

NILE BASIN INITIATIVE
Nile Transboundary Environmental Action Project

Project Appraisal Document

Africa Regional Office
Middle East and North Africa Region
Nile Team

Date: September 15, 2002	Team Leader: Inger Andersen
Sector Manager/Director: Praful C. Patel	Sector(s): General water/sanitation/flood protection sector (100%)
Country Director: Praful C. Patel	Theme(s): Water resource management (P) ,
Project ID: P070073	Environmental policies and institutions (P), Pollution
Focal Area: I - International Waters	management and environmental health (P), Biodiversity (P)

Project Financing Data

☐ Loan ☐ Credit ☒ Grant ☐ Guarantee ☐ Other:

For Loans/Credits/Others:

Amount (US\$m): 8.0

Incremental Cost Summary:

Total project costs	43.60
Other SVP increment	76.60
Total incremental cost of program	120.20

Financing Plan (US\$m):	Source	Local	Foreign	Total
BORROWER/RECIPIENT		3.55	0.00	3.55
GLOBAL ENVIRONMENT FACILITY		0.00	8.00	8.00
NILE BASIN TRUST FUND		0.00	12.81	12.81
UN DEVELOPMENT PROGRAMME		0.00	18.49	18.49
NON-GOVERNMENT ORGANIZATION (NGO) OF BORROWING COUNTRY		0.75	0.00	0.75
Total:		4.30	39.30	43.60

Borrower/Recipient: NILE BASIN INITIATIVE

Responsible agency: NILE BASIN INITIATIVE

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Estimated Disbursements (Bank FY/US\$m):

FY	2003	2004	2005	2006	2007	2008		
Annual	0.02	1.30	2.18	2.40	1.40	0.70		
Cumulative	0.02	1.32	3.50	5.90	7.30	8.00		

Project implementation period: 5 years

Expected effectiveness date: 03/31/2003 **Expected closing date:** 05/30/2008

** Note: Financing Plan=Incremental Cost: comprised of the Transboundary Environmental Action Project augmented by a significant portion of the SVP project portfolio. Separate PADs will be submitted for other SVP projects.*

A. Project Development Objective

1. Project development objective: (see Annex 1)

The Nile Basin Initiative. The Nile Basin Initiative (NBI) is a transitional mechanism that includes nine Nile riparian countries as equal members in a regional partnership to promote economic development and fight poverty throughout the Basin. The vision of the NBI *is to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.*

The Nile Transboundary Environmental Action Project will support the development of a basin-wide framework for actions to address high-priority transboundary environmental issues within the context of the Nile Basin Initiative's Strategic Action Program. The United Nations Development Program (UNDP) and the World Bank will jointly, as implementing agencies of the Global Environment Facility (GEF), support the project while continuing to draw on the comparative advantage of each of the organizations. (See section B.2 below.)

Nile Basin Transboundary Environmental Analysis. The key challenges were identified and prioritized by a Transboundary Environmental Analysis (TEA) that was conducted jointly by the Nile Basin States in preparation for this project. The main objective of the TEA was to help translate existing national environmental commitments and interests into regional and basin-wide analytical frameworks, priorities and, eventually, basin-wide actions. The TEA was initiated by the Nile Basin countries in December 1999 with funding from the GEF Project Development Facility (PDF), UNDP and World Bank resources. The full report was published in May 2001.

A Prioritized “Agenda for Environmental Action in the Nile Basin” emerged from the TEA process and was incorporated in the TEA report. Consistent with this Agenda, the Nile Transboundary Environmental Action Project will: (a) provide a forum to discuss development paths for the Nile with a wide range of stakeholders; (b) improve understanding of the relationship between water resources development and the environment; and (c) enhance basin-wide cooperation. The *Agenda for Environmental Action in the Nile Basin* will also be reflected in the capacity building and investment programs of the Nile Basin Initiative in key social and economic development sectors.

2. Key performance indicators: (see Annex 1)

Performance Indicators. To facilitate a full overview of the project, the present PAD describes both the Bank and UNDP supported components. The achievements of the Bank's components will be judged by the following outcome indicators:

- Increased regional cooperation in environmental and water management fields;
- Increased basin-wide community action and cooperation in land and water management;
- Effective basin-wide networks of environmental and water professionals;
- Greater appreciation of river hydrology and more informed discussion of development paths;
- Expanded information and knowledge base on land and water resources available to government staff and NGOs;

- Greater awareness of the linkages between macro/sectoral policies and the environment; and
- Greater awareness of and increased capacity on transboundary water quality threats.

