP and WRPM projects were designed specifically to address these issues. A functioning institutional framework now exists in the basin through which environmental issues and concerns can be addressed; however in practise this will need to be tested against its ability to achieve results and impacts on the ground.

4.6 UNOPS as the Project Service Agency – advantages and disadvantages

The UNOPS became engaged in the NBI-process as a result of the need for a Project Service Agency, PSA, to support the Nile-SEC, acting on behalf of the Nile-COM, in the execution of the SVP. In particular there was a need for support for general administration, financial management, and capacity building. An important reason why the Nile-SEC needed support in taking on these issues was that the Nile-SEC legal personality was not recognised in all the NBI countries⁵. The UNOPS, through the UNDP network has a presence in all the NBI countries and would thereby be able to facilitate the implementation of the SVP in all the countries. The Nile-COM therefore recommended engaging UNOPS, the recommendation was given a no-objection by the World Bank and a Management Services Agreement with UNOPS was signed for each of the projects.

UNOPS played an important role in supporting the procurement function and oversight in light of the fact that the NBI lacked the legal status in most of the Nile countries to independently undertake this mandate. But on the other hand, while there is agreement that without UNOPS, these functions would have been problematic, there were also concerns that lengthy procurement processes and technical requirements on project works was in many ways prohibitive. According to its Rules and Regulations the UNOPS has a very centralised approach, which resulted in delays in the start-up of the projects as well as the implementation of the projects, which then took much longer than anticipated; in-turn impacting disbursement rates and resulting in higher costs. The SVP Mid Term Review in 2007 notes that regarding the UNOPS and its functions there had been major administrative delays and administrative inefficiencies, although identifying that the SVP overall be meeting its goals and that the projects could respond to NBI emerging demands with some changes in focus and flexibility.

UNOPS was able to achieve two fundamental contributions to NBI:

- i. UNOPS provided extensive capacity and support at multiple geographic and organisation levels as a transparent operational system. That was vital in managing the complex SVP in 10 countries – something the NBI would not have managed on its own;
- ii. As NBI was not recognized as a legal entity in all the riparian states, UNOPS provided the legal platform that enabled it to administer, procure and manage affairs of the NBI.

But some areas of the implementation of its mandate were problematic. Despite the anticipated benefits, nearly all the PMUs reported that the complex management UNOPS systems and procedures exacerbated start-up delays. There were also four other main challenges:

- i. SVP projects suffered considerable inefficiencies and delays from the cumbersome UNOPS services causing staff to be overstretched and by delayed procurements and payments (World Bank 2010c);

- ii. Due to the UNOPS' centralized approach which is bound by its Rules and Regulations and by the processes set forth in its internal control framework, start-up of projects was delayed and implementation of the projects are taking more time than anticipated. It has also resulted in low disbursement rates and high project costs (strategy and action plan for transition of UNOPS to NBI Report);
- iii. The majority of respondents to the IE-Team noted that the level of capacity built by UNOPS was very limited. The audits of the SVPs were carried out by the Internal Audit unit of the UN based in New York. In most instances, un-qualified audit opinions were issued. Nonetheless it is important to note that respondents noted that where issues were highlighted, UNOPS was able to provide satisfactory responses and the issues were resolved
- iv. The initial UNOPS financial system that proved to be too complex was replaced by ATLAS - financial management software. The switch slowed implementation substantially, and ATLAS proved unable to report by category, project components or procurement thresholds. Responding to complaints, UNOPS transferred its operations unit for the SVPs to Nairobi, Kenya and adapted ATLAS to prepare Interim Un-audited Financial Reports satisfactory to the Bank. Thereafter, satisfactory reports were prepared and submitted to the Bank on a timely basis. However, problems remained as the UNOPS system operated on a —commitmentl basis, and there were often discrepancies in timing between UNOPS records and Bank disbursement records. Satisfactory reconciliations were nonetheless eventually carried out.

Procurement reporting was also problematic. According to the SVP' PICCR The Atlas system was incapable of providing procurement plans and updates as required by the Bank, and these reports had to be prepared manually. Bank post procurement reviews of SVP projects highlighted incomplete and scattered filing systems and some individual procurements that had followed UNOPS rules and thresholds rather than the Bank's guidelines, as were stipulated by the NBI's MSA with UNOPS. After the reviews, the projects addressed issues and made improvements to the SVP procurement systems and no recorded fiduciary problems resulted.

CHAPTER 5: THE NBI'S APPROACH TO INTEGRATED WATER RESOURCES MANAGEMENT; REGIONAL AND NATIONAL PERSPECTIVES

5.1 IWRM and the NBI – “One River – One People – One Vision”

The PAD for the SVP Applied Training Project (ATP) uses the GWP definition of IWRM as its starting point, that is “*a process which will promote the coordinated development and management of water, land and related resources, in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems and the environment.*”. This definition has become widely accepted by water management as well as development institutions; however it is not without its critics. One of the core areas missing would be a recognition that stakeholders should participate in decision-making at the appropriate level. This chapter investigates the degree to which the IWRM approach has been implemented in the basin and pays particular attention to the issue of stakeholder participation.

Before the NBI was established, riparian states adopted national-focused and sectoral approaches to water resource management and this continues to influence water management in the Nile basin. As countries began to engage in the NBI process there was realization that there was need to lay further emphasis on water resource management (demand side) than simply on water development (on the supply side). Over the NBTF period this realization has raised the profile of IWRM as a concept both in the countries’ water policies but also on actual on-the-ground IWRM projects being piloted across the basin. From the onset of the NBI there was a desire among countries for a basin-wide approach to IWRM. However, basin-wide approach to IWRM faced three main challenges:

- a) Not all IWRM best-practices could be relevant or best suited to the Nile Basin and hence the tendency for highly fragmented (country-specific) approaches;
- b) Capacity for IWRM was low among countries that felt that this was a prerequisite for development of own IWRM policies and a need for technical know-how to implement them; and
- c) Basin-wide approach to IWRM was risky enterprise it was as cooperation was still fragile. There was a feeling that individual national-level objectives may conflict with those of other riparian states.

Aware of the challenges above, it is thus important that the NBTF could work at country-level to facilitate the adoption and development of IWRM approaches and strategies. The fundamental need for an integrated approach to water resource management ultimately led to the establishment of the NBI. The IWRM component is an essential feature within the SVP, where the Applied Training Project has aimed to build capacity in this field. This capacity building function has also been used to create awareness of IWRM issues at the national policy level; and has been implemented in the Nile basin in tandem with a global increase in IWRM awareness and policy implementation. IWRM capacity building and education within the Nile basin has been pursued by third parties such as the Nile Basin University Forum, and the University of Bergen as well as GWP.

5.2 The Processes of Applying Regional Focus – an IWRM approach

Before the NBTF’s introduction of IWRM, water management in the Nile basin water was highly fragmented. In an attempt, to avoid real and perceived risks of unilateral development, the NBTF advised the Nile countries to re-focus their efforts to reflect the aim and values of IWRM; where multiple uses and multiple users are considered in water management and development decisions. This is exemplified by the various basin-wide projects of the NBI, which seek to pursue regional perspectives of problems and benefits. Today there are eleven riparian countries within the Nile basin and the NBI brings them to one ‘table’. Such a common-platform for discussing water management is

a core component of any IWRM approach – whether at the national level or at the transboundary level. It also managed to bring the riparian countries under the umbrella of IWRM, though there are a few divergent opinions towards it, all the riparian countries subscribe to an IWRM approach. The IE-Team found though that most of these concerns were centred on the ability of the riparian states to adopt a basin-wide management approach – given the uncertainty related to the political negotiations. Thus although a basin-wide approach to IWRM was generally seen as being desirable there were some prerequisite for achieving this: first: Strong inter-sectoral linkages such as in trade and commerce among the countries; second: An appreciation that perceived benefits associated with cooperation outweigh the perceived risk; and third: There was a robust information sharing system to support implementation.

The NBTF through support to SVP was able to break ground towards realization of a basin-wide approach to IWRM in the following ways:

- a) The technical cooperation projects supported through the NBTF have, to some extent, demonstrated that the perceived benefits associated with cooperation outweigh the perceived risks. Technical assistance under the NBTF has indeed contributed to the NBI's long-term Shared Vision and to the development of regional ownership and sustainability of the NBI program. Through this process the integrated approach to water resources management has played an important role.
- b) Several of the SVP projects, including the Nile Decision Support System (DSS) with its knowledge management databases were designed to build capacity and confidence while reducing perceived risks across the basin. This in turn has fostered a new cooperative approach, which was absent before the introduction of the IWRM concept that became more pronounced after 2003 when NBTF support to NBI began.

As per good IWRM practise there were also efforts to develop IWRM capacity and policy for other sectors. This included technical assistance to water-dependent sectors such as hydropower and agriculture, included under the EWUAP and the RPT Project respectively. As these projects are dealing with water for agriculture in one and hydropower in the other, they cannot be seen as promoting the full spectrum of IWRM – having a rather narrow sectoral focus. The EWUAP and the NTEAP have been criticised for not creating the desired 'enabling environment' so as to translate regional projects in addressing national priorities. According to the EWUAP ICRR Summary (2010), the "linkages between agricultural water management and basin management issues were not spelled out. It was not clear how EWUAP was to change the enabling environment or affect policy."

Thus the IE-Team concludes that while much has been done to promote IWRM good practise across the basin overall there is still a fragmented approach to planning and decision-making across sectors – though certainly there are signs of improvement.

5.3 Contribution of the SVPs to the IWRM approach and the Development of National and Regional Policies

It can be argued that the SVP was essentially all about supporting an IWRM approach in the basin – including national aspects as well as basinwide aspects. Although the overall objectives of the SVP do not explicitly mention IWRM, the selection of the seven SVP projects and their respective areas of focus clearly imply an IWRM approach being taken for the basin. In this regard the SVP tacitly acknowledged the importance of the IWRM. The integration of the water use and development objectives of different sectors such as environment, energy and agriculture along with a collaborative stakeholder engagement plan and capacity building process; seeking to identify benefits, is good IWRM practise. As described in the PADs of the seven SVP projects there was an obvious need across the basin to develop such an integrated approach. It should be recalled that in the period during which the SVP was designed and approved (1999-2001) the concept of IWRM was only just emerging globally. It would be another two years before a formal commitment was made by the international community to promote IWRM plans nationally; through the Johannesburg Plan Of Implementation at the World Summit on Sustainable Development in 2003. Thus it is the opinion of

the IE Team that the SVP was advocating for the integrated approach even before IWRM was emerged and then with the help of the NBTF, the basin countries start implementing the IWRM good practise.

One area of the SVP is explicitly mentioned is the PAD for the ATP, which amongst other objectives sought to build capacity for IWRM across the basin. Through this project over 1,500 professionals received training in IWRM-related topics – creating a pool of expertise in the basin. After the closing of the project it was moved to the Nile-SEC, and although funds for training were potentially available, the initiation of training was limited, due in part to understaffing. E-learning has been discussed as a cost-effective option but its value needs to be demonstrated in practice. The IE-Team notes that the ATP aimed at the harmonization of national curricula with new trends in IWRM in the basin countries. There were and still are attempts to equip the national institutions with greater capacity in IWRM. For example, the Kenya Water Institute has included IWRM in the curricula. Rwanda has also hosted postgraduate courses in irrigation and drainage for Francophone countries at the Faculty of Agriculture at the National University of Rwanda. In Ethiopia the Arbaminch University, known for its water resources departments, has been running various courses in related to IWRM.

National water policies and legal frameworks have to some extent taken their point of departure from the NBTF-supported Water Resource Planning and Management (WRPM) project, one of the seven SVP projects. Among other interventions, the WRPM had three components that included raising capacity of IWRM, impartation of technical skills for resource planning and expansion of knowledge through information exchange. Below is an overview of the contribution of the SVP projects to national-level IWRM policy and capacity across the basin – developed by the IE Team by referring to the SVP ICCR as well as data collected from interviews.

SVP Project Name	Contribution to National IWRM Policy and Capacity
1. Nile Transboundary Action Project (NTEAP)	While not all the personnel trained on environmental issues worked within the NBI, the majority went on to serve in Water Ministries or NGOs engaged in water resources and environmental management; and in so doing contributed directly and indirectly to the implementation of their own national water and environmental management policies. For example, many of the technical outputs from the SVP related to the environment have been synthesized into a Basin Sustainability Framework by some of the NTEAP working groups, which are still active under the ISP. Additionally, the outputs are being used by the Secretariat and the SAPs to develop environmental and social policies and frameworks for the region.
2. Confidence Building and Stakeholder Involvement (CBSI) Project	The project was designed to increase knowledge about water management issues across the basin, disseminate information, build networks of stakeholders and encourage wider participation in the policy dialogue and cooperation for all. The project, thus, included “soft” aspects of IWRM and created a pool of awareness on IWRM issues across the basin, which in turn, encourage the harmonization of riparian countries’ policies. Given the close relationship between many SVP Projects and the SAPS, NTEAP and CBSI in particular, and the investment portfolio, it was clear that the SVP contributed to an enabling environment for investments.
3. Efficient Water Use for Agricultural Production (EWUAP) Project	The project identified best practices from applied research related to Water for Agriculture, which it demonstrated through capacity building interventions. According to the SVP ICRR Summary (2010) the “linkages between agricultural water management and basin management issues were not spelled out. It was not clear how EWUAP was to change the enabling environment or affect policy.” The project failed to do so, not because the project objectives are out of reach, but because there is a lack of practical applicability in dealing with national priorities and also because of the then existing problematic environment among the riparian countries due to the CFA signing issue.
4. Applied Training Project (ATP)	The project was designed to address two important capacity gaps at NBI: lack and uneven distribution of IWRM capacity within the basin; and lack of interaction between water professionals. The basic components of the ATP used

	<p>to address these gaps involved both short-term training and longer term education initiatives, capacity building in IWRM for educational institutions, and network development. However, the initial design was not clear on how short term training would result in the cumulative development of expertise. Following the MTR of the SVP a greater effort was made to create sustainable IWRM platforms in the region. Most graduates have over the last decade contributed to design, planning and implementation of the IWRM aspects of own national water policies.</p> <p>The IE Team note that while before the 2000s country water policies were geared toward supply management but at present improved capacity has resulted in more of demand management approach. It is also important to note that training had also resulted in trainees’ networks; providing an element of sustainability to the interventions.</p>
5. Nile Basin Regional Power Trade (RPT) Project;	<p>The SVP Regional Power Projects I and II were designed to meet the needs of countries to access low cost, reliable power. Studies during the implementation of these project phases showed that whereas potential for hydroelectric power was abundant only a fraction of this potential was being realised. An integrated planning approach was promoted, seeking to maximise returns and efficiency – with potential positive impacts for water resources management. The project also requires cooperation so that countries’ legislation on power regulation will not compromise any attempts at regional cooperation.</p>
6. Socio- Economic Development and Benefit Sharing Project;	<p>The SDBS brought much needed socio-economic development and benefit-sharing aspects to the NBI – a key component of implementing an IWRM approach. The project built a network of professionals in economic planning, sociology and other disciplines to expound on the view that: “NBI isn’t only about sharing the river but also the benefits that come with enhanced economic cooperation”. This helped influence the mind-set of policy makers to address different aspects of benefit sharing. The gender aspect should also be included in the influence of mind-sets, which, however, has not been very apparent. Review of most national water policies did not suggest a clear linkage of the extent to which this cuts through the policy design. Neither did the project contribute to any larger extent to the application of an IWRM framework.</p> <p>The expected adoption of the benefit sharing concept into the policy and practice of riparians has made some progress, especially in the draft CFA, but it is not yet fully integrated into national policies. A benefit sharing methodology is not yet fully developed and the impact of the key topic studies and policy briefs has been limited.</p>
7. Water Resources Planning and Management Project	<p>The Water Resources Planning and Management aimed to enhance the analytical capacity for a basin-wide perspective support to the development, management, and protection of the Nile Basin water resources in an equitable, optimal, integrated and sustainable manner. A key output of the project was the DSS that is informing riparian dialogue on transboundary development opportunities, challenges and impact. However, with the close of the NBTF, there is need to sustain the DSS and to put it to maximum use. IWRM capacity building needs to be sustained through the NBI capacity building strategy and professionals trained followed up to tap into their expertise when required to contribution to national and basin-wide IWRM initiatives.</p>

Table 4: SVP contributions

5.4 Status of Development and Implementation of National Water Policies, including IWRM aspects, across NBI

Riparian states, such as Egypt, Ethiopia, Sudan, Uganda, Kenya and Tanzania, had designed their National Water Policies/Acts even before the NBTF was established. However, other than Egypt, there was overall a limited technical capacity to implement IWRM projects. It had been envisaged at the design of the NBTF, that the SVP would gradually provide an enabling environment for success of the SAPs which themselves were established to contribute to the realisation of the overall shared vision of NBI. Under NELSAP and ENTRO, the SAPs were more specifically to achieve joint action on the ground. As capacity was built through various projects, there was an uptake of technical skills

and capacity that helped improve the focus for design, reviews and implementation of water policies much as progress varied from country to country.

As a result of the SVP, all riparian states have either drafted or finalised their national water policies and to a large extent, attribute these processes to the capacity built under the NBI. It is important to note that while in most cases the NBTF did not directly support the development of national water policies, the level of appreciation and technical awareness was increased through the implementation of NBTF supported projects and spurred a policy focus to incorporate good IWRM practise in them. Below is an overview of the progress in development and implementation of nations' water policies:

Burundi In 2004, Burundi initiated a national water sector development process after periods of political instability and designed a National Water Master Plan. Under the plan the 2005-2007 Water Sector Policy (now being reviewed with support from KfW) was established. According to interviewees, participating in the NBI's NTEAP helped raise awareness and build capacity for the office of Burundi's Directorate for Water and Energy (DGEE), particularly during the 2005 Nile Basin Regional Water Quality Monitoring Baseline Survey.

DRC Under-investment in the water sector and armed conflict has for long halted DRC's progress in implementing its water sector policy. Presently the DRC has a Water Code - an instrument on which a National Water Policy will be designed. The Water Code is due for approval by Parliament. There is recognition that the participation of DRC TAC members in the NBI programs has raised awareness and understanding of the transboundary approach to water resource planning and management. To support this process, the NBI developed a joint plan to address transboundary issues through the Lakes Edward and Albert Fisheries Pilot Project (LEAF) being administered by both DRC and Uganda. 'While this pilot project has provided small scale community-level investment to improve protection of water catchment areas, it has created a 'starting point' for the next phase of investment projects to benefit Uganda and DRC for the first time in IWRM' as noted by a former CBSI National Project Coordinator in the DRC.

Egypt In 1975 Egypt's Water Policy was launched and followed in 1981 by the Water Master Plan. Since 2005, Egypt has been in the process of implementing its Integrated National Water Resource Plan. Egypt participates in developing the Nile River shared resources including housing capacity building programmes under the SVP. Through the NBTF, many researchers and scientists have trained in courses offered by Egypt's Regional Centre for Training and Water Studies RCTW and some graduates have gone on to help strengthen water reform projects in their respective countries. A key interest of Egypt, as outlined in the ATP PAD, was an increase in capacity for IWRM amongst upstream states – implying a belief that this would lead to improved water management there, to the benefit of downstream states such as Egypt.

Ethiopia In 1999, the Government of Ethiopia under the Ministry of Water Resources designed a Water Resource Management Policy. The country's water sector is guided by a Water Supply and Sanitation Master Plan implemented under the National Water Supply and Sanitation Program with support of the African Development Bank among other partners. Between 80 and 90 per cent of the surface water potential comes from four river basins including the Blue Nile⁶. Ethiopia is the host country for

⁶ Others are: Tekeze, Baro-Akobo and Omo-Gibe in the western and south-western parts of the country

ENTRO and has benefitted from the programs and projects implemented under the NBI with financial support from the NBTF.

- Kenya** Kenya's Water Policy was passed in 1999 and was followed by a Water Act that was launched in 2002 and has recently been revised. Kenya's water sector has been improved partly due to its active engagement with the NBI. Ministry of Water officials have benefited from capacity built under the ATP and use of the Decision Support System DSS⁷ supported under the NBTF. Officials that participated in training under the ATP have gone on to support implementation of Kenya's Water Policy and agencies like the Lake Victoria Basin Commission (LVBC). Kenya has taken up lessons from the implementation of the Mara River and Sio-Malaba-Malakisi (SMM), including their IWRM perspectives. These projects have contributed to the development of Kenya's first Transboundary Water Resource Policy in 2011.
- Rwanda** Rwanda did not have a National Water Policy before the NBFT in 2003. Rwanda passed its Water Supply and Sanitation policy in 2004 and in 2010, under the Ministry of Infrastructure; Rwanda developed the National Policy and Strategy for Water Supply and Sanitation services. Through engagement in the NBI process, Rwanda has gained technical and institutional assistance and knowledge transfer that has supported the design of the 2010 National Policy and Strategy for Water Supply and Sanitation Services. Rwanda has also benefited from technical exchanges made possible by the NBI. For instance, the technical exchange with Kenya helped Rwanda to elaborate its Water Resources Management Strategy that has a more IWRM approach as of April, 2012.
- South Sudan** South Sudan is one of the world's youngest nations and is in the process of finalising its first National Water Policy although it is based largely on the 2007 Sudan National Water Policy. Nonetheless, it is important to note that representatives from the Government of South Sudan are now engaged with the NBI and the strategic dialogue. South Sudan subscribes to the objectives of the NBI; primarily that aim to foster cooperation among the riparian states for mutual benefit from the utilisation of the Nile water resources. It is, however, not possible to attribute the contribution NBTF has had on capacity building, lessons or expertise for development of the South Sudan National Water Policy, since the country only came in existence a year and a half ago.
- Sudan** Sudan formulated its water policies as far back as 1913, succeeded by Nile water policies and plans of 1952-1956 and those of 1978/79. In 1992, a National Water Policy was developed and later reviewed in 1999. In 2007 a new Water Policy was elaborated based on the Transitional Constitution of Sudan. As a result of its participation in the strategic dialogue process under the NBI, Sudan under the Water Policy of 2007, urged all the Nile Basin countries to continue their endeavours to establish the cooperative institutional legal framework and a Nile River Basin Commission (NRBC)⁸.
- Tanzania** It was not until 1991 that the Tanzania Water Act instituted clauses specific to WRM in the legislation. In 2002 Tanzania launched its water policy with water resources development, management and protection, water demand approaches and engagement

⁷ Using the system Kenya obtained critical data including the estimation that 647m³ is water per person annual coverage making the country a 'chronically water scarce nation'.

⁸ Sudan was among the first countries to explicitly state in its national water policy the need for fast-tracking efforts towards a Nile River Basin Commission

of communities in WRM. Initially, the challenge was how to implement the plans. However with the NBTF supported ATP project, ministry staff who attended training in Egypt and Sudan are utilizing techniques learned to design the WRM plans, including IWRM aspects, and specifically the National Water Sector Development Strategy of 2005.

Uganda Uganda's National Water Policy was adopted in 1999⁹ and adopted a holistic approach to water resource management based on internationally recognized IWRM principles. A comprehensive reform of the water Ministry 2004-2005, resulted in two directorates: Directorate of Water Development (DWD) and the Directorate of Water Resources Management (DWRM). DWRM includes a high level water policy committee that oversees catchment management initiatives in the country¹⁰. In 2008, WWF¹¹ supported an IWRM pilot project in the Semuliki River basin in the Albertine zone, which concluded in 2012 and is a tributary of the Nile River – thus strengthening on-the-ground implementation in that area. This project presented lessons for the intended roll-out for IWRM platform across Uganda and the World Bank has already pledged financial support towards this process.

Some countries, such as Burundi, Rwanda, and Uganda; have adopted IWRM approaches in their national water policies and the design of water-sector institutions during the period of the NBTF. But for countries that already had national water policies in place before the NBTF (e.g. Egypt, Sudan, Ethiopia, Tanzania, Kenya), these changes to policy are less evident. What does emerge from interviews conducted for the current evaluation is that in the case where national water policies already existed the activities conducted as part of the SVP have facilitated the development of water-sector institutions and improved policy implementation. Interviews with Nile-COM, Nile-TAC members, and senior water managers from the national institutions revealed that all the WRPM tools are expected to be endorsed by the countries.

