

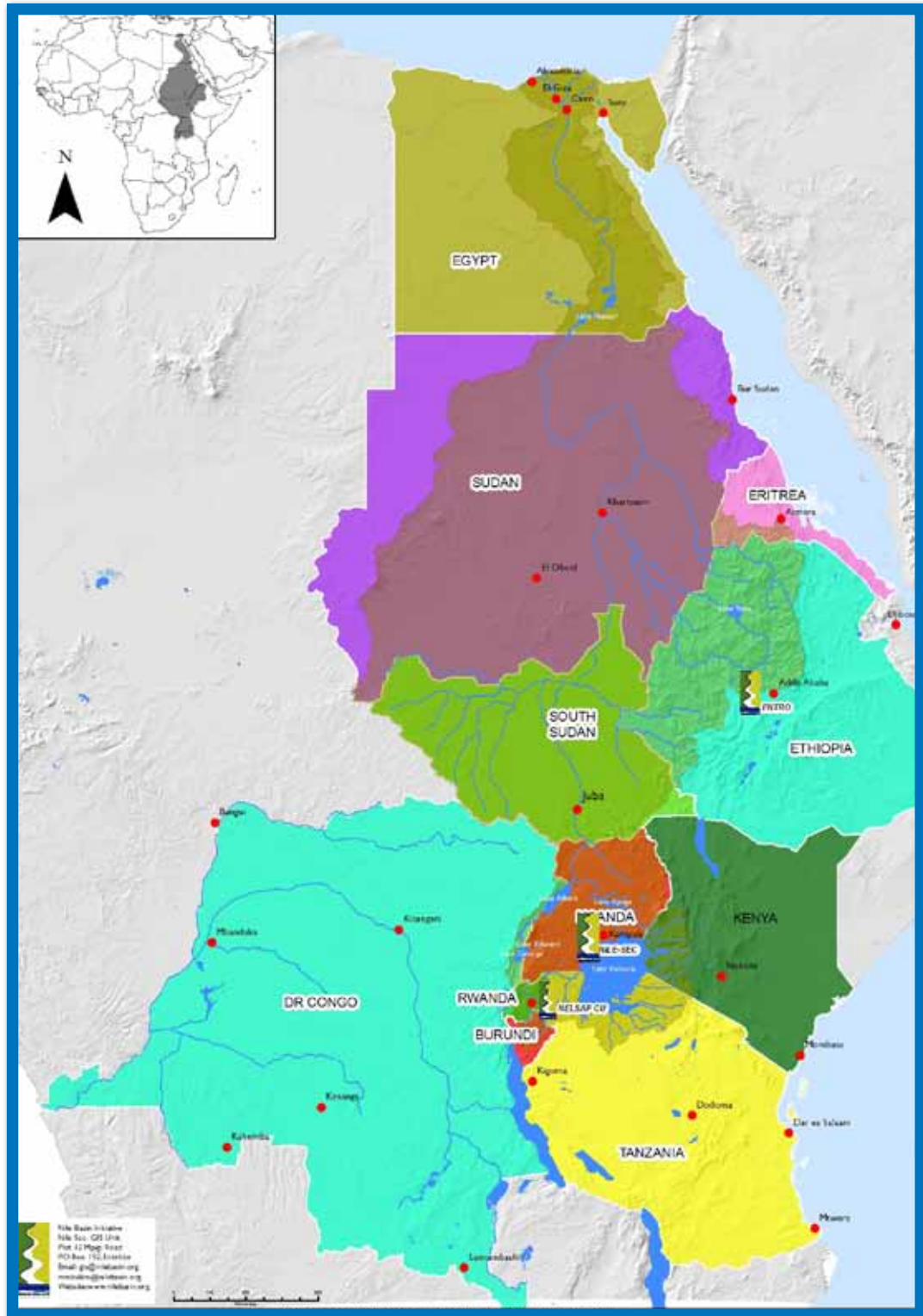


**NILE BASIN INITIATIVE**

# CURRENT STATUS & FUTURE PROSPECTS



# THE NILE BASIN COUNTRIES



# 1. INTRODUCTION

## 1.1. The Nile Basin Initiative

The Nile Basin Initiative (NBI) is a transitional, 10-Member intergovernmental partnership institution guided by a **Shared Vision objective**: *'To achieve sustainable socio-economic development through equitable utilization of, and benefit from, the common Nile Basin Water resources'*.

