



Corporate Report – June 2010

Nile Basin Initiative





Mohamed Nasr El-Din Allam

Nile-COM Chair and Minister
of Water Resources and
Irrigation of EGYPT

I am very pleased to present the 2010 Corporate Report of the Nile Basin Initiative (NBI). On behalf of the Nile Council of Ministers (Nile-COM), I would like to say how very proud we are of the progress made over the past ten years to jointly develop and manage the water resources of the Nile Basin.

We, as the Nile-COM, are still inspired by the NBI's Shared Vision "to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources." We believe that moving forward together in this manner holds the greatest prospects for the attainment of sustainable development for the peoples of the basin.

Managing the resources of a basin as large as the Nile, with nine countries each with their own development priorities and needs, is not without challenges. The past year has indeed been a challenging one for our cooperative efforts but through the NBI, we are demonstrating that together

we can play an important role in promoting sustainable development of the region's shared water resources. Ultimately, we seek the conclusion of the Cooperative Framework Agreement and the establishment of the Nile Basin Commission by all riparian countries. We remain dedicated to achieving this goal.

I take this opportunity to thank our Development Partners for their continued support of the NBI and its work. Their commitment to help foster cooperation in the region is appreciated and we hope for their continued goodwill and support. Finally, I would also like to thank the Member Countries for their contributions to the NBI. I encourage them to play a yet greater role in future financial ownership.

Mohamed Nasr El-Din Allam



From left to right: H.E. Kamal Ali Mohamed, Minister of Irrigation and Water Resources SUDAN; Hon. Isaac Isanga Musumba, State Minister for Regional Foreign affairs UGANDA; Hon. Mwangi Kiunjuri, Assistant Minister of Water & Irrigation KENYA; Hon. Prof. Mark James Mwandosya, Minister for Water and Irrigation TANZANIA; Amb. Stanislas Kamanzi, Minister of State in charge of Water and Natural Resources RWANDA; Hon. Maria Mutagamba, Minister for Water and Environment UGANDA; H.E. Dr. Mohamed Nasr El-Din Allam, Minister of Water Resources and Irrigation EGYPT; H.E. Asfaw Dingamo, Minister of Water Resources ETHIOPIA; Eng. Deogratias Nduwimana, Minister of Water, Energy & Mines BURUNDI; H.E. Jose Endundo Minister of Environment, Nature Conservation & Tourism DR CONGO

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Hon. Stanislas Kamanzi
Minister of State in charge of Water and Natural Resources
RWANDA



Hon. Maria Mutagamba
Minister for Water and Environment
UGANDA



Henriette Ndombe
Executive Director

As I complete my term as Executive Director of the Nile Basin Initiative I would like to take this opportunity to summarize the progress over the past year, welcome the new Executive Director, Dr. Wael Khairy, and express my optimism about NBI's future.

This year saw the successful completion of our Shared Vision Program that began in 2003 and comprised eight projects located across the basin. These projects were designed to foster cooperation and build technical capacity to effectively, equitably and sustainably develop the shared water resources of the Nile Basin. The NBI brought together technical experts and authorities of the Nile countries to explore how we can all benefit through cooperative development.

NBI is also at the mid-point of a broad program of institutional strengthening to further professionalize administrative systems and build water resource management and water resource development capacities.

The NBI is helping our member countries to effectively and sustainably manage the Nile waters by developing a concise framework to guide the future development and harmonization of transboundary water policies. The NBI is also promoting data sharing between countries and creating analytic tools such as *'Decision Support System'* that will facilitate water resources planning and inform development initiatives.

In each of the two major sub-basins of the Nile, the Nile Equatorial Lakes region and the Eastern Nile region, the NBI is converting the capacity built during the Shared Vision Program into well-designed development projects that are ready for investment. More than 20 projects are now being implemented or prepared with the assistance of the NBI. To date, *the NBI has secured more than \$76 million in pre-investment financing used to prepare development projects that have attracted over \$784 million in investments.* These projects aim to assist the Nile countries to manage flood conditions, foster power trade through cross border transmission lines, to improve agricultural productivity and to protect environmental resources. Profiles of each of these projects are listed under the 'Water Resources Development' section of this report.

As we continue to develop our young institution we look forward to a bright future of cooperative management and development of the Nile water resources. In any such complicated endeavour that brings together many countries with varying interests and culture, we should expect to have occasional challenges.

Looking at cooperation on the Nile, I am very encouraged by how far we have come in a relatively short time. After two years as Executive Director I am convinced that together we will realize our Shared Vision.

Henriette Ndombe

Who we Are

The Nile Basin Initiative (NBI) is an inter-governmental organization dedicated to equitable and sustainable management and development of the shared water resources of the Nile Basin.

NBI member countries include Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda with Eritrea as an observer.

The NBI was established on February 22, 1999 by the Ministers responsible for Water Affairs of each member country. These Ministers now comprise the governing body known as the Nile Council of Ministers (Nile-COM) supported by a technical advisory committee (TAC). A shared vision and a Strategic Action Program to operationalise it, were agreed upon to guide Nile cooperation.

Objectives of the Strategic Action Program

- Develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security and peace for all its peoples

- Ensure efficient water management and the optimal use of the resources
- Ensure cooperation and joint action between the riparian countries, seeking win-win gains
- Target poverty eradication and promote economic integration
- Ensure that the program results in a move from planning to action

To achieve the shared vision and objectives the NBI established three regional offices within the basin.

A Secretariat in Entebbe, Uganda is responsible for continuing the process of building cooperation between the member states and building capacity to conduct basin-wide water resource management to ensure sustainable use of the Nile waters. Offices were also established in each of the major sub-basins of the Nile and located in Kigali, Rwanda and Addis Ababa, Ethiopia. These offices conduct water resource development activities aimed at effectively utilizing water resources for mutual benefit of the citizens of all of the member states.

Our Shared Vision

"To achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile basin water resources".

OUR CORE FUNCTIONS

Water Resource Management

The NBI provides member countries with analytic tools and a shared information system that will enable monitoring and the sustainable management of the basin.

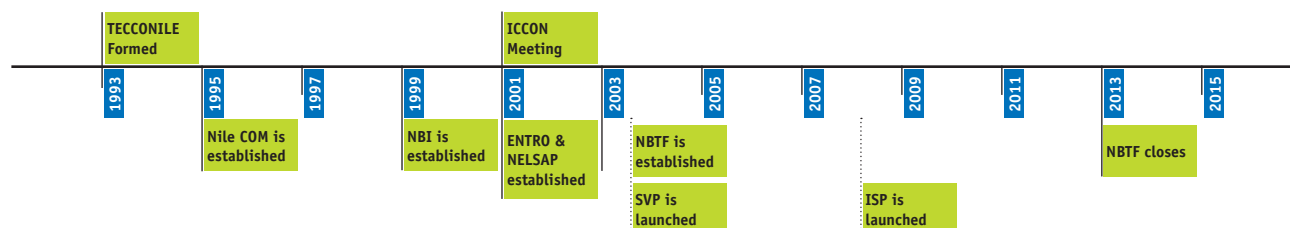
Water Resource Development

The NBI assists member countries to identify development opportunities and prepare projects and seek investments. Development programs are focused on power trade and generation, agriculture and watershed management.

Building Cooperation and Capacity

The NBI convenes the Nile Council of Ministers and provides a platform upon which the member countries can negotiate issues of water management and development. NBI also builds capacities of institutional and personnel for IWRM.

THE NBI: AN EVOLVING PROCESS



The importance of Nile cooperation

The Nile is one of the great rivers of the world, feeding millions and giving birth to entire civilizations. It is the world's longest river, traversing more than 6700 kilometers. Its basin includes ten African countries and extends for more than 3 million square kilometers.

More than 160 million people live within the basin and expect benefits from the management and utilisation of its shared water resources. Despite the basin's natural and environmental endowments and rich cultural history, its people face considerable challenges. Four of the ten countries that share the Nile are among the world's ten poorest countries and poverty is widespread with millions living on less than a dollar a day. Less than 10% of basin residents have access to electricity, increasing water scarcity, deteriorating water quality, uneven levels of economic development is a serious problem and many in the region are affected by the HIV/AIDS pandemic and malaria.

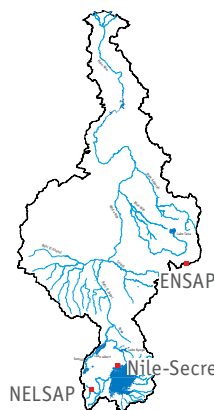
Despite these seemingly formidable obstacles, the Nile holds tremendous opportunities for growth being one of the least developed rivers in the world. Better management could bring a vast range of benefits including increased hydropower and food production, better access to water for domestic use, improved management of watersheds and reduced environmental degradation, reduced pollution and more control over damage from floods and droughts.

The NBI seeks cooperation for the benefit of all the Nile's peoples.

Cooperative Framework Agreement

As originally conceived, the NBI is a transitional institution designed to function in place of a river basin organization while the member states negotiate a more formal arrangement. As a technical organization the NBI itself is not directly involved in these political processes.

NBI Offices



Nile-Secretariat

Location: Entebbe, Uganda

The Nile Secretariat is responsible for the overall corporate direction as delegated by the Nile Council of Ministers. Its main function is water resource management.

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

Location: Kigali, Rwanda
Participating countries: Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania, Uganda

NELSAP-CU is responsible for water resource development in the Nile Equatorial Lakes sub-basin.