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)

Document number:

Burundi	CAS 14442-BU
D.R.Congo	Transitional Sup. Strategy Report no. 22499-ZR
Egypt	CAS 22163-EGT
Ethiopia	CAS 17009-ET
Ethiopia	Interim Support Strategy 21189 ET, November 9, 2000
Kenya	CAS 18391-KY
Rwanda	CAS 17478-RW
Tanzania	CAS 20728-TA
Uganda	CAS 20886-UG

Date of latest CAS discussion:

Burundi - May 2, 1995
 D.R.Congo - Transitional Support Strategy - July 9, 2001
 Egypt - June 5, 2001
 Ethiopia - August 19, 1997
 Ethiopia - Interim Support Strategy - November 9, 2000
 Kenya - September 2, 1998
 Rwanda - March 17, 1998
 Tanzania - June 30, 2000
 Uganda - December 18, 2000

Harmonized Approach. In a reflection of the UNDP-World Bank International Waters Partnership, the project has been designed to be in line with both the Bank's Country Assistance Strategy (CAS) and UNDP's Country Cooperation Framework (CCF) for the countries covered by this regional project. In general, the goals identified in the various cooperation planning frameworks of the Bank CASs and UNDP CCFs are supported by the project. Environmental degradation of land and water resources, and inadequate capacity to manage these resources in a sustainable manner, have been recognized in all the CAS and CCF documents as threats to the sustainable development of the countries concerned. The linkages between environmental degradation and poverty are clearly established, and combating the former will result effectively in reducing the latter and vice versa. One component is effectively targeting the grass-roots level with the provision of small-sized grants to community-based organizations and nongovernmental organizations (NGOs).

The Transboundary Environmental Action Project is regional in scope and will foster regional integration and cooperation, not just in the area of environment, but also in a wider water-land context, and as such it will contribute to the goals of the CASs and CCFs. The education sector is weak in all the countries, in particular at the primary and secondary levels. Many of the CASs and CCFs focus on providing support to the sector and the current project actively contributes to this goal through its environmental education component.

Environment and water resources management issues are prominent in the seven CASs. Most of the CASs recognize the centrality of sound environmental management and each of the countries gives prominence to different aspects of the water sub-sector (water supply and sanitation, irrigation, etc.). Environmental sustainability as well as sustainable management of the water sectors is highlighted. This project will emphasize the transboundary nature of environment and water resource management.

Burundi

CAS – Environmental Concerns. The current project addresses directly the environmental concerns that have been highlighted in the CAS, with improved environmental management of watersheds.

Democratic Republic of Congo

The Bank's Transitional Support Strategy Report no. 22499-ZR, July 9, 2001 (covers a one-year period) – *Rehabilitation, Promoting Stability and Conflict Resolution*. The project supports this objective through a wide range of activities fostering regional integration and cooperation, and supporting the creation of mutual trust through exchanges with other Nile Basin States.

Egypt

CAS – Improving Natural Resources Management. The project supports CAS objectives relating to improved environmental management, particularly in the area of watershed management. The NBI is specifically cited as one of the avenues through which sustainable use of the Nile's resources can be achieved.

Ethiopia

CAS – Agriculture and Environment. The project supports CAS objectives relating to improved environmental and water resources management.

Kenya

CAS – Capacity Building. The project supports CAS objectives relating to capacity building, particularly in public sector institutions.

Rwanda

CAS – Renewing Natural Resources. The project supports CAS objectives relating to improved environmental and water resources management.

Sudan

Sudan's 2002 Country Economic Memorandum (CEM) is currently under preparation. It is anticipated that water resource management, irrigation and the land and water interface will be prominent features of the CEM.

Tanzania

CAS – Sustainable Rural Development. The Transboundary Environmental Action Project supports CAS objectives relating to improved environmental and water resources management.

Uganda

CAS – Sustainable Rural Development. The project supports CAS objectives relating to improved watershed management. The NBI is specifically cited as one of the avenues through which Uganda can become more integrated with its neighbors, thereby improving development.

1a. Global Operational strategy/Program objective addressed by the project:

GEF Operational Program No. 9. The Transboundary Environmental Action Project fully supports the objectives of GEF Operational Program Number 9, the “Integrated Land and Water Multiple Focal Area Operational Program.” Consistent with the priorities of Operational Program Number 9, GEF can “be a catalyst for action to bring about the successful integration of improved land and water resource management practices on an area-wide basis.” It specifically addresses the goal of the Operational Program to assist a “group of countries to utilize the full range of technical, economic, financial, regulatory, and institutional measures needed to operationalize sustainable development strategies for international waters and their drainage basins.” Special attention is given to “integrated land and water resources management” and the special protection of sensitive areas since “land degradation resulting in damage to the water resources” is often a transboundary problem that requires “political commitments on the part of neighboring countries to work together, establish factual priorities, and decide on joint commitments for action.”