5.5 Benefit-sharing and Stakeholder Participation in IWRM

The countries with a longer experience of cooperation between different sectors experience a lower risk of IWRM approaches failing; as they have a stronger foundation to build on. While most of the riparian countries had designed their water policies before the NBTF came into effect in 2003, none had fully implemented an IWRM policy. There was limited capacity in the respective water ministries to do so, and in some cases the full implementation of agreed-on water policies could hold high risks for domestic policy-makers. Countries like Burundi, DRC and Rwanda did not have national water policies and succeeded in developing them during the NBTF period; with all incorporating to some extent the concept of IWRM. The ATP facilitated uptake of IWRM components in riparian country water policies (ATP Completion Report, December 2009 Pg.10).

During the lifespan of the NBTF several other regional or basin cooperative processes were initiated or strengthened. Foremost would be the LVBC which has now grown to a strong and capable organisation; coordinating the activities of its five member states on Lake Victoria. There is evidence that these regional processes and the NBI processes were mutually re-enforcing. For instance, in 2005 Sida chose to provide long-term support to the LVBC process, aimed at increasing the capacity of the LVBC and associated stakeholders to cooperate on sustainable lake management initiatives. This resulted in Sida funding a five year training programme for the Lake Victoria countries on transboundary water management and IWRM issues. Participants of these training courses were not only drawn from organisations working on Lake Victoria – but included several individuals and organisations working on various NBI projects – either from the SAPs or the various SVP projects. In this way the regional capacity for IWRM became mutually reinforcing.

⁹ Uganda's National Water Act is presently under review.

¹⁰ http://www.unwater.org/downloads/UNW_Status_Report_IWRM.pdf

¹¹ WWF is World Wide Fund for Nature

Through the implementation of the SAPs, capacity was built and on-the-ground projects were piloted that are presently informing the design and future implementation of IWRM plans in most riparian countries. In addition, countries have benefitted from critical water sector information provided by the DSS. Aspects such as divergent national interests however, irrespective of any regional perspectives, often made implementation of NBTF-supported projects difficult. A prime example would be the Eastern Nile where Ethiopia favours irrigation and hydropower related projects, while the lower riparian countries Egypt and Sudan favour flood-control and watershed protection projects. These nationally oriented approaches to SAP projects have not always proved possible to reconcile with the basin approach of the NBI. This points to a tension in the design of the NBTF portfolio of projects – that while it was good to have a high degree of country ownership, by having countries choose the projects and also by having nationally based PIUs for the various SVP projects, it meant that at times there was more of an emphasis on satisfying national interests than on pursuing basin-wide optimal outcomes. The opinion of the IE-Team is that it is not possible to have one without the other – one can't have riparian buy-in and support for the basinwide process without offering the possibility for riparians to pursue objectives of interest to them.

The NBTF supported the NBI to engage a range of stakeholders and non-state actors on issues of IWRM albeit the absence of specific policy guidelines on stakeholder involvement. Through the TAC members and NBI focal point persons, the NBI centres sustained dialogue at the national and regional levels on the importance of sustainable coordination and management of transboundary water resources. Further work was done under CBSI and under the Nile Basin Discourse¹². Two of the rallying days of action have been: the February 22 Nile Day and March 22 World Water Day. Some of the key stakeholders and non-state actors who have been engaged over the NBTF period have included: Nile Media Network; Nile Basin Discourse Forum; Private sector entities; Academia; Local Government institutions; Local and International CSOs and NGOs; among others. Two key results have been produced by this process:

- a) IWRM as a concept has been appreciated by a cross section of stakeholders although there is appreciation that the onus of its implementation remains with the countries’;
- b) Linked to the point above, countries are piloting IWRM projects at a small level of river and lake catchments in the river basin with countries like Kenya and Tanzania now intending to roll out IWRM projects country-wide.

However, stakeholder involvement has not been without challenges and these have included mainly:

- a) Low visibility of transboundary project outputs necessitating better packaging of information and more robust communication strategies to illustrate for instance the importance of lengthy but critical pre-feasibility and feasibility studies for transboundary power interconnectivity projects like the Rusumo Falls Hydroelectric dam;
- b) Limited involvement of academia (especially the research institutions) in the region and thereby not maximizing opportunities from knowledge transfer from implementation of actual projects on the ground. There is concern that most technical works are contracted to external consultants who do not engage the local practitioners due to financial and time constraints on contracts.

To sustain the process towards a true IWRM approach initiated under the NBTF funding, it is important that countries develop and sustain their own capacity building plans to ensure continuity in the IWRM training of policy and decision-makers. The IE-Team noted an important role played by inter-state technical exchanges within the Nile basin. Under the new NBI strategy, post-NBTF, it is important that technical cooperation is emphasized to facilitate, support and nurture cooperation amongst the Nile Basin countries. In the medium term, it will be important that the NBI-SEC put in place mechanisms that sustain the technical linkages and communications with the Nile-TAC members, who are an important transboundary link in the NBI perspective. After the close of the

¹² Established in 2006 with the aim of incorporating the civil society and other stakeholders in the Nile Basin issues. Based in Kampala, with offices in all riparian countries.

NBTF these will be channels of sustaining the benefits sharing platform is facilitated through the NBI under CIWA or NBI-Trust Fund.

CHAPTER SIX: A CONCLUDING ANALYSIS OF FINDINGS ON THE NBTF

The Policy guidelines define the purpose of the NBTF “to assist in the preparation and/or implementation of the Program (*Strategic Action Programme*), which has as its main objectives:

- (a) Develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people;
- (b) Ensure efficient water management and the optimal use of the resources;
- (c) Ensure cooperation and joint action between the Nile Basin countries;
- (d) Target poverty eradication and promote economic integration;
- (e) Ensure that the Program results in a move from planning to action.”

This chapter will assess the degree to which each of these objectives were met based upon the established evaluation criteria. This assessment is presented under the evaluation factors of appropriateness (of the NBTF as a funding instrument to the needs of NBI), relevance (of the portfolio of projects of the NBTF), efficiency in the management of the portfolio, effectiveness, impact (in terms of promoting the objectives of the Strategic Action Programme) and sustainability of the basinwide cooperation supported through the NBTF. The chapter will also look into the financial input and output and the management of identified risks and will conduct a counter-factual analysis to investigate the possible outcome of not having had the NBTF in place.

The IE-Team uses the Nile Basin Initiative Policy Guidelines adopted by the Nile-COM on February 22, 1999, as a baseline for the assessment of the impact of the NBTF (NBI 1999a). In 2007 NBI developed a NBI Results Chain which defines the expected impact and medium and short term outcomes at corporate level. This results chain has served as a base for the more elaborated result based systems developed for the different NBI projects (see Table 5 below). The IE Team sought to identify tangible as well as intangible results of the NBTF support to NBI by looking at a range of direct and proxy indicators.

STRATEGIC ACTION PROGRAMME: OBJECTIVES	NBI RESULTS CHAIN: EXPECTED IMPACT OUTCOMES	NBI RESULTS CHAIN: EXPECTED MEDIUM TERM OUTCOMES	NBI RESULTS CHAIN: EXPECTED SHORT TERM OUTCOMES	NBI RESULTS; examples and references to sections in this report
Develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people;	Sustainable socio-economic development in the Nile Basin through the equitable utilization of, and benefit from, the common Nile Basin water resources	Increased regional cooperation in the Nile Basin, contributing to peace and security in the region		<p>Raise in living standards from a mean HDI of 0,290 in 2000 to a HDI of 0,322 in 2012 in the Nile riparian countries, but attribution to NBI is not possible. (6.4.4)</p> <p>Power studies regional power trade have a significant potential to contribute to regional economic development and prosperity.</p> <p>NBI's contributions to peaceful resolutions of conflict in the Nile Basin have clearly contributed to stability and by so doing built the foundation for prosperity and economic growth in the region. (Chapter 6.4.4 Objective 1)</p>
Ensure efficient water management and the optimal use of the resources;	.	Efficient trans-boundary management and optimal use of Nile Basin water and water related resources	Enhanced basin- wide capabilities and capacities based on best practices, on trans-boundary issues in power development and trade, agriculture and natural resource management and development	<p>The full application of an IWRM approach at basinwide level is proceeding at a slower pace. NBTF has managed to initiate, introduce and develop the concept and practice of IWRM both in the basin-wide projects and in national water polices, strategies, albeit to different degrees. (5.6)</p> <p>The focus on transboundary IWRM helped shaping national water policies in several of the riparian states; most of which now have explicit recognition of transboundary elements.</p> <p>DSS is considered to be a great achievement of the WRPM and NBI in general. Nile-COM's adoption of the procedures on data exchange showed a high level awareness of the need for a DSS to support decision taking from a regional perspective. National centres need to be sustained, and that the regional DSS can be transformed into a sustainable institution. An additional challenge now seems to be the issue of sustainability cognizant of the high cost required to maintain and make use of such an expensive tool. level. (6.4.4 obj.2)</p> <p>A vast majority of the interviewees mention the capacity built by NBI as it most valuable outcome. During the 10-year lifespan of the NBTF many of the early actors have left the "NBI-family". However the majority of the actors are still active in relevant areas such as in academia, private sector, NGOs, multilateral organizations and in other parts of the riparian governments thus the capacity built is still remaining in the basin. (6.4.2 baseline)Capacity building of decision makers, professionals and other stakeholders has been a major component of ATP as well as most other SVP-projects. RPT-project has played an important role in building capacity in power trade in the region I closed cooperation with EAPP. (6.4.4 obj.5)</p> <p>Some interviewees mentioned that very few of the formal SVP networks have remained intact after the closure of the SVPs. There are some promising spin-offs from the NBI projects such as the Nile Basin Research Forum, supported by the University of Bergen Norway and is now a functioning programme. This lack of continuity constitutes a serious risk to the sustainability of the activities funded by NBTF. (6.4.2 baseline)</p>

<p>Ensure cooperation and joint action between the Nile Basin countries;</p>			<p>Increased communication, trust, involvement and cooperation among NB governments and populations</p>	<p>The most striking change is the move from a situation of mutual mistrust between upstream and downstream riparians very focused on their national interests to a situation where countries work together to identify (and implement) opportunities of managing the Nile water resources in a cooperative way. The ever-present risk of riparian countries pulling out of the cooperative process has not fully materialised – despite Egypt and Sudan choosing not to participate in selected NBI activities. Generally cooperation has been maintained, but not always in the envisaged NBI format. To a large degree this positive outcome is a result of the increased levels of trust between the riparians both at political and technical level, compared to the baseline period, with the SVP having played a major role in this.(3.3)</p> <p>The adoption of a cooperative approach, including Cooperative Regional Assessments (CRAs), where the regional (and not national) benefits were clearly identified is a sign of increased trust both at the technical and political levels (3.1.2).SVP projects (funded by NBTf), have contributed to much improved trust and cooperation at the technical level that was lacking before the NBI was initiated. The seven projects (although each to a different extent) contributed to the understanding by the countries of the connectivity of the Nile region, in terms of hydrology, environment, energy, agriculture and trade. (3.1.4)</p> <p>All the information gathered during interviews with stakeholders verify that the activities financed by NBTf greatly facilitated the interaction between actors in the basin and contributed to exchange of information. However, according to the IE-team, the Shared Vision of the Nile could have been promoted more if greater effort to strengthen the NBI vision among SVPs had been taken. (6.4.2 Baseline)</p> <p>NBI is now being used as a platform for prior notification about 9 regional and 4 national planned projects. This is a core part of customary international water law and a tangible contribution to good transboundary water resource management in the basin In the SAPs joint action over different investment projects are now well underway, despite some problems caused by the end of the CFA-negotiations mainly in ENSAP. The power plans and transboundary interconnections are all examples of regionally initiated and nationally or bilaterally managed projects. (6.4.4 obj.3)</p>
<p>Target poverty eradication and promote economic integration;</p>			<p>Increased joint and transboundary investments in the Nile Basin</p>	<p>However, it is difficult to attribute basinwide improvements in living standards to the NBI alone. (6.4.4 obj4)</p> <p>No riparian country tries to launch a water resources development in the intention of advocating ‘unilateralism’ in the basin. The principle of consensus and prior notification are respected by all countries. There is an attempt even to make any water resources development by a riparian a ‘win-win’ project. (6.4.2 baseline)</p>
			<p>Increased cooperative action in power development and trade, agriculture and natural resource management and development</p>	<p>When the SAPs start to deliver “on the ground”, better possibilities for more income-generating activities will open up, such as power transmission projects or efficient agriculture, and these can have a more substantial impact on the poverty eradication in the basin. (6.4.4 obj 4)</p> <p>During the period 1999 to 2011 intra-regional trade in agricultural products amongst trade blocks of which NBI countries are members (EAC, COMESA, IGAD & North Africa region) increased from 829 mil USD during the baseline period (1999-2003) to 4.4 billion USD. Though not directly attributable to NBI it does show that NBIs objectives are in-step with regional trends.</p>

<p>Ensure that the Program results in a move from planning to action.”</p>				<p>The cooperation and harmonization among development partners, both donors to NBTF and others, which support NBI through bilateral agreements, have greatly increased since the start of NBI and NBTF. The NBTF-C meetings have gradually attracted more development partners and their engagement in the process has increased. NBTF has been ground breaking in making the development partners observe the principles of the Paris-Dakar agenda also for support to regional programmes. (6.4.2 baseline)</p> <p>All SVP projects practiced a participatory and demand-driven approach with stakeholders. WRPM, for example, sought full participation of riparian stakeholders in the policy formulation. The interest and enthusiasm among stakeholders to participate in particular in the SAPs have not decreased over time and is probably a function of the more visible “on-the ground benefits”. The Nile Basin Discourse, a civil society network with over 1200 members and partner worked in close collaboration with the CBSI to increase stakeholder participation. The development of the NBI through the NBTF-funding has triggered other parallel initiatives such as an increasing focus on the Nile Basin for research. (6.4.2 baseline)</p> <p>NBTF helped to build the capacity of the Nile Sec from a small secretariat with 5 core staff to now over 40 staff which has brought talent to transform the Secretariat to a River Basin Organization when the time is ripe. The staff now can undertake analytical works which will be further supported by the DSS as it gets rolled out in countries across the Basin. The Nile-SEC is also capable of planning, managing and monitoring development projects which important for future support from development partners. the trend could have started considerably earlier. Training in financial management and procurement were provided – but the attendant hand-over of responsibility to the three NBI centres did not take place. (6.4.2 Effectiveness)</p>
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Table 5: NBI Results Chain and results

The above framework of results will be discussed further through this chapter and forms the foundation for assessing the impacts and outcomes of the NBTF.

6.1 The NBTF Structure

The NBTF was established in January 2003 by Legal Trust Fund Agreements between donors, the IBRD and IDA, collectively the Bank, (Trust Fund TF No.27862), in which the Bank accepted to administer the NBTF on behalf of all the donors (World Bank 2003). The decisions taken by the Nile-COM in 2001 are part of this Agreement.

The termination of the NBTF, originally set to June 30, 2010, has since then been amended. According to the last amendment the Agreement will terminate latest on June 30, 2015 “or on such date as the Contribution shall have been fully utilised, whichever comes earlier”. The Nile-COM’s proposal for the eventual migration of the Trust Fund to the Nile Countries can be found in the Letter of Agreement, which laid down conditions for a “permanent institutional framework” to be established. Several of the interviewees expressed their concern about an “abrupt termination” of the trust fund. The NBTF termination was decided on at its inception, with the founding documents frequently referring to it (and the NBI as an interim or temporary mechanism). It is thus difficult to understand where the perception of an abrupt termination stems from, but in the opinion of the IE Team it could have been voiced as a wish or expectation that there would be some sort of extension to its lifespan. The perception of abrupt termination of NBTF can also be due to the rules of the NBTF not being clearly and widely communicated throughout the organisation. The responsibility for ensuring that misinformed perceptions do not arise is the responsibility of management and in this case of the World Bank Team as this issue relates to the NBTF.

The initial NBTF formative agreement included the possibility for the individual development partners to express their “strong support and interest” for specific activities, so called soft-earmarking, in any of the Program Activities described in an annex to the Letter of Agreement. This expression of support, however, is not in any way legally binding, neither to the donor, nor to the Bank, although the Bank has always “if possible tried to meet with such preferences”. At the meeting of the NBTF-C in October 2007, amended Rules and Procedures for the NBTF were adopted (World Bank 2007b). The amended Rules and Procedures advise against earmarking of projects by recognising that “Earmarking, even informal, imposes significant administrative burden on multi-donor trust fund management”(ibid.) and reduced the NBI’s flexibility in re-prioritising activities which was seen as necessary to ensure that funds were used in the most efficient way to match the needs of the different projects. Linked to the issue of NBTF fund raising the Rules and Procedures recognise that “partners can still express preferences” but all NBTF allocation and project approval decisions were to be taken by consensus. Some respondents stated that the removal of the “soft earmarking” mechanism impacted negatively on the performance of the projects as the direct interaction with development partners was reduced. However, the NBTF-C and the World Bank, in its role as manager of the funds, needed to make sure that the available funds were utilised to achieve the objectives of the Shared Vision Programme. It is the view of the IE-team that mechanisms for better dialogue and exchange of ideas between the PMUs and interested development partners could have been established such as development partners participating in monitoring missions. A mechanism for increased dialogue between the riparian representatives in Nile-TAC and development partners, the Strategic Dialogue, has changed from a short half-day meeting to a full day of intensive discussions in connection with the NBTF-C meetings. These strategic meetings have included staff from the NBI centres but not from the PMUs.

Some interviewees expressed concerns that the World Bank in its managing role might prioritise funding under the NBTF for projects that can lead to World Bank-financed projects, particularly investment projects. The agreed language of the adopted Rules and Procedures also makes such prioritising feasible. However, this is not necessarily a disadvantage and would certainly have aligned with the interests of the riparian countries.

“Basket funding in general including in trust funds is a good way because it lowers transaction cost for NBI” (Interviewee, 2013)

According to the IEG, a trust fund can be established as a financial arrangement with contributions from one or several donors to support activities of development at country, regional and global levels. The group of donors can include the World Bank Group, who often also acts as a trust fund manager (IEG, 2011). In 2009 the World Bank was responsible for the financial administration of 1075 trust funds (Ibid).

The IEG Evaluation of the World Bank’s Trust Fund Portfolio “Trust Fund Support for Development” in their interviewing recipient officials found that benefits were claimed to derive when they:

- + Provided coordinated grant financing;
- + Supplied funds when the recipients could not borrow from multilateral development banks or when bilateral donors were reluctant to “go alone”;
- + Reduced transaction costs and piecemeal funding by pooling bilateral funding;
- + Were accompanied by the World Bank’s convening power and technical expertise;
- + Was a more flexible resource to tap for just-in-time assistance.

The interviewed recipients of the IEG evaluation found that trust funds could be particularly obstructive when they:

- Required redundant plans and reports;
- Imposed eligibility criteria ill-suited to country conditions.
- Provide funds unpredictably;
- Do not coordinate fund activities well with related operations;
- Entail implementation arrangements determined by trust fund, not country system;
- Are not transparent.

The recipients interviewed in the IEG evaluation considered trust funds as second-best to direct budget or sector program support, but they saw the use of trust funds needing to be more consistent with aid effectiveness practices of country ownership and country-led aid coordination and harmonisation.

The interviews with *recipients conducted under the current NBTF* evaluation did not demonstrate the same pattern. Interviewees clearly expressed satisfaction over the coordinated grant financing as well as the reduced transaction costs it led to. Further, the co-financing structure between funding from the NBTF and bilateral funding, such as what is practiced for 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, interviewees complain about the different reporting systems where the bilateral reporting systems tend to be much more flexible than the system of the World Bank managed NBTF. The lengthy process related to no-objection clauses and other delays described above also made the NBTF a less flexible resource for just-in-time assistance. The IE-Team has found that there were improvements in the World Bank’s internal controls during the NBTF period. While it may be seen as overly-bureaucratic, these controls have been vital as safeguards to protect the trust fund. The NBTF and the World Bank as its manager have succeeded in avoiding most of what in the IEG’s Trust Fund evaluation consider as the most obstructive issues. As discussed above, however, there also are instances where they failed to fully meet its potential on some elements that the IEG Evaluation considers as essential to derive the full possible benefits that can be created from a trust fund structure. When developing future trust funds to be instruments for transboundary water cooperation, the IE-Team views it as important to ensure sufficient information sharing and communication inside the programmes and to facilitate development partner and recipient participation in the funding process. This can help partners , to maximise the benefits of cooperation and minimise misunderstandings.

6.2 The Process and Structure of the NBTF

Power relations and Nile-COM influence in the NBTF delivery. It is important to keep in mind that the NBI is an inter-governmental institution and that the decision-making body is the Nile-COM. As one of the former Ministers phrased it during an interview: “Politics have been extremely influential, as it was politics that influenced the COM decisions, and consequently influenced the NBTF delivery; asymmetric powers among the different countries were also influential, as some were more able to influence the agenda than others”. Power asymmetries between the countries can be considered as part of the political risk that could affect the implementation of the NBTF-funded projects, knowing that countries such as Egypt, Sudan or Ethiopia for example would have more negotiation power than some of the other countries. This was a challenge difficult to overcome, although we can conclude that the NBTF-supported SVPs have contributed significantly to level the playing field. By contributing to decreasing the knowledge and capacity gap between the countries, the NBTF-supported projects can be credited with strengthening weaker states within the NBI.

Nile-COM and Nile-TAC. The interviews conducted during this evaluation with current and former Nile-COM and Nile-TAC members highlighted that there was more continuity among the COM members than the TAC, which have changed very often. This discontinuity has often meant that the TAC members did not always share the ‘institutional memory’, resulting in a slowdown of the process. Though minor, this posed a challenge to the implementation of the NBTF-supported projects. In any case, it was outside of the control of the NBTF to deal with such an issue. One of the respondents also mentioned that the role of national Permanent Secretaries (PS) could have been stronger in the NBI governance structure. According to the respondent this could have brought the political and technical tracks of the NBI closer.

One of the reasons why a Trust fund was chosen to support NBI’s Strategic Action Programme was “*to maximise riparian ownership and control of the process*”. This was achieved by fully engaging Nile-COM and NBI in the development of the SVP projects and also in the development of the SAP-programmes NELSAP and ENSAP. Consulted documents such as the SVP PICRR (World Bank 2010c) and other planning and completion reports; and statements during interviews show that riparian ownership of the design at the start of the projects was evident. However, the riparian ownership of the decisions on funding and major changes of the projects during the implementation phase is not that clear. The NBTF resources have been administrated by the World Bank on behalf of the development partners and reports back to a trust fund committee (NBTF-C). The NBTF-C is co-chaired by the World Bank and the Nile-COM chair, the development partners are participants, and the Nile-TAC chair and key NBI management representatives participate as observers. According to a NBI-representative, there are instances where “the fund modalities would not allow for the liberty of the NBI to determine its own priorities”. The majority of the formal members of NBTF-C are development partners thus creating an imbalance in numbers that could have caused the perception that development partners including World Bank took all the important decisions.

The IE-Team considers the governance structure of the NBTF-C as not optimal for increasing the riparian ownership and control of the projects funded by NBTF.

Nile-SEC, SAPs and the NBTF. When looking at the Nile-SEC and its role as executive agency, opinions diverge about the relationship between the SEC and the NBTF delivery. The rotational principle of the Nile-SEC’s Executive Director (each country serves two years, and rotates in alphabetic order) has, according to responses from interviews including former EDs, proved to be disruptive as the ED may in reality only be effective in the last year of the two year period. Another issue identified as disruptive was the weak coordination between SVPs and SAPs. A reason for this lack of coordination could be that the SAPs have evolved much faster and stronger than expected at the beginning of the NBI. If we look at the governance structure and dynamics of the NBI at its inception, the expectation was that the Shared Vision would be delivered first (through SVP projects), after which the SAPs would be developed by building upon the momentum created through the establishment of the vision in each of the countries. As shown earlier in Figure 1 in Chapter 1, this was the foundational philosophy of the NBI. The fact that SVPs and SAPs began at almost the same time, meant that SVPs and SAPs had to coexist while they developed at different speeds. The SVPs

were almost fully financed by the NBTF, but activities of SAPs were not an immediate priority of the NBTF.