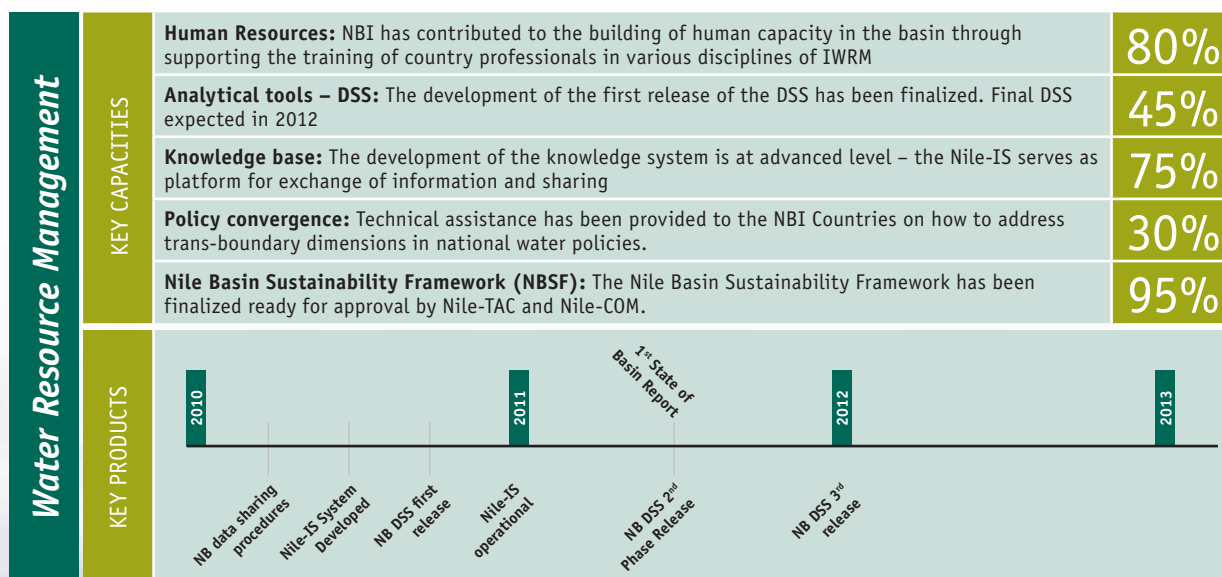
Eastern Nile Technical Regional Office (ENTRO)

Location: Addis Ababa, Ethiopia
Participating countries: Egypt, Ethiopia, Sudan

ENTRO is responsible for water resource development in the Eastern Nile sub-basin.

Dashboard

Achievements under each core function



Building Cooperation and Capacity

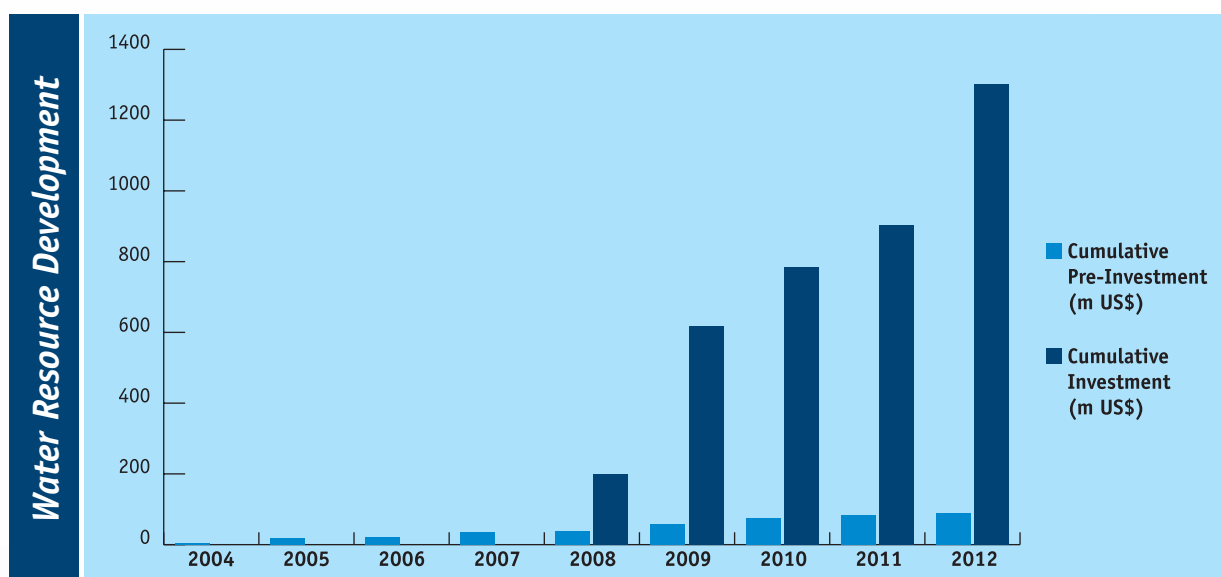
DATA SHARING

Countries of the Nile Basin agree on sharing water resource data across the basin
Data sharing and exchange has been one of the coveted and contentious matters among the Nile Basin states. Countries had no formal protocol for sharing and exchanging information. Subsequent projects did not also share data although they were working on one hydrological system. Under the NBI, the countries have agreed on the interim procedures adopted by Nile-COM in July 2009.

The communiqué/ declaration by the Ministers of Energy of Burundi, DR Congo, Kenya, Rwanda, and Uganda for regional interconnection project signed in November 2007.

Agreement on power sharing from the planned Rusumo Falls hydropower project between Burundi, Rwanda and Tanzania in March 2006.

The NBI seeks pre-investment financing to conduct preparation and feasibility studies and assists countries to leverage large-scale investment financing for water resource development projects. The NBI is currently leveraging investments at a 10-to-1 ratio."



Agreement to move ahead with the first regional comprehensive investment program on the Blue-Main Nile system (the Joint Multi-Purpose Program) by the Minister of Investment of Egypt on behalf of ENCOM in December 2008, and confirmation by Minister of Finance and Economic Development of Ethiopia in February 2009.

Memorandum of Understanding to increase engagement of civil society in NBI planning and development signed with the Nile Basin Discourse, representing civil society throughout the basin, in February 2010

Egypt and Ethiopia historic cooperation on developing the Blue Nile. Ministers of Finance of Egypt and Ethiopia signed historic letter sent to the World Bank President jointly requesting funds for investment projects.

The need for basin-wide water resource management

The Nile Basin is currently home to over 160 million people and it is expected that the population will double in the next 25 years, increasing the demand on water use. There is a serious deficit of electric power generation in Sub-Saharan Africa as noted in the recent Africa Infrastructure Country Diagnostic report of the World Bank. Hydroelectricity is a clean source of energy that will necessitate clear planning for the effective use of the river's potential. Agricultural demand on water is also increasing. Recently, the global food price crisis in 2008 resulted in greater investment and development in agriculture across the basin which when combined with the needs of a growing population results in a water resource base that is becoming ever more under stress.

Environmental degradation, such as soil erosion and water pollution, are growing problems throughout the region. Land degradation leads to loss of agricultural fertility affecting livelihoods of rural communities as well as increased sedimentation of reservoirs and canal systems. More and more of the Nile's waters are becoming unsafe for use and this deteriorating water quality is resulting in increased prevalence of water borne disease.

Compared to many other large transboundary river basins, the Nile Basin is a water scarce region. Most of the water is generated from less than one-third of the total geographic area. While water availability is already scarce it must be further noted that possible climate change impact may increase the variability of supply and possibly even reduce it.

National development activities in the Nile basin are often planned in isolation from other countries' plans risking sub-optimal use of resources, negative social and environmental impacts and delays in implementation resulting from clear measures and agreement on transboundary implications.

Given the finite availability of water and the increasing demand for it, the need for a coordinated development and management of the water resources of the basin has become a necessity rather than a choice. Coordination is required not only nationally between water dependent sectors such as agriculture and power but also among the countries that share these transboundary water resources.

Managing the water resources of the Nile is a major challenge

There are serious challenges to managing the Nile waters. The Nile is shared by nine countries, each having important but varying needs and demands upon the shared water resources. There are significant development needs across the basin and these often have impacts beyond the borders of any individual country.

Very little hydrological information and in particular time-series data has been shared by basin countries. Consequently, it is extremely difficult to accurately understand the behaviour of the river system. When studies are conducted on the system there has not been a platform through which technical experts from each basin country can access these publications or share analyses. Without this forum, it is very difficult for individual countries to obtain agreement from neighbouring countries that may be affected by the potential transboundary impacts.

The Nile basin suffers from a high variability of rainfall and resulting floods and droughts. There is a current lack of sufficient storage infrastructure that could help to alleviate these impacts.

Lack of common policy frameworks and even lack of transboundary water policies impact Nile countries' ability to effectively cooperate on development programs. There has never existed a basin-wide analytic system which countries could access to openly and transparently share information and aid the understanding of broader impacts. Furthermore, some basin countries have limited technical capacity and financial resources to adequately address the technical challenges.

Transboundary cooperation: a response to basin challenges

Each of the governments of the Nile riparian countries makes great efforts year by year to deal with the above development challenges through country programming. Each country targets to develop and utilize the common Nile water resources for agricultural food production, aquaculture production, drinking water supply, flood and drought management, hydropower generation, navigation, tourism, and as recipient of waste water, among other uses. Over time, it became apparent that a situation where each country acts unilaterally to meet its development objectives



was untenable and leads to sub-optimal water resources development, incompatible development agenda of riparian countries, inequitable sharing of benefits, and escalation of tension in the region. Therefore, cooperative action on the Nile was not only desirable, but the best way forward for sustainable management and development of the common Nile water resources. Cooperation on the Nile can increase the range and magnitude of direct benefits to riparian states, and serve as a catalyst for greater regional integration, both economic and political, with potential benefits far exceeding those derived from the river itself.