Consistency with World Bank and GEF Strategies and Guidelines. The Nile Basin Initiative, consistent with GEF guidelines, will “achieve changes in sectoral policies and activities as well as in leveraging donor and regular Implementing Agency participation.” Its “projects focus on integrated approaches for the use of better land and water resources management practices on an area-wide basis.” “Community involvement and stakeholder participation” are especially important and the GEF basin-wide project is aiming to “derive lessons learned in testing workable mechanisms to improve community, NGO, stakeholder [including the private sector] and inter-ministerial participation in planning, implementing and evaluating projects.” As an outcome of the basin-wide project and in line with Operational Program Number 9, “political commitments on the part of neighboring countries to work together, establish factual priorities, and decide on joint commitments for actions” will be supported. A “strengthened multi-country institutional arrangement is ... [an] appropriate measure for support.” The program has been designed to “test various interventions and learn from implementation.” It will also provide critical support for activities in two priority development regions for the GEF—Sub-Saharan Africa and the Middle East and North Africa. The project is also consistent with the World Bank corporate Environment Strategy because it supports sustainable development, promotes poverty reduction, and improves quality of life by removing environmental constraints to economic development and empowering people and societies to manage their environmental resources.

2. Main sector issues and Government strategy:

Nile Cooperation - Challenges and Opportunities. Cooperative management of the Nile River Basin is one of the greatest challenges of the global international waters agenda. The Nile has enormous potential to foster regional social and economic development through advances in food production, transportation, power production, industrial development, environmental conservation and other related activities. To realize this potential, the riparians have come to

recognize that they must take concrete steps to address current challenges and that cooperative, sustainable development holds the greatest prospect of delivering mutual benefits to the region.

A Shared Vision. In an historic effort, the Nile Basin countries have come together within the Nile Basin Initiative to realize a shared vision “to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.” Recognizing the tremendous benefits that can be reaped from cooperation, yet fully aware of the challenges ahead, the Nile countries have embarked on a remarkable journey to translate their shared vision into concrete activities and projects that will build confidence and capacity across the Basin (the Shared Vision Program), as well as initiate concrete investments and action on the ground at local levels (Subsidiary Action Programs).

The Shared Vision Program (SVP) includes 7 projects:

(Note 1: See Annex 14 for further background information on the Nile Basin Initiative.)

1. Nile Transboundary Environmental Action
2. Nile Basin Regional Power Trade
3. Efficient Water Use for Agricultural Production
4. Water Resources Planning and Management
5. Confidence-Building and Stakeholder Involvement (Communications)
6. Applied Training
7. Socio-Economic Development and Benefit-Sharing.

SVP Financing. Total program costs for the SVP are estimated at US\$130 million. The SVP is a grant-funded program, supported by bilateral donors, international financial institutions, and other grant mechanisms. At the request of the NBI's Council of Ministers of Water Affairs (Nile-COM), the World Bank has taken the required steps to establish a multi-donor trust fund, the **Nile Basin Trust Fund (NBTF)**, as the preferred mechanism for funding SVP projects, and will initially serve as the administrator of the NBTF. It is intended that as progress is achieved in SVP implementation and a permanent institutional framework is established, the NBTF will be transferred to an NBI institution following consultation between the donors, the Nile riparians and the Bank. Current bilateral donors supporting the SVP through the NBTF include: Canada, Denmark, the Netherlands, Norway, Sweden and the United Kingdom. While NBTF funds are non-earmarked resources, the Canadian International Development Agency (CIDA) has contributed to the NBTF with a particular view to support this project.

Investments at Sub-basin Levels. At the same time, groups of countries—one in the Eastern Nile and the other in the Nile Equatorial Lakes region—have identified joint investment opportunities. These Subsidiary Action Programs (SAPs) will consist of investment projects that confer mutual benefits at the sub-basin level, each involving two or more countries. Identified areas of cooperation include irrigation and water use in agriculture, hydropower development and power trade, watershed management, flood and drought management and sustainable management of lakes and wetlands.

SVP – Building Regional Cooperation Across Sectors and Themes. As a whole, the Shared Vision Program aims to create an enabling environment for cooperative management of the Nile Basin, and for development and investment at the basin and sub-basin levels. Though each

project is different in focus and scope, all contribute to building a strong foundation for regional cooperation by supporting basin-wide engagement and dialogue, developing common strategic and analytical frameworks, building practical tools and demonstrations, and strengthening human and institutional capacity. Together, they pave the way for the realization of the Vision through investments on the ground within the Subsidiary Action Programs.

Strengthening Transboundary Environmental Management. This project will strengthen riparian cooperation and coordination by supporting a series of measures focusing on various aspects of transboundary environmental management. Project activities include capacity building, training, education and awareness raising, knowledge and information sharing, development of a decision support system, communications, environmental monitoring and field activities at selected pilot sites. Diverse stakeholder groups will be encouraged to work together, both within their own countries and with counterparts in other riparian countries, to help build the mutual understanding, relationships and trust that are essential to joint problem-solving.

The Main Regional Sector Issues. The main regional sector issues, as well as their relationship to SVP projects, are summarized below.

Utilization of Water Resources. Water resources are utilized at a high level in parts of the Nile Basin, and, throughout, the availability of water is highly variable both in space and in time. These factors result in considerable water stress across much of the Basin. Population growth, urbanization, poverty, and environmental threats exacerbate this stress. These problems are extremely difficult to tackle effectively if treated in isolation. However, the challenges can be effectively met by taking a collaborative and integrated approach to sustainable economic development of Nile Basin resources. Real opportunities will only be apparent through cross-sectoral win-win planning and broad-based investment projects. Such development scenarios and benefit-sharing will be explored within the SVP Socio-Economic Development and Benefit-Sharing Project, while the Water Resources Management Project as well as the Transboundary Environmental Action Project will provide the tools and strengthen capacity for improved environment and water resources planning and management. This will support effective analysis of potential development options.