The conclusion of the IE-Team is that the NBI governance structure was likely not the most effective to deal with such a complex cooperative process. Moreover, a thorough debate on how to link the three NBI centres and the COM/TAC could have been done at the very beginning of the NBI, instead of only starting it in 2009 with the Institutional Strengthening Project. The fact that the SEC was becoming the weakest institution and that the SAP centres were growing at a fast pace was not reflected in the decision-making processes or in the financial support to the centres and this was evident since the beginning of the 2000s. Action to deal with the institutional incongruences should have been promoted by the NBTF earlier.

The management role of the World Bank. The role of the World Bank as fund manager is defined in the Nile Basin Trust Fund Agreement of January 10, 2003. The Agreement clearly reflects the decision taken by the Nile-COM to launch the NBI as a common legal entity on a transitional basis “with legal personality to perform all the functions entrusted to it”, including transitional institutional arrangements to act as an executing entity.

The NBTF Agreement further states that the World Bank will administer the NBTF resources on behalf of development partners and will review expenditure documentation, process withdrawal applications and disburse funds. World Bank staff will conduct regular supervision missions and provide reports to a trust fund committee (the NBTF-C) comprised of the Nile-TAC Chair, development partners and the World Bank. The NBTF-C was responsible for overseeing the operation of the trust fund and the use of its resources to meet the objectives of the programme (World Bank 2003). However, the decisions on the allocation of funding are only taken by the NBTF-C when it comes to “all new projects and reallocations/supplemental financing of on-going projects in the amount equal or above USD 1 million (the Bank is authorised to approve reallocations/supplemental financing of on-going projects in the amount below USD 1 million)” according to the NBTF’s Roles and Procedures adopted at the 5th Informal NBTF-C in October 2007 (World Bank 2008a). Moreover, most of the anticipated requirements for financing from the NBTF needed to be identified by March, 2008. Consequently, this meant that most of the decisions for financing were handled by the World Bank in Washington DC.

6.3 Financial input – output

6.3.1 Summary of the NBTF Financial Analysis

Over the NBTF period, ten development partners pledged and actually provided USD 191.74 million to the NBI as shown by Figure 8 below.

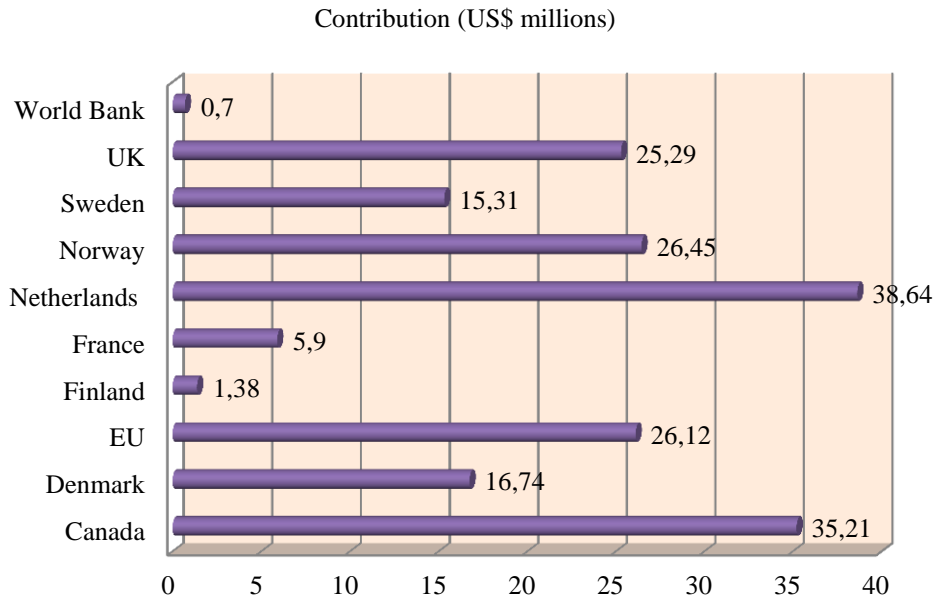
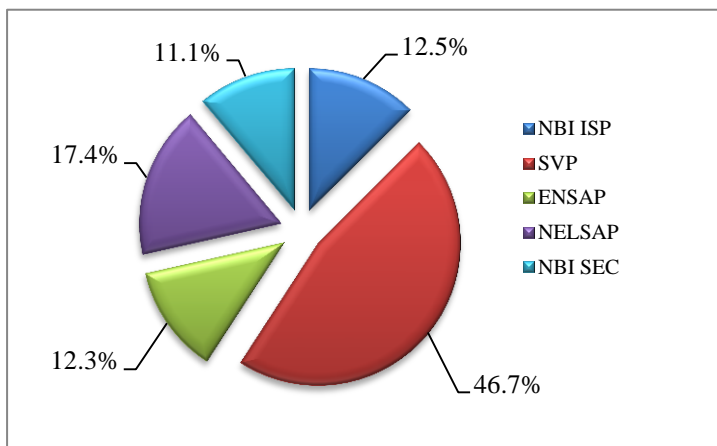


Figure 8: Contribution

In addition to financing from development partners as shown in figure 6 above, the fund also had further investment income and administrative fees that accrued to it worth \$10.59m (\$14.42m was investment income and administrative fee \$3.84m) thus the total NBTF funding by December 2012 was **\$202.32m**. 100% of these funds were not allocated. Out of total \$202.32 million, only \$190.12 million was allocated to projects and activities, which left \$12.2 million unallocated.

Figure 9: Distributed allocations



It is important to note that there was also bilateral funding provided by other development partners including the African Development Bank and GIZ, as well as technical assistance by organisations like GWP. Figure 9 to the left shows how allocations were distributed between programmes over the NBTF period.

Most of the fund was allocated to the SVP programme, which was in essence intended to create an enabling environment for SAPs to be invested over the NBTF period. Audited reports from independent assessments done by external audit firms over the NBTF period concluded that satisfactory performance was made to adhere to audit standards for almost all projects.

To analyse the performance of the NBTF, a ‘value for money’ assessment was chosen over an orthodox audit approach. A project-by-project assessment of output performance was undertaken using the traffic lights method, which is explained below (Appendix 6).

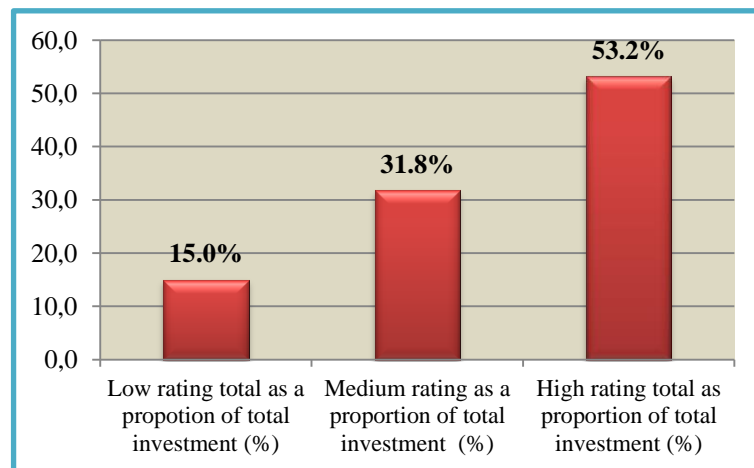
One of the key aspects of evaluation has been making an assessment of the extent to which investments made by the NBTF realized the maximum benefit in relation to the purpose for which they were intended. This assessment also looks not just at financial resources spent versus the outputs

and outcomes but also the levels of ambition and innovation. The IE-Team used a three-step criterion as follows:

- a) Undertaking qualitative and quantitative analysis of reviews of various investments under various projects. Secondly, basing on World Bank review of performance of various projects (as elaborated in the NBTF annual reports) and basing on the ratings therein i.e. satisfactory, moderately satisfactory moderately unsatisfactory; unsatisfactory).
- b) Basing on this rating of projects we used the traffic lights methodology which qualified value for money as high, medium and low in respective relation to high value for money (Green) medium value for money (Yellow) and low value for money (Red). In the analysis the table below shows how this qualification was done:
 - Green** If the project was rated as satisfactory in the presentation of the World Bank Performance review as documented in the project completion reports and the Annual NBTF reports.
 - Yellow** If the project was rated moderately satisfactory by the World Bank performance review as documented in project completion reports and the Annual NBTF reports
 - Red** If the project was rated below moderately satisfactory by the World Bank performance review as documented in project completion reports and the Annual NBTF reports.
- c) Further to this, a qualitative review of data from interviews with officials who were/had been engaged in the projects as well as respondents in various countries, informed/confirmed our conclusion and arrival at the rating.

The table in Annex 6 shows how various projects are rated in an assessment of value for money using the traffic-lights method with descriptive analysis supporting the rating. Having conducted the analysis for all projects under the NBTF, 53.2% of the projects were rated by IE team as having been high value for money and highest potential to yield even better results for the NBI in the future. These included investments like the DSS. Those projects rated medium constituted 31.8% while 15% were rated lowly.

Figure 10: Level of financing and ultimate project performance linkages



Overall, NBTF helped the realization of a programmatic approach that has ensured not only implementation of river basin studies and projects but sustenance of cooperation and dialogue among riparian countries.

“The answer to the question ‘was it worth the investment?’ cannot be answered by figures, percentages or dollars but rather ‘if the state of affairs today’ is better than when we started” (former Nile COM member from Tanzania).

The NBTF has also ensured that there is sustainability for its investment. As shown by the flow chart below, from an initial investment of USD 191.71 million, investments under the SVP and SAPs have strengthened the capacity of the NBI, which has now finalised its 2012-2016 Strategic Plan. The plan consists of proposals for projects that have an estimated USD 292 million with total investment funding estimated to exceed USD 719 million USD. For every dollar of NBTF financing, the NBI has been able to attract \$9 in investments.

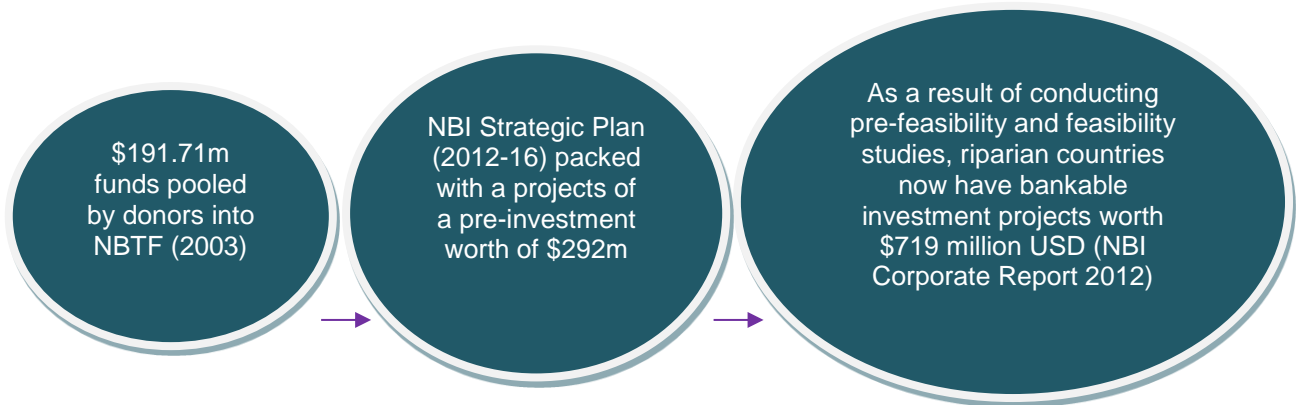


Figure 11: Investments

An important financial input/output advantage of the NBTF is its possibility to provide coordinated funding and grant resources for projects at the regional level, which had earlier proven difficult. The pledging process of the donors to the NBTF has meant that funding has been available during the implementation of the projects for those that progressed according to the plans. Although, according to one response by an interviewee, there are instances where “the fund modalities would not allow for the liberty of the NBI to determine its own priorities” the main complaints concerned bureaucracy. The NBTF has been seen as a “highly effective vehicle for resource mobilisation”.

The Nile Basin countries see the contribution by riparian countries as important to “ensure future sustainability of NBI and delivery of basin-wide benefits” (NBI FY12 Progress Report presented at the 7th Strategic Dialogue in October 2012). At the 20th Nile-COM in July 2012, a scaling-up of the country contribution was endorsed. This scaling-up was set to start in the Financial Year 2013/2014 and continue for five sequential years. The aim is for NBI member countries to provide funding to fully cover the costs of minimum functionality of the three NBI centres, which would strengthen the ownership by the riparians.

6.4 The NBTF and its appropriateness and effectiveness; its efficiency as a funding structure and the sustainability of its outcomes

6.4.1 Appropriateness and Relevance

As mentioned in chapter 3 the Nile basin countries had different incentives to cooperate. Upstream riparians had two main incentives; a potential new legal and institutional framework, something that the upstream countries always desired, and possible access to international finance for water related infrastructure projects. The projects financed by NBTF has clearly benefitted the upstream riparians when it comes to development of infrastructure, even if the investments plans have not shown any results on the ground yet. The CFA signed by 6 of the riparians will probably not deliver the basin wide legal and institutional framework that was the goal of the up-streams riparians in a near future.

Downstream riparians were also interested in the cooperation opportunity and investment funds, but mainly in the establishment of an institution where they might influence water management and water development decisions and in the possibility of additional water resources that could be generated from water conservation projects upstream. The CFA links the new legal agreement to the establishment of a RBO, by doing so the goals of the downstream countries have so far not been met even if there might be some positive impact of water conservation projects upstream. In the last

couple of years it is possible to detect increasing levels of frustration (in particular from upstream riparians) towards the NBI; associated with the lack of results on the ground, meaning infrastructure built. The absence of an agreement on the overarching legal and institutional framework (another incentive for the upstream riparians) has also contributed to that sense of frustration. Risks associated with pursuing a basinwide approach need to be mitigated by identifying win-win options for upstream and downstream riparian countries also taking national interests in consideration.

Appropriateness

The NBTF was *highly appropriate* as a funding mechanism for funding the NBI Strategic Action Program formulated by the riparian states themselves and endorsed by the Nile-COM. The approach increased development partner harmonisation in the basin, provided the necessary fiduciary assurances and was successful in attracting funding to the basin over its ten year existence.

The design of the SVP financed by NBTF was to a large extent appropriate to reach the objectives *to build trust, capacity and an enabling environment for investments* and was accepted by Nile-COM as a way to move towards the NBI vision and to ensure riparian ownership and engagement to the programme. The SVP was designed to provide a platform for exchange of experience and technical expertise to enhance regional collaboration. While it is possible that there could have been an alternative choice of projects to cooperate around, the content of the cooperation was of less importance than the actual cooperation itself. There is evidence that despite the termination of the SVPs many of the informal networks established are still functioning.

The fact that the SAP-programmes took off quicker than expected shows the strong interest from the riparians to gain tangible national and regional benefit from the programmes. This was not anticipated when designing the NBTF-portfolio. A stronger focus on the SAPs, perceived as more relevant to national development, might have had a positive effect on the ownership and engagement of Nile countries and in the long run on the whole cooperative spirit. In order not to lose the basin-wide perspective, a close cooperation between the three NBI centres and an extensive information-sharing would have been needed.

Further, according to the Strategic Action Program Brief that was prepared by the Nile Basin Initiative Secretariat in May 2001, the objectives of the Funding Mechanism proposed in support of the NBI should be:

- To maximise riparian ownership and control of the process;
- To meet donor requirements for fiduciary accountability; and
- To provide timely and efficient administration of funds.

The counter factual analysis in section 2.7 discusses some possible options to the NBTF managed by the World Bank that could have been considered while developing the financial mechanism for NBI.

By choosing to work together and pool resources the development partners were modelling good cooperative behaviour, essentially setting an example of what was expected from the basinwide cooperation process amongst the riparians. The cooperative management of transboundary waters is often referred to as a global or regional public good – something which can be enjoyed non-exclusively by any number of actors. To solve the collective action problem associated with riparian countries choosing to cooperate in the management of the river it was necessary to show a range of benefits which outweighed the risks of cooperation. The NBTF was able to do this by attracting commitments from the large majority of the development partners interested in supporting water management in the Nile basin. This meant that the risk of not being part of the cooperative process potentially outweighed the risks associated with being part of it. With the NBTF being the single largest contributor of funding to the Nile cooperation process; any riparian who chose to break away from the NBI process risked losing access to funding from a substantial number of the NBTF donors entirely. The IE-team finds that the NBTF has been a highly appropriate mechanism for funding the

NBI Strategic Action Program formulated by the riparian states themselves and endorsed by the Nile-COM.

Relevance

The NBTF portfolio of projects was *relevant* to the objectives of the NBI, being developed in response to the projects proposed by countries in the Strategic Action Programme.

The Strategic Action Programme was based on the proposals from the riparian states and addressed the needs for development in the Nile Basin. The first projects proposed often addressed the national needs but through discussions the regional aspects were emphasised. Thus the riparian ownership of the process to develop the project proposals, as well as the content of the proposals was strong, making the portfolio of projects highly relevant to the objectives of the NBI. The World Bank was active in the discussions but mainly assisted in putting proposals into a form that could be accepted for funding by the World Bank board.

During the implementation of the SVPs there were possibilities to change the projects if the original project proposals showed to be less appropriate and lacked feasibility. The process to get the required changes accepted by the World Bank and/or the NBTF-C could however be time consuming and some interviewees found the process too slow. The IE-team acknowledges that the process to change the original PADs at times could be cumbersome, but at the same time the rigorous rules helped to secure needed stability in the implementation of the projects and above all safeguarded the ownership of the projects of all riparians which was essential to build trust and confidence in the NBI and the cooperative process on the whole. The IE-Team thus finds the portfolio of projects in the NBTF to be relevant to the needs of the NBI as well as the riparians.

6.4.2 Effectiveness

The NBTF has been *moderately effective* in achieving the objectives of the Strategic Action Programme. Much of the portfolio of NBTF projects was concerned with laying the foundations for improved trust, cooperation and capacity in the basin. Development partners pledged over 191 million USD to support these projects over ten years of operation. In addition over 1.3 billion USD has been attracted as investments to the SAPs – the groundwork for which was largely laid through the NBTF portfolio of projects.

One of the most prominent results of the NBTF is that it has been effective in disbursing a large volume of funding – which is directly supporting a range of soft type of cooperation (SVP) and also some investment-related funding (subsidiary action projects SAP), such as for the power transmission studies in the two subsidiary regions. By the end of 2012, NBTF has disbursed the total amount of USD 171.36 million to the NBI. This is distributed as per the Table below:

Component	USD million disbursed
SVP	90.94
ISP	24,02
SAPs	53.76
NBI facilitation +support to Nile-SEC	21.28
Total	190.00

Table 6: Financial support to NBI (figures from Dec 31, 2012)

The NBTF was originally conceived of as a transitional mechanism for a maximum of 10 years according to World Bank rules – aiming for the NBI or a future permanent Nile Basin RBO to take over responsibility for managing the investment projects. This was most clearly articulated in the briefing paper prepared by the World Bank for the fourth informal NBTF Committee meeting in Ottawa in October 2006. This paper recommended a gradual and phased approach allowing NBI institutions (in whichever form) to assume greater responsibility for managing the NBTF and called for a handover plan and capacity building strategy to enable the transfer. That this did not happen is partly a result of the CFA-signing process being initiated a few years later – when it became unclear what the future Nile basin institutional set-up would be. Despite this uncertainty is clear that NBTF helped to build the capacity of the Nile Sec from a small secretariat with 5 core staff to now over 40 staff which has brought talent to transform the Secretariat to a River Basin Organization when the time is ripe. The staff now can undertake analytical works which will be further supported by the DSS as it gets rolled out in countries across the Basin. This was an important achievement whose impact will be felt for years to come. The Nile-SEC is also capable of planning, managing and monitoring development projects which important for future support from development partners. However, the opinion of the IE Team is that the trend could have started considerably earlier as the 2006 paper had raised the issue early in the NBTF's existence. Indeed, training in financial management and procurement were provided – but the attendant hand-over of responsibility to the three NBI centres did not take place.

When the NBI was instituted it was supposed to be a 'transitional' arrangement to support a sustainable future of equitable utilisation of and benefit from the common Nile resources. The NBTF became a catalyst for this 'transition'. After ten years of operation it is evident that the situation in the basin today is a great improvement on both the degree of cooperation as well as the quality of the cooperation. Today disagreements still exist but the bellicose tone has morphed into a discourse built on mutual trust. By supporting the objectives of the Strategic Action Programme, cooperation on the Nile strengthened and countries' strategic dialogue process began to bear fruit. Since its inception in 2003, great strides have been taken to advance in dialogue and cooperation and hence the notion expressed by a riparian representative that the NBTF was effective in 'getting things done at the pace they did after 2003'. In understanding the effectiveness of the NBTF it is important to bear in mind that this is measured against progress towards achieving the objectives of the Strategic Action Programme – not only the individual projects and programmes.

The original PADs for the SVP financed by NBTF did not include any well-developed results based management framework, which makes the evaluation of the attainment of the programme's objectives difficult. Another weakness is that the project documents of the SVP have not clarified the linkages between the programme and the objectives. Despite lacking this formality, relevant outcome indicators were agreed upon and used for monitoring the progress of the programme. These outcome indicators all specify qualitative targets, making measurement difficult and there was limited baseline data against which to monitor results.

The IE Team has used semi-structured interviews and desk studies to ensure broadest capture of information that could measure the attainment of the outcome indicators. The NBTF Interim reports prepared for the Informal Partner Meetings also provide information on key progress against deliverables for the different projects as do various aide-memoirs of World Bank supervision missions. Important information concerning relevance of objectives and design, and the achievement of objectives for the different projects under the SVP can be found in the Implementation Completion and Results Report of the SVP (World Bank 2010c).

In Chapter 2, a baseline developed by the IE-Team was provided that describes the situation in early 2000. This baseline was created based upon the work done by the World Bank (World Bank 2011d) The table below describes the changes in relation to baseline at the closure of NBTF as assessed by the IE-Team.

Baseline Outcome indicators and the IE-Team's assessment of the extent they have been met at the closure of NBTf

1. Increased basin-wide dialogue and exchange of information

All the information gathered during interviews with stakeholders verify that the activities financed by NBTf greatly facilitated the interaction between actors in the basin and contributed to exchange of information. One interviewee mentioned *"Nowadays if there is a flood in our country we know who to warn in the downstream country. We know them by name, we know the telephone-numbers, we have met. This was not the case before."* However, according to the IE-team, the Shared Vision of the Nile could have been promoted more if greater effort to strengthen the NBI vision among SVPs had been taken. NBI-coordination meetings only started in 2006 or 2007, when projects had already built up their own visions and models for working. At the start of the SVPs the focus was much largely centred around meeting the different objectives of each of the SVPs and less focused on working towards to overall objectives of the SVP. As one interviewee put it: *"World Bank measured success through disbursement rates and that meant that the monitoring missions often missed the actual target."*

2. Functioning network of professionals

The SVP funded projects built both formal and informal networks among the professionals in the basin. The SVPs arranged meetings with project staff in different countries and the training courses both arranged by ATP and other projects contributed to informal and formal contacts between professionals in the basin. Some interviewees mentioned that very few of the formal SVP networks have remained intact after the closure of the SVPs. There are some promising spin-offs from the NBI projects such as the Nile Basin Research Forum, supported by the University of Bergen Norway and is now a functioning programme. This lack of continuity constitutes a serious risk to the sustainability of the activities funded by NBTf. The informal networks and the personal contacts established through the various NBI activities live on and form a platform both for future political and technical cooperation.

3. Enhanced skills and expanded information bases

A vast majority of the interviewees mention the capacity built by NBI as its most valuable outcome. This has been of particular importance to some of the upstream countries where national capacity in Transboundary Integrated Water Resource Management has been limited in past years. The imbalance in capacity and skills hampered a fruitful technical and political dialogue at the earlier stages of the cooperation around the Nile. During the 10-year lifespan of the NBTf many of the early actors have left the "NBI-family". However the majority of the actors are still active in relevant areas such as in academia, private sector, NGOs, multilateral organizations and in other parts of the riparian governments thus the capacity built is still remaining in the basin.