The NBI provides the only all- inclusive regional platform for multi stakeholder dialogue, for sharing information, joint planning and management of water and related resources in the Nile Basin. It aims to strengthen Member States' institutional and technical capacities and knowledge bases to support decision making and action, assists Member States to identify and prepare investment projects as well as mobilize financial and technical resources for their implementation. NBI also provides an opportunity to integrate home grown and place-based policies, tools, territorial specificities and concerns into responding to shared challenges in the basin.

### NBI MEMBER STATES



Burundi



DR Congo



Egypt



Ethiopia



Kenya



Rwanda



South Sudan



The Sudan



Tanzania



Uganda

### Core functions

To achieve its Shared Vision Objective, the NBI implements three core functions:

#### Basin Cooperation

To facilitate, support and nurture cooperation amongst the Nile Basin countries so as to promote timely and efficient joint actions required for securing benefit from the common Nile Basin water resources

#### Water Resource Management

To assess, manage and safeguard the water resource base that supports the peoples of the Nile Basin through applying the principles of knowledge-based integrated water resources management to water development planning and assessment.

#### Water Resource Development

To identify, prepare and facilitate investment in Regional/trans-boundary water development projects and programs whilst avoiding negative impacts on the health of the Nile Basin's resources through applying the principles of integrated water resources management

## NBI set up

The set up of NBI is informed by the principle of subsidiarity. Besides the Secretariat based in Entebbe, Uganda there are two sub-basin organizations - leveraging unique sub-basin potentials and mitigating unique sub-basin risks, hence the Eastern Nile Technical Regional Office (ENTRO) based in Addis Ababa, Ethiopia and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU) based in Kigali, Rwanda.

Nile-SEC is the lead centre for implementing the 'Facilitating Cooperation' and 'Water Resource Management' core functions while ENTRO and NELSAP-CU are lead centers for implementing the Water Resource Development core function in their respective sub-basins.

## The institutional journey of NBI as it delivers the Shared Vision objective



## 1.2. NBI Programs

After it was formed in February 1999, the NBI launched its first basin-wide cooperative water resources **Strategic Action Program (1999 - 2012)** - planned to coincide with the funding period of the Nile Basin Trust Fund.

After the consolidation of NBI's core functions, a second five-year **Strategic Action Program (2012-2016)** was launched.

A separate and parallel track distinct from the Strategic Action Program - is the 'cooperation track' - The Nile-COM has been facilitating negotiation over a Cooperative Framework Agreement (CFA) - among NBI Member States in a bid to enable creation of a permanent institution, the River Nile Basin Commission, to replace the current transitional arrangements under the NBI.

### Strategic Action Program I (1999 to 2012)

The first basin-wide cooperative water resources Strategic Action Program had the following objectives:

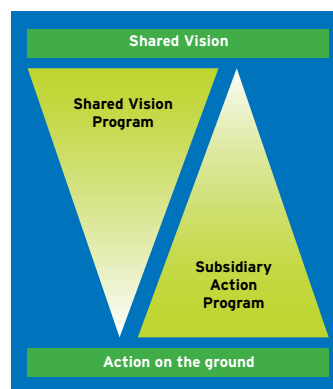
- To develop the water resources of the basin in a sustainable and equitable way to ensure prosperity, security and peace for all its peoples.
- To ensure efficient water management and the optimal use of the resources.
- To ensure cooperation and joint action between the riparian countries seeking win-win gains.
- To target poverty eradication and promote economic integration.

- To ensure that the program results in a move from planning to action.

This Strategic Action Program consisted of two programs:

- **The Shared Vision Program (SVP)**- comprising of seven projects, it aimed at building the foundation for basin-wide cooperation - mutual trust, confidence and capacity for Integrated Water Resource Management among riparians- all in a trans-boundary context.
- **The Subsidiary Action Program (SAP)** with two sub-basin programs aimed at delivering concrete

investments/benefits 'on the ground' in the Eastern Nile (ENSAP) and the Nile Equatorial Lakes (NELSAP) sub-basins respectively.



## 2. ACHIEVEMENTS TO DATE



Participants during the official opening ceremony of the 22<sup>nd</sup> Nile Council of Ministers meeting, held in Khartoum-June 2014

With the NBTF, bilateral and Member State support, significant progress has been made:

Over the years, NBI has grown into a well-established and successful regional institution that has continued to provide the only all-inclusive regional platform for the riparian countries to deliberate on the management, development and sustainable utilization of the common Nile Basin water and related resources.

NBI has facilitated various multi-level and multi-stakeholder fora to raise awareness, build a common understanding, mutual trust and confidence and promote informed dialogue among riparians; all of which are building blocks for a solid foundation for cooperation. The request by South Sudan to be admitted to the NBI and the resumption of Sudan to full participation in the NBI attest to the relevance of NBI to the countries.