Institutional Capacity. The institutions involved in planning and management vary widely across the Basin, in terms of size, funding, capacity, and legal and institutional framework. Strong national institutions are an important element in achieving regional cooperation and the joint planning and management of the Nile Basin's shared resources and transboundary environmental issues. The SVP projects aim to increase institutional capacity at local, national, and regional levels.

Information. The networks, databases, and facilities needed to process and analyze environment-related information are not well developed or are not functioning effectively in most of the Basin countries. The data that do exist are often inconsistent and scattered across several government departments and are difficult to access both within and from outside the countries. More accurate information for informed decision making and priority setting at national, regional and sub-regional levels will be critical as the level of cooperation increases. Integrated

management of Nile Basin resources and joint investment planning at the subsidiary (sub-basin) level will depend upon access to reliable information, as well as adequate modeling, decision support tools, a supportive national and basin-wide knowledge base, and effective networking between professionals. Within the SVP, the present project, the Water Resources Project, the Confidence Building and Stakeholder Involvement Project and the Applied Training Project, will each address some of these issues.

Domestic Water Supply and Sanitation. Access to safe drinking water and adequate sanitation facilities is a major challenge in most of the Nile riparian countries. Diarrhea is one of the major causes of sickness and death among small children. This is frequently related to consumption of drinking water and foods prepared with water polluted by discharge of partially treated or untreated sewage, and is often compounded by insufficient hygiene education. Significant improvements have been achieved in Egypt in recent years through programs specifically addressing these issues, yet in other parts of the Basin waterborne intestinal diseases and death of the young, the very old, and vulnerable groups, such as people living with HIV/AIDS, remain a problem. Successful development and initiatives in this sector require the commitment of national/local governments and utilities to undertake institutional, financial and technical measures, including public-private partnership models and investment in technologies that respond to local needs and capacities. The present project addresses public awareness raising with regard to environmental pollution and health.

Irrigation. Agriculture is by far the largest water user in the Basin, and is of great economic and social importance. Irrigated agriculture is found mostly in the northern part of the Basin, while rain-fed agriculture prevails in the southern and eastern parts. There is heavy reliance on local food production in the Basin, and food security is an important issue. Efficient water use in agriculture is being addressed within the SVP Efficient Water Use for Agricultural Production Project, while training and knowledge sharing aspects will be addressed in the Applied Training Project. Furthermore, the Socio-Economic Development and Benefit-Sharing Project is taking a strategic approach through scenario-building and macroeconomic analysis, which will necessarily include the role of agriculture in the Basin's future.

Hydropower. While hydropower is relatively undeveloped in the Basin, power demand is increasing rapidly and the limited availability of electricity is constraining development. There is substantial potential for increased development of reliable, low-cost power, for example through expansion of hydropower production and through exploring opportunities for regional power trade. These options are being examined in the SVP project entitled Nile Basin Regional Power Trade.

Environmental Concerns. Significant environmental issues related to water resources include land degradation, water quality protection, aquatic weeds infestation, wetland protection, and extreme events. Land degradation due to deforestation and cultivation on steep slopes has led to losses of biologically important habitats, high rates of soil erosion, and sedimentation of rivers, lakes, and reservoirs. Water quality problems are increasing, with localized pollution from agriculture, industry, mining and domestic effluent. The proliferation of aquatic weeds, particularly water hyacinth, is having major adverse consequences. The region contains some of

the world's largest and most ecologically important wetlands. Pollution and changes in flow regimes due to water resources development could have major effects on the human use and biodiversity conservation value of these ecosystems. Poverty and population growth impose additional pressures on natural resources, compounded by a lack of awareness of land-water interactions and the functioning of critical ecosystems. Furthermore, large-scale flooding and periodic devastating droughts are a very severe problem in most of the Basin. While the priority environmental concerns in the Basin are primarily being addressed within this Transboundary Environmental Action Project, this project will be complemented by all of the SVP projects and it will lay the foundation for sustainable development actions in the SAPs.

Participation and Public Awareness. Increased public awareness of the importance of conserving water and other natural resources is urgently needed. This will be addressed in one of the components of the present project. National and basin-wide communication programs are also required, to create a culture of awareness of the opportunities for beneficial cooperation in the Nile Basin. This will be addressed in the SVP Confidence-Building and Stakeholder Involvement (Communication) Project. Stakeholder participation, with particular sensitivity to gender issues and the effective participation of women, is an important part of all of the SVP projects.