Establishing NBI's Knowledge-based IWRM function

Water resources development is vitally important for enabling the Nile riparian countries to meet their development objectives. However, water development interventions that are not founded on a sound understanding of the water resources potential, that do not involve stakeholders in decision making, and do not incorporate other best practices in water resources management, is unsustainable. The NBI has over the past eleven years been building a knowledge-based water resources management function to support its water resources development activities. The key elements of NBI's knowledge-based IWRM function are with respect to: (1) basin-wide water and water-related natural resources assessment, monitoring and reporting; (2) knowledge management; data and information exchange; (3) basin-wide planning and advisory service; (4) regional policy

development; (5) communication, awareness raising and stakeholder involvement; and (6) capacity building.

While the Nile Basin Initiative Secretariat in Entebbe (Nile-SEC) has the distinct role as promoter of the IWRM function, the establishment of the IWRM function has not been the effort of a single centre, but the outcome of the endeavors of the whole NBI comprising the governance (Nile-TAC and Nile-COM), the other secretariats (NELSAP-CU and ENTRO) and the programmes and projects of the NBI. The functions are discussed in greater detail below.

Basin-wide water resources monitoring, assessment and reporting

Over the years, many studies and assessments have taken place under the NBI. These include cooperative regional assessments, strategic sectoral/regional social and environmental assessments (SSEA), regional/sub-regional power master plan preparation studies, policy, legal and institutional framework assessments, sub-basin water resources/hydrological studies, sub-basin development plan preparations; stakeholder assessments; economic analyses; and program/project pre-feasibility, feasibility and design studies. The NBI is now in the process of preparing the first Nile State of Basin (SoB) report through which the enormous amount of information collected over the years will be compiled, analyzed, synthesized and used to provide a broad overview on the general health of the river basin.

The State of Basin (SoB) report is a planning tool produced every 3-5 years through which key information on the general health of the Nile River and Basin is collected, analyzed and disseminated. The report provides access to accurate, credible and timely information to help in raising awareness and increasing understanding and appreciation about the people, natural environment, communities and economic development of the Nile Basin; facilitating the understanding of complex issues and trends over time; identifying significant issues before they become critical; setting the stage, and stimulating discussion on issues affecting the basin that could triggering policy interventions in the riparian countries to address the identified issues; and celebrating areas of achievement. The NBI has completed the conceptual design of the State of Basin report and is moving to initiate the actual drafting of the first SoB report.

The NBI has also initiated the development of the Nile Basin Monitoring Strategy that will be used to design and operate an optimum monitoring network through which timely and reliable data needed to operate the Nile Decision Support System (Nile-DSS) and produce periodical publications of the State of Basin report will be collected. In the two sub-basins, work on identification and rehabilitation of strategic hydrometeorological networks that will form part of the optimum monitoring network and feed the Nile-DSS and SoB reports has started.

Data and knowledge management tools and basin-wide planning

The NBI is at various stages of developing and operating various state-of-art technical tools for organizing, storing, analysis, and disseminating data and information collected by the NBI programs and projects. These include computer-based databases (holding such information as discharge data for sub-basins and watersheds; GIS information, biodiversity inventories, stakeholder inventories; etc), interactive CDs and web-based inventories such as the Nile Information System (Nile-IS).

The Nile Information System (Nile-IS) is a web-based information repository that allows for easy storage, retrieval and exchange of information on the NBI and its programmatic activities. The system enables the sharing of information across NBI centres, and access of information by the NBI governance, country institutions, researchers and the general public.

The NBI, through the WRPM Project, is at advanced stages of

developing a computer-aided modeling suite commonly known as the Nile Decision Support System (Nile-DSS) to facilitate strategic basin-wide planning and knowledge-based policy and decision making on water resources management and development. The Nile-DSS is a computer-based knowledge system used to support scientifically-based rational decision-making on the Nile. The Nile-DSS, which will have a national hub within each riparian country, will provide a common platform for sharing knowledge, understanding the behaviour of the Nile river system, evaluating alternative water resources development scenarios and designing basin-wide water resources management strategies. A preliminary release of the Nile DSS was made in November 2010 and the complete suite is expected to be fully developed and operational in 2012. Under the SAPs, other modeling tools such as the Eastern Nile Planning model have been developed for detailed operational-level planning processes.

The NBI has developed interim guidelines for data and information exchange that has facilitated the sharing of country data and information for transboundary planning purposes.

Water policy development

The NBI has for a number of years been providing technical support to the Nile riparian countries in strengthening of national water policy frameworks. This support is in recognition of the fact that the bulk of interventions needed to achieve the Shared Vision have to take place at national level under the direction of national water policies. A key focus of NBI's support has been in strengthening the consideration of the transboundary dimension in national policy frameworks. Through this support and the convergence and commonality across the basin expected to result from individual countries embracing common best practice principles, it is expected that the design and implementation of transboundary water programs will become easier.

Over the years, the NBI has also produced many draft policies, strategies and guidelines. These policy products, which incorporate international best practices in integrated water resources management, have been used as initial building blocks for the Nile Basin Sustainability Framework (NBSF). The NBSF is a strategic planning tool that seeks to ensure that the relevant guiding policies and strategies needed to support NBI investment projects are available in a timely manner. While the NBSF at present is only applicable to NBI programs and projects, the development of these policy



instruments has the important function of preparing the NBI for a possible future role in setting regional policies and standards.

Key among the ongoing policy activities are the preparation of the NBI Environmental and Social Policy and Guidelines. These are needed to ensure that the preparation and implementation of NBI investment programs and projects incorporates best practices of environmental and social impact management and lead to sustainable development.

Communication, awareness raising and stakeholder involvement

Communication, awareness raising and stakeholder involvement are necessary for increasing the transparency of the decision-making process in NBI programmatic activities, in nurturing a sense of ownership amongst basin communities, and yielding better results with respect to equity and social inclusion.

The NBI has recruited professional communications staff, and is carrying out the above function by preparing and disseminating newsletters and annual reports, making press releases, strengthening partnerships and building capacity of

media houses for constructive reporting on the NBI, preparing and distribution promotional materials (like calendars, brochures, seasonal greeting cards, etc.), organizing Nile-Day celebrations, creating and operating steering mechanisms for NBI programmatic activities in which key stakeholders are represented, and engaging in dialogue with civil society through the Nile Basin Discourse.

Capacity Building

One of the factors hindering the development of the Nile Basin is the weak human and institutional capacity. To address this problem, the NBI since its inception has engaged in building human resources and strengthening institutional capacity across the basin. One of the projects under the Shared Vision Programme – the Applied Training Project – was dedicated to capacity building. At the time of closure in December 2009, the project had conducted appreciation courses for 88 policy makers; post graduate training for 15 PhD and 91 MSc students; 50 postgraduate diplomas, and short-term training on various IWRM themes for 1325 practitioners.

The efforts of the Applied Training Project were complemented by the other projects of the Shared Vision Programme. Notable among these was the Water Resources Planning and Management Project, which offered scholarships to 18 students (two from each NBI country) to undertake a masters course in hydro-informatics, and over 100 country professionals to undergo tailor-made training in project planning and management. The Confidence Building and Stakeholder Involvement Project built the capacity of the media fraternity and civil society organizations. Furthermore, the Nile Transboundary Environmental Action Program came in with a component on Environmental Education through which it sought raise environmental awareness amongst the youth and to improve the teaching of environment subjects in primary and secondary schools in the basin.

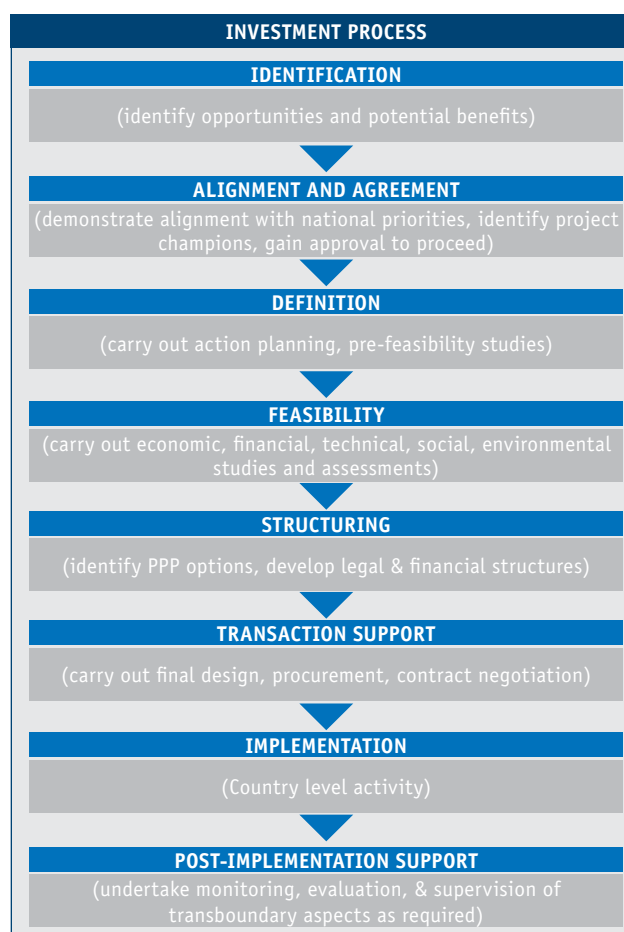
At the close of ATP, the Nile Basin Secretariat assumed the lead role on capacity building. Training for NBI and country professionals will be continued under the direction of the NBI Long Term Capacity Development Strategy and take the form of workshops, short regional courses, on-line courses, peer-to-peer learning, supervised practice, country exchange visits and study tours. Thematic areas to be addressed will include corporate management and leadership; general workplace skills; knowledge-based IWRM; water resources development; economics of natural resources management; and finance, procurement and office administration.