Associated with this is the increasing demand from Member States to the NBI for services such as data provision, project management, undertaking project

pre-feasibility and feasibility studies all.

Even though divergences still exist today, the Nile Basin is witnessing an observable improvement in both the extent and quality of cooperation amongst Member States, with a sustained change from questioning whether a cooperative approach should be pursued, to asking questions on how cooperation could be pursued and whether the 'perceived benefits' will result in 'tangible and equitable benefits' for all.

With the improved Nile Cooperation has come an enabling environment for joint water resources management as well as joint planning and implementation of investment projects expected to bring tangible benefits to the citizens of the Nile Basin.

More broadly, the \$88.39 million Shared Vision Program was designed to build trust, strengthen capacity, and advance the enabling environment for investment in the Nile Basin.

“The previous atmosphere of mistrust and doubts towards cooperation has over the years under the NBI been transformed into increased levels of trust and confidence. Even in situations where there are unresolved issues, there are institutional mechanisms to address the differences”.

Hon. Jemma Nunu Kumba, Chairperson of the Nile Council of Ministers and South Sudan's Minister of Electricity, Water and Irrigation during the 8<sup>th</sup> Regional Nile Day celebrations held in Kampala, Uganda on 21<sup>st</sup> February, 2014.

The Subsidiary Action Programs (SAPs) completed an additional seven projects totalling \$59.8 million for (NELSAP-CU and \$13.5 million for ENTRO. NBI has assisted Member States in preparing water resources investment projects, which provide benefits and distribute costs among participating countries. In pursuit of this NBI facilitates agreements between countries for investment financing and for future management. To date, projects worth over USD 1 billion in power, agriculture, irrigation and river basin management have been prepared and are at different stages of implementation by Member States. The SAPs continue to provide a regional window for resource mobilization to implement these projects.

The NBI has built a dynamic knowledge base (comprehensive information about the water resources of the Nile) common information system and developed shared analytical tools necessary for a scientific understanding of the river system, inform joint planning, policy making and decision making in water resources planning and

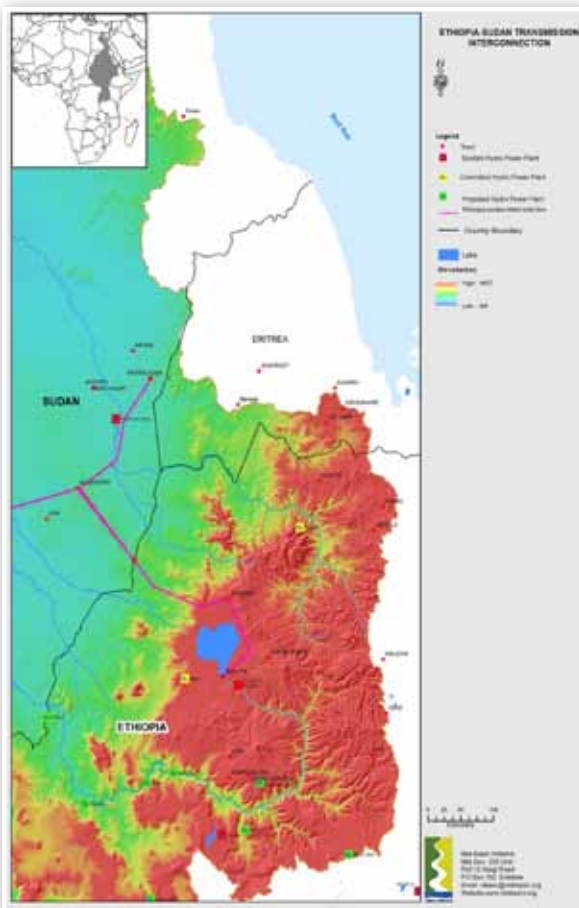
management in Member States. This includes tools to enable countries understand the implications of their actions on neighbours and opportunities for managing risks and realizing tangible benefits. The Nile Basin Decision Support System (NB-DSS) and the Nile Equatorial Lakes and Eastern Nile Planning models are cases in point. Other important planning tools include the Multi-sector Investment Opportunities Analysis (MSIOA) and climate adaptation mainstreaming tools. Associated with this are the guidelines for implementing the interim procedures for data and information sharing and exchange which were approved by the Nile-COM in 2011.

A growing confidence in and ownership of NBI is yet another achievement demonstrated by Member States' enhanced commitment in sustaining the NBI process. NBI project outputs have been integrated into Member States' development plans; several countries have already secured funds and are implementing NBI facilitated projects. Cases in point include the 194 Km Ethiopia-Sudan Transmission Interconnection officially commissioned in 2013 and benefitting a total of 1.4 million households.