3. Sector issues to be addressed by the project and strategic choices:

Transboundary Environmental Threats. The Nile countries recognize that future development of the Basin must be environmentally sustainable. Identifying the environment and development synergies, and thus the sustainable development opportunities in the Basin, has therefore emerged as a major priority. More effective cooperation and coordination between the riparian countries is badly needed if the Nile Basin's environment is to be conserved in ways that help improve the quality of life of the inhabitants. This project will strengthen riparian cooperation and coordination through transboundary activities including capacity building, training, education and awareness raising, knowledge and information sharing, communications, environmental monitoring and activities at selected pilot sites. Consistent emphasis will be given to encouraging diverse stakeholder groups to work together, not only within their own countries but especially with counterparts in other riparian countries, as an essential contribution to building the mutual understanding, relationships and trust that will be essential to collaborative problem-solving for the Basin as a whole.

C. Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

The project has been developed through an extensive participatory process (see Annex 12). It will be financed jointly by the World Bank and UNDP with funds from the GEF and from the Bank administered NBTF. The main text of this PAD covers the Bank financed components of the project. The annexes reflect components financed by both, with a clear indication of whether the activities described are Bank or UNDP financed.

The project will encourage more effective basin-wide stakeholder cooperation on transboundary

environmental issues by supporting the implementation of the actions prioritized by the TEA, in the following areas:

1. Institutional Strengthening to Facilitate Regional Cooperation (GEF/UNDP; GEF/WB and NBTF/WB)
2. Community-Level Land, Forest and Water Conservation (GEF/UNDP and CIDA through NBTF/WB)
3. Environmental Education and Awareness (GEF/UNDP)
4. Wetlands and Biodiversity Conservation (GEF/UNDP and NBTF/WB)
5. Water Quality Monitoring Basin-wide (GEF/WB)

The project has been designed with a phased approach. This is a function of funding constraints present in the GEF. The five-year project has therefore been divided into two GEF funding phases. All Bank GEF components are fully funded from the initial GEF allocation and will be completed within the five-year time span of the full project. However, it is anticipated that additional resources might be received for Phase II through the NBTF to address aspects of component 4 (Wetlands and Biodiversity Conservation). At the end of the third project year, a second submission will be made by UNDP for the additional GEF resources required.

The overall project is supported by GEF resources as outlined below (in million US\$):

GEF Resources

	World Bank	UNDP	Total
Phase 1	8.0	8.8	16.8
Phase 2		9.7	9.7
Project total	8.0	18.5	26.5

The overall project is supported by resources from the Bank administered NBTF. The NBTF resources will support both UNDP and Bank financed GEF activities as outlined below:

Nile Basin Trust Fund (NBTF) Resources

COMPONENT	NBTF	NBTF donors
1.3 River Basin Model	2.7	Various
2. Land, Forests and Water Conservation	7.4	CIDA
4. Wetlands and Biodiversity Conservation	2.7	Netherlands*
Total funds from NBTF for Nile Transboundary Environmental Action Project	12.8	

*Netherlands contribution (Phase 2) to be confirmed.

Nile Country Contributions - Contributions (cash and in-kind) by the Nile riparian countries are estimated to amount to US\$4.3 million (see Annex 2 - Appendix E).

The funding for the overall project is summarized in the table below:

Total Project Resources

Project Funding Overview				
GEF/ World Bank	NBTF	GEF/UNDP	Nile countries	Total
8.0	12.8	8.8	4.3	33.9
		9.7 (Phase 2)		9.7
8.0	12.8	18.5	4.3	43.6

The total cost of the project is therefore: US\$43.6 million, of which the Bank will finance US\$20.7 million as follows:

GEF resources:	US\$8.0 million
CIDA contribution to NBTF:	US\$7.4 million
NBTF contribution (non-earmarked):	US\$2.7 million
Netherlands contribution to NBTF:	US\$2.7 million (to be confirmed).

Incremental Cost - The alternative consists of the steps needed to establish a sound basin-wide environmental framework consistent with current and projected patterns of economic development. This would be accomplished through GEF support of the present Transboundary Environmental Action Project to facilitate the priority transboundary actions outlined in the *Agenda for Environmental Action* in the Nile Basin, combined with additional resources from other projects within the NBI Strategic Action Program, which are funded through the ICCON mechanism by other international as well as domestic sources. Separate Project Appraisal Documents will be processed for each of these SVP projects. However, a description of these projects is provided in Annex 14.

Incremental Cost Summary

	Alternative		
	Local	Foreign (GEF&non-GEF)	Total
Total project costs	4.30	39.30	43.60
Other Shared Vision Program		76.60	76.60
Total Incremental Cost		115.90	120.20

The Bank financed (through GEF and NBTF) project components are described below. The description of the full project is provided in Annex 2.

NOTE: To prevent confusion, the component and sub-component numbering of the present World Bank PAD is being kept as it was in the discussions with the Nile countries, the Nile-SEC, the donors and UNDP. The UNDP components are omitted from the PAD main text, but are fully referenced in the Annexes.