Our Work: Water Resource Development

The NBI is assisting its member countries to strengthen economic growth and to reduce poverty by identifying and preparing investment projects for the development of shared water resources. These projects have multi-country or transboundary implications, providing benefits to all the countries involved as well as sharing the costs. In addition to leading the preparation, the NBI facilitates agreements between countries for investment financing and for future management through the national agencies. The NBI is unique in this role.

The NBI creates investment opportunities that cannot be created by countries acting on their own. Working regionally helps countries to identify and benefit from efficiencies and economies of scale in pursuit of common national objectives. A primary example is tackling the power deficit in the region. Through projects to build power interconnectors, the NBI is working to join up markets and enable trade.

Our success to date is demonstrated by our ability to develop 'bankable' projects. These are projects which are able to attract investment financing due to the needs they address (such as electricity generation or flood mitigation), their professional design to international technical, social, and environmental standards, and their high economic and financial rates of return. To date, NBI has utilised preparation financing of US\$76 million to gain US\$784 million of investment financing, and this impressive 1:10 ratio is set to increase with a growing pipeline of projects.



NBI roles in promoting investments

PROJECT PREPARATION

We:

- Produce analytical work to identify development opportunities that would benefit from a regional approach, undertaking project preparation studies and facilitating multi-country dialogue
- Convene national stakeholders and development partners to agree on the preparation of projects and we manage detailed studies with the participation of national institutions
- Assess the costs and benefits of participation by countries in the proposed project, and facilitate agreements how to share these costs and benefits
- Mobilize donor/investor support and establish monitoring and reporting processes.

PROJECT IMPLEMENTATION

We:

- Provide technical assistance, know-how, and expertise in project supervision
- Gather data, share information on good practices, and organize training related to strengthening project implementation capacity among riparian countries
- Coordinate the harmonization (convergence) of procedures
- Monitor and report on progress and maintain relations with national implementing institutions and investment partners



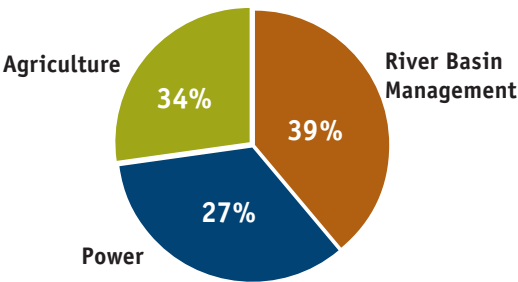
Our investment programme

Our investment programme is managed by two sub basin organisations, one in the eastern Nile region and one in the Nile Equatorial Lakes region. Together they have a portfolio of 8 projects ready for or under implementation with a value of US\$ 0.903 billion and over 13 projects under preparation with a potential investment cost of US\$7-11 billion. Realising these investments is not straight forward. Multi-country agreements are required and facilitation of financing, including grant, loan, and private finance. NBI is continuing to develop its capacity to mobilise resources, underpinned by the growing commitment to regional cooperation and integration of its member countries.

Our portfolio of projects can be categorised into three sectors; power, agriculture, and river basin management. This represents the priority needs of countries within the Nile Basin – for increased access to reliable and cheap electricity, for increased food security and productivity, and for increased protection and better management of the environment as a

basis for livelihoods of many of the Basins people. Within these three sectors, projects range in size and scope covering irrigation and drainage, watershed management, flood early warning and protection, fisheries, power interconnectors and power generation. A graphical representation showing a split of the pre-investment financing per sector is shown in the figure below.

Split of the Pre-Investment Financing Per Sector





The human population in the Nile Basin countries is high and increasing rapidly. This exerts heavy pressure on the energy needs for domestic and industrial activities. Most energy needs at community level is obtained from biomass resources, mainly fire wood and charcoal. This inefficient exploitation of biomass energy has resulted in rapid deforestation and environmental degradation of water towers leading to reduced water flows in hydropower reservoirs.

The NBI region has a rich mix of energy resource potential ranging from, coal, hydrocarbon, wind, geothermal, solar, etc, but the primary resource at regional level is hydropower of which less than 3% of the estimated 145GW concentrated in DRC and Ethiopia is exploited to date. This low level of exploitation corresponds to an equally low level of access to modern energy averaging less than 20% among NBI member countries. Despite the high cost of electricity the power/energy demand growth in the NBI region has been steady averaging between 6.5-8% annually – thus doubling the required generation capacity every 10 years.

The presence of vast hydropower potential, unevenly distributed amongst the member countries, and a rapidly growing demand presents perfect opportunities for investors in power infrastructure development and for cross-border trade in electricity; but these opportunities can only be realized through integration of the member power utilities into a regional power network. The resulting benefits and system operational saving of grid integration are easily demonstrable. These benefits result from displacement of expensive thermal energy, access to cheap renewable generation of zero carbon emission, improvement in energy security and adequacy, improved technical and economic efficiency from implementing large units – economies of scale, etc.

With strong support from development partners, the NBI has been on the forefront of the power development efforts in the region. In fact, the NBI through her projects and programs is the first regional institution to attempt, and succeed in facilitating the preparation and development of large trans-

boundary capital intensive infrastructure projects involving multiple countries.

The Regional Power Trade Project commenced a Comprehensive Basinwide Study of Power Development Options and trade opportunities in March 2010. This is the first attempt in the region to assess options for development of major regional generation and transmission projects and develop a portfolio of bankable projects that evaluates and ranks hydropower potential in a portfolio of other generation resources. Although the study is the responsibility of the NBI RPTP, its supervision team is drawn from a cross section of power and non-power experts and stakeholders.

The NBI is fully aware that power infrastructure development and establishment of a competitive electricity market are central to sustainable socioeconomic development of the Nile riparians and the transformation of the region into a vibrant economy. But the NBI also recognized that this is only achievable through cooperation and collaboration with other power development efforts in the region such as the EAPP, EAC and EGL, and of course with technical and financial support from the development partners. The role of the NBI and these power development initiatives, especially with the EAPP is very clear: The NBI promotes regional capacity building, projects identification, preparation and resource mobilization, the members countries oversees the implementation of projects in their territories, and the EAPP establishes and operationalized the power trade platform. Joint effort from all concerned parties is vital for the regional power trade development and a thriving competitive electricity market.

FIRST EASTERN NILE JOINT MULTIPURPOSE PROGRAM

Planned Investment
US\$ 4 – 6 Billion

Beneficiary countries




The First Joint Multipurpose Program is one of the major undertakings of the Eastern Nile Subsidiary Action Program (ENSAP) under the Nile Basin Initiative (NBI). The project objective is to assist the three Eastern Nile countries in identification of the JMP1 investment package, through a series of studies and consultative activities that take into account economic, social and environmental sustainability issues in an integrated manner. By the end of the JMP1 Identification project, ENCOM will be in a position to commission detailed preparation for the selected JMP1 investments, as appropriate. At that time and under separate funding, preparation would include full feasibility studies and designs for the selected projects, along with detailed environmental and social assessments, financing studies, implementation planning, etc.

Multi-Sector	Power, Water Resource and Environment, Agriculture,
Project Status	The project is being studied at identification level financed from the NBTF with an amount of US\$ 7 million.
Source of finance	NA - During this identification phase different financing mechanisms and investment options will be assessed.
Expected benefits	Properly managed watershed, low-cost hydropower, irrigation enhancement, flood and drought management, water saving and Poverty reduction through integrated water resource management.
NBI Specific Role	In pre-investment, NBI is undertaking identification study and preparation work for implementation of the project. The role of NBI during implementation phase will be assessed during the institutional and legal frame work study of the program.

REGIONAL TRANSMISSION INTERCONNECTION PROJECT

Planned Investment
US\$ 356 Million

Beneficiary countries




The project aims at creation of a regional power market amongst the NELSAP Countries through development of the regional power infrastructure and establishment of rules & mechanisms for power exchange.

Project Status	Project preparation was financed by the AfDB (US\$ 3 m) US\$ 305 million mobilised to date. Negotiations are ongoing between KfW and the Netherlands to close the financing gap (US\$ 51m) Implementation of the project has commenced and will take 5 years (2010-2014)
Source of finance	AfDB (US\$ 195.5 m, JICA (US\$ 55m), KfW (US\$ 54.5m)
Expected Benefits	Reduction of transmission losses, industrial growth, revenue gains and economic growth
NBI Specific Role	NBI undertook the pre investment studies. Implementation is undertaken Nationally with regional supervision.

REGIONAL RUSUMO HYDROPOWER & MP PROJECT

Planned Investment
US\$ 350 Million

Beneficiary countries




The objective is “productive multi-purpose use of water and energy resources with investment in sustainable livelihoods in the project area.”