4. Informed riparian dialogue on transboundary development opportunities, challenges and impacts

The CBSI project took the formal lead in promoting dialogue and setting up the development communications functions which still remain in the SAPs. Other projects strongly contributed to dialogue on technical issues, which has manifested itself in the continued expansion of cooperation within the framework of the SAPs. The capacity built informed the dialogue and helped to shift its focus from water sharing to shared benefits. However the political economy in the basin seemed to play a stronger role than the confidence built through the dialogue when negotiating the final clauses in the CFA. One interviewee stated that *"if more efforts had been put into explaining the benefits coming from the cooperation around the Nile to the entire population in the basin, maybe the outcome of the negotiations would have been different"*. The continued development of the SAPs, which now boasts a substantial investment portfolio, is an impressive sign of the impact that the riparian dialogue has made to create development opportunities.

5. Enhanced stakeholder participation in the NBI process

All SVP projects practiced a participatory and demand-driven approach with stakeholders. WRPM, for example, sought full participation of riparian stakeholders in the policy formulation. The interest and enthusiasm among stakeholders to participate in particular in the SAPs have not decreased over time and is probably a function of the more visible "on-the-ground benefits". The Nile Basin Discourse, a civil society network with over 1200 members and partner organisations offering a platform for dialogue, partnership and cooperation among civil society organizations in the Nile Basin, has not been funded by the NBTf but worked in close collaboration with the CBSI to increase stakeholder participation. The development of the NBI through the NBTf-funding has triggered other parallel initiatives such as an increasing focus on the Nile Basin for research. Many global and regional research institutions have launched research programmes with topics including climate change, which focus on the Nile Basin.

6. Increased basin-wide water resources development and transboundary investments

Before NBI water resource development in the Nile Basin was mainly an unilateral investment. Now there is a spirit of multilateralism in the Basin. No riparian country tries to launch a water resources development in the intention of advocating 'unilateralism' in the basin. The principle of consensus and prior notification are respected by all countries. There is an attempt even to make any water resources development by a riparian a 'win-win' project. Even if there may be unilateral construction now, there is an initiation to make the project a 'multilateral one.' An good example of this is the hydropower developments in the Rusumo falls where all concerned countries (Burundi, Rwandan, Tanzania) have been involved in the preparation and planning process and will benefit from the Rwandan construction through power trade agreements. It is also good to see the 'words of war' are almost non-existent nowadays. One can hardly see any politician threatening the other riparian country.

The portfolio in the East Nile and Nile Equatorial Lakes regions includes more than \$700m of investment under implementation and \$600m under preparation. These cover power generation and transboundary trade, irrigation, drainage, watershed management, natural resource management and flood control and preparedness. These improvements are attributed to improvements in the enabling environment, together with the growing trust and confidence in cooperation, which have pave way for riparian states to collaborate on transboundary investments. (World Bank 2010c).

The expectations that infrastructure would be delivered rapidly and during the period of the NBTF was unrealistic. These high expectations of delivery are always risky as the process may lose support if those expectations are not met

7. Increased cooperation and harmonisation among development partners.

The cooperation and harmonization among development partners, both donors to NBTF and others, which support NBI through bilateral agreements, have greatly increased since the start of NBI and NBTF. The NBTF-C meetings have gradually attracted more development partners and their engagement in the process has increased. One example of the increased cooperation is the establishment of the forum for Strategic dialogue between Nile-TAC and development partners which has grown from a couple of hours of exchange of ideas to a full day meeting. A sign of increased harmonization is the willingness among the development partners to establish CIWA and to explore the opportunities of supporting a future NBI Trustfund. Today development partners are less interested in walking alone but values the shared responsibility and possibility for joint action. NBTF has been ground breaking in making the development partners observe the principles of the Paris-Dakar agenda also for support to regional programmes.

Table 7: Baseline changes

The above mentioned examples of outcomes related to the agreed upon indicators all point towards a similar conclusion. The support provided by the NBTF has undoubtedly been effective is in promoting trust, knowledge and capacity across the basin – which is the key objective of the SVP. The achievement of this objective was something frequently and spontaneously mentioned by interviewees. The projects contributing to this objective are primarily the “category-one” type discussed in the section on the NBTF portfolio. These were aimed at developing the institutional capacity of the NBI to promote and facilitate cooperation. Indicators of achieving this objective include the regular exchange of knowledge and information between countries in the basin, the ability of country representatives to bring up contentious topics for discussion and commitments by the riparian countries to cooperate with each other even outside of the NBI framework (such as on some infrastructure projects) as well as in areas outside of the water sector.

6.4.3 Efficiency

- The NBTFs *efficiency is moderately satisfactory*, as it managed to get the full portfolio of projects implemented within budget – although some were delayed. The management structure of the NBTF was kept simple and generally operated with low transaction costs and provided “provide timely and efficient administration of funds” which one of the reasons for choosing a trustfund.

Exceptions to this would be the use of UNOPS as an implementing agency, which was ill-suited to the role required of it, and a perception amongst riparian staff of NBI that the World Bank would micro-manage their operations – particularly around procurement processes. The table in Appendix 6 identifies the “value for money” for each of the NBTF-funded projects. Although cost effectiveness cannot be measured quantitatively, the SVP projects were largely implemented within approved budgets. SVP Projects do not lend themselves to standard efficiency evaluations (net present value,

economic rate of return, or measuring actual costs against a benchmark). Several approaches are, however, possible to evaluate whether the SVP was cost effective. First, SVP projects were by and large within their budget: all experienced delays and most required extensions, but most projects ultimately delivered their outputs within the appraised budget. Second, the arrangement with UNOPS turned out to be a hindrance to efficient implementation. Third, the decentralised nature of SVP created significant extra costs in terms of travel and coordination. This issue was debated at the time of programme design. The fiduciary oversight provided by the World Bank clearly met donor requirements for fiduciary accountability and provided timely and efficient administration of funds as expected at the start of the NBTF. This is seen by many respondents as a key factor in attracting more development partners and additional funding to the Nile Basin. There is also, however, a commonly-repeated view that the World Bank “micro-managed” the disbursements. The lengthy process for gaining a statement of “no objection” from the WB for a specific project activity to proceed was considered cumbersome and slowed down project implementation. However this common perception of “micro-management” is often a result of lack of communication or a lack of procurement capacity within the NBI. One element of the “micro-management” claim seems to revolve around issues of a more technical nature with the World Bank dictating the way a project was implemented. It was, however, generally acknowledged that this only became an issue with specific individuals. As mentioned above, it has been noted that while the World Bank’s internal controls and procedures may be seen as a burden by some, it has been vital as safeguards to protect the trust fund.

The IE-Team concludes that the World Bank made three significant contributions to this NBI during the NBTF period:

- a) The World Bank provided much needed confidence within the development partner community that their funds would be well managed to serve the purpose of river basin management and cooperation. The World Bank was able to increase the NBTF portfolio through its lobbying for financial support from other donors in a manner that the NBI states would not have managed on their own;
- b) The NBTF as a modality reduced transaction costs for the riparian states and the Nile-SEC that would have been incurred if states dealt with respective development partners bilaterally as was the case before the NBTF;
- c) The World Bank provided much-needed financial management support (through UNOPS as well as directly to NBI) especially with the reality that NBI was legally recognised by only a few riparian states;

While the Trust Fund as a modality was effective in delivering its intended purpose – rallying development partners around the idea of harmonising their support – there was concern over its management. This is demonstrated by some cases below:

- a) Audit reports of the NBTF (and especially for UNOPS) noted high overhead costs. NBI Centres did not get a breakdown of the overall management costs incurred by the fund manager (World Bank) and therefore there wasn’t clarity on whether fund management could have been done at a lower cost if options were discussed with the Centres. While missions from the World Bank were informed of this, change in this regard was limited.
- b) There were instances when the financing process was very slow due to the requirement of ‘no objection’ clearances from Washington that sequentially affected implementation of projects on the ground.
- c) The management criteria required scrutiny of every aspect of the projects which was in some cases unnecessarily carried out to the extent that the fund was labelled as ‘micro-managed’. Much as the fund later accepted to raise the threshold below which NBI Centres would independently procure goods and services – the Centres wished that a threshold would preferably be raised to US\$100,000 rather than US\$10,000 to curtail unnecessary bureaucracy.
- d) There was wide-spread discontent with the performance of UNOPS mainly because of two reasons: the cost of services provided by UNOPS was perceived as very high compared to the technical support that UNOPS actually delivered to the NBI over the NBTF period; secondly,

UNOPS maintained very rigid practices that did not meet realities on the ground which in some cases frustrated implementation of projects (e.g. a requirement that community members hold bank accounts even in the remotest of villages).

- e) Overall the entire funding modality was ‘tied’ to multiple reporting requirements, which made led to some staff at the NBI Centres claiming that they had to spend more time responding to World Bank reporting requirements (and related ‘paper work’) than actual project implementation and monitoring. There was a tendency overall for implementers to be inclined to abide/respond to World Bank team requirements than what was actually required on the ground.

Several interviewees reiterated that the entire NBTF process would have been more efficient if technical capacity building had been emphasised right from the start. NBI Centres would have been able to conduct more fiduciary oversight roles that would have saved resources spent by UNOPS and World Bank.

6.4.4 Impact and Outcomes

The NBTF *impact is moderately satisfactory* as recently there have been tangible steps taken towards the development of water resources and related infrastructure through the NBI process, but there is a sense amongst stakeholders that this has taken longer than what was expected. Compared with the baseline period there has been great progress towards all five of the objectives of the Strategic Action Programme. The NBI as an institution is significantly strengthened, even in the face of political challenges such as that surrounding the CFA. The IE-Team used the Nile Basin Initiative Policy Guidelines adopted by the Nile-COM on February 22, 1999, as a baseline for the assessment of the impact of the NBTF (NBI 1999a). The Policy guidelines define the purpose of the NBTF “to assist in the preparation and/or implementation of the Program (*Strategic Action Programme*), which has as its main objectives: (a) develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people;(b) ensure efficient water management and the optimal use of the resources;(c) ensure cooperation and joint action between the Nile Basin countries; (d) target poverty eradication and promote economic integration;(e) ensure that the Program results in a move from planning to action.”

Objective 1: to develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its people

Over a period of 10 years the Nile Basin has experienced major geo-political and economic development. The effect of these events on the NBI and NBTF are analysed in chapter 3 of this report. Some positive developments, such as a raise in living standards from a HDI of 0,290 in 2000 to a HDI of 0,322 in 2012 in the Nile riparian countries, may have been influenced by the NBI but to attribute the rising living standards to development efforts of the NBI is not possible. However the regional power studies and future implementation of regional power pools might have a significant potential to contribute to regional economic development and prosperity. NBI’s contributions to peaceful resolutions of conflict in the Nile Basin have clearly contribute to stability and by so doing built the foundation for prosperity and economic growth in the region and the guidelines developed under NTEAP will if applied by the riparians, contribute to a more sustainable development of the water resources.

Looking at the state of cooperation on the Nile before establishment of NBI in 1999 and the introduction of the NBTF in 2003, there are clear indications that NBI has helped to create platforms both for technical and political discussions of Nile-issues. The existence of these platforms might have contributed to peaceful resolutions of conflicts over the waters of the Nile and in that way also to the security and peace in the region. It could be claimed that the end of the negotiations over the CFA had a negative impact on the peace and security in the region. However, looking back at the situation before the NBI, characterised by a complete lack of consultations on the Nile, the possibility to solve any potential conflicts through dialogue has increased. Bringing countries together under the NBI umbrella has contributed for a political rapprochement between countries, in particular in the Eastern

Nile countries. Although NBI has mainly involved ministers of water resources/environment/energy, there was a high level of political commitment from other decision-makers (namely from foreign affairs). Bilateral, trilateral and multilateral relations are much better than 20/10 even 5 years ago. Perception of risk had decreased, and countries are more interlinked in terms of migration, trade, business in general. It is difficult to assess how much of this can be credited to the NBI, but definitely it has contributed for a more positive regional setting. In the case of NBI two processes have influenced each other: on the one hand the CFA processes and on the other the increasing security due to the post-conflicts scenarios. These two processes have reinforced each other, contributing for regional security/peace. The process is however still fragile, taking into account the porous borders in the region and the complex dynamics of internal conflicts (usually with the neighbour's' interference).

Objective 2: to ensure efficient water management and the optimal use of the resources

NBI has encouraged the idea of 'optimal use of the Nile water' which got accepted among the riparian countries to achieve sustainable socio-economic development of the Nile Basin countries. The idea of 'more crop per drop' has got the currency among the riparian countries so as to increase the water availability and efficient use of water for agricultural production in the basin. The SVPs which have tried to achieve this objective are the Water Resources Planning and Management (WRPM) and - Efficient Water Use for Agricultural Production (EWUA). These projects have provided an opportunity to develop a sound conceptual and practical basis to increase the availability and efficient use of the Nile River and its optimal water management. Creating a common understanding and aligning national policy and practice on the specific challenge of transboundary planning and decision taking will create an enabling environment for cooperative development and joint investment planning.

A basin-wide approach to IWRM has generally been seen as being desirable by the respondents but there are concerns centred on the ability of the riparian states to adopt a basin-wide management approach. A concerted and systematic approach to including other sectors in the planning, management and development of water resources needs to be introduced from the start, with riparian countries committing themselves to making the necessary institutional changes on a national level. To sustain the process towards a true IWRM approach it is important that countries develop and sustain their own capacity building plans to ensure continuity in the IWRM training of policy and decision-makers. The IE-Team noted an important role played by inter-state technical exchanges within the Nile basin and that technical cooperation among the riparians is emphasized to sustain the cooperation among the Nile Basin countries. Development partners need to contribute to developing IWRM approaches and institutions on a national level as well as at regional level. WRPM has concluded the DSS in December 2012, which is considered to be a great achievement of the WRPM and NBI in general. Nile-COM's adoption of the procedures on data exchange showed a high level awareness of the need for a DSS to support decision taking from a regional perspective. It will be imperative to ensure that the data exchange continues, that national centers are sustained, and that the regional DSS can be transformed into a sustainable institution, whether as a centre of excellence or otherwise. This process is in hand but an additional challenge now seems to be the issue of sustainability cognizant of the high cost required to maintain and make use of such an expensive tool especially in countries such as Egypt, Sudan and Ethiopia that already have policy, analytical and modelling tools at national level. It is important therefore that the Nile SEC undertakes a concerted lobby for paid-for-use of the DSS by academia, private sector and other state and non-state actors in the basin and beyond.

NBTF focus on water resources management led countries to elaborate National Water Policies which they (for countries like DRC, Burundi and Rwanda) hitherto lacked. Specifically, there is now an inclusion of IWRM principles in implementation of water policies that was not the case before 2003- which more focus on water resource management (resource side) alongside water resource development (supply side). Today, through the NBTF there is a compendium of Transboundary water policies developed after national-wide studies some supported by the Fund that will help way after the end of the NBTF in shaping implementation at the national and regional levels.

Objective 3: to ensure cooperation and joint action between the Nile Basin countries

Ten years ago it was more of confrontation and tension, but now it is more a tone of negotiation and collaboration - a shift on geo-political thought. Much as these countries are poor, they now release the importance of trans-boundary investments of mutual socio-economic benefit and eco-system conservation. In comparison to other river basins such a consensus has taken many decades to arrive at. It widely accepted that it is not always possible to have 100% consensus on everything. The CFA is a Framework on which to premise other protocols and ratifications which can always be discussed in years to come. NBTf made it possible for countries to realize the need to 'think and work' together'.

The application by South Sudan to become a member of NBI, despite its present challenges, is an example of the value attached to the NBI by the riparian states in the Nile Basin. A result of the cooperation inside the NBI is the emerging projects that are joint action but not NBI projects, rather a spinoff. The Grand Renaissance Dam is an example of it in the Eastern Nile. NBI is now being used as a platform for prior notification about 9 regional and 4 national planned projects. This is a core part of customary international water law and a tangible contribution to good transboundary water resource management in the basin. In the SAPs joint action over different investment projects are now well underway, despite some problems caused by the end of the CFA-negotiations mainly in ENSAP. It is however important to note that in the NELSAP-region most of the countries are also members of the EAC which enjoys strong commitment to joint development in all sectors among its member states.

The category-one type actions (focused on facilitating cooperation and reducing risk) have made it possible over time to engage in more of the category-two and category-three (water resources management and water resources development respectively) projects – at the transboundary level. The significance of the progression between these types of projects needs to be made clear to the riparian countries and other stakeholders in order to maintain their interest in the process. There needs to be clear links as to how one type of project will serve to reduce risk which in turn makes another type of project possible. To do this riparians need to be more engaged in the sequencing or staging of the projects. For category - two and three type of projects to be possible, a solid institutional base is needed as the degree of risk which countries and investors have to assume when seeking to take actions to prepare for infrastructure development increases. The 1.3 billion USD worth of investment funding which the SAPs have attracted is a strong indicator of the impact of the NBI actions and activities – not only through the NBTf but overall. The NBTf has played a major role in this with programmes such as the SVP, the SAPs and the ISP all making a strong contribution to the eventual achievement of the NBI Vision. The SAP projects are regionally identified, studied (pre-feasibility and feasibility) and prepared, but nationally implemented as infra-structure investments such as hydro-power need to be located and managed nationally. The power plans and transboundary interconnections are all examples of regionally initiated and nationally or bilaterally managed projects. The nationally oriented approaches to SAP projects have not always been possible to reconcile with the basin approach of the NBI. This points to a tension in the design of the NBTf portfolio of projects – that while it was good to have a high degree of country ownership it meant that at times there was more of an emphasis on satisfying national interests than on pursuing basin-wide optimal outcomes. The opinion of the IE-Team is that it is not possible to have one without the other – one can't have riparian buy-in and support for the basinwide process without offering the possibility for riparians to pursue objectives of interest to them. The engagement and success of the investments projects during the planning phase could be attributed to the relative easy cooperation between a limited number of sub-regional riparians but in the case of NELSAP also to the fact that most of the countries actively involved are members of EAC which has a strong built-in collaboration through its statutes.

The cooperation between riparian states inside of NBI might have contributed to closer bilateral relationship between countries but it is important to note that generally south-south cooperation both at continental and regional levels has increased during the life-time of NBI. One example is the increased investment/trade by Egypt in Ethiopia. However one interviewee mentioned that there is a

tendency to direct Egyptian investments out of the Ethiopia-Nile basin region, to the north part of Ethiopia near Eritrea and Djibouti. Because of NBI, Ethiopia and Egypt has now trade and investment relations, growing, though ridden with some suspicion. Besides the projects inside of NBI unilateral development of projects, namely dams and large-scale agriculture projects took place in almost all of the countries, but in particular in Sudan, Ethiopia, Uganda, Kenya and Tanzania. These projects became a reality through national or bilateral financing of from new investors such as China, Saudi Arabia and India and had little or no explicit links to the NBI but might benefit from the increase in national capacity in water management and development attributed to NBI. Allocation of water between different projects might become a major issue of dispute between the countries, once projects are fully implemented. On the other hand, the non-NBI projects can be seen as an offspring from the cooperation process. Likely this would have not been possible 15 years ago, prior to establishment of the NBI cooperation process.

Objective 4: to target poverty eradication and promote economic integration

Poverty challenges remain for all riparian countries especially DRC, Burundi, Rwanda, and South Sudan whose poverty incidences remain among the highest in the world. As outlined in the SVP completion report Annex 3 respondents at the end of the SVP noted by far that poverty/food security; conflict and security as well as poor governance/corruption posed the highest priorities and challenges for them (World Bank 2010c). Considering that poverty is one of the main factors driving rapid population growth, its reduction is a matter of priority for riparian countries (NBI 2012d). Below is an illustration of improvements in poverty reduction – looking at improvements in the UNDP Human Development Index (a composite index taking into account income per person, education and access to healthcare). The World Bank figures look at the portion of the population living in poverty in the country.

	BDI	DRC	EGY	ETI	KEN	RWA	SUD	TZA	UGA
2000	0,270	0.234	0,593	0,275	0,447	0,314	0,364	0,369	0,375
2012	0,355	0,304	0,662	0,396	0,519	0,434	0,414	0,476	0,456
Diff.	+0,085	+0,070	+ 0,069	+0,121	+0,072	+0,120	+0,050	+0,107	+0,081

Table 8: UN Human Development Index. Source: UN Human Development report 2012

Country	Trends in Poverty Head Count Ratio as a % of total population	
1. Egypt	16.7 (2000)	22.0 (2008)
2. Sudan	46.5 (2009)	44.8 (2010)*
3. Ethiopia	38.9 (2004)	29.6 (2011)
4. Uganda	31.3 (2001)	24.5 (2009)
5. Kenya	45.9 (2005)	44.0 (2010)
6. Tanzania	36.0 (2002)	33.4 (2007)
7. Rwanda	58.5 (2006)	44.9 (2011)
8. DRC	71.3 (2006)	-No recent study on poverty-
9. Burundi	68.0 (2002)	66.9 (2006)

Table 9: UN Human Development Index. Source: World Bank Data Base¹³ 2013 and *UNDP estimate

¹³ <http://databank.worldbank.org/data/views/reports/tableview.aspx?isshared=true&ispopular=series&pid=16>

At the onset of the NBTF in 2003, all riparian countries were implementing poverty reduction strategy papers/programs (PRSPs) aiming to fast track attainment of Goal (1) of the Millennium Development Goals (MDGs¹⁴). The riparian governments recognized the intimate links between population dynamics, poverty and environment and have made significant strides in addressing the population problem within the broader frameworks of own poverty reduction strategies (NBI 2012d). The NBTF provided a supportive role in this endeavour in various ways. The SVP project Socioeconomic Development and Benefit Sharing (SDBS) was expected to produce direct benefits from basin-wide management of additional water resources and development based on water, and also related socio-economic benefits from intra-regional trade and investment in regional infrastructure. However the project only partly achieved its objective. The expected adoption of the benefit sharing concept into the policy and practice of riparians made some progress, especially in the draft CFA, but it is not integrated into national policies. The impact of the key topic studies and policy briefs has been limited.(World Bank 2010c).

Also through financing of the Efficient Water Use For Agricultural Production (EWUAP) and Regional Agriculture Trade and Productivity Project (RATP), the NBTF supported development of models to be used in national policies and also some communities to access farming technologies (irrigation, and other water use capabilities) to improve on-farm-productivity and improve their livelihoods and serve as examples for adoption in the whole basin. However the important EWUAP project fell short at the policy and institutional level of creating a momentum for cooperation on agricultural water in the basin.

However, it is difficult to attribute basinwide improvements in living standards to the NBI alone. When the SAPs start to deliver “on the ground”, better possibilities for more income-generating activities will open up, such as power transmission projects or efficient agriculture, and these can have a more substantial impact on the poverty eradication in the basin.

Economic Integration

The process of economic integration was very much underway even before the NBI. Uganda, Kenya, Tanzania had revived the East African Community (EAC) that had collapsed in the 1977. Rwanda and Burundi officially joined in 2007. In 1983 and 1984, six countries in the Horn of Africa - Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda - took action through the United Nations to establish an intergovernmental body for development and drought control in their region¹⁵. Save for Tanzania all riparian states are members of the Common Market for Eastern and Sothern African (COMESA). The implementation of the SVP helped to create an environment for cooperation that was amplified by the already existing efforts of regional integration (i.e. AU, EAC COMESA IGAD). As described in Chapter 3 intra-regional trade in agricultural products amongst trade blocks of which NBI countries are members (EAC, COMESA, IGAD & North Africa region) increased from 829 mil USD during the baseline period (1999-2003) to 4.4 billion USD.

The SVP increase basin-wide dialogue and exchange information through the work done by the network of professionals that informed riparian dialogue on transboundary development opportunities as well as challenges. It is also important to note while increase in volume of trade between countries can hardly be attributed to the NBTF, the work done under the SVP indirectly ‘improved things’¹⁶. Below is an illustrative conclusive analysis of the extent to which the NBTF has driven a process of economic benefit emanating from more cooperation and transboundary investment planning.