Others are the on-going implementation of the Regional Transmission Interconnection Project, where an estimated 1500km of 220kv and 110kv transmission lines and associated sub-stations are under construction to facilitate power trade among Burundi, DR Congo, Kenya, Rwanda and Uganda and the 80 MW Regional Rusumo Falls Hydro-electric project whose construction is slated to commence in the first quarter of 2015.

This is in addition to the Eastern Nile Watershed Management project jointly implemented by Egypt, Ethiopia and Sudan through which fast track projects worth about USD 80 million have been prepared. Ethiopia and Sudan have integrated the Watershed Management and Flood Control projects into their national development programs.

Member States agreed to increases in country contributions to fully cover the core operational costs of the NBI by 2017. Starting July 2013, Country Contributions have increased from \$50,000 to \$137,000, and a stepwise increase will be implemented every two years until Member States can fully cover the core costs of the NBI institutions.



# 3. NBI PROGRAM FINANCING

The Nile Basin Member States and the Development Partners joined efforts to support NBI and its programs over the last 14 years through the Nile Basin Trust Fund (NBTF). In 2001, the International Consortium for Cooperation on the Nile (ICCON) met in Geneva, convening both the Nile Basin governments and their international development partners who pledged to support the Nile cooperation.

After the ten donors actualized their pledges, the Nile Basin Trust Fund was established in 2003. The NBTF is a multi-donor support to NBI with financial contributions from 10 donors (Norway, EC, DFID, Netherlands, Sweden, Denmark, Canada, Finland, France and the World Bank, and managed by the World Bank. Over US\$ 200 million was channeled through the fund by Development Partners to support the Nile Ministers working in water resources to achieve the Shared Vision Objective.

The NBTF provided a flexible funding mechanism to finance identified projects on the onset and other emerging priorities over the 10 year period. More specifically, the NBTF supported actions which advance the policy guidelines adopted by the Nile council of Ministers: to develop the water resources of the Nile Basin in a sustainable and equitable

way to ensure prosperity, security and peace for all basin citizens, ensure cooperation and joint action between Nile Basin countries, promote economic integration and ensure program results move from planning to implementation.

To date, the NBTF has supported a total of twenty eight projects as part of the Shared Vision and Subsidiary Action Programs, an institutional strengthening project and now the Nile Cooperation for Results which is now under implementation.

NBI also benefited from direct bilateral funding from multi-lateral donors such as SIDA, BMZ/GIZ, UNDP, African Development Bank for the 10 year period.

Member States each made annual financial and in-kind contributions to the NBI as part of their commitments. Member states have since committed themselves to step up their contributions to cover the core costs of the three centres (3,8 Mio USD annually).

“...Can the benefits of your cooperation—which start with the gains that can be made through improved water management—go beyond the river itself? I believe that your Initiative can show the way and that there is much more at stake than the river itself. ....”

James D. Wolfensohn, President of the World Bank in his Keynote Address at the launching of the International Consortium for Cooperation on the Nile in Geneva, June 26, 2001.

# 4. CHALLENGES

Though NBI has made significant progress, challenges to sustainable and equitable utilization of the shared Nile water resources remain and are further compounded by emerging ones such as impacts of climate change, non-participation of one of the downstream countries and uncertain ties with hydro politics. These challenges are by their very nature trans-boundary and no single country is capable to address them or their consequences on its own. Cooperation on the Nile is a necessity if one strives to bring about peace, security and prosperity for the basin inhabitants: The key challenges facing the NBI are further elaborated in the following paragraphs:

## 1. Nile cooperation is still in its nascent stage:

Gains made so far could be reversed. The all-inclusive Nile cooperation requires even more momentum from Member States and Nile Basin citizens. There is a need, therefore, for continued nurturing and deepening the cooperation process in order to consolidate the achievements thus far, jointly address the challenges and take advantage of the opportunities for win-win benefits. The cooperative approach remains the only choice in addressing the region's trans-boundary water resources management and development challenges.

## 2. Delays in meeting demands of their growing economies and populations:

In the context of the Nile Basin where majority of upstream countries have embarked on rapid economic growth, delays in implementing water resources investments prepared by NBI through participation mean delays in meeting demands of their growing economies and populations. This in turn may lead to loss of interest and enthusiasm in the cooperation process by Member States as well as an increasing number of major water resources investment projects (e.g. dams, power plants) planned and implemented unilaterally by riparian states. There is an urgent need to expedite implementation of investment programs: a number of investment opportunities have already been identified through the studies such as the comprehensive basin wide power study and the MSIO Analyses in both NEL and EN sub basins. It is anticipated this will contribute to a coordinated management and ultimately sustainability of the Nile itself.