Component 1 - Institutional Strengthening to Facilitate Regional Cooperation

This component will enable deeper and more effective cooperation on transboundary environmental management among and between the Nile riparian countries, including governments, NGOs, researchers and other stakeholders. Key stakeholders will gain improved access to relevant resource management information relating to the entire Nile Basin, while some of the key linkages between macro and sectoral policies and the environment will be highlighted and better understood. A substantial learning process will result from the development of a River Basin Model and Decision Support System in coordination with the SVP Water Resources Planning and Management Project, which will increase understanding of the Nile's hydrological behavior as well as linkages between environment and development. This component includes the management arrangements for the entire project.

1.2 Knowledge Management (GEF/WB). This sub-component will provide project participants and other key stakeholders across the Basin with improved access to relevant environmental and natural resource management information, while sharing experiences and building on lessons learned across the NBI. This sub-component will offer a tremendous opportunity for learning and exchange of experiences across the SVP projects and for transferring lessons and providing exchanges with the emerging Subsidiary Action Programs. Key products will be regular project newsletters (print and electronic distribution), including special themes/topics as appropriate, such as youth and environment, and a regularly updated project website. The sub-component will also support setup and maintenance of connections to the NBI website and resource center which is established at and managed by the Nile Basin Secretariat.

1.3 River Basin Model (GEF/WB and NBTF/WB). This sub-component will be a major contributor to the development of a River Basin Model for the Nile Basin. The model, which will be the first basin-wide, highly participatory modeling effort anchored in the Basin, will provide a means to better understand and describe, on a regional basis, Basin hydrology and river system behavior. It will provide a commonly developed and agreed means of assessing the impacts of alternative development and management schemes that may have transboundary implications. It will provide quantitative river flow information to support more detailed environmental assessments. Broader, multi-sectoral databases and finer-scale models may be developed in subsequent projects to address site-specific issues.

The River Basin Model will be developed as part of a Nile Basin Decision Support System (DSS) within the context of the SVP Water Resources Planning and Management Project. The DSS will be a basin-wide, computer-based platform for communication, information sharing and analysis of Nile Basin water resources (i.e., the River Basin Model). The DSS is being developed to support the assessment of transboundary opportunities for cooperative action based on commonly shared information and analysis tools. The DSS will build the technical foundation for and enhance the sustainability of integrated environmental and water resources planning.

This GEF project will contribute to the development and application of the River Basin Model. The SVP Water Resources Planning and Management Project will also support model development efforts as well as the remaining DSS components, including the strengthening of

institutional frameworks and human capacity for DSS development; the development of a basin-wide information management system; and the development of guidelines for data collection, analysis and exchange.

1.4 Macro/Sectoral Policies and the Environment (GEF/WB). This sub-component will consist of policy studies building on two key issues identified in the Nile River Basin TEA: (a) the relationship between deforestation for fuelwood and the dynamics of the energy markets being supplied; and (b) the complex links between agricultural productivity, pesticide subsidies and non-point source pollution of water supplies. This sub-component aims at increasing the understanding of shared and high priority environmental policy issues that affect environmental conservation in the Nile Basin. Nile Basin networks of researchers working on transboundary environmental policy issues will be established and strengthened. Lessons learned will be widely disseminated and exchanges encouraged across SVP projects and SAPs through knowledge management activities (sub-component 1.2) and interaction with other SVP project activities.

Component 2 – Community-Level Land, Forest, and Water Conservation

Pilot activities at selected transboundary sites will demonstrate the feasibility of local-level approaches to land and water conservation, including mitigation actions for soil erosion, desertification, non-point source pollution and invasive water weeds. National NGO networks will be strengthened and NGO-government collaboration improved.

2.3 Nile Transboundary Microgrant Program (GEF/UNDP; NBTF/WB through Canadian CIDA contribution). The Nile Transboundary Microgrant Program will support community-driven interventions to address transboundary environmental threats on a local scale. The Nile Transboundary Microgrant Program will also provide alternative sustainable livelihood opportunities to communities who may otherwise be obliged to overexploit their natural resources. The main emphasis of the Nile Transboundary Microgrant Program will be on piloting new and promising transboundary initiatives, on the development and dissemination of best practice and on exchanges of lessons learned. It is anticipated that there will be opportunities for the more successful or promising initiatives to be scaled up or replicated within subsequent phases of the NBI SAPs. The size of each grant will not exceed \$25,000.

Component 5: Water Quality Monitoring Basin-wide (GEF/WB)

This project component aims at increasing understanding about the current state of water quality and priority needs for transboundary cooperation between the Nile countries. It will contribute to building greater capacity for water quality monitoring and management.

The Nile countries vary considerably in the extent to which they consider water quality an immediate priority and in their technical and resource capacities to address water quality issues at this point. The project component will take this into account and foster a regional dialogue and cooperation between relevant agencies across the Basin. It will raise awareness on benefits/costs of cooperation with regard to water quality management. Exchange of experiences on regulatory

issues and on water quality information between countries will facilitate improved decision making by governments and other resource users. The project component also aims to create a starting point for increased regional transboundary water quality assessment and collaborative action through initiating a limited exchange of information. Activities related to geo-referencing and exchange of information will be coordinated with and seek collaboration with the SVP Water Resources Planning and Management Project activities as this project becomes operational.