¹⁴ All riparian countries are signatory to the September 2000 New York Millennium Declaration that proclaimed the Millennium Development Goals

¹⁵ <http://www.africa-union.org/root/au/recs/igad.htm>

¹⁶ For instance there has been increase in volume of trade especially in beef between Ethiopia and Egypt. See chart on the next page

The portfolio in the East Nile and Nile Equatorial Lakes regions includes more than \$700m of investment under implementation and \$600m under preparation. These cover power generation and transboundary trade, irrigation, drainage, watershed management, natural resource management and flood control and preparedness. These improvements are attributed to improvements in the enabling environment, together with the growing trust and confidence in cooperation, which have paved way for riparian states to collaborate on transboundary investments. (SVP Completion Report 2010:26)

Objective 5: to ensure that the program results in a move from planning to action

The NBTF has helped to build the capacity of the Nile Sec from a small secretariat with five core staff to a well-resourced organisation with a staff of more than 40 professionals with the capacity to manage complex development programmes across the basin. This is an important achievement whose impact will be felt for years to come. The capacity to promote the development of the basin resources has also increased – witnessed by the ability of the two regional centres to attract investment funding of over 1.3 billion USD.

The capacity building provided by ATP and other SVP-projects at various levels has increased the capacity for IWRM and the skills of basin professionals to manage floods and droughts and early warning systems, for efficient agriculture, and for water security; which directly impacts the livelihood security of the population. The majority of Nile countries now realise the importance of transboundary investments and their ability to contribute to mutual socio-economic benefits and ecosystem conservation. The studies of and predictions of the impacts of climate change in the basin will also be of immediate importance for the future food security.

To-date the NBI process has resulted in 719 million USD being secured for investment projects in a range of areas (see Table 3 in Chapter 4). These investment projects represent actions on the ground, delivering benefits in areas such as irrigation and drainage, power generation, power trade, fisheries, water resources development and environmental protection. The NBTF has supported prefeasibility and feasibility studies including those for potential development of hydro-electricity dams and power inter-connections and trade that will eventually have a bearing on production of affordable and clean energy. (NBI 2011e). Several of these projects (such as the Rusumo Falls Hydropower project) are being implemented by two or more countries together.

6.4.5 Sustainability

The momentum built up for *sustaining* the NBI basinwide cooperation process is considered by the IE-Team as *moderately un-satisfactory*; with country contributions to cover all the core costs only starting to rise as a recent development. However there is evidence that political deadlock can result in states withholding funding such as the situation in ENTRO until recently. Without an inclusive permanent mechanism for basinwide cooperation there is a real risk that the development outcomes of the projects supported under the NBTF will not be sustained.

Some of the respondents in this evaluation have considered the lack of continued funding or projects to follow the SVPs after their closure as a sign of limited sustainability of the programme. However, the IE-Team wants to stress that some of the SVP projects were not intended to continue but rather to be short term interventions aiming to enhance technical cooperation and build trust. The cessation of some activities at the end of the SVP should not be interpreted as a lack of sustainability. Projects directly related to efficient management of a river basin organisation such as the WRPM with its DSS have been integrated in the Nile-SEC others like the RTP are utilised in the SAPs and/or have been integrated in other existing regional initiatives such as East African Power Pool.

The risks to the sustainability of SVP Development Outcomes as presented by the NBI SVP ICRR are also valid to other outcomes developed with NBTF-support (World Bank 2010c). The World Bank assesses the risk to the outcomes as substantial which is also the assessment of the IE Team. However the outcomes of the SAPs, in particular the anticipated investments in the power sector, might be at a lower risk in particular as the expected outcomes are tangible and of great importance to the

development of the countries benefitting from the investments. In the case of the infrastructure development projects now proceeding there is also a higher degree of riparian country risk-sharing – another indicator of possible sustainable outcomes.

In the Completion and Results Report from the Shared Vision Programmes (World Bank 2010c) the following risks are identified;

The major risk to SVP development outcomes is linked to the establishment of an inclusive and permanent institutional cooperation mechanism (Ibid). As mentioned above there was an eminent risk that a future Nile river institution of any kind would not have been established during the lifetime of the NBTF. This would possibly have a negative impact on future external funding but it is the view of the IE-Team that the failure to support the establishment of a permanent institution during the lifetime of the NBTF does not mean that the results achieved over the years are threatened. The NBI can, through the support received from the NBTF, will probably continue to play an important role in development, management and protection of the resources of the Nile for future generations.

One risk stemming from uncertainty over future cooperation is to the trust and confidence that SVP has built up (Ibid).

SVP has successfully built up trust among the stakeholders, and this is also fairly widespread amongst the population. However if the move towards systematic cooperation will continue to stall, this could lead to the erosion of trust. This risk needs to be recognized and actively managed by NBI. As mentioned under 4.2 participants in a Nile-TAC workshop predicted that without a signed CFA the trust and confidence between the riparians would decline more or less rapidly and around 2012 would drop rapidly (NBI, AtKisson 2008d).

Sustainability also depends on capacity to maintain linkages and continue functions, and there are risks both within NBI and at country level (Ibid).

Sustainability depends in part on the willingness and capacity of NBI, which has limited capacity and resources, to maintain all the linkages and functions. In most cases, there are no formal arrangements for the continuation of the networks. Therefore, it will be essential to ensure maintenance of at least key linkages and functions. One example is the SVP which was designed to lay a foundation for successful implementation of SAPs. However the project approach was not necessarily very efficient. There was no mechanism that tied SVPs together to sustain their impact. When projects closed, everything seemed to come to a complete halt. Staff would leave and the NBI Centres would be more absorbed into start-up of new projects than sustaining the old or using work done by the old to enrich or support new ones. Nonetheless the NBTF was overall successful in contributing to the efficient water management and ensuring cooperation and joint action between riparian states which will have lasting impact on the Nile basin.

At country level, the sustainability of functions like water quality monitoring or the development of trans-boundary water policy depends on the willingness of governments. This has been discussed in Chapter 5. National arrangements to ensure the functioning of national focal points are still not in place in all riparian countries. This lack of national institutions to follow constitutes a serious risk to NBI's sustainability at country level and to the continued national commitment to NBI. *The transitional support under NBI-ISP is a key mechanism for sustainability (Ibid).* NBI-ISP included transitional support to transfer key SVP functions to NBI centres. In addition, NBI-ISP also supported an institutional design process which sought to define options for the institutional architecture, functions for a future NRBC. The various options for a future NRBC have been accepted by the NBI – giving an outline of the functions which would be performed as well as associated financial and staffing requirements – however until the adoption of the CFA on a basinwide scale it will not be possible to proceed.

There is the perception amongst interviewees (both NBI staff as well as some donor partners of the NBTF) that the fund was closed in a rush. However, looking at the briefing documents prepared for

the eighth informal NBTF Committee meeting held in Copenhagen in May 2011 there is a strong awareness of the various steps needed to ensure a smooth closure of the NBTF and the closing date has been included in every amendment to the legal agreement and gradually postponed. Various areas to focus attention on are identified in that report – such as speeding-up the disbursement rate (needing to double it compared with the historic average) and making modifications to the ISP based on the findings of the MTR. The success achieved by the NBTF would have been more sustainable if clear continuity and exit strategies with a clear division of responsibilities for follow-up at regional as well as at national level existed from the outset. Most of the projects closed with limited options to utilise outgoing and highly competent staff and other outputs and many respondents to this evaluation felt that ‘those were lost opportunities’. Interviewees frequently made reference to outputs and studies which were “shelved”. A process of securing the intangible advances made should have been incorporated from the outset. The NBTF was meant to close at the end of 2012, though this is now extended to June 2015¹⁷. The Nile-SEC is formulating its own NBI Trust fund – an idea that has support of the majority of the Nile Countries and would be owned and managed by them. The impetus for this is premised on the reference to the 10 years of capacity built by the NBTF that should now be sufficient for this to be managed by the NBI. In mid June 2013 the Nile-COM will consider the final documents for the NBI Trust fund and the process to attract funding for the proposed programme will start. At the Strategic Dialogue meeting of the NBI held in 2012 there was a call by the NBI for “a second ICCON” – for donor countries to pledge money to a new set of projects presented by the riparian countries. However, despite the positive decision to increase the country contributions to NBI taken by the Nile-COM in 2012, the funding of a fully-fledged RBO will be difficult without support from development partners. The new funding structure, the ‘Cooperation in International Waters in Africa, CIWA, is seen as the new option for funding although other RBOs in Africa will be competing for funding with the NBI.

While CIWA will have “a window for funding” for the Nile Basin, the concern was expressed by some interviewees that NBI lacking a formal RBO might be in a less-advantaged position for attracting funds from CIWA.

6.5 A counterfactual analysis – what if there was no NBTF?

The World Bank managed Nile Basin Trust Fund was established as the preferred funding mechanism for NBI. From interviews with various stakeholders, both representatives of the riparians, development partners and the World Bank done by the IE-team, it stands clear that at that time the perception was that there were no other options for funding of the NBI/SVP than the NBTF. Many interviewees were engaged in the NBI and NBTF even before the start of the trust fund and have no recollection of that any other financing mechanism was discussed.

The IE-team has elaborated four different scenarios for the possible development of the NBI (or basin-wide multilateral cooperation) in case that the NBTF was not established.

Scenario 1: Coexistent of multilateral and unilateral/bilateral developments (under a cooperative spirit)

A positive variety of the coexistence would imply the coexistence of unilateral, bilateral and multilateral (NBI) development of projects in the Nile sub-basins, and would include continued more or less coordinated bilateral support to the riparians, or the NBI centres. The riparians would go along with their own national or bilateral Nile-related development and infrastructure projects at their own pace with bilateral support from development partners, maybe also from the new financial partners such as the BRIC countries. In this scenario the hypothesis is that the Nile-COM and NBI would continue to function, maybe at a slower pace, and promote cooperative action through policies,

¹⁸ Nile Basin Initiative Corporate Report (2011)

guidelines and basin wide decisions. The countries would go ahead with the projects observing the cooperation principles established under the NBI-framework. This would probably decrease the risk of increased tension and could also enforce the platform of NBI and the Nile-SEC as coordinator of the development activities in the Nile basin. The possibilities for NBI to continue the search for funding (but without a pool of funding managed as a Trust Fund) of the regional programme could increase with a more active Nile-SEC in place. The Nile-SEC would most likely not immediately have the capacity, in financial and management terms, of the kind needed to manage a major support from development partners but with considerable long-term technical assistance, in particular on the fiduciary and project management side, the capacity of the Nile-SEC could have been increased enough to be able to manage a basket of funds and to manage the portfolio of joint investment projects. Already in 2005 the capacity of the Nile-SEC was assessed as being sufficient to receive bilateral support by some development partners, as shown in the agreements signed between NBI and Norway/Sweden for support to NELSAP's river basin projects. Today the Nile-SEC has built enough capacity to manage direct financial support to several NBI-projects to the tune of \$ 62 million in June 2010 (World Bank 2012a).

With continued cooperation within the framework of NBI, there is a possibility that the necessary trust was built and the riparians would realize the benefits from joint action and eventually a Nile River Basin Commission could have been established, which could form a new platform for funding of regional interventions.

Likelihood: Very Likely - this could have been the case if countries would opt for bilateral or trilateral cooperation in a project-by-project basis, and not purely unilateral actions. Examples of it are the Bujagali and Grand Renaissance Dams (in Uganda and Ethiopia respectively).

Scenario 2: Coexistent of multilateral and unilateral/bilateral developments (but without the cooperative spirit)

In this scenario, countries would mainly focus on their national development plans for the Nile, despite being working together under the NBI cooperative umbrella which could happen if the Nile-COM and with them the Nile-SEC lost engagement in the Nile cooperation after the failure to attract regional funding for the NBI Strategic Action Programme. The riparians would mainly rely on bilateral support from development partners, and own national funds. In 2001 some of the riparian states already benefitted nationally from bilateral support received from development partners. There is a strong possibility that this support would have continued and even increased as the interest for the Nile was raised through the ICCON among development partners. However not all of the riparians received this support. The capacitated riparian states could have continued to implement their development projects unilaterally (or sometimes bilaterally) without involving other riparians.

This scenario would probably have resulted in that the overall objective of the SVP, the trust building, would have been at risk. Over time this could have increased the tension in the Nile basin. The lack of regional capacity building of the NBI would also have hampered the foundation for a future permanent Nile Basin Institution.

Likelihood: Likely - this is the scenario more close to reality on the ground in the EN-region, where in riparian countries moving ahead with their national projects, but disregarding cooperative principles. Examples of it are the Toshka project (in Egypt), Merowe and Tekezze Dams (in Sudan and Ethiopia respectively). In the NEL-region the existence of EAC with its stable cooperative principles the likelihood for development without cooperative spirit would probably have been smaller.

Scenario 3 NBI/ Nile-SEC without capacity to implement its vision and fulfil its mandate.

In the worst case scenario, a complete lack of funding for NBI and its planned program, the NBI would in reality cease to exist, apart from through occasional meetings of the Nile-COM in connection with other meetings such as AMCOW.

A more likely, but still negative, scenario is based on the fact that the ambitions to increase the cooperation on the Nile were high at the time of ICCON. In the absence of a NBTF the NBI would probably have remained without substantial external financing for considerable time before alternative funding mechanisms had been established. A skeleton Nile-SEC was already in place but its capacity to manage development projects was weak and the expected intensified cooperation around the Nile would have been limited. In this case the implementation of joint regional projects in the Nile Basin would have been delayed until funding came forward and the platforms for cooperation and information sharing among the professionals in the riparian countries would have been few. The increase in trust and confidence would have taken longer but not necessarily been absent.

Ownership of the cooperation process needed to be high if the NBI process would continue. This could have given a positive indication for funding from possible future development partners. This might also have impacted positively on the political commitment to the process.

Likelihood: Unlikely - this scenario is difficult to imagine due to all the political capital that the riparian countries and the development partners have put together to establish the NBI and its centres (prior to the ICCON and the establishment of the NBTF).

CHAPTER 7: LESSONS LEARNED AND RECOMMENDATIONS

According to the Terms of Reference for this Independent Evaluation “*Ultimately, the purpose of the Evaluation is to identify lessons learned and help the WB and NBTf Partners improve the overall performance of future engagement with the NBI and other similar River Basin Organisations*”. The outcomes of the analysis have thus been synthesised into lessons learned under three main headings:- a review of the political economy of the basin; a review of the NBTf portfolio; and a review of the NBIs approach to IWRM. Lessons learned are followed by recommendations.

7.1 Lessons learned from Political Economy and its links to NBTf

The following challenges have been faced from a political economy perspective. By addressing the challenges important lessons have been identified, lessons that would be important to adhere to in future transboundary trust fund development:

1. Tense political relations existed before the start of the NBI and during its operationalization. The existence of a complex hydro-political context meant that high political risks were present for the riparians as well as the development partners.

Lesson: In a tense hydro-political context it is important to balance national interests with regional interests and to realise that cooperation will only be pursued to the extent that it is perceived to meet national interests. For the riparian countries this implies the building of trust to enable countries to collaborate over institutional development and joint projects, working towards the achievement of a common vision in which the interests of all are advanced. For the development partners this means supporting the riparian process (technically, financially and politically as needed) with the aim of providing a suitable enabling environment.

2. Upstream and downstream riparians have different incentives to join the cooperation process, which are informed more by national interests than by a shared vision. This presents a different set of risks and incentives for each set of riparians in a large river basin such as the Nile, with different climatic and hydrological conditions, complex historic and economic realities and with (political) power disparities impacting the relationships between the countries.

Lesson: Risks associated with pursuing a basinwide approach need to be mitigated by identifying win-win options for upstream and downstream riparian countries. It is also important that development partners support the development of win-win options.

3. Although there has been a consistent effort to separate the political process and the technical process of the Strategic Action Program, the deadlock in the political track (CFA negotiations) has affected progresses in the development track and has had negative impacts on the performance of the NBI and particularly ENTRO, creating uncertainties about the future of a NRBC.

Lesson: Where legal agreements are the cause of contention between riparian countries, great care is needed by all parties to ensure that cooperative activities which are not contingent upon such agreements are not jeopardised.

4. The ‘Free-rider problem’ where one party is not committed to the process but still derives benefits from it, has always been a risk in the Nile basin program. This risk was not adequately mitigated at the start of the NBTf.

Lesson: The ‘free-rider problem’ is always difficult to deal with. The only possible approach is for all riparian countries as well as development partners to demonstrate the real value of cooperation to incentivise commitment, which in reality can prove difficult.

5. The riparians (and the development partners) had unrealistically ambitious expectations of rapid delivery of the cooperation process and specific infrastructure development projects without a specific timeline. In retrospect, the expectation that infrastructure would be delivered rapidly and during the period of the NBTF was unrealistic. In the last couple of years it is possible to detect increasing levels of frustration (in particular from upstream riparians) towards the NBI; associated with the lack of results on the ground, meaning infrastructure built. This risk of frustration and lowered engagement has not been managed nor mitigated by the NBI.

Lesson: 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.

6. The simultaneous implementation of NBI and non-NBI projects for the development of the Nile water resources has occurred. Cooperation is proceeding, but not necessarily through the NBI institutional arrangements. The Nile Basin countries, having increased their capacity to manage and develop their water resources at both national and basin level largely through the NBI’s capacity building activities, have initiated several large projects with transboundary impacts using a variety of financing methods unrelated to the NBTF or the NBI.

Lesson: These projects, in the IE-team’s opinion, should be considered positively if they respect established international practices in international waters cooperation and management such as the principle of prior notification and the sharing of information. To reach a successful outcome it is important that such projects not only have clear benefits for the riparian countries concerned but that they build on the spirit of cooperation of the NBI vision. Development partners might, if so requested, facilitate such cooperation by providing an arena for discussions.

7. The governance relationships between the NBI centres were not clearly defined, leading to differences in important respects across the three centres.

Lesson: 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 the institutions in their respective countries.

<p>RECOMMENDATIONS:</p> <p><u>Development partners</u> including the <u>World Bank</u> should:</p> <ul style="list-style-type: none">- Ensure expectations of project outcomes are matched with the possibility to deliver in a tense political situation and where cooperation is absolutely a key issue;- Be aware and supportive of projects or other activities happening simultaneously outside the main river basin organisation by other parties and enhance cooperation wherever possible to optimise benefits to all parties;- Support a Shared Vision as a framework for cooperation in international river basins, emphasising the incentives for engagement to mitigate the risk of countries not committing to the process but still benefitting from it – the ‘free-rider’ issue.- Take great care to be as fully informed as possible of the political economy of the environment in which the project is being undertaken, not in order to unduly influence the politics but in order to
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fully understand the reactions and decisions which different parties may make, and to be able to provide contextually effective support;

- In cooperation with the riparian countries, develop a process which will transparently and systematically increase the role of riparian countries in the management of the resources without compromising the fiduciary responsibilities of the partners and the World Bank. This recommendation is particularly directed to the World Bank as the multi-donor Trust Fund manager.

Riparian countries should:

- Use the advantages of participating in regional capacity enhancement and other joint projects, inside or outside of specific structures such as the NBI, which enhance cooperation to achieve common benefits under a common framework.
- Develop their common resources, although upstream and downstream riparians may have different incentives to engage in the cooperation process, thus enhancing the prevailing spirit of cooperation;
- In cooperation with the development partners, ensure a gradual increase of ownership and management of the development financing process.

7.2 Lessons learned from the NBTF as the funding instrument of the NBI portfolio

1. There are two different successful systems of integrating NBTF and bilateral funding that have been developed within the NBI:
 - a) The system where NBTF funding is used for overall, longer term funding for the main program and bilateral funds are used as supplementary funding, such as in the case of the SVP and ISP where NBTF funds were used for the overall program funding and GIZ funds were used for supplemental support. An important condition for this to be effective is close cooperation between NBTF development partners and the bilateral funders that are not party to the NBTF Agreement.
 - b) The other system is where projects are introduced as bilateral funding projects but are later proposed for funding under the NBTF, such as the cases of Mara-RB, Kagera RB and Sio-Malaba-Malakisi RB projects.

Lesson: Flexibility and creative use of funding instruments is important, requiring well-developed cooperation between development partners and flexibility in instruments such as multi-donor trust funds.

2. The NBTF resources are administrated by the World Bank on behalf of the development partners. The NBTF is governed by a trust fund committee (NBTF-C) comprising the development partners and co-chaired by the World Bank and the Nile-COM chair. The Nile-TAC chair and key NBI management representatives participate as observers. There is therefore limited functional management engagement of the riparians on the NBTF-C.

Lesson: The IE-team considers the composition of full members of the NBTF-C as unbalanced in favour of the development partners, including the World Bank. Whilst it is understood that trust fund management must meet the multiple different fiduciary requirements of the different donors and the World Bank, a mechanism should be developed which provides riparian countries with greater opportunities for engagement.

3. In order to comply with World Bank operating procedures and the terms of Trust Fund Grant Agreements through which the NBTF was administered, staff at the NBI Centres needed to spend

a high proportion of their time responding to World Bank requirements compared with actual project implementation and monitoring.

Lesson: 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. The IE-team considers it important that contributing development partners (including the World Bank) harmonize reporting systems in line with the Paris agenda and do not attach excessive bureaucratic burdens on the riparian countries.

4. The sustainability of project outcomes depends in part on the capacity of the NBI which has limited resources to maintain all the linkages and functions needed. National arrangements to ensure the functioning of national focal points are still not in place in all riparian countries. This lack of national capacity to retain the benefits derived from the program constitutes a serious risk to NBI's sustainability at country level and to continued national level commitment to the NBI.

Lesson: Many of the projects lacked a developed exit-strategy with a clear division of responsibilities for follow-up at regional as well as at national level. The IE-team considers such systems essential for sustaining the benefits derived from the program.

5. The SVP projects made a tangible contribution to increased levels of trust and capacity in the basin; however by the closure of the programme there was a risk that some of these advances would be lost.

Lesson: A clearer process of securing the intangible advances made through such a programme needs to be incorporated from its outset. A clearer exit-strategy should have been developed and the possibility of continuing with some activities considered.

6. There exists the perception that the World Bank micro-managed the implementation of projects, particularly in matters such as procurement. This was due partly to a lack of capacity at the NBI which was addressed in later years through the training of staff members in procurement methodologies.

Lesson: It is important to develop capacity within the implementing organisation to carry-out procurement functions satisfactorily and once this capacity is developed, to ensure that it is put into practice by the implementing agency.

7. 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 was not always recognised by the riparians resulting in a tendency to regard confidence-building activities as less important than 'real development projects'.

Lesson: The significance of the progression between these types of projects needs to be made clear to the riparian countries and other stakeholders in order to maintain their interest in the process. There needs to be clear links as to how one type of project will serve to reduce risk which in turn makes another type of project possible. To do this riparians need to be more engaged in the sequencing or staging of the projects.

8. It has proved a challenge to evaluate the NBTF portfolio as there was not a clearly established baseline to compare with and no mid-term evaluation of the NBTF was performed.

Lesson: 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

programme to mitigate or avoid these risks. Systematic monitoring and evaluation of progress against established criteria and from this baseline situation also needs to be improved.

RECOMMENDATIONS:

Development partners including the **World Bank** should:

- Ensure that riparian countries and their cooperative institutions are enabled to undertake procurement and other functions once they have been supported to develop the necessary capacity to do so;
- Ensure that proper exit-strategies are developed and applied for each project and that baseline data and conditions are identified to enable project monitoring and evaluation to be undertaken;
- Ensure flexibility of financing instruments and collaboration between multi-donor trust fund partners and bilateral partners, in order to minimise bureaucratic obstacles.
- Ensure an open and transparent trust fund management process with a governance arrangement that is balanced with participation by riparian country representatives as well as development partners, whilst meeting the operational and fiduciary requirements of the financiers;
- Provide for reporting systems which are as effective as possible and harmonised among development partners as well as riparian countries, to prevent unnecessary bureaucracy and potential micro-management.

Riparian countries should:

- Be aware of and take advantage of a meaningful sequencing or staging of projects on confidence-building measures, water resources management and infrastructure development as the sequencing will allow for increased basinwide cooperation around common resources.
- Make sure that sufficient information sharing and communication inside and between projects takes place to maximize cooperative benefits and minimize misunderstandings. Supporting national focal points is an important aspect.
- Build the financial management and procurement capacity within their cooperative institutions to be able to administer and manage funds to international standards thus enabling financiers to have the confidence to finance them directly rather than having to use intermediaries such as the World Bank through instruments such as multi-donor trust funds.