Project Status	Feasibility studies for the generation plant and transmission lines are ongoing until March 2011.
Source of finance	African Development Bank (US\$ 4.2 m, World Bank (US\$ 7.4m)
Expected benefits	The RRFP will generate an estimated 60 – 80 MW to be shared between the three partner countries of Burundi, Tanzania and Rwanda. Other benefits includes rural infrastructure goods etc. in the project area
NBI Specific Role	NBI is undertaking project definition, feasibility studies , transaction advise as well as resource mobilisation for investment

ETHIOPIA-SUDAN TRANSMISSION INTERCONNECTION

Planned Investment
□55.8 Million

Beneficiary countries


The main objective of the Project is to increase reliability of supply in the two countries by taking advantage of the hydro-thermal complementarities and the variability of the peak demand in the two systems. The Project included two Components:

- Technical Feasibility study for the Ethiopia/Sudan Transmission Interconnection. Financed and managed by the power utilities of Ethiopia (EEPCO) and Sudan (NEC), required foreign cost was 290,582 Euro, paid half equally by EEPCO and NEC.
- Environmental and Social Impact assessment, financed by the World Bank PHRD grant amounts 197,720 US\$ + 212,600 Australian Dollars.

Project Status	Under implementation
Source of finance	□55.8 The Ethiopian Part through soft loan from the WB and Sudan part through its own resources. Transmission interconnection from the town of Bahir Dar in Ethiopia to the town of Gedaref in Sudan.
Expected Benefits	Reduction of transmission losses, industrial growth, revenue gains and economic growth
NBI Specific Role	Monitor the fulfilment of Environmental Management Plan and the Resettlement Action Plan for the Project during the implementation.

KENYA TANZANIA INTERCONNECTION PROJECT

Planned Investment
US\$ 240 Million

Beneficiary countries


Advancing Project preparation of the Transmission line from Nairobi (Kenya) to Tanzania (Arusha-Singida)

Project Status	Feasibility studies to commence in November 2010 and end in November 2011
Source of finance	Norway financing US\$ 3.8 million in feasibility studies
Expected Benefits	Reduction of transmission losses, industrial growth, revenue gains and economic growth
NBI Specific Role	NBI is undertaking project feasibility studies as well as resource mobilisation for investment

NEL WATER RESOURCES DEVELOPMENT PROJECT

Planned Investment
US\$ 1 Million

Beneficiary countries


Advancing of the preparation of consultative and cooperative Multi National Projects

Project Status	Procurement of Consultants to undertake identification studies in 5 basins (Yala, Gucha, Kyoga, Albert-George-Edward and Aswa basins ongoing) as well studies for preparation of a Multi Sectoral Investment Opportunity Analysis.
Source of finance	NBTF
Expected Benefits	Water related investments (regional or national with regional significance) that promotes sustainable economic growth for the region.
NBI Specific Role	NBI is undertaking project definition, institutional development, feasibility studies , transaction advise as well as resource mobilisation for investment



Agriculture plays a significant role in economic development of the Nile Basin countries and accounts for about one quarter of the Gross Domestic Product (GDP). The agricultural sector absorbs 30-92% of the labour force, reflecting the wide variation in the importance of agriculture in the region.

Under the Comprehensive Africa Agricultural Development Program (CAADP), African countries are seeking to increase agricultural growth rates to an average of 6 percent per year. Four areas of support are emphasized of which one, land and water management, will affect the demand for water directly by increasing investment in irrigated agriculture.

Others activities will stimulate water demand through expansion of commercially oriented crop and livestock products that use water as an input. It is important for the Basin manager to anticipate these new water uses and weigh them against competing uses across the Basin. Conversely, agricultural investments of individual riparians need to take account of the increasing opportunity cost of Basin water as early as the appraisal stage, and such costs need to be monitored and regularly updated. Without such an accounting, country investments are likely to employ inefficient technologies, and riparian projects may not be economically viable in the long run.

The NBI has made some progress on promoting agricultural development. Its Efficient Water Use for Agricultural Productivity Project (EWUAP), closed in June 2009, collected the best practices in water harvesting, small-scale and large-scale irrigation in the Nile Basin countries with the objectives of improving water use efficiency and cross-country learning. The FAO Nile project, also closed in June 2009, began to collect baseline data of irrigated and rain-fed agriculture and promoted the comprehensive approach to the irrigation development in the region.

As a result of these SVP and SAP projects, agriculture

revealed its prominence in becoming an integral part of the NBI activities.

While NBI recognizes the importance of Agriculture in the development of the Basin and in the management of water resource of the Nile, NBI needs to redefine its strategic role in Agricultural development of the Basin and to integrate Agriculture into NBI planning and decision support framework. Basic information on agricultural sector, both irrigated and rain-fed, at the basin level still needs to be collected for strategic choices and investment decisions. This lack of information does not permit properly representing the agriculture sector in the Nile Basin Decision Support System (DSS). As a result, the estimates of cumulative impact of irrigation investments on water resources at the basin level, impact of climate change on agricultural production and water use in productive agriculture, as well as evaluations of the impact of water costs on the economic viability of emerging investments in the basin are not possible.

The Regional Agricultural trade and Productivity Project (RATP) will contribute to the realization of the NBI vision of sustainable, mutually beneficial development. Increasing agricultural productivity through a better management of water resources is a critical precondition to induce pro-poor growth, preserve natural resources in the basin, and thus provide wide benefits from the common and shared water resources. As the NBI institutions progressively acquire knowledge and capability, they will be ready to operationalize integrated water resource management, and so optimize investment and water use for the riparian population, particularly the poor.

EASTERN NILE IRRIGATION AND DRAINAGE DEVELOPMENT PROJECT

Planned Investment
US\$ 178 Million

Beneficiary countries


The immediate objective is to support the development and expansion of irrigated agriculture as well as to improve the productivity of small- and large-scale agriculture through improved agricultural water use. Within the pre-investment stage the following has to be achieved:

- 15,000 ha equally divided between Ethiopia and Sudan have been identified and studied up to feasibility level. The Feasibility studies involved advanced investigations including determination of basic engineering design.
- A pilot study on the existing irrigation projects in Ethiopia and Sudan has been conducted. The study covered three small scale irrigation schemes of Ethiopia and Rahad irrigation scheme in Sudan. The study greatly helps to alleviate the existing crucial water shortage in the EN sub basin and to adopt the adverse effects of climate change.

Project Status	The studies (USD 2.8 million) on the irrigation expansion and on the improving the water use efficiency and productivity have been finalised and approved by the Eastern Nile countries.
Source of finance	NA
Expected benefits	The project will contribute to food security, reduce rural poverty and reduce population pressures in the region, with associated beneficial effects on the environment.
NBI Specific Role	In pre-investment, NBI undertook all the studies including the Cooperative regional assessment. NBI will also support seeking financing for the implementation ready investment projects. Implementation will be done Nationally with regional supervision.

LAKES EDWARD & ALBERT FISHERIES AND WATER RESOURCES PROJECT

Planned Investment
US\$ 170 Million

Beneficiary countries




The project objectives are to sustainably develop, managed and utilize the LEA basin water and fisheries resources.

Lake Edward as seen from the Virunga National Park in the DR Congo.

Project Status	Pilot phase 2005-2009) financed by AfDB of US\$ 2.4 million. AfDB will contribute US\$ 40 million (AU 25 million), towards implementation (2011-2015)
Source of finance	African Development Fund
Expected benefits	Poverty reduction through improved environmental management and sustainable management of natural resources. In addition, the project will also contribute to job creation for local communities
NBI Specific Role	In pre-investment, NBI undertook diagnostic work and preparation of the Integrated Management plan. NBI is the executing Agency for the Project. Implementation will be done Nationally with regional supervision

Agriculture

FLOOD PREPAREDNESS AND EARLY WARNING - FPEW I

Planned Investment
US\$ 40 Million

Beneficiary countries


The goal of FPEW project is to reduce human suffering and damages from, and capture the benefits of, flooding in the Eastern Nile Region. The specific objective of FPEW I project is to establish a regional institutional basis and to strengthen the existing capacities of the EN countries in flood forecasting, mitigation and management, promoting regional cooperation as well as to enhance the readiness of the EN countries to subsequent implementation of the subsequent phases of FPEW projects.

FPEW I, which is the pilot phase of FPEW implemented by ENTRO (June 2007 – December 2010), is financed by EU through NBTF (USD 3.48 million), World Bank from NBTF (USD 0.49 million) and in kind contribution of the governments of Egypt, Ethiopia and Sudan (USD 0.6 million).

Sub-sector	Water Resources, Social and Environment
Project Status	FPEW I implementation is at the final stage. The Ethiopia component of FPEW II is financed through loan from IDA, the World Bank, and is under implementation at the national level. Egypt, Sudan and Regional components of FPEW II are planned to be implemented during a 5 year period as soon as funds is made available.
Source of finance	NBTF and other Financiers will be identified.
Expected benefits	Reduced loss of life and property damage from extreme flooding events.
NBI Specific Role	NBI carried out project identification studies, social base line surveys, and prepared project implementation plan for FPEW. FPEW I is being implemented by the NBI. During the next phase of the project, FPEW II, The NBI through ENTRO will play regional coordination role and provide technical back stopping to the EN countries.

REGIONAL AGRICULTURAL TRADE PROJECT

Planned Investment
US\$ 7.78 Million

Beneficiary countries


The project objective is to increase knowledge of Basin agriculture in NBI institutions, to promote more efficient and sustainable use of water resources and economically viable investment in agriculture.