## 3. The scientific understanding of the Nile

**Basin is still limited** due to insufficient basin-wide hydrologic, meteorological, climatic, socio-economic, ecosystem related data and information systems and institutional capabilities. An enhanced knowledge base and analytical tools are required to help improve understanding and inform methodologies for monitoring and evaluating impact and effectiveness. Knowledge, Research and evidence products such as studies that analyze the cost benefits of resilience, the value for money of different types of interventions are a needed, particularly at institutional, national and international levels to inform the ongoing regional dialogue.

## 4. Financial sustainability:

Most of the NBI programs to date are financed through grants from the international community. With the closure of Nile Basin Trust Fund in December 2014, which has been the major source of finance for NBI institutional and program costs, limited funding beyond 2014 poses a challenge for continuity and sustainability of gains achieved so far.

## 5. Inadequate NBI visibility at National level:

NBI's achievements - both soft (institution building, scientific and technical capacity building) and hard (investment on the ground - dams, HP plants, transmission interconnection, irrigation development, fisheries, etc.) need to be often and repeatedly communicated to the national level stakeholders and featured in national media to win public support to further the cooperation.

## 6. Non participation of Egypt:

While the resumption of Sudan to full participation in the NBI is a welcome development, the continued freezing of participation by Egypt is an issue affecting the spirit of Nile Cooperation.



# 5. LOOKING AHEAD

## Strategic Action Program II (2012-2016)

Whilst the Policy Guidelines of Strategic Action Program I continue to define NBI's primary guiding principles, a new program - Strategic Action Program II was developed underpinned by the challenges above and hinged on the NBI Strategic Plan 2012 - 2016. The Program focuses on consolidating the gains achieved so far and delivery of benefits to the riparians.

The focus of the 2012-2016 Strategic Plan is to increase productivity especially in water development but also seek to be more efficient and effective across the Board. NBI will do this through increasing impact of the SAP programs as well as streamlining of the secretariat to focus on basin cooperation and water resources management, improve the way NBI Centers do this delivery and uplift basin cooperation to improve the enabling environment.

A budget for implementing the 5-year Strategic Plan was put together. Table 1 gives an indication for the current level of funding available until 2015 for the NBI institutions from mainly the NBTF, Country Contributions and Bilateral donors.



“Before NBI, our Basin was a region of mistrust and conflict. Trust among countries was not in abundant supply. It is therefore very important to keep in mind that building enduring regional cooperation and meeting all the necessary technical, institutional, organizational, financial, requirements that goes with it, takes time”.

Hon. Kebede Gerba, Ethiopia's State Minister of Water and Energy, speaking as Guest of Honor during ENTRO'S 10<sup>th</sup> anniversary celebrations that took place on 23<sup>rd</sup> October, 2012.

## NBI Overarching Strategic Plan Objectives 2012-2016

1. The level and degree of cooperation between the member countries raised.
2. The impact, reputation and effectiveness of the Subsidiary Action Programs intensified.
3. National Focal Points reinforced and effective.
4. The architecture of a single NBI integrated knowledge management system established and operational.
5. Member country commitment up.
6. Nile-SEC is streamlined into a professional, and highly focused secretariat (by end 2012, within ISP).
7. Financial sustainability ensured through formulation and implementation of financial sustainability plan.

**Table 1: Current level of available funding for NBI program (2013- 2015)**

#	Core Function	Lead Centre	Amount (mill. USD)
1	Basin Cooperation	Nile-SEC	4.12
2	Water Resources Management	Nile-SEC	5.21
3	Water Resources Development	ENTRO	7.44
		NELSAP CU	18.5

What NBI requires to implement its Strategic Plan over the next three years is listed in table 2 below.

**Table 2: Funds required 2015-2017**

#	Core Function	Lead Centre	Amount (mill. USD)
1	Basin Cooperation	Nile-SEC	6.05
2	Water Resources Management	Nile-SEC	23.58
3	Water Resources Development	ENTRO	74.51
		NELSAP-CU	76
4	Corporate Support Services	Nile-SEC	3.38
		ENTRO	8.41
		NELSAP-CU	7.13
	<b>TOTAL</b>		<b>199.06</b>

To achieve this level of funding, NBI has embarked on a resource mobilization campaign; to raise funds for its programs while working towards covering core costs for the NBI institutions by Member States by the end of FY 2017.





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