7.3 Lessons learned from NBI's processes and achievements towards an IWRM approach and regional cooperation

The following challenges have been faced in the NBI's process of developing an IWRM approach with a regional focus. By addressing the challenges lessons have been identified that would be important to adhere to in future transboundary trust fund development:

1. Water management within the NBI countries at the outset of the NBTF was primarily oriented towards drinking water supply which is understandable given the backlog in providing access to water supply services in most of the riparian countries. However integrated water resources management – IWRM – requires a more integrated approach including the engagement of other water using sectors such as agriculture (irrigation), hydro-power, industrial water requirements, tourism, urban water needs etc. This approach is at best nascent in most of the riparian countries, but should form the building blocks for an effective basinwide or regional IWRM approach.

Lesson: In a situation where water development has been predominantly considered only in terms of drinking water supplies, a concerted and systematic approach to including other sectors in the planning, management and development of water resources needs to be introduced from the start, with riparian countries committing themselves to making the necessary institutional changes on a national level. Development partners need to contribute to developing IWRM approaches and institutions on a national level as well as at regional level.

2. At the start of the NBTF the level of experience in data collection and management was low in many countries. Data collection networks were non-existent or inadequate for providing decision making support for integrated water planning in the basin. This was addressed through several NBTF projects, but these outputs and outcomes need to be embedded within the national level institutions in the riparian countries.

Lesson: Take proactive measures so that the Nile Basin Decision Support System (DSS) for data sharing and management among riparian countries can be used for water management at various levels including at national level. Riparian countries should commit resources (financial and institutional) to integrate the Nile Basin DSS with national systems to be able to benefit from the investment made in the Nile DSS, and development partners support this where necessary.

3. As riparian states gain expertise in integrated water management it is important that countries' legislation does not impede good water management and/or regional cooperation. IWRM will, by its nature, be implemented differently in different contexts reflecting national and local realities. These differences are not a problem so long as they are not in direct contradiction with each other and thereby retard cooperation in the management and development of international waters.

Lesson: A demand-driven support system is needed to promote riparian countries' ability to incorporate integrated water management into their national policy and legal frameworks.

4. Although the approach to water development in the NBI countries at the outset of the NBI was national in focus, the projects funded under the NBTF were to a large extent regional, and projects also had a regional impact. The impacts at national level and in non-water sectors are limited.

Lesson: Whilst advances may be possible at regional level, these are not necessarily translated to changes at national level in multi-national programs such as the NBI. Although several of the riparian countries have developed national water policies during the implementation of the NBTF-funded projects, some of them with an IWRM-approach, it is still to be proven to what extent this has resulted in changes in national level water sector developments.

RECOMMENDATIONS:

Development partners including the World Bank should

- support riparian countries in building capacity, for data collection and dissemination to develop adequate IWRM-systems;
- ensure support to for developing adequate legislation to implement IWRM tools and to build networks for cooperation to operationalize the system.

Riparian countries should

- strengthen inter-sectoral networks, national as well as transboundary, to ensure sustainability of developed IWRM-capacity at national level but also in a transboundary system;
- Commit support – financial and institutional, to incorporating IWRM planning and management tools in national frameworks;
- strive to apply an IWRM-approach for the benefit of all water-use sectors and for poverty alleviation.

Further lessons

1. In order to establish the NBTF and during its implementation a great deal of work was required 'behind the scenes' both with the riparian governments and the development partners. Shuttle diplomacy was required with the riparian governments at Ministerial and, at times, Presidential level to clarify objectives, manage perceptions, allay concerns, identify benefits, and generally encourage dialogue and cooperation. This required the building of relationships, the ability to

engage at the highest levels, a strategic vision, commitment and a measure of dogged persistence. With the development partners behind the scenes work was required in order to engage with and encourage development partners to join the trust Fund, ensure that their requirements were met and that they stayed with the program. One of the stated reasons which both the clients and the development partners repeatedly gave for choosing the mechanism of a multi-donor Trust Fund administered by the World Bank, was the Bank's 'convening power'. This 'behind the scenes' work is illustration of the creative use of the Bank's convening power.

Lesson: Embarking upon a program such as the NBI, establishing an instrument such as the NBTF and implementing a program such as that financed by the NBTF requires foresight, commitment, creativity, ability to take calculated risks and an enormous amount of work. It is not for the feint hearted. Although the results have not been perfect, such efforts have achieved a higher level of cooperation and common purpose than has ever been achieved previously in the thousands of years of history of the Nile Basin. The lesson is universal – 'nothing ventured, nothing gained'.

2. Working on multi-country, multi-year projects does not fit within the normal operational parameters of the World Bank and many other agencies – they usually work at national level on relatively short-term projects of two to four years in duration. Instruments such as Multi-donor trust funds enable multi-year, multi-country programs which are required if the objective is to engage in diverse, longer term commitments such as supporting cooperation in international river basins. A key feature is both the flexibility of such instruments and their ability to be catalytic in complex processes, unlocking potential both from within the basins themselves and from financing sources outside of the basin.

Lesson: Such instruments as multi-donor trust funds are very useful and, as seen from the counter-factual analysis, probably the most, if not the only, suitable instrument for such programs as the NBI. There may be ways to incorporate the lessons learned from the NBTF experience to tailor the design of multi-donor trust funds specifically for the support of international waters work. This is partially what has been done with the establishment of the Africa-wide multi-donor trust fund called 'Cooperation in International Waters in Africa' – CIWA.

3. One of the difficulties faced in the NBTF program is how to implement international projects across multiple countries where the organisation does not have legal status in all the countries. Significant problems are faced employing staff and managing projects. In order to overcome this problem in the NBI, an implementing agency was contracted – UNOPS. This proved less than optimal and expensive.

Lesson: This is not an easily resolved issue. The preferred solution is the achievement of legal status of the river basin or equivalent organisation.

APPENDIX 1: TERMS OF REFERENCE

TERMS OF REFERENCE FOR AN EVALUATION OF THE NILE BASIN TRUST FUND (NBTF)

1. Background Information and Rationale

The Nile Basin Initiative (NBI) is a unique regional partnership between nine Nile riparian countries: Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda. (Eritrea and now South Sudan participate as observers). The Initiative was established in 1999 with the purpose of developing and managing the Nile's shared resources to catalyze economic development and regional integration, as well as to promote stability. The NBI is guided by an agreed Shared Vision: "to achieve sustainable socio-economic development through equitable utilization of, and benefit from, the common Nile Basin water resources." Its core functions are:

- (i) *Facilitate cooperation:* The NBI facilitates activities to build the institutional basis for cooperation by convening the Nile Council of Ministers and providing a platform upon which the member countries can negotiate issues of water management and development.
- (ii) *Water Resources Management:* The NBI provides the member countries with analytic tools and a shared information system that will enable monitoring and sustainable management of the basin. This includes basin-wide projects to build the technical foundations that enable jointly management of shared water resources.
- (iii) *Water Resources Development:* The NBI assists member countries in identifying development opportunities, as well as in the preparation and implementation of investment projects to jointly develop Nile waters and related resources and yield tangible benefits of cooperation. Water development programs are focused on power trade and generation, agriculture and watershed management.

Over the past decade, the NBI has made progress in building a regional institution, backed by a growing shared knowledge base, and delivering a significant investment portfolio, valued at close to US\$1 billion.

NBI Governance. NBI's governing body, known as the Nile Council of Ministers (Nile-COM), is composed of Ministers responsible of water affairs of each member country, and is supported by a Technical Advisory Committee (Nile-TAC). The latter is formed by technical level representatives from the member states.

NBI Structure. NBI's main offices include: (i) the NBI Secretariat (Nile-SEC) in Uganda, (ii) the Eastern Nile Technical Regional Office (ENTRO) in Ethiopia, and (iii) the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU) in Rwanda. Nile-SEC is responsible for the overall corporate direction as delegated by the Nile-COM. Its main function is water resource management. ENTRO is responsible initial tasks were to support an investment program (for water resource development in the Eastern Nile sub-basin, and NELSAP-CU is responsible for water resource development in the Nile Equatorial Lakes sub-basin. In addition, the NBI national offices in each country, and advisory committees and technical working groups operating on a project and/or country basis¹⁸.

¹⁸ Nile Basin Initiative Corporate Report (2011)

NBI Funding. Financial support to the NBI is provided by three sources: (i) a multi-donor trust fund known as the Nile Basin Trust Fund (NBTF) which contributes 66% to the total NBI funding; (ii) bilateral funding which contributes 25%; and (iii) member state contributions of 9% to total funding. Member countries also provide significant in-kind resources in terms of staff time and facilities.

Nile Basin Trust Fund. Since its inception, the NBI has been supported by a strong donor partnership, comprising more than 17 bilateral and multilateral partners, of which ten contribute to the multi-donor Nile Basin Trust Fund (NBTF)¹⁹. Donors contribute technical expertise and financial resources for recipient-executed projects and World Bank executed activities that include: (i) capacity building, (ii) institutional development, (iii) technical studies and analytical work, and (iv) project preparation and implementation.

The NBTF was established in January 2003 and to date it has channeled close to US\$200 million to finance NBI programs and projects; these programs and projects have been also sponsored by additional bilateral funding of US\$50 million. The current NBTF's closing date is June 30, 2013²⁰, with the completion of all currently ongoing recipient executed project activities by December 31, 2012.

The Role of the World Bank. At the request of the NBTF partners, the World Bank (WB) has the following role: (i) facilitates NBI engagement and development, (ii) coordinates partner support, (iii) manages the NBTF, (iv) provides technical assistance, and (v) supervises the preparation and implementation of projects.

In light of the planned completion of all current NBTF recipient executed project activities on or before December 31, 2012, the WB and the NBTF donors agreed to conduct an *Evaluation* of (i) the cumulative results of NBTF's engagement with the NBI; and (ii) the WB's engagement with and management of the NBTF. Moving forward, it is important to gather lessons learned from such a significant engagement with the NBI, both in terms of resources and time.. The Evaluation will, therefore, assess the progress made through the NBTF engagement among the NBI countries in terms of regional coordination and collaboration on integrated water resources management and the identification and facilitation of investments with regional significance. The Evaluation will also review the WB's oversight of the suite of projects financed through the NBTF.

Ultimately, the purpose of the Evaluation is to identify lessons learned and help the WB and NBTF Partners improve the overall performance of future engagement with the NBI and other similar River Basin Organizations. Specifically, the Evaluation aims to review the relevance of such engagement, to enhance achievement of results, to optimize resource use, and to address issues of member countries' expectations in relation to the NBI's objectives and the WB's mandate.

The Evaluation will focus on three areas:

- (i) NBTF Portfolio: comprises an analysis of WB engagement with the NBI and the instruments used to finance NBI activities, donors' engagement with the NBTF, and NBTF's contribution to aid effectiveness and donor harmonization. It also covers an evaluation of the NBI's efforts to enable and create an environment for cooperation and investment, and to develop a program through the NBTF. This assessment includes a review of the portfolio patterns over time and its evolution in terms of investment flows and recipients, nature of the projects, and innovations in the water sector and related sub-sectors. The portfolio review will specifically

¹⁹ NBI Partners: AfDB, Canada*, Denmark*, EU*, Finland*, France*, GEF, Germany, Italy, Japan, Netherlands*, Norway*, Sweden*, Switzerland, UK*, USA, WB* and UNDP (* contributor to WB-managed Nile Basin Trust Fund - NBTF)

²⁰ The original NBTF closing date was June 30, 2010 but donors agreed to further extend the closing date until June 30, 2015

consider the Shared Vision Program and its recent Programmatic Implementation Completion and Results Report (ICR).

- (ii) *Integrated Water Resources Management*: encompasses an assessment of the processes and achievements undertaken by the NBTF towards developing an integrated approach with a regional focus for managing and developing the Nile Basin's shared water resources. This area will look particularly at the technical assistance provided through the NBTF and how these short-medium term interventions contributed towards the NBI's long-term Shared Vision.
- (iii) *Political economy and governance*: comprises an assessment of the relationship between political economy within and among the NBI member states, how it has affected NBTF engagement over time, and how the NBI activities have impacted the region's political economy and governance.

2. Specific Objectives

The objectives of the evaluation are: (i) to determine the lessons learned from the process of engagement and cooperation among the Nile riparian countries (ii) to ascertain both the tangible and intangible results of the NBTF portfolio and the sustainability of the program's outcomes; (iii) to assess the relevance, appropriateness, effectiveness, impact, efficiency, and sustainability of the NBTF portfolio considering the program's objectives and portfolio evolution, as well as the context, governance and political economy of the member states; and (iv) to provide findings, conclusions, lessons learned, and recommendations with respect to the NBTF portfolio (WB engagement and financial instruments used, as well as NBI's role in shaping an environment for investment), the NBI's approach and contribution to Integrated Water Resources Management and development in the region, the political economy and governance issues that influence the NBTF's engagement, and the political economy changes that resulted from NBI activities.

3. Scope of the Evaluation

The evaluation will assess the relevance, effectiveness, efficacy, impact, and sustainability of the NBTF's engagement with the NBI program; it will cover the years 2003 through June 2012. *The Evaluation will involve three main assessments:* (i) a review of the NBTF portfolio, (ii) an evaluation of the NBI's approach and contribution to integrated water resources management and development, and (iii) an analysis of the political economy and governance issues relevant to NBTF engagement with the NBI.

(i) The NBTF Portfolio assessment will appraise WB engagement with the NBI as well as the instruments the WB used to finance NBI activities. The analysis will cover the instruments' appropriateness to the program's objectives and to the context of the NBI member countries. The evaluation will also appraise donors' engagement with the NBTF and NBTF's contribution to aid effectiveness and donor harmonization. The evaluation of the portfolio will specifically consider the Shared Vision Program and its Programmatic Implementation Completion and Results Report (ICR) in order to review the program's outcomes and performance, and target key aspects of implementation that would provide feedback and lessons learned for moving the engagement forward. In addition, the NBTF portfolio assessment will review the efforts done by the NBI to enable and create an environment for cooperation and investment, and to develop a program through the NBTF. This evaluation will examine the patterns over time and evolution of the portfolio in terms of investment flows and recipients, nature of the projects, innovations in the water sector and related sub-sectors, how social development issues were included in the planning and implementation of activities, how monitoring and follow-up of results have been handled, and how lessons learned have been incorporated and helped shape the NBI program over time.

(ii) The evaluation of the NBI's approach to Integrated Water Resources Management will assess processes and achievements undertaken by the NBTF towards developing an approach for integrated water resources management with a regional focus for managing the Nile Basin's shared water

resources. This area will look particularly at the technical assistance provided by the NBTF and how these short-medium term interventions contributed towards the NBI's long-term Shared Vision, as well as to the development of regional ownership and sustainability of the NBI program. The assessment will consider (a) the establishment of the Nile Decision Support System (DSS), knowledge management databases, data sharing and cooperation; (b) the Nile Equatorial Lakes Subsidiary Action Program (NELSAP); (c) the Eastern Nile Subsidiary Action Program (ENSAP); (d) the Institutional Strengthening Project (ISP); (e) the Shared Vision Program (SVP); and (f) technical assistance in water-dependent sectors such as hydropower and agriculture.

(iii) The analysis of the governance and political economy issues will cover the relationship between political economy within and among the NBI member states, how it has affected NBTF engagement over time, and how the NBI activities have impacted the region's political economy and governance. The assessment will consider (i) how the political context within the Nile Basin affected the delivery of NBTF activities at key points during the course of NBTF engagement; (ii) how the NBI's governance structure (Nile-COM, Nile-TAC, appointment of senior managers, etc.) impacted NBTF delivery; (iii) the extent to which legal recognition/status of the NBI (including ENTRO and NELSAP-CU) impacted delivery of NBTF activities; (iv) the stakeholders, incentives, historical legacies, gender issues, and social trends and forces (*e.g.* regional tensions), and how they have shaped stakeholder positions and impacted the NBTF program; (v) whether the NBI has played a role in shaping policies and fostering reforms that impacted regional cooperation in the areas of engagement under the NBTF; and (vi) to what extent has the NBI, through the NBTF, influenced and changed the political economy and governance of the region. In addition, the assessment should include a comparative analysis between political economy issues in the Nile basin and other transboundary/international programs and sectors including trade, oceans, hydropower connections, etc. The purpose of this comparative analysis would be to contrast regional programs and approaches and determine the key elements and drivers of successful multi-country and multi-donor engagement and cooperation.

The Evaluation will be carried out by a consulting firm, university, or organization represented by a multidisciplinary team, expert in each of the three main topics of the evaluation, and which will be appointed by the World Bank.

4. Approach and Methodology

A consultant (*i.e.* consulting firm, university, or organization) will conduct the evaluation of the NBTF, which will consist of three main assessments: (i) a review of the NBTF portfolio with a focus on the Shared Vision Program, the World Bank engagement with the NBI and the instruments used to finance NBI activities, the Donor Partners role and engagement with the NBTF, and the portfolio patterns and evolution; (ii) an evaluation of the NBI's approach to Integrated Water Resources Management and the processes and achievements undertaken by the NBTF towards developing an integrated approach with a regional focus for managing the Nile Basin's shared water resources; and (iii) an analysis of the political economy and governance issues relevant to the NBTF engagement over time.

The methodology will include a counterfactual analysis that would describe the hypothetical situation or condition of the NBI program and activities, the NBI's long term Shared Vision, and the integrated water resources management approach in the region if there had been no Nile Basin Trust Fund.

The consultant will engage in a desk and documents review, literature review, site visits for interviews or for observing activities being implemented or completed, case studies, consultations and interviews with stakeholders and beneficiaries, and structured surveys.

A more comprehensive and detailed methodology, specifying the methodology for each assessment as well as the overarching evaluation questions, will be requested from the shortlisted consultants in the Standard Request for Proposals (SRFP). The methodology will constitute one of the criteria for evaluation of shortlisted consultants, and will be completed before the contract is finalized.

5. Professional Qualifications of the Consultant

The evaluation of the Nile Basin Trust Fund will be carried out by a Consultant (consulting firm, university, or organization) with a solid background in the following fields: evaluation of development programs; development work with multilateral and bilateral development organizations; international relations and development economics; social and institutional development; and environment, natural resources and integrated water resources management.

Specifically, the firm must have proven practical knowledge and experience in the following areas: (i) monitoring and evaluation of development programs; (ii) integrated water resources management, with emphasis in transboundary fresh water resources; (iii) global/regional partnership programs (GRPP); (iv) the Africa region, specifically the Nile riparian States; (v) political economy and governance issues in the Africa region, particularly in the region covered by the Nile basin; and (vi) World Bank operations and financing instruments for development. This experience must be demonstrated with previous consulting assignments that involved a variety of evaluations of multi-country development programs.

In addition, the firm, university, or organization must propose an outstanding multi-disciplinary team. The staff proposed must have exceptional qualifications and competence in the main disciplines required for the evaluation of the NBTF, such as: (i) monitoring and evaluation of development programs; (ii) significant knowledge and experience in the Africa region, its social development issues and the region's socio-economic and environmental context; (iii) integrated water resources management, with emphasis on transboundary fresh water resources management; and (iv) political economy and governance issues in the region and the Nile riparian countries. Specifically, the proposed Project Manager (or Director), must have relevant background and experience in project management and leadership. Among other conditions, experience in complex project management, water resources, development programs and institutional issues will be considered critical. The firm must provide the curriculum vitae of each member of the team proposed.

6. Deliverables and Schedule

The proposals to be submitted by the firms shortlisted should contain a detailed methodology and work plan with main activities, their content and duration, milestones (including interim approvals by the WB), reports and delivery dates of the reports. These will be important elements for the selection of the Firm to carry out the Evaluation. In principle, it is envisaged that the Evaluation would likely be conceived in four phases (between July 2012 and February 2013). The Consultant is expected to carry out field visits to interview key counterparts and stakeholders in the Nile Basin as well as with Development Partners.

The First Report should be presented at the Annual Meeting of the Nile Basin Trust Fund scheduled for October 2012 in Uganda.

Table 1: Preliminary Schedule for the Evaluation²¹

Phases	Deliverables	Deadline
1. Inception: involves interaction between the evaluators, the World Bank, and the Evaluation steering committee to (i) to tap the expertise of the firm in refining methodologies in response to new information; (ii) to allow consideration of more participatory methods; (iii) to clarify expectations on consultation of stakeholders and reporting of progress;	<i>Inception report:</i> the report will (i) describe the institutional arrangements and timing agreed with the World Bank to carry out the three assessments that made the Evaluation, (ii) the evaluation work plan of each assessment describing the methodology (e.g. main activities for data collection and	August 1, 2012

²¹ This schedule is preliminary and serves the Firm as a guideline to develop a proposal that should present a comprehensive methodology and a detailed work plan. The Firm should note that these aspects are important criteria for the selection of the Consultant to carry out the IE.

and (iv) to resolve any other issues that have come up.	analysis, including consultation/validation with stakeholders), and (iii) outline of the final evaluation report	
2. Evaluation: the actual process of the evaluation following the agreed methodology and work plan	<i>Evaluation report:</i> report on the evaluation process, describing the state of the Evaluation's three main assessments, achievements and limitations in the process to date, and approaches to address limitations.	August 20, 2012
3. Drafting: involves preparation of the first draft of the evaluation report	<i>First draft of the evaluation report:</i> a draft report on the three assessments carried out in the Evaluation	September, 2012
4. Interim approval by WB: the WB will review the 1 st report, provide comments, and request changes accordingly.	<i>First report:</i> the first report with all comments and changes requested by the WB.	October 2012
4. Presentation of 1st Report: presentation at the Annual Meeting of the Nile Basin Trust Fund in Uganda.	<i>Presentation:</i> first report and presentation	October 2012
4. Consultation and review: involves consultation with stakeholders, donors, and the Nile governing body (Nile-COM) on the draft evaluation report	<i>Final evaluation report:</i> a final report on the complete evaluation	February, 2013

The Consultant must present the final report in a clear, complete, and balanced way, providing the evidence-based findings; dissident views; and consequent conclusions, recommendations, and lessons learned. The final report must have an executive summary that encapsulates the essence of the information contained in the report and facilitates dissemination and distillation of key results and lessons. It is important that the consultant distinguishes between findings and recommendations. Relevant information to support findings should be included in a way that does not compromise sources.

The consultant will submit the reports in English (electronic copy) following the timetable included in their proposal. Reports will be submitted in draft to the World Bank for review before finalization.

7. Budget and Payment

Lump Sum Inclusive of all Expenses - The Consultant's total contract amount shall be fixed lump sum including all staff costs and it will be paid against the following schedule of payment based on the deliverables outlined in table 1 above:

- 10% - on Consultant's Signing the contract
- 40% - on Consultant's submission and the Bank's acceptance of the First Draft Report
- 50% - on Consultant's submission and the Bank's acceptance of the Final Evaluation Report.