The Bank funded components of the project amount to a total of US\$20.81 million (divided between GEF and NBTF resources) as depicted in the table below.

Project Cost by Component	Bank managed GEF financing US\$million	Bank managed NBTF financing US\$million	Total Bank managed funds
1. Institutional Strengthening	5.07	3.63	7.77
2. Community-Level Land, Forest, and Water Conservation	0	7.4	7.4
4. Wetlands and Biodiversity Conservation	0	2.71*	
5. Water Quality Basin-wide	2.93	0	
Total Project Costs	8.0	12.81	20.81

An overview of the total project cost is provided in the table below. This table includes both the UNDP and the Bank resources.

World Bank/GEF and NBTF Components

Component	Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing	GEF financing (US\$M)	% of GEF financing
1.2 Knowledge Management	0.99	4.8	0.00	0.0	0.99	12.4
1.3 Decision Support System - River Basin Model	6.33	30.4	2.70	21.1	3.63	45.4
1.4 Macro/Sectoral Policies and the Environment	0.45	2.2	0.00	0.0	0.45	5.6
2. Land, Forests and Water Conservation	7.40	35.6	7.40	57.8	0.00	0.0
4. Wetlands and Biodiversity Conservation	2.71	13.0	2.71	21.2	0.00	0.0
5. Water Quality Monitoring Basin-Wide (World Bank GEF)	2.93	14.1	0.00	0.0	2.93	36.6
Total Project Costs	20.81	100.0	12.81	100.0	8.00	100.0
Total Financing Required	20.81	100.0	12.81	100.0	8.00	100.0

"Bank" financing in the above table indicates financing from the Nile Basin Trust Fund (NBTF) that is managed by the World Bank.

2. Key policy and institutional reforms supported by the project:

The project supports the Nile Basin countries to develop sound approaches to dealing with transboundary environmental threats at the regional and national level. The Nile countries recognize that future development of the Basin must be environmentally sustainable. Identifying the environment and development synergies, and thus the sustainable development opportunities in the Basin, is now a major priority. Focusing on transboundary issues provides the riparian countries with a major opportunity to make significant progress towards their economic and environmental goals in ways that have proved difficult to achieve independently. Consensus has emerged in support of a set of activities in the riparian countries to: (a) provide a strategic framework for the environmentally sustainable development of the Nile River Basin as part of the SVP; (b) improve the understanding of the relationship of water resources development and the environment throughout the Basin; and (c) provide a forum to discuss development paths for the Nile Basin with a wide range of stakeholders.

The Policy Guidelines adopted by the Nile-COM in February 1999 further define the primary objectives of the NBI. These objectives are:

- To develop the water resources of the Nile 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; and
- To ensure that the program results in a move from planning to action.

3. Benefits and target population:

The primary regional benefits lie in strengthening cooperation and communication on transboundary environmental and water resources management issues and enhancing regional and national capacities in natural resources management. Cooperation on transboundary issues provides an opportunity for regional development that is sustainable and will benefit all people in the Basin. Regional benefits include:

- Strengthened regional institutional capacity for coordinated natural resource and water management as well as decision support tools;
- Increased basin-wide community action and cooperation in land and water management;
- Empowerment of local communities in the management of land and water resources;
- Improved cooperation and capacities for basin-wide water quality monitoring;
- Development of common understanding of Nile riparian issues in the region; and
- Progress towards the NBI goals of sustainable development and poverty reduction.

Target populations and beneficiaries include:

- Local communities that will benefit from improved security through better land and water resources management; women's groups will be specifically targeted;
- National and local decision makers that will benefit from better planning tools in environment and water resources management;

- Universities, schools, and other educational and professional organizations that will benefit from an expansion of the overall knowledge base related to the Nile's environment and water resources as well as increased opportunities for networking with professional colleagues within the Basin;
- Local and national governments in the recipient countries that will benefit from increased opportunity for capacity building in their river basin monitoring and management skills, improved knowledge of hydrology, and expanded opportunities to interact with partners from other Nile Basin governments and NGOs; and
- NBI institutions, such as the Nile-COM, the Nile Technical Advisory Committee (Nile-TAC), and Nile Basin Secretariat (Nile-SEC), as well as regional offices of the Nile Equatorial Lakes and the Eastern Nile Subsidiary Action Programs (see Annex 14), which will benefit from enhanced decision making and regional coordination towards sustainable development goals.

4. Institutional and implementation arrangements:

The Transboundary Environmental Action Project will be jointly supported by UNDP and the World Bank, as GEF implementing agencies, each with its specialized expertise and comparative advantage in the thematic areas of intervention. In keeping with the decentralized implementation arrangements made for the SVP, each of the seven SVP Projects will be executed by the NBI, through its executive arm, the Nile-SEC. The NBI will set up separate Project Management Units based in the Basin for each of the SVP projects.