Project Status	A project definition phase was completed in 2009. A follow up phase is under implementation focusing on definition of an agriculture agenda. Improving knowledge based management of agriculture and promoting regional agricultural trade.
Source of finance	World Bank (CIDA), US\$ 7.78 million
Expected benefits	Direct economic benefits will result from clearly determined functions of the NBI vis-à-vis riparians in identifying and preparing agricultural investments and also more strategic investments in efficient use of water for agricultural production at the basin level based, and hence greater economic growth. Environmental benefits stem from more sustainable environmental systems. Political benefits include increased sharing of information and diminished tensions, and the consequent peaceful environment within which economies are more likely to thrive.
NBI Specific Role	NBI is undertaking project definition and a number of diagnostic and strategic studies.



The Nile Basin water situation is one of extreme hydrological variability (floods and droughts), varying water quality, low water infrastructure and shared waters. Given the downstream - upstream interactions.

The fact that each of the sub basins has a high percentage of total flow originating outside their boundaries, reversing the basin's environmental degradation and utilisation of the shared water resources calls for concrete actions that improve the yield and quality of the water through integrated river basin management. Joint action generates 'public goods' and reduces costs of extreme water events associated with climate variability and change such as floods and droughts.

The NBI champions visioning and trust building, ensures that essential information is managed and disseminated to stakeholders to support transparent decision-making and consensus building at a basin scale, supports riparian countries in developing multi national basin strategic plans, supports transboundary water governance (through a basin sustainability framework); capacity development and contributes towards generation of "public goods" through cooperative action in addressing watershed degradation; averting floods and drought control.

River Basin Management

KAGERA RIVER BASIN MANAGEMENT PROJECT

Planned Investment
US\$ 2.1 Billion

Beneficiary countries




The project seeks to establish a sustainable framework for the joint management and development, prepare investment plans based on the resources endowments in the basin, and undertake feasibility studies of promising investment projects.

Section of the river Nyabarongo, one of the tributaries of the Kagera River, where Multipurpose Storage Development is envisaged

Project Status	Institutional studies concluded, monographs and investment strategies developed, feasibility studies for integrated water watershed management projects and multipurpose reservoirs storage sites as well as resource mobilisation for investments ongoing.
Source of finance	Sweden, Norway, European Commission, NBTf
Expected benefits	Poverty reduction, food security, environmental conservation
NBI Specific Role	NBI is undertaking project definition, institutional development, feasibility studies , transaction advise as well as resource mobilisation for investment.

EASTERN NILE INTEGRATED WATERSHED MANAGEMENT

Planned Investment
US\$ 324.2 Million

Beneficiary countries


The project is intended to arrest natural resources degradation and promote sustainable livelihoods among the communities within the hot spot watersheds by employing various development interventions. Another critical impact anticipated from the investment projects would be contribution to the reduction of sedimentation of downstream facilities, as well as to contribute to sustainability of any future multi-purpose investments.

Project Status	Currently work on delineating the land degradation hotspot areas into micro-watersheds and prioritizing based on agreed criteria is ongoing. Preparation of the micro-watersheds in to implementation ready investment projects will require US\$ 4.2 million and US\$ 320 million will be required for implementation of first round of investment projects.
Source of finance	NA
Expected benefits	Poverty reduction through improved and sustainable management of natural resources. The benefits will accrue as a result of arresting the degradation of the natural resource base, enhance agricultural productivity, and provision of social services and thereby raise households out of grinding poverty and reduce their vulnerability to external and internal shocks, thus contributing incalculably to the overall ENSAP goal of poverty reduction and sustainable utilization of the natural resource base.
NBI Specific Role	In pre-investment, NBI undertook diagnostic work and identified land degradation hot spots with in the Eastern Nile basin. NBI is currently delineating the hotspots into micro-watersheds and prioritizing based on agreed criteria. NBI will also seek financing for the preparation of implementation investment projects. Implementation will be done Nationally with regional supervision.

SIO-MALABA MALAKISI RIVER BASIN MANAGEMENT PROJECT

Planned Investment
US \$ 250 Million

Beneficiary countries




The project seeks to establish a sustainable framework for the joint management and development, prepare investment plans based on the resources endowments in the basin, and undertake feasibility studies of promising investment projects.

River Sio-downstream of a proposed dam site for Multipurpose storage development

Project Status	Institutional studies concluded, monographs and investment strategies developed, feasibility studies for integrated water watershed management projects and multipurpose reservoirs storage sites as well as resource mobilisation for investments ongoing.
Source of finance	Sweden, Norway, European Commission, NBTF
Expected benefits	Poverty reduction, food security, restoration of watersheds.
NBI Specific Role	NBI is undertaking project definition, institutional development, feasibility studies , transaction advise as well as resource mobilisation for investment.

MARA RIVER BASIN MANAGEMENT PROJECT

Planned Investment
US\$ 200 Million

Beneficiary countries




The project seeks to establish a sustainable framework for the joint management and development, prepare investment plans based on the resources endowments in the basin, and undertake feasibility studies of promising investment projects.

Section of a degraded part of the Mau Forest. The Mau Forest is one of Kenya's water towers and source of flow for the transboundary Mara river system

Project Status	Institutional studies concluded, monographs and investment strategies developed, feasibility studies for integrated water watershed management projects and multipurpose reservoirs storage sites as well as resource mobilisation for investments ongoing.
Source of finance	Sweden, Norway, European Commission, NBTF
Expected benefits	Poverty reduction, food security, restoration of watersheds
NBI Specific Role	NBI is undertaking project definition, feasibility studies , transaction advise as well as resource mobilisation for investment

River Basin Management

INTEGRATED WATERSHED MANAGEMENT

Planned Investment
US \$ 51.5 Million

Beneficiary countries




The project aims to undertake critical investments to Improve the livelihoods of rural households living in upper catchments of Ribb, Gumera and Jema Watersheds through enhanced productivity and promotion of sustainable land use practices. The project is to be implemented over a five year period and is organised around the basic themes of sustainable livelihood and natural resources development supported by a complimentary capacity building and project management component.

Project Status	The required finance which amounts to USD 51.5 million is secured and project implementation started in January 2009 with the establishment of project coordination offices. The implementation period of the project is five years.
Source of finance	WB/IDA (35.5 million USD), GoFin (7million USD); GoEth (9 million USD)
Expected benefits	The project is expected to result in increase in the area of agricultural landscape under sustainable land and water management practices and consequent increase in the yields of dominant crops and livestock. This will contribute to poverty reduction through improved and sustainable management of natural resources. The benefits will accrue as a result of arresting the degradation of the natural resource base, enhance agricultural productivity, and provision of social services and thereby raise households out of grinding poverty and reduce their vulnerability to external and internal shocks.
NBI Specific Role	In pre-investment, NBI undertook pre-investment studies and facilitated resource mobilisation for project implementation. Our present role is supporting capacity building through organizing training, experience exchange visits and undertaking implementation supervision.

BUGESERA TRANSBOUNDARY WATER MANAGEMENT PROJECT

Planned Investment
US\$ 50 Million

Beneficiary countries




The objective is to develop an integrated management plan and investment project for the transboundary Lakes Rweru and Cyohoha, & Akanyaru Marshlands.

Lake Rweru, one of the Lakes for which an Integrated Lakes Management Plan and Investment Program is being developed.

Project Status	Euro 770,000 was obtained from the AWF for pre-investment work. Investments are expected to commence in 2012. AfDB has earmarked US \$50 million for investment
Source of finance	African Development Bank (AWF)
Expected benefits	The project will help to increase population's income and improve food security through sustainable TWM and development of the lakes Rweru, Cyohoha and Akanyaru marshland.
NBI Specific Role	NBI is undertaking project feasibility studies , as well as resource mobilisation for investment.

COMMUNITY WATERSHED MANAGEMENT

Planned Investment
US\$ 30.5 Million

Beneficiary countries


The objective of this project is to promote wider adoption of sustainable land and water management practices and technologies to reduce land degradation, and increase agricultural productivity. The project is being implemented in the Atbara, Bau (or Ingessana), Dinder, and Lau sub-watersheds in Sudan. The population of these areas comprises mainly small-scale farmers and pastoralists.

Project Status	The required finance which amounts to USD 30.5 million is secured and project implementation started in January 2010 with the establishment of project coordination office at national and locality level. The implementation period of the project is five years.
Source of finance	WB/GEF (4 million USD), GoFin (13 million USD); GONU, Sudan (13.5 million USD)
Expected benefits	The project is expected to result in increase in the area of agricultural landscape under sustainable land and water management practices and consequent increase in the yields of dominant crops and livestock. This will contribute to poverty reduction through improved and sustainable management of natural resources. The benefits will accrue as a result of arresting the degradation of the natural resource base, enhance agricultural productivity, and provision of social services and thereby raise households out of grinding poverty and reduce their vulnerability to external and internal shocks.
NBI Specific Role	In pre-investment, NBI undertook pre-investment studies and facilitated resource mobilisation for project implementation. NBI's main role is supporting capacity building through organizing training, experience exchange visits and undertaking implementation supervision.

LAKE NASSER/NUBIA MANAGEMENT FRAMEWORK

Planned Investment
US \$ 17 Million

Beneficiary countries


The overall aim of the LNNMF is to ensure that development around the lake is planned and implemented in an integrated, environmentally and socially sustainable and cooperative manner. The LNNMF project intends at the creation of a regionally agreed Lake Management Framework and Strategic Priority Actions and at building the grounds for its implementation. It is expected that it will provide the overall framework for integrated Lake Nasser/Nubia basin management to guide development within the lake basin in order to ensure sustainable and integrated development without endangering the lake basin ecosystems.