8. Additional References and Resources

Annex A: Fact Sheet on the Nile Basin Initiative

Annex B: Nile Basin Trust Fund Portfolio

The NBI's website: <http://www.nilebasin.org/newsite/>

NBI Corporate report 2011:

<http://www.nilebasin.org/newsite/attachments/article/65/NBI%20Corporate%20Report%202011.pdf>

World Bank Independent Evaluation Group: <http://ieg.worldbankgroup.org/content/ieg/en/home.html>

World Bank political economy website: <http://go.worldbank.org/M80379YRI0>

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APPENDIX 3: LIST OF PEOPLE CONSULTED

NATIONAL DECISION MAKERS – NILE-COM and NILE-TAC		
NAME	POSITION	Current and previous
Burundi		
Murengerantwari Epimaque	Permanent Secretary, Ministry of Lands and Water, Burundi	WWW*
Renilde Ndayishimiye	DG of Burundi Geographical Institute, Nile-TAC member, Burundi	
Immaculate Kabura	Advisor, Min of Water, Environment, Land and Urban Planning, Nile-TAC member, Burundi	
DR Congo		
Hubert Kapiamba Ilunga	Director of Water Resources, Min of Environment and Nature Conservation, Nile-TAC member, D.R. Congo	
Mukonkole Mayele Marie Rose	Head of Division, Water Resources Directorate, Min of Environment, Nile-TAC member, D.R. Congo	
Egypt		
H.E. Dr Mohamed Bahaa Eldin Abemed	Minister of Water and Irrigation, Egypt, Nile-COM	
Dr Mahmoud Abu-Zeid	Minister of Water Resources and Irrigation, Egypt 1997 – 2007, currently president of the Arab Water Council	
Dr. Mohamed Abdel Al Atty	Chairman, Min of Water Resources and Irrigation, Nile Water Sector, Egypt	
Dr. Ahmed Baha'a El-Din	Current Chairman of the Nile Water Sector and current Nile-TAC member	
Dr. Abdel Fattah Metawie	Former Chairman of the Nile Water Sector and Nile-TAC member for many years; now with the National Water Research Center	
Ethiopia		
H.E. Ato Alemayehu Tegenu	Minister of Water Resources and Energy (since 2010)	
Ato Kebede Gerba	State Minister for Water, Ethiopia	WWW
Ato Asfaw Dingamo	Former Minister of Water Resources (2005 - 2010)	
Ato Fekahmed Negash	Ethiopian Nile-TAC member – from MWRE (replaced Ato Tefera Beyene, since October 2012)	
Ato Zenebe Kebede	Ethiopian Nile-TAC Member – from MFA (DG of International Legal Affairs)	
Kenya		
H.E. Charity Ngilu	Minister for Water and Irrigation, Nile-COM, Kenya	
Fred K. Mwangi	Head, Transboundary Waters, Min of Water and Irrigation, Nile-TAC member, Kenya	
John Rao Nyaoro	Director of Water Resources, Min of Water and Irrigation, Nile-TAC member, Kenya	
Mr. James Waititu	First TAC Member for Kenya, retired	
Rwanda		
H.E. Stanislas Kamanzi	Minister of Natural Resources, Rwanda. Nile-COM Chair	
Remmy Mugunga	Transboundary Waters Coordinator, Ministry of Natural Resources, Rwanda. Rwanda Nile-TAC. Nile-TAC chair	
Mukiza Odilo	Water Resources Engineer, Min of Natural Resources, Nile-TAC member, Rwanda	

South Sudan		
Alier Bullen Ngong Oka	Ag. DG, Min of Water Resources and Irrigation, Nile-TAC member, South Sudan	
Francis Wani Wajo	Dep. Director for Water Resources Regulation, Min of Water Resources and Irrigation, Nile-TAC member, South Sudan	
Sudan		
Seifeldin Hamad Abdalla	Chairman, Water Resources Technical Organ, Min of Water Resources and Electricity, Nile-TAC member, Sudan	
Dr. Salah Eldin Yousif	Former Senior Technical Advisor to Minister Kamal Ali, Nile-TAC member for many years, part of the CFA negotiations team; former State Minister for Water Resources	
Dr. Ahmed el-Mufti	Former Ministry of Foreign Affairs, legal counsel for Sudan's delegation to the CFA; Now at International Center for Human Rights	
Osama Salman	Official, Min of Foreign Affairs, Sudan	
Tanzania		
H.E.Prof. M Mwandosya	Minister of State, Office of the President, former Minister of Water and Nile- Com Member	
Eng.Christopher N Sayi	Permanent Secretary	
Mr. Hamza Sadiki	Director of Water Resources, Nile-TAC	
Simon Saidi Nkanyemka	Head of Legal Unit, Min of Water, Nile-TAC member, Tanzania	
Mr. Washington Mutayoba	Former TAC Member Tanzania	
Uganda		
H.E.Betty Bigombe	State Minister for Water, Uganda	WWW
Callist Tindimugaya	Commissioner, Water Resources Regulation, Directorate of Water Development, Nile-TAC member, Uganda	
Eng. Mugisha- Shilingi	Director, Directorate of Water Development, MWE, Uganda. Nile-TAC, Uganda.	
NATIONAL FOCAL POINTS and OTHER CIVIL SERVANTS		
Burundi		
Ndorimana Emmanuel	DG, NELSAP	WWW
Egypt		
Dr. Bayoumi Attia,	Senior Advisor to the Minister, Egypt	
Dr. Nasser Ezzat	Senior Advisor of the Ministry for transboundary issues; Negotiator in the CFA and advisor for NBI issues, Egypt	
Dr. Sherif Elsayed-Ali	Current Undersecretary at Nile Water Sector; Former Senior Coordinator at ENTRO; also former JMP Regional Manager; one of the members of the Tripartite Committee for the Grand Renaissance Dam, Egypt	
Dr. Tarek Kombaz	Current Head of the Nile Transboundary Information Center; Former Senior Specialist (ISP - Water Resources and Knowledge Management), at the Nile-SEC, Egypt	
Ethiopia		
Imeru Tamrat	Former MWR, legal advisor to CFA negotiations, currently Independent consultant, Ethiopia	

Taddis Teferi	Ministry of Water and Energy Ethiopia	WWW
Kenya		
Mr. Tola Maro Andy	NBI Focal Point, Ministry of Water, Kenya	
Mr. Muthia Silas	National Liaison Officer for Sio Malaba Malakisi-project-NELSAP, Kenya	
Eng. George Kibiru	Ministry for Energy, Kenya	
Rwanda		
Dr. Rose Mukankomeje	Director General Rwanda Environmental Management Authority, REMA, Rwanda	
Eng. E. Hategekimana	Senior Engineer Water and Sanitation, Ministry of Infrastructure, Rwanda	
John Mwesige	Committee Member of the Regional Agricultural Trade Productivity Project, Rwanda	
Prime Ngaboziza	National Liaison Officer, Regional Agricultural Trade Productivity Project, Rwanda	
Sudan		
Prof. Yasir Mohamed	Hydraulics Research Center - Ministry of Water Resources and Electricity, Sudan	
Tanzania		
Ms. Mwamyalla Tumaine	NBI Focal Point Person Ministry of Water, Tanzania	
Mr. Masanja	Ministry of Energy, Tanzania	
NBI- staff (current and previous)		
NBI-secretariat		
Ato Teferra Beyene	Executive Director, Nile-SEC	
Dr Wael Khairy	Former ED (2010-2012), currently advisor to ED Nile-SEC	
Patrick Kahangire	Former ED (2004-2006)	
Mr. Meraji Msuya	First ED of Nile Basin Initiative, retired	
Elizabeth M Musyoka	Head of Finance and Administration, Nile-Sec	
Dorothy Kaggwa	Head Strategic Planning and Management, Nile-SEC	
Tom Waako Baguma	Project Officer, Nile-SEC	
John K Ogwang	NBI Regional Monitoring & Evaluation Specialist	
Emerita Mugorewicyeza	Regional Stakeholder Participation Specialist, Nile-SEC	
Jane Kyomuhendo Baitwa	Public Information Communication Specialist, Nile-SEC	
Josephine N Lwasa	Accountant Nile-SEC	
Juliet Nakasagga	Librarian, Nile-SEC	
Nicholas Azza	Water Policy Specialist, Nile-SEC	
Entro		
Mekuria Tafesse	Former ED of ENTRO (2006 – 2008). Former Head of Strategic Planning and Management, ISP/Nile-SEC, Entebbe, Uganda (2010 – 2012)	
Dr. Ahmed Khalid Eldaw	Former Executive Director of ENTRO	
Yosif Ibrahim	Officer in Charge of ENTRO Office	
Salah Shazali	Senior Operations Officer, ENTRO, member of ISP SC	
Mohamed El-Muntasit	Environmental Management Specialist, ENTRO	
Wubalem Fekade	Head of Social-Economic Development and Communications Unit, ENTRO	
NELSAP		
Antoine Sedama	Regional Coordinator, NELSAP	

Emmanuel Olet	Program Manager, NELSAP	
Charles Sabiiti	Finance and Administration Officer, NELSAP CU	
Desire F Nzayanga	Program Officer Power Projects, NELSAP CU	
Thuguri Mungai	Regional Procurement Specialist, NELSAP CU	
Mwikali Mwambue	Social Development Specialist, NELSAP CU	
Dr. Mohamed Mohieddin	Former Socio-Economic Development Officer at the NELSAP; Regular consultant for ENTRO assignments; one of the members of the Tripartite Committee for the Grand Renaissance Dam	
Peter Kanyi Maina	Senior economist NBI/NELSAP	WWW
Innocent Ntabana	Regional project manage, Burundi	WWW
<i>Project staff SVP</i>		
Gedion Asfaw	Former Regional Project Manager of the SVP-NTEAP. Currently independent expert.	
Hesham el-Ghany	Regional Project Manager of the SVP-WRPM, based in Addis Ababa	
Abdulkarim Seid	DSS Lead Specialist	
Hamere Wondimu	Former Senior Program Officer and Shared Vision Program (SVP) Coordinator, Nile-SEC. Currently consultant	
Dr Canisius Kanangire	Executive Secretary, LVBC former head of SVP/ATP and strategic planning at Nile-SEC	
Mr. Gordon Mumbo	Former head of SVP/CBSI	
Dr. Osman El Tom Hamad	former regional coordinator of the Water Policy Component for the Water Resources Planning and Management (SVP); now senior advisor to the Permanent Technical Joint Committee (PTJC)	
<i>Project staff NELSAP</i>		
Michael Abebe	Manager, Joint Multipurpose Program	
Kabiruddin R Abdulla	Project Manager. Regional Rusumo Falls Hydro Power Project, NELSAP	
Gertrude Ngabirano	Programme Manager Kagera River Basin Project, former development partner Sida	
Innocent Ntabana	Project Manager, Regional Agriculture Trade and Productions Project, NELSAP (now left for WestAfrica)	
Eng. Mohammed Badaaza	Project manager Sio-Malaba-Malakisi river basin project, NELSAP	
<i>Project staff ENSAP</i>		
Dr. Mohamed Abdel Aty	Former Regional Manager of ENTRO Projects: Flood Project and Eastern Nile Planning; Interim Chairman of the Nile Water Sector until recently	
Dr. Mohamed Muntasir	Former Environmental Specialist at ENTRO Office; also former manager of the Baro-Akobo Sobat project; now with the University of Khartoum	
Dr. Babiker Ibrahim	Former Environmental Specialist at ENTRO and former Regional Coordinator of the Flood Preparedness Project; Now Undersecretary of the Ministry of Environment, Forestry, and Physical Development	
WORLD BANK (current and previous)		
Clare Barrington	World Bank Nile-team, former Dfid representative in NBTF committee.	

JB Collier	Operations Officer, Africa Water Res Management Gr, Sustainable Development Department, the World Bank
Gustavo Saltiel	Program Manager, Water Resources Management, Africa Region, The World Bank
Astrid Hillers	Sr Environmental Specialist, International Waters, GEF
Dr. Jakob Granit	Former project manager for Western Nile, the World Bank, currently Center Director, SEI, Sweden
Prof. David Grey	Former head of the World Bank Nile team, currently Professor at Oxford.
John Shepherd	Former WB, NBI team member 1999-2001, currently retired
Eileen Burke	Deputy coordinator for the NB WB team and project manager for the JMP
Ashok Subramanian	Coordinator of the NB WB program 2002-2011, now retired
Barbara Miller	NB WB team member since 1998, team leader 2008-2011, now retired
Zaure Schwade	Financial manager at the NB WB team
Inez Dombrowski	NB WB team member 1997 – 2001, currently at the German Development Institute
Claudia Sadoff	NB WB team member 1999-2003, deputy to David Grey, currently WB Lead Economist, South Asia
Christina Leb	NB WB team member 2002-2009 (succeeded Inez D)
Berina Uwimbabazi	Sr Water Resources Management Specialist, the World Bank
Nagaraja Rao Harshadeep	Sr Environmental Specialist, ASD, the World Bank
Lauren Kelly	Evaluation Officer, IEG, the World Bank
Jamal Saghir	Director of the Division of Sustainable Development, the World Bank
Inger Andersen	Vice-President for the Middle East and North Africa, the World Bank
DEVELOPMENT PARTNERS (current and previous)	
Winfred Zarges	Sector Manager GIZ, Transboundary Water Management in Africa, Addis Ababa, Ethiopia
Axel Klaphake	Project Director, GIZ, Uganda
Maarten van de Ploerg	Head of Transboundary Water Cooperation Project, GIZ
Hans Hessel-Andersen	Senior Technical Advisor/uft, Min of Foreign Affairs, Denmark
Durk Adema	First Secretary Water, Min of Foreign Affairs, the Netherlands
Maria Vink	Senior Programme Manager, Sida, Sweden
Tim Sumner	Climate and Environment Adviser, Africa Regional Department, DFID, UK
Erick Ordeman	Manager for Regional Program Regional Program Southern and Eastern Africa Directorate, CIDA
Gioconda Ortega-Alarie	CARE/CIDA
Dr.Anders Jägerskog	Representing UNDP, former officer in charge of Nile Basin, Swedish Embassy in Nairobi
Andre Liebaert	Water Policy Officer, DG Development and Cooperation, European Commission

Lars Ekengren	Former deputy director, Sida, and initially responsible for Swedish assistance to Nile Basin	
OTHER STAKE-HOLDERS (current and previous)		
Patrick Safari	Regional Coordinator, Global Water Partnership, GWP	
Abby M Onencan	Regional Director, Nile Basin Discourse	
Emad Adly	Chairman, Nile Basin Discourse	
Steve Gilbert	Eka Dunia, International Development Consultants, Ottawa, Canada (World Bank consultant concerning CIWA)	
Ms. Lily Kisaka	Senior Operations Manager LVEMP2, former national coordinator NTEAP-Kenya	
Prof. Asim El-Moghraby	Sudan's Nile Basin Discourse; former NTEAP (SVP) National Coordinator	
David Nilsson	Advisor, former development partner Sida	WWW
Sheikh Javed Ahmed	Chief water resources engineer AfDB	WWW
Zegeye Aremu	FPO WRMP Ethiopia	WWW
Deres Abdulkadir	Director, Ripple, Ethiopia	WWW
Len Abrams	UK, SIWI Associate	WWW
Tesfoye Fichala	Ethiopia	WWW
Semunesh Golla	Hydrologist Ethiopia	WWW
Malle Grossmann	GIZ Germany	WWW
Julien Katchinoff	Water advisor, DOS, US	WWW
Fredric Maurel	AFD, France	WWW
Mesfin Skenkut Wedaj	Consultant, Ethiopia	WWW
Zahra Ayadi	Programme manager, Sida	WWW

**WWW = participant in workshops during World Water Week in Stockholm August 29, 2012*

APPENDIX 4: MATRIX WITH THE GUIDING EVALUATION QUESTIONS, SOURCES OF DATA AND VERIFICATION METHODS

Evaluation questions	Sources of information and verification methods
<p>Appropriateness</p> <ol style="list-style-type: none"> 1. To what extent can the NBTF be regarded having been the most appropriate instrument to finance the NBI activities? 2. To what extent is the NBTF appropriate to reach the objectives of the NBI vision? To what extent is it appropriate to the context of the NBI member countries? 3. What other appropriate possible financial arrangements could have been available, should there hypothetically not have been any NBTF? 	<p>For all three evaluation questions:</p> <ol style="list-style-type: none"> a. Desk review of all relevant documentation provided by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa. b. Interviews with WB-representatives, representatives of other development partners, and representatives of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP-CU; relevant ministries and other national counterparts at national decision-making level, during World Water Week in Stockholm, via telephone/Skype or mail, and during visits in the different regions. c. Distribution for written responses of the questionnaire among staff members of the three centres.
<p>Relevance</p> <ol style="list-style-type: none"> 4. Are the activities funded under the NBTF in line with the policies and priorities of the Nile Basin countries as expressed in the original proposal for funding from the Nile River Basin Action Plan, NRBAP? To the development partners comprising the funders to the NBI? Are the funded activities and their design relevant for addressing present and future priorities and needs of the riparian countries? Has the NBTF allowed for adjustments of the funded activities to changing circumstances and new opportunities? 5. Have the country partners been able to adjust to new emerging needs/problems as a result of the funding modalities of the NBTF? 6. Are the development objectives and immediate objectives (including specification of targets and identification of beneficiaries) of what has been funded under the NBTF feasible? 	<p>For evaluation questions 4-6:</p> <ol style="list-style-type: none"> a. Desk review of all relevant documentation provided by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa. b. Briefings in Entebbe, Kigali and Addis Ababa. c. Interviews with a sample of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP-CU; relevant ministries and other counterparts at national level, national and international long and short term professional staff and key institutions and persons involved in activities at project level. d. Distribution for written responses of the questionnaire among staff members of the three centres.
<p>Effectiveness</p> <ol style="list-style-type: none"> 7. To what extent has the processes and achievements undertaken by the NBTF towards developing a regional focus on managing the Nile Basin's shared water resources been met? Are there projects funded under the NBTF that have demonstrated been more effective in meeting the goals than others? Is there any difference between projects related to specific sectors? To what extent do the interventions focused towards regional water management 	<p>For evaluation questions 7-13:</p> <ol style="list-style-type: none"> a. Desk review of all relevant documentation provided by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa. c. Briefings in Entebbe, Kigali and Addis Ababa. d. Interviews with a sample of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP CU; relevant ministries and other national counterparts at central level, national and international long and short term professional staff and key institutions and persons involved in activities at project level.

<p>also meet the national priorities?</p> <p>8. To what extent do the produced outputs and outcomes under the different projects correspond to the presented goals and objectives of the NBTF? To the goals and objectives of the projects as presented in the logframes (if existing)? What is the prognosis for reaching the targets for outcomes and overall objectives within the programme period?</p> <p>9. Have there been specific implementation problems and have the implementing partners been able to address these on regional and national level?</p> <p>10. How has the political and economic context within the Nile Basin region affected the delivery of NBTF-funded activities at the key points during the course of NBTF engagement?</p> <p>11. How has the NBI governance structure (Nile-COM, Nile-TAC, appointment of senior managers, etc.) impacted NBTF delivery? How has the NBTF impacted the NBI governance structure?</p> <p>12. To what extent has the legal recognition and status of the NBI (Nile-SEC, ENTRO and NELSAP-CU) impacted delivery of NBTF-funded activities?</p> <p>13. To what extent and how have the positions of the riparian countries been shaped by incentives, historical legacies and social, economic and political trends and forces (e.g. regional tensions)? How have they impacted the implementation of the NBTF portfolio?</p>	<p>e. Distribution for written responses of the questionnaire among staff members of the three centres.</p>
<p>Impact</p> <p>14. Overall, what are the positive and/or negative changes that the NBTF has produced compared to a situation where there would be no NBTF, only bilateral funding?</p> <p>15. Which are the primary short-term impacts in facilitating cooperation over NB water resources? Which (type of and amount of) impacts can be seen as a secondary effect of the primary? What are the main benefits of the NBTF for NBI in its role of creating the enabling environment for transboundary cooperation? How important is the impact compared to a situation with no NBTF?</p> <p>16. What type and extent of short-term direct impacts have resulted from NBTF financing a/capacity building, b/ institutional development, c/ technical studies and analytical work, and d/ project preparation, within the area of Water Resources Development in the Nile Basin. What type and extent of secondary indirect impacts are resulting?</p>	<p>For evaluation questions 14-16:</p> <p>a. Desk review of all relevant documentation provided by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa.</p> <p>b. Summaries for each project funded by the NBTF produced by the different project management covering also the points of the evaluation terms of reference.</p> <p>c. Briefings in Entebbe, Kigali and Addis Ababa.</p> <p>d. Interviews with a sample of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP-CU; relevant ministries and other national counterparts at central level, national and international long and short term professional staff and key institutions and persons involved in activities at project level.</p> <p>e. Distribution for written responses of the questionnaire among staff members of the three centres.</p>
<p>Efficiency</p> <p>17. Are the different project designs cost-effective?</p>	<p>For evaluation questions 17-19:</p> <p>a. Desk review of all relevant documentation provided</p>

<p>Have the separate project activities been implemented in a cost-effective manner?</p> <p>18. Has the cost of the NBTF, drawn as overhead cost, been warranted given the outputs achieved and the impacts that have resulted?</p> <p>19. How have any delays affected project execution, cost and effectiveness? To what extent are such delays regarded as justified by project outcomes?</p>	<p>by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa.</p> <p>b. Summaries for each project funded by the NBTF produced by the different project management covering also the points of the evaluation terms of reference.</p> <p>c. Benchmarking through the World Bank.</p> <p>d. Briefings in Entebbe, Kigali and Addis Ababa.</p> <p>e. Interviews with a sample of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP CU; relevant ministries and other national counterparts at central level, national and international long and short term professional staff and key institutions and persons involved in activities at project level.</p> <p>f. Distribution for written responses of the questionnaire among staff members of the three centres.</p>
<p>Sustainability</p> <p>20. Do the projects implemented with the support of the NBTF promote/ensure a sustainable regional focus on the managing of the Nile Basin's shared water resources?</p> <p>21. Does the design of the projects funded by the NBTF allow for synergies/synergistic effects and encourage further collaboration and facilitate cooperation?</p> <p>22. Has the NBI's approach to Integrated Water Resources Management been sufficiently anchored through technical assistance provided by the NBTF to ensure a sustainable NBI water cooperation?</p> <p>23. Has the role which the NBI has played in shaping policies and fostering reforms that impacted regional cooperation in the areas of engagement under the NBTF been ensured sufficient strength to secure sustainable future?</p> <p>24. Has the NBTF and the World Bank as its administrator contributed to needed institutional development and increased cooperation between the countries in the Nile Basin? Is the institutional structure resulting from this process sufficient mature to ensure sustainability post-NBTF?</p>	<p>For evaluation questions 20-24:</p> <p>a. Desk review of all relevant documentation provided by the WB and the three NBI centres in Entebbe, Kigali and Addis Ababa.</p> <p>b. Summaries for each project funded by the NBTF produced by the different project management covering also the points of the evaluation terms of reference.</p> <p>c. Briefings in Entebbe, Kigali and Addis Ababa.</p> <p>d. Interviews with a sample of relevant stakeholders such as the Nile-SEC, ENTRO, and NELSAP CU; relevant ministries and other national counterparts at central level, national and international long and short term professional staff and key institutions and persons involved in activities at project level.</p> <p>e. Distribution for written responses of the questionnaire among staff members of the three centres.</p>

APPENDIX 5: TIMELINE OF NBI DEVELOPMENT

	Year	Evolution of the Nile Cooperation under the NBTF	Developments on the Political track	Changes Basin wide /Hydro-political Environment
Pre-NBTF	1993	TECCONILE established. Consisting of Egypt, Rwanda, Sudan, Tanzania, Uganda and Congo.		
	1995	Nile River Basin Action Plan (NRBAP) with 22 projects	Nile-COM established	
	1996			July; IGAD re-established (from IGADD dealing only with droughts and other natural disasters)
	1997	Nile-COM request the WB for funding	WB, UNDP and CIDA requested by Nile-COM, working to facilitate cooperation between NB riparian states.	
	1999	Feb. NBI established Policy guidelines adopted by Nile-COM		
	2000			July; East African Community (EAC) re-established
	2001	ICCON in Geneva pledges of \$140m to NBI programme. WB requested by the Nile-COM to establish the NBTF.		
NBTF Period	2002			July; African Union established
	2003	January. NBTF established, Trust fund agreement signed and funds committed by most development partners		
	2005			Lake Victoria Basin Commission established
	2006	Recognizing the need to harmonize, consolidate current gain, and appropriately strengthen "One NBI" to meet the needs of the emerging permanent institution, the NBI has prepared ISP for partner review and discussion	Conclusion of technical negotiations on the by the Nile Council of Ministers (Nile COM) on the Cooperative Framework adds renewed momentum to establishing a permanent river basin institution.	
	2007	Mid Term Review (Q3) New guidelines for management of NBTF		

Year	Evolution of the Nile Cooperation under the NBTf	Developments on the Political track	Changes Basin wide /Hydro-political Environment
2008	<p>Risk analysis done (the one and only).²²</p> <p>To address the uncertainty about the timing of final CFA conclusion, the ISP-project has certain components built in that would be triggered by CFA signing.</p>	<p>Uncertainty around the timing of completing the Cooperative Framework Agreement (CFA) provides an additional challenge as the NBI prepares for the future.</p>	<p>Opinion poll among stakeholders; cooperation among various professions (media, lawyers, researchers, NGOs etc) established.</p>
2009	<p>ISP established to build capacity and sustainability and harmonize the management among all three NBI institutions.</p>	<p>Continued commitment to cooperation, the Nile riparian countries have decided to remain united and continue to search for an inclusive Nile Agreement. At the Council of Ministers Meeting (Alexandria, July 2009), the (Nile-COM) provided for a —6-month period to allow for more time to enable the countries to move forward together.</p>	
2010	<p>The Institutional Design Study (IDS) is concluded to identify organization and institutional options (including key functions, organization/structure, financing, governance, enhancing organization effectiveness, etc) for the NBI under a range of scenarios, from continuation of the current NBI functions to a full river basin organization.</p> <p>Negotiations around the Cooperative Framework Agreement (CFA) intensify and demand time and attention of the Nile-COM, Nile-TAC and Nile SEC Executive Director.</p>	<p>May; CFA signed by 6 upstream countries.</p>	
2011	<p>Since two Eastern Nile countries have not been participating in most NBI activities, and the pace of implementation of some projects in the Eastern Nile slowed. Additionally, given uncertainty about the evolution and financing of the NBI, many of the NBI centers have found it challenging to plan strategically for the coming</p>	<p>Working and planning for the future in an uncertain environment. Tensions from the Nile political situation have affected the work of the NBI, as well as the NBI's ability to plan for the future.</p>	

1 Annual NBTf-report; 1: lengthy delays in signing or ratification of the CFA, which could prompt some re-evaluation of institutional strengthening needs. 2: There may be difficulties in reaching consensus on mandate, shape and size of the future RBO. 3:Nile-Sec is not strong enough to coordinate activities across all NBI institutions, particularly as SAPs have evolved independently.