The NBI will execute the World Bank GEF and NBTF financed portions. The Nile-COM has decided that the NBI enters into a formal partnership with the United Nations Office for Project Services (UNOPS) through a contractual arrangement to support the NBI in project execution. This decision from the Nile-COM was given no-objection by the Bank with the approval of the Bank's Operations Procurement Review Committee (OPRC).

A Project Management Unit (PMU) will be set up in Khartoum, Sudan for the entire project. The PMU is funded through the UNDP financed portion of the project. The PMU will provide technical and managerial support to the Nile-SEC in overseeing the implementation of the project, with a Thematic Lead Specialist recruited from the region to coordinate each major project component. Through UNOPS as the NBI's agent, the PMU will also facilitate local contracting, fund management, local procurement, disbursement, program administration and project level monitoring (see Annex 13).

One National Project Coordinator in each country will provide a critical link between the Thematic Lead Specialists based in the PMU and the national specialists and organizations involved in implementing the various project components within the respective countries. Project implementation will prioritize the participation of all key stakeholders, including local and traditional communities, ministries of water, agriculture, and forestry, NGOs, educational institutions, and private sector organizations.

A Project Steering Committee (PSC) will be established to provide oversight and guidance to project implementation (see Annex 13).

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Project alternatives were reviewed through the preparation of the TEA. National experts played key coordination and technical roles, together with UNDP and World Bank staff. One of the key outputs was a preliminary characterization of the major basin-wide environmental threats by the national experts. Broad national consultations and at least one stakeholder workshop were held in each riparian country in order to ensure that the process incorporated local and national concerns and priorities. After completing the national exercises, a regional priority setting exercise was then undertaken to identify common transboundary environmental issues and priorities. Actions that largely reflected national concerns, or which had limited transboundary relevance or would require large national investments were either spun off into the SAPs or left to be addressed at the national level. Priority actions that would enhance transboundary environmental cooperation, learning and management were identified, and these are reflected in the project. Preparation of the TEA fostered an impressive collaboration between the riparian countries' experts and provided the foundation for the detailed design and implementation of the project.

The alternative to this basin-wide cooperative project would be a series of individual national programs or projects that would be costly and likely result in duplication and inconsistencies. Individual programs could not address transboundary issues or the need for systematic and coordinated monitoring and assessment for regional management of Nile resources.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

An initial set of seven basin-wide projects (the SVP) has been endorsed by the Nile-COM and is being prepared for implementation in the following areas: environmental action (this project), power trade, efficient water use for agriculture, water resources planning and management, communications, applied training, and socio-economic development and benefit sharing. Through the NBI, the Nile countries are now moving forward to implement a Strategic Action Program comprised of basin-wide activities and joint investment opportunities. Initial financing has been obtained through the International Consortium for Cooperation on the Nile (ICCON) (see Annex 14).

The Transboundary Environmental Action Project will provide a basin-wide framework for two follow-on programs of investment activities: (a) Nile Equatorial Lakes Subsidiary Action Program (NEL-SAP); and (b) Eastern Nile Subsidiary Action Program (EN-SAP). These programs are preparing investment projects in sectors that include water and agriculture, irrigation and drainage, sustainable management of lakes and linked wetlands, watershed management, water hyacinth and water weed control, hydropower development and power trade, and flood and drought preparedness.

In addition to NBI activities, two particularly notable transboundary environmental initiatives have been launched in the Lake Victoria region of the Nile Basin, namely the Lake Victoria Environmental Management Project (LVEMP) and the joint Lake Victoria Development Strategy

and Action Plan (LVDP).

LVEMP. The LVEMP is a comprehensive program that covers Lake Victoria and its catchment in Kenya, Tanzania and Uganda. Its main objective is the rehabilitation of the ecosystem—using a regional transboundary approach—for the benefit of the inhabitants and national economies. The project addresses the major threats facing the Lake Victoria ecosystem, including overfishing, eutrophication and algae levels, pollution and invasive exotic species such as the water hyacinth. The ongoing project commenced in 1994 with a Tripartite Agreement and is funded by GEF and IDA in addition to national contributions. A follow-up project (Sustainable Management of the Lake Victoria Basin Program, SMLVBP) is proposed and preparation is being launched.

The present NBI GEF project will seek to build explicitly upon the lessons learned by, and achievements of, the LVEMP, allowing replication across the ten-country Nile basin. Activities in Kenya, Tanzania and Uganda that are part of specific LVEMP components will not receive additional support. However, the basin-wide activities in the present project will clearly include Kenyan, Tanzanian and Ugandan participation, which will also aid in transfer of knowledge and lessons learned. As investment and other support needs, including activities to address transboundary issues, are further identified in the Lake Victoria Basin through the present project or other NBI projects, these will be integrated into the preparation of SMLVBP wherever appropriate. In this way, SMLVBP will be a primary vehicle for Bank support to NBI SAP investment in the Lake Victoria Basin (see also Annex 14 for additional information on