Project Status	The total project cost is estimated at USD 17 million. Currently a total amount of USD 3.1 million (WB/GEF USD 2.7 million and GOE USD 0.6 million) is secured to undertake environmental quality monitoring and development of management guideline.
Source of finance	WB/GEF (USD 2.7 million) and GoEgt (USD 0.6 million)
Expected benefits	The desired outcome is significantly enhanced knowledge flow from cross cutting institutions at national and regional levels. This knowledge base would be the key tool to alleviate poverty and enhance development intervention and environmental security through management improvements. Expected project results will be data base to facilitate access to high quality data, knowledge-exchange that ensure input from and access for all key stakeholders, accessible information on high potential interventions and their impacts, and accepted strategies for promoting knowledge to application
NBI Specific Role	The NBI undertook pre-investment studies and a detailed project and facilitated resource mobilisation for project implementation. Our present role is supporting capacity building through organizing training, experience exchange visits and undertaking implementation supervision.

Overview

Nile Basin Initiative Investment Projects

I. INVESTMENT PROJECTS UNDER IMPLEMENTATION			
Project Title	Estimated Total Cost (Million US\$)	Secured Financing	Source(s) of Secured Financing
A. NBI Project Portfolio			
Egypt Irrigation & Drainage (West Delta) (agreed regionally, prepared and implemented nationally)	213	213	IBRD, Ethiopia
Ethiopia Irrigation & Drainage (agreed regionally, prepared and implemented nationally)	110	110	IDA, Ethiopia
Ethiopia-Sudan Interconnection (agreed regionally, prepared and implemented nationally with technical assistance from NBI)	70	70	IDA, Sudan, Ethiopia
EN Flood Preparedness and Early Warning-Phase 1 (agreed and prepared regionally, implemented regionally and nationally)	4	4	NBTF, EN countries
NEL Regional Transmission Interconnection Projects (agreed regionally, prepared regionally and nationally, implemented nationally) <ul style="list-style-type: none"> • Kenya-Uganda transmission line • Burundi-Rwanda transmission line • Burundi-DRC-Rwanda transmission line • Uganda-Rwanda transmission line 	360	305	AfDB, JICA, KFW, Netherlands
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
Lakes Edward and Albert Fisheries Project (Uganda-DRC)	170	40	AfDB
TOTAL	979	777	
B. Selected NBI Facilitated Projects			
Ethiopia Tana-Beles Integrated Water Resources Development (including Ethiopia Watershed Management) (implemented nationally, with some preparation by ENTRO)	70	70	IDA, Finland, Ethiopia, Communities
Lake Victoria Environmental Management Project - Phase 2 (prepared by NELSAP)	140	140	IDA, GEF, Sweden
TOTAL	210	210	

II. INVESTMENT PROJECTS UNDER PREPARATION			
Project Title	Estimated Total Cost (Million US\$)	Secured Financing	Source(s) of Secured Financing
A. NBI Project Portfolio			
Bugesera Integrated Water and Irrigation Project (Rwanda-Burundi)	50		AfDB African Water Facility
EN Flood Preparedness and Early Warning - Phase 2	42		IDA/Grant
Regional Rusumo Falls Hydro-electric and Multipurpose Project (RRFP) (Tanzania, Rwanda, Burundi)	350	70	IDA
B. Selected NBI Facilitated Projects Eastern Africa Power Market investments	1,800		AfDB, EIB, bilateral donors

III. TECHNICAL ASSISTANCE AND PRE-INVESTMENT ACTIVITIES TO IDENTIFY PROJECTS FOR POSSIBLE FUTURE PREPARATION AND FINANCING

Advancing the NEL Water Resources Development Project (TA) - Identification and preparation of pre-investment projects for water resources development and management with regional significance.

Baro-Akobo Multipurpose Project (Ethiopia, Sudan); USD 3.5 million from AWF and NEPAD

EN Joint Multipurpose Program Identification Technical Assistance Project (TA) - (Egypt, Ethiopia, Sudan). \$7 million NBTF financing secured.

Investments emerging from **EN Planning Model and Cooperative Regional Assessments** in watershed management, irrigation and drainage, and power trade; USD 6.5 million from NBTF.

Kagera River Basin Management and Development (Burundi, Rwanda, Tanzania, Uganda)

Kenya-Tanzania Interconnection feasibility studies; USD 3.4 million, from Norway

Mara River Basin Management and Development (Tanzania, Kenya)

NEL Regional Power Trade Project (TA) – supplemental support for projects related to Eastern Africa Power Market APL (e.g., Kenya-Uganda, Uganda-DRC lines; ESIA's; feasibility studies; Power Purchase Agreements, coordination Kenya-Tanzania line)

NEL Climate Adaptation Project (TA) ; €400,000 from KfW

Bugesera trans-boundary Water Management Project ; €770,000 from the Africa Water Facility.

Regional Trade and Agriculture Productivity Project; USD 7.7 million, from NBTF

Sio-Malaba-Malakisi River Basin Mgmt & Development (Kenya, Uganda)

Sudan Irrigation and Drainage (Upper Atbara, Sudan)



Recognizing that cooperative development holds the greatest prospects of bringing mutual benefits to the region, all riparians joined in a dialogue to create a regional partnership to facilitate the common pursuit of sustainable development and management of Nile waters. A transitional mechanism was officially launched in February 1999 in Dar es Salaam, Tanzania by the Nile Council of Ministers in charge of Water Affairs. In May 1999, the overall process was officially named the Nile Basin Initiative (NBI).

The Nile Basin Initiative works to foster cooperation in water resources of the Nile Basin through effective set of basin-wide activities and projects. These projects, which were targeted as catalysts for broader socio-economic development, address the major water-related sectors and cross-cutting themes deemed critical by the Nile riparians to ensure an integrated and comprehensive approach to water development and management.

In 2003, the Nile-COM agreed that a shared vision could be legitimized by action on the ground, action that could benefit the peoples of the Nile Basin. The main activities proposed in the Basin as a strategic action program included the Shared Vision Program (SVP), and the Subsidiary Action Program (SAPs). It should be noted that, the Shared Vision Program and the Subsidiary Action Program are two complementary programs supporting each other.

On one hand, the Shared Vision Program was the foundation building; while the Subsidiary Action Program takes care of investment. The Shared Vision Program provided the first basin-wide forum in the Nile Basin for collaborative action on a range of water-related areas. Significant work has been carried out in strengthening the ability of both people and institutions within the basin in different water-related areas; broadening networks of stakeholders, as well as promoting stakeholder involvement, basin-wide dialogue and information exchange on issues of common concern and transboundary significance.

The different Shared Vision Projects have generated a wealth of knowledge products, best practices, practical tools, strategic and analytical frameworks as well as policies and guidelines that promote an integrated and comprehensive approach to water and related resources management and development. All these serve as building blocks for the future permanent River Nile Basin Organization following the conclusion of negotiations on the Cooperative Framework Agreement.

On the other hand, the Subsidiary Action Program made remarkable progress in establishing a regional institution, building capacity for basin-wide water management and launching a significant investment portfolio to support water development.

The implementation of the Shared Vision Program and the Subsidiary Action Program has laid a foundation for a regional cooperation among the Nile countries throughout the Nile Basin Initiative with support of Development Partners. The cooperation has created a climate of confidence within which an inclusive mechanism for working together has been established.

The River Nile, its natural resources and environment are assets of immense value to all the riparian countries and long-lasting cooperation among the nine countries will continue to promote integrated management, sustainable development and equitable utilization of the water resources, for the benefit of present and future generation.

Summary of SVP Achievements

Projects	Key Outputs
Applied Training Project (ATP): [2004 – 2009]	<ul style="list-style-type: none"> 15 PhDs, 91 MSc holders. Professionals working in NBI countries, as well as 50 postgraduates from tertiary institutions in the basin have been produced under the PGD fellowship. This has strengthened country capacities in selected subject areas of integrated water resources planning and management. Strengthened the capacity of 106 graduates in applied research, and in general Integrated Water Resources Management (IWRM). Four (4) learning institutions were equipped with virtual / distance learning facility. This has strengthened centers with the capacity to develop and deliver training programs in Integrated Water Resources Management (IWRM). Developed IWRM curriculum in selected universities in the Basin. IWRM University Curriculum adopted in Rwanda & Burundi & Environment Education School Curriculum adopted in Burundi. Supported the development of the Nile Basin Universities Forum
Confidence Building and Stakeholder Involvement (CBSI) [2004 – 2009]	<ul style="list-style-type: none"> Over 11,000 influential stakeholder individuals engaged in NBI dialogue through 9 cross-cutting regional fora and networks such as the Nile Media Network, Lawyers Forum, Women of the Nile, Nile Basin Parliamentarians Forum, thus facilitating stakeholder Raised public awareness of and interest in NBI through publishing and dissemination of information products. Launched annual Nile Day celebrations (22 February) across the basin, since 2007. Contributed to building partnerships and also co-organized public events with like-minded regional organizations such as the Nile Basin Discourse, Lake Victoria Basin Commission, Lake Victoria Regional Local Authorities Cooperation, East African Sustainability Watch Network, UN Habitat.
Efficient Water Use for Agricultural Productivity (EWUAP) [2005 – 2009]	<ul style="list-style-type: none"> Nile Basin citizens, both farmers and professionals were trained in water harvesting, water management and irrigated agriculture at regional and national levels. Produced several documents and reports including: Best practices and best practice sites in water harvesting and community based irrigation in each NBI member country, best practices in water harvesting as well as guidelines for implementation, large scale irrigation practices, Agricultural water in the Nile Basin-An overview
Nile Trans-boundary Environmental Action Project (NTEAP) [2003 – 2009]	<ul style="list-style-type: none"> A total of 234 Community Based Micro grant Projects financed ranging from new terracing techniques tree planting, and making products from the invasive water hyacinth, among others. Capacities of over 320 professionals (from NGOs, CBOs and Government) in addressing environmental threats strengthened. Harmonized water quality monitoring system involving 44 geo-referenced trans-boundary water quality monitoring stations, 13 trans-boundary water quality parameters, four (4) Water Quality Operational Manuals and 9 Designated Focal and four (4) Reference Laboratories developed and adopted as a common system for Trans boundary water quality monitoring, but at low implementation levels. Trans-boundary wetlands and bio-diversity strategies developed. Environmental Awareness and Education curriculum as well as materials developed and introduced in schools. Macro-economic policy impact on environment prepared
Regional Power Trade (RPT) [Phase 1: 2004 – 2009; Phase 2: 2010 - 2011]	<ul style="list-style-type: none"> Formulated and delivered training program for Power Purchase Agreement Promoted Private Public Partnership Formulated Environmental Impact Assessment Analysis for the Power Sector Created the Regional Power Market Development Model Set up the Nile Basin Regional Power Sector Data bank Instituted a virtual power forum of regional power experts and Ministers of electricity.
Socio-Economic Development and Benefit Sharing (SDBS) [2005 – 2009]	<ul style="list-style-type: none"> Produced nine (9) research reports in three key areas: (i) Food security & livelihood, (ii) Cross-border trade, as well as (iii) Water and Natural Resources Management. Selected Research Institutions under the Nile Trans-boundary Development Network to serve as think tanks on the Nile Basin. Completed the First Phase of the Nile Basin Benefit Sharing Framework
Water Resources planning and Management (WRPM) [Phase 1: 2005 – 2009; Phase 2: 2010 – 2012]	<ul style="list-style-type: none"> Established trans-boundary water and policy guidelines and identified best practices Issued a manual of trans-boundary project planning and management Developed agreed interim procedures for data and information sharing and exchange Completed phase 1 of the Nile Basin Planning Decision Support System, established to help exchange information and support dialogue
SVP Coordination (SVP-C); [2003 – 2008]	<ul style="list-style-type: none"> Mechanisms for coordination and integration of SVP projects and SAPs developed and implemented Developed, launched and managed the NBI Result Based Monitoring and Evaluation Supported preparation of the NBI Institutional Strengthening Project document Built capacity of the Nile-SEC to function effectively as a Nile institution.

Financial Report

The following financial tables provide an overview of the revenue and expenses of the three NBI offices for the fiscal year July 1, 2009 through June 30, 2010 and the total funding since inception of the NBI in 2001.

Revenues and Expenses (USD) for July 1, 2009 through June 30, 2010		
NBI Centre	Revenues	Expenses
NILE-SEC (Core)	6,0101,176 *	5,358,464
NILE-SEC (SVP)	14,090,469	11,971,346
ENTRO	8,393,010	6,527,891
NELSAP-CU	8,802,504	6,849,346
TOTAL NBI	37,387,159	30,707,047

* Includes balance brought forward

Total Revenue (USD) Since Inception by Primary Sources of Funding						
	NBTF	Other Bilateral Contributions	African Development Bank	Country Contributions (cash)	Country Contributions (in-kind)	Total Funding
TOTAL NILE-SEC	100,025,483	15,050,000	3,357,000	3,280,000	13,440,000	135,152,483
TOTAL ENTRO	29,908,191	5,082,750	7,651,136	2,266,509	2,240,000	47,148,586
TOTAL NELSAP-CU	38,206,123	21,328,300	9,600,240	300,000	2,240,000	71,674,663
TOTAL NBI RESOURCES	168,139,797	41,461,050	20,608,376	5,846,509	17,920,000	253,975,732

Sources of Financing

The NBI's revenues are derived from contributions from the member countries and from grant agreements with development partners. All of the grant agreements are subject to rigorous financial audits on an annual basis.

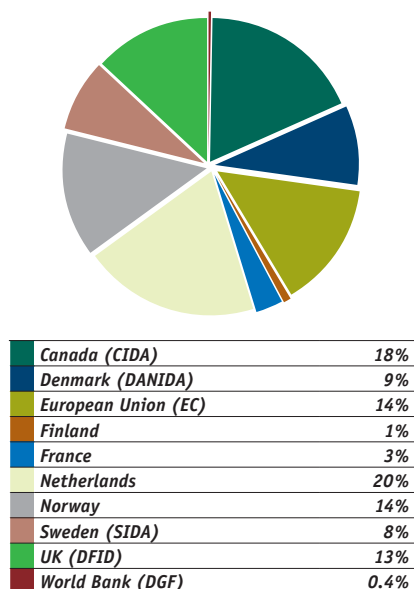
Nile Basin Trust Fund

The Nile Basin Trust Fund (NBTF) was established in 2001, at the request of the Nile Basin Council of Ministers, as the preferred funding mechanism to administer donor support pledged to NBI at the International Consortium for Cooperation on the Nile (ICCON1) held in Geneva, Switzerland.

The members of the NBTF are: Canada (CIDA), Denmark (DANIDA), European Commission (EC), Finland, France, Netherlands, Norway, Sweden (Sida), United Kingdom (DFID) and the World Bank (DGF). These development partners have pledged US\$191.54

million to NBI projects financed through the NBTF. More than 97% of pledged funds (US\$186.69) have been deposited in the NBTF account as of June 30, 2010, leaving an outstanding balance of US\$4.84 million.

NBTF Contribution by Partners



Member Country Contributions

All of the member states contribute \$35,000 per year to the Nile-Secretariat. Eastern Nile member states contribute \$70,000 per year to ENTRO and the NEL members provide \$15,000 per year to NELSAP-CU. To date, member countries have contributed close to \$6 million in cash. In addition to cash contributions the countries provide significant in-kind support in the form of office space, national level staff who support NBI activities and the cost of Nile Council of Minister meetings. To date, the total value of this in-kind support is estimated at almost \$18 million.

Other Contributors

There are development partners who contribute to the NBI bilaterally rather than through the NBTF. The most significant of these partners include GTZ and the African Development Bank. Sweden and Norway also contribute substantially to NELSAP projects outside of the trust fund.



Canadian International
Development Agency

Agence canadienne de
développement international



DFID Department for
International
Development



gtz



 **Sida**



Acronyms

AfDB	African Development Bank	JICA	Japan International Cooperation Agency
ATP	Applied Training Project	JMP	Joint Multipurpose Program
AWF	African Water Facility	KFW	Kreditanstalt Für Wiederaufbau (German Development Bank)
CBSI	Confidence Building and Stakeholder Involvement Project	LEA	Lakes Edward and Albert
CIDA	Canadian International Development Agency	LNNMF	Lake Nassir/Nubi Management Framework
DANIDA	Danish International Development Agency	NBI	Nile Basin Initiative
DGF	Development Grant Facility	NBSF	Nile Basin Sustainability Framework
DFID	Department for International Development	NBTF	Nile Basin Trust Fund
DSS	Decision Support System	NEC	National Electricity Company of Sudan
EC	European Commission	NELSAP	Nile Equatorial Lakes Subsidiary Action Program
EEPCO	Ethiopian Electric Power Corporation	NELSAP-CU	Nile Equatorial Lakes Subsidiary Action Program – Coordination Unit
EN	Eastern Nile	Nile-COM	Nile Council of Ministers
ENCOM	Eastern Nile Council of Ministers	Nile-IS	Nile Information System
ENSAP	Eastern Nile Subsidiary Action Program	Nile-SEC	Nile Secretariat
ENTRO	Eastern Nile Technical Regional Office	Nile-TAC	Nile Technical Advisory Committee
ESIM	Environmental and Social Impact Management	NORAD	Norwegian Agency for Development Cooperation
ESP	Environment and Social Policy	NTEAP	Nile Transboundary Environmental Action Project
EU	European Union		
EWAP	Efficient Water Use for Agricultural Production		
FPEW	Flood Preparedness and Early Warning	PHRD	Policy and Human Resources Development Fund
GEF	Global Environment Facility	RTP	Regional Power Trade Project
GoE	Government of Egypt	SAP	Subsidiary Action Program
GoEth	Government of Ethiopia	SDBS	Socioeconomic Development and Benefit Sharing Project
GoFin	Government of Finland	SIDA	Swedish International Development Agency
GoNU	Government of National Unity, Sudan	SSEA	Strategic Sectoral and Environment Assessments
GTZ	German Agency for Technical Cooperation	SVP	Shared Vision Program
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome	SVP-C	Shared Vision Program Coordination Project
ICCON	International Consortium for Cooperation on the Nile	TECCONILE	Technical Cooperation committee of and for the Promotion of the Development and Environment Protection of the Nile Basin
IDA	International Development Association		
ISP	Institutional Strengthening Project	WB	World Bank
IWRM	Integrated Water Resources Management	WRD	Water Resources Development
		WRM	Water Resources Management
		WRPM	Water Resources Planning and Management





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