	Year	Evolution of the Nile Cooperation under the NBTF	Developments on the Political track	Changes Basin wide /Hydro-political Environment
	2012	years. NBI Trust fund presented to development partners. Independent Evaluation of the NBTF December 31 st close of NBTF	July, South Sudan independent Feb, Revolution in Egypt intensifies	July; decision by Nile-COM to increase country contributions. South Sudan admitted to NBI
Post NBTF	2013	Discussion of sustaining projects under CIWA and with NBI Trust Fund		

APPENDIX 6: INPUT- OUTPUT ANALYSIS OF VALUE FOR MONEY

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
NBI BASIN WIDE SVP			
Applied Training Project	14.38	ATP put in place the Nile Basin Universities Forum and the ATP Alumni and research program that contributed to informed dialogue on IWRM. This has over the years increased understanding and appreciation of IWRM at policy level and among professionals through short-courses, Master and PhDs as well as Post Graduate Diplomas.	High
Confidence Building and Stakeholder Involvement Project	11.35	CBSI over the project period helped in developing and sustaining a mood of cooperation and confidence in the 'One Nile' aspiration through building trust and ensuring views of stakeholders help shape a receptive environment for investment. Over the years <i>'countries kept talking- a sign of both their commitment and faith in the process'</i>	Medium
Efficient Water Use for Agricultural Production	4.12	The EWUAP was hampered by delays in implementation partly because of uncertainties over its design. It became difficult for the project to muscle an effective national coordination partly because the project itself was not well supported from the start within the NBI.	Low
Nile Transboundary Environmental Action Project	8.99	The NTEAP achieved its objective of providing a strategic framework support for basin-wide environmental action linked to transboundary issues. Its activities that involved training, networking, collaboration and a total of 347 community projects created widespread community capacity and ownership especially in the aspects of water quality management.	High

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
Regional Power Trade Project 1 Regional Power Trade Project 2	5.76 4.16	The Power Trade Project closed in December 2011 having provided comprehensive basin-wide power options basing on their base-case forecast data that demonstrated a tenfold increase in power demand by riparian countries by 2045. This would require \$41trillion (well analyzed and broken down) investment of a regional power development strategy to sustainably meet power demand over the next 35 years.	High
Socioeconomic Development and Benefits Sharing Project	3.65	The SDBS project lacked strategic management and had an overall weak project logic characterised by over-engagement in non-core tasks that did not help keep it within the overall mandate. Much as the project conducting training in benefits sharing methodology for 55 persons and adopted the sharing concept into the draft CFA, the methodology did not get finalized. The aim to hold together a permanent network of high level policy advisers facilitating dialogue, championing use of applied research and influencing national policies was not fully achieved.	Low
Water Resources Planning and Management Project 1 Water Resources Planning and Management Project 2	6.79 6.30	One of the key major outputs of the two WRPM projects was the <i>world-class</i> Nile Decision Support System (DSS). By the time of this evaluation, user training on the system was on-going and the project is poised to go a long way in availing data on hydrology, characteristics and behaviour of the Nile river system. The DSS is expected to provide financial returns from its use by academia, research institutions, state and non-state actors in the basin and world over if the NBI can leverage its potential.	High
Shared Vision Program Coordination Project	9.94	SVP-C strengthened the Nile SEC institutional capacity in program management, financial and procurement management as well as mainstreaming gender within the NBI. This created an environment in which SAPs did invest by setting up the semi-annual SVP/SAP coordination forums to link the two inter-dependent interventions.	Medium

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
EASTERN NILE			
EN Watershed Management Project	2.49	NBTF funded proportions of the ENWMP with Finland and GEF providing other bilateral financing. In 2011, the completed a Watershed Cooperative Regional Assessment which was disseminated.	Medium
ENTRO Institutional Strengthening and Facilitation	2.58	Over the NBTF period, ENTRO continued to be technically strong and well administered centre with zeal to contribute towards increase in shared benefits of cooperation on the Nile. Through the Institutional Strengthening project ENRO's capacity was built to further advance its capacity in financial management, procurement and projects coordination which improved overtime.	Medium
EN Flood Preparation and Early Warning Project	3.96	Through this project, ENTRO has been able to provide technical support to National forecasting centres and in floods of 2011 this helped to issue early warning system information to the public. Under its second phase, sub-projects were undertaken in Ethiopia subsumed under Tana and Beles Project)	High
EN Planning Model	2.95	The ENPM has added to the polity of knowledge to the Nile Basin through the provision of public domain spatial datasets into system geo-databases. This information is helping analysis for flood forecasting and its tools are being disseminated through an interactive web-portal designed to this purpose.	High
EN JMP Launch and Implementation (This does include both launch (\$1.14m and implementation (3.03)	4.17	The JMP was designed to support Egypt Sudan and Ethiopia to examine their joint water resources and integrate economic, social, and environmental and sustainability issues into the context of development	Low

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
		possibility on the Abbay/Blue and Mainstream Nile. Implementation of the project has been problematic and initial ISSEA reports were rated unsatisfactory. By the time of the evaluation a new implementation modality was being finalized.	
NILE EQUATORIAL LAKES			
NELSAP CU Institutional Strengthening and scaling up	1.87	Based in Kigali, Rwanda NELSAP CU ISP has been financed under the NBTF but also with further funding from World Bank (IDA), GTZ, Sweden, Norway, AfDB, KfW, JICA, and the Netherlands. Under this project, NELSAPA CU has created synerfies through MoUs with regional initiatives like the EAC/LVBC and power programs like the Eastern African Power Pool and CommunauteEconomique pour les GrandaLacs (CEPGL).	High
NELSAP CU Coordination Unit Project	0.67	NELSAP CU is widely perceived as having been technically effective in promoting investments in power development, river basin management and development; agricultural trade as well as watershed management. The NELSAP CU leaning on competences within its staff, demonstrated effectiveness in leveraging bilateral and multilateral support to coordinate preparation for multi-country complex projects. Development assistance to NELSAP includes \$400m from AfDB, Netherlands, KfW and the World Bank for regional interconnectivity project that will be jointly implemented by Burundi, DRC, Kenya, Rwanda and Uganda.	High
Regional Rusumo Falls Hydroelectric and Multi-purpose project preparation	7.7.41	By the time of this evaluation, investment preparation was underway after the WB had approved Project Preparation Advances and a follow-on investment undertaking was expected to commence in 2013. Project designs had been updated to incorporate the change to the run-of-the	Medium

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
		river option. Once implemented, the project (which has been talked of for more than 40 years) will become a reference to the importance of transboundary approach and benefit sharing brought about by NBI.	
Regional Agricultural Trade Productivity Project (with additional funding for second phase)	6.15	The RATP has contributed to ‘transboundary thinking’ among NEL countries and helped to explore an agriculture agenda for future Nile Basin Organization. The project has helped countries to increase their own capacity to integrate agricultural trade into water resource planning while utilizing irrigation water potential and modelling. Evidence of how this has impacted agricultural productivity and aspects to attribute it to rise in volume and value of cross-border trade is very paucе.	Low
NELSAP pre-investment Sio Malaba Malakisi (SMM) Project	1.96	SMM Project produced Integrated Watershed Management feasibility study report and two interim reports on Regional Water Infrastructure to leverage opportunities in the SMM river basin. To improve basin monitoring hydro-meteorological stations were installed. By the time of the evaluation, ESIA final reports were being concluded. The project has impacted positively to the process of the development of Kenya’s stand alone transboundary water resources management policy which is being finalized.	High
Mara River Basin Management Project	1.2	Integrated Watershed Management (IWSM) feasibility study, and the Regional Water Infrastructure Development Study as well as installation of hydro-meteorological stations have been carried out albeit some challenges. Investment profiles were also prepared for downstream resource mobilization.	Medium
Kagera River Basin Management Project	3.07	IWSM feasibility study for this project was due at the end of 2012 including a draft report on preliminary resettlement action plan.	Medium

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
		Through this project, the set up hydro-meteorological stations have been installed to improve river basin management and are being used at the national level.	
NELSAP Coordinated Water Resources	3.65	This project conducted up to more than seven (7) studies and by the time of this evaluation most were towards their completion. These studies will in the years to come prepare a portfolio of water resource projects within a boarder-coordinated, water-related investment strategy for the NEL region. These studies included: Lake Kyoga Multipurpose Water Resources Development Project in Uganda for which the WB has already pledged over \$130m under the Uganda Water Management Development Program (Uganda-WMDP).	High
NELSAP Power Project	3.04	This project has helped provide information from feasibility studies conducted for Kenya- Uganda inter-connectivity; Iringa-Mbeya interconnection. It has also economic and social impact assessments for both, though there was a delay caused to the Iringa- Mbeya interconnection by change in preference to the Ethiopia-Kenya connectivity. According to the NBTf 2012 Report PPA training that had been planned under this project was cancelled and funds put to other components.	Low
NBI Facilitation	16.38	The NBTf was utilized cognizant of the fact that a thriving cooperation on the Nile and the realization of the NBI vision was the ultimate desire of countries and more-so the contributing development partners. Substantial resources (over \$21m) were spent on facilitation of this process (in organization of numerous workshops, seminars and meetings at country, regional and international levels). One particular comment is that NBI focal point persons in countries alluded to not having received sufficient facilitation to conduct in-country NBI responsibilities as would	Medium

Project	Project Amount US\$ million	A conclusive Analysis of Performance	Value for Money (Traffic-lights reporting method)
		have been desired, and that communication between them and Nile SEC remained frail.	
NBI Institutional Strengthening Project	24.02	Among other results the ISP helped to stipulate clearly roles and responsibilities for 3 NBI centres providing respective corporate management function (in a 5-year strategic plan) as they relate to three areas: facilitation of cooperation, WRM, and WRD. Most stakeholders who responded to this evaluation felt that the ISP came so late into the process and should have started around 2003 and implemented sustainably over the NBTf period.	High
NBI Sec (Nile SEC)	0.20	There is overall agreement that UNOPS and the overall SVP-C support did not propel the Nile SEC to scale to the desired level of managerial and technical capacity. Presently, the Nile SEC is putting together the NBI-Trust Fund which Nile stakeholders see as its <i>litmus</i> test to demonstrate its managerial and technical capacity. Another aspect is how Nile SEC will perform in its oversight role during the implementation of the NBI Overarching Strategic Plan 2012-2016.	Low
Total (excluding UNOPS and WB Management Fees)	171.36		

APPENDIX 7: EAC/LVBC AND SADC – EXAMPLES OF TRANSBOUNDARY WATER RESOURCES MANAGEMENT BY REGIONAL ECONOMIC COMMUNITIES (REC)

East African Community - Lake Victoria Basin Commission

Lake Victoria Basin Commission (LVBC) is an institution of the [East African Community \(EAC\)](#) that is responsible for coordinating the sustainable development agenda of the Lake Victoria Basin. The establishment of the Commission has been sequential and step-wise building of the institution. First the Partner States, in the first EAC Development Strategy (1997-2000), designated the Lake Victoria and its basin as “an economic growth zone to be exploited in a coordinated manner”. A lean secretariat was established at EAC-HQ in Arusha in 2001. This secretariat implemented the Lake Victoria Development Programme, which served as a mechanism for coordinating the various interventions on the Lake and its Basin; and as a centre for promotion of investments and information sharing among the various stakeholders.

The signing of the protocol for sustainable development of the Lake Victoria Basin on the 29th November 2003 and its ratification in December 2004 (EAC 2003), in effect cleared the way for the establishment of the Lake Victoria Basin Commission (LVBC). The secretariat headquarters is based in Kisumu City, Kenya after being relocated from Arusha in January 2007. Burundi and Rwanda was invited to take part in LVBC activities two years before they became members of EAC in July 2007.

The Mission of LVBC is to promote, facilitate and coordinate activities of different actors towards sustainable development and poverty eradication of the Lake Victoria Basin as well as proposing policies and laws on the management of the environment in the Lake and its catchment area. The commission enjoys a broad partnership of the communities around the Lake such as local authorities, civil society organizations, research institutions and development partners.

Governance

The policy and decision making organ for LVBC is the Sectoral Council which is constituted by Ministers from the EAC Partner States while the Sectoral Committee comprises of all Permanent Secretaries from the Ministries' with mandates relating to the Lake Victoria Basin, particularly Water, Agriculture, Transport, Communication, Energy, Tourism and Wildlife, Fisheries, Environment and Economic development.

The National Focal Point Ministries for the Lake Victoria Basin Commission provide a link between the LVBC Secretariat and Partner States. The Partner States allocate around one man year to the officers appointed as National Points in the ministries.

LVBC's Strategic and Operational plans are part of EACs overriding steering documents and are decided by the Sectoral Council of EAC. The budget of LVBC is also decided by Sectoral Council and LVBCs is audited annually by EACs Internal auditors. The LVBC secretariat and its positions are fully financed by EAC's ordinary budget through the national contributions from the five EAC member states. The constantly increasing budget is an indication of the political importance of the LVBC.

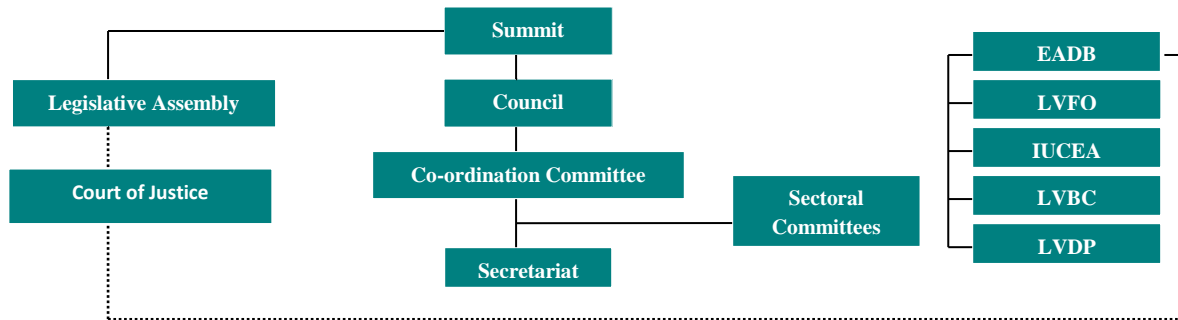


Figure 1: Organisation Charter for the EAC

Partnerships

A Partnership Agreement on Sustainable Development of Lake Victoria Basin was signed by EAC with the Governments of France, Norway and Sweden, the World Bank and the East African Development Bank in April 2001 establishing the Lake Victoria Partnership Fund. Later on Finland also entered the partnership.

The Partnership Fund has played a big role in financing Projects in the LVB including Capacity building of the Lake Victoria Development Programme. These include: strengthening the capacity of LVBC; Harmonization of Regional Policies Laws & Regulations and Standards; support for implementing of the MoU between the EAC and the Republics of Rwanda and Burundi. Others are: Study on Technical Solutions for Maritime Communications for Lake Victoria, Investment Promotion in the Lake Victoria Basin, Implementation of some aspects of the Toxic Chemicals/Oil Products Spill Contingency Plan for Lake Victoria; support to the LVB Resource Centre activities and Support to National Focal Points for LVBC in the Partner States

Donor Coordination for Water Resources Management in the SADC

The Southern African Development Community (SADC) is an inter-governmental regional economic community which aims to promote socio-economic development and regional integration. The SADC is comprised of 15 member states, with the 12 continental states sharing 15 transboundary watercourses. These watercourses supply around 70 per cent of the total amount of water available to the 260 million people living in the region. Key challenges relate to the availability and timing of water – with some areas suffering regular droughts and others impacted by flooding. Rapid economic development in several of the countries in the region has led to increased demands for water as well as greater impacts on water resources – such as pollution and sedimentation. Some of the largest population centres in the region are either located in transboundary basins or derive their water supply from such basins (via water transfers) meaning that water resources developments impact other basin states. To respond to these challenges a Water Division, housed in the Directorate of Infrastructure and Services, has been created with the ambition of overseeing the “harmonisation of national water use policies and to moderate transboundary issues. It aims to ensure that water in Southern Africa is used in a sustainable and equitable fashion through facilitating cooperation of SADC Member States in treating water as a regional resource that requires management and protection across national boundaries” (SADC, 2012).

The Water Division serves as a coordination mechanism between the member states, international cooperation partners (ICPs), RBOs, civil society and AMCOW (see Figure 1 below).

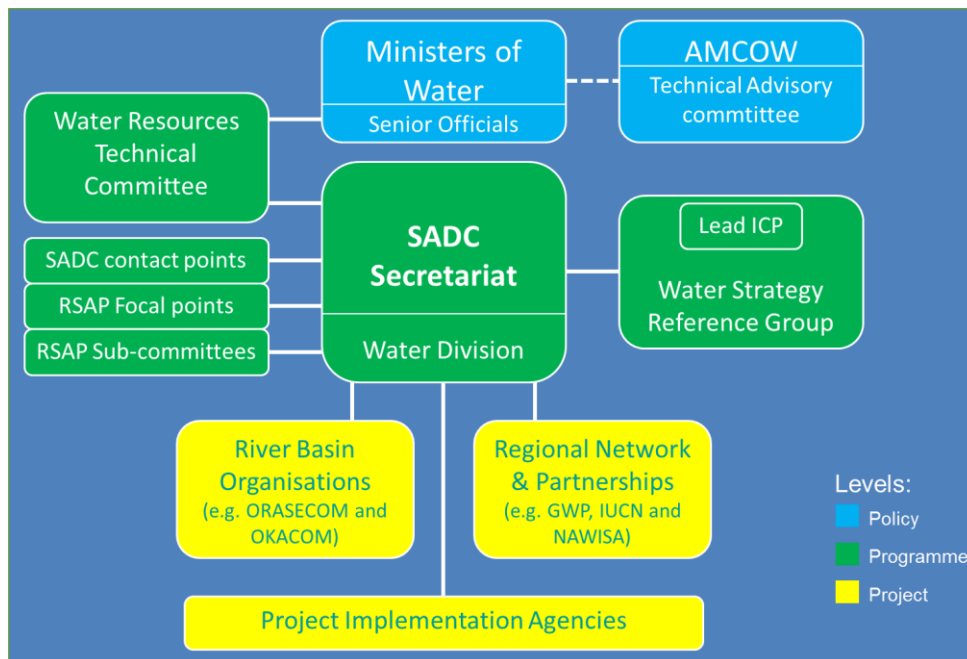


Figure 2: Institutional framework for the SADC water sector (after Ramoeli, 2012)

The Water Resources Technical Committee (WRTC) is comprised of senior professionals representing the member states and serves as a mechanism to coordinate and harmonise national water strategies, policies and development plans; and meets on a regular basis. Members of the WRTC report directly to their respective water ministers, who meet as needed. The WRTC provides political and technical direction to the Water Division, mandating it to perform specific functions on behalf of member states. Most of these functions are related to coordinating approaches to water management – such as facilitating the drafting of the regional Water Strategy and the Regional Water Policy – both non-binding instruments which states commit to using to guide domestic (national) water management.

Most of the member states of the SADC (all except Zimbabwe and the DRC) are parties to the SADC Protocol on Shared Watercourses (the SADC Protocol) – a legally binding framework agreement covering all transboundary watercourses in the region. This agreement commits the states to the basic principles of customary international water law; such as the provision not to cause harm to other basin states through development actions, the concept of equitable use; as well as procedural mechanisms such as prior notification of intended activities which may have a transboundary impact. The SADC Protocol came into force in 2003 and is based almost entirely on the provisions of the UN Convention on the Law of Non-Navigational Uses of International Watercourses (UN Convention). The Water Division serves a secretariat function for the SADC Protocol and may be called on by states to perform services such as facilitation and mediation of disputes, as needed. It monitors the implementation of the SADC Protocol.

Most of the transboundary rivers in the SADC have an RBO or basin agreement in place. These RBOs take their mandate from their respective basin states and do not fall under the direct control of the SADC Water Division – however they do engage in coordination activities with it. Most of the basinwide RBOs (usually termed “Commissions” in the region) have a limited mandate – typically being called on to act as advisor on technical issues to the basin states. They perform important coordination functions and serve as a mechanism for giving notice about planned activities which may impact other basin states as well as discussing migratory measures for such activities (Earle & Malzbender, 2007). RBOs at the sub-basin level – typically involving only two countries – tend to have greater executive powers – such as being tasked with water resources development, infrastructure operation and catchment management tasks. Some of the sub-basin agreements (in contrast to the basin-wide ones as well as the SADC Protocol) contain enforceable volumetric allocations of water to the respective states.

The Water Division is also responsible for the development of the Regional Strategic Action Plan three (RSAP 3) for water – with a mission to “provide a sustainable enabling environment, leadership and coordination in water resources strategic planning, use and infrastructure development through application of integrated water resources management at member state, regional, river basin and community level”. In effect this document serves as an overview of water resources development projects selected by the member states – but also contains actions in the realm of knowledge development, capacity building and developing water management institutions. The intention is that donors and investors can choose to support various activities identified in the RSAP 3. They may choose to do this directly with the member state/s concerned, through the respective RBOs or the Water Division. The RSAPs are update periodically (around every 5 years) with input from the member states – a process facilitated by the Water Division.

The activities of the ICPs (donors) who wish to support the water sector in the SADC fall under the coordination of a Lead ICP – through the Water Strategy Reference Group (WSRG) – see Figure 1. This mechanism aims for the effective and efficient support of the water development goals in the region and operates in line with the Paris Declaration on Aid Effectiveness. The WSRG consists of all the ICPs supporting the SADC water sector and is currently led by Germany. The coordination and communication between the ICPs is promoted by the following mechanisms:

- Biannual meetings of the Water Strategy Reference Group,
- Biannual mapping of all ICP activities one month before the WSRG meeting, and
- On-going communication and exchange through the “SADC Water Sector ICP Collaboration Portal” (website: <http://www.icp-confluence-sadc.org>).

Actual reports, project information, contacts and events for all ICP-supported programmes are stored online on the above portal. The portal encourages knowledge-sharing and networking amongst ICPs and can be accessed by ICP, by river basin or by RBO. The WSRG promotes coordination between the ICPs, but does not administer their funds. Each ICP disburses funds directly to the organisations responsible for the respective projects it chooses to support under the RSAP 3. The exceptions are the UK and Australia which choose to let GIZ to manage and channel their contributions to the SADC water sector.

Conclusion

As has been described above, water management in the SADC region is a multifaceted enterprise – with a well-developed institutional framework through which various actors and partners collaborate. The SADC Secretariat, through the Water Division, plays a key role in promoting a harmonised approach to water management and development in the region. However it should be noted that the SADC Secretariat operates under direct instruction from the member states and that in reality its powers are limited – performing supporting, coordinating and facilitation functions. But despite this limited mandate it has been successful in promoting the harmonisation of activities – most notably the relationship between the ICPs, member states and RBOs. This “limited mandate” approach is visible in other parts of this institutional framework – most of the RBOs which exist on the transboundary watercourses have relatively modest core functions ascribed to them. Member states (of the RBOs) maintain a high degree of their sovereignty, typically mandating RBOs to act in an advisory capacity. Again a key service they provide would be around coordination of activities – those amongst the basin states as well as with the ICPs. Thus a large number of relatively “small” actions (that is, of a limited mandate) take place at the regional level – for the rest, states maintain a large degree of sovereignty over their water management and water development functions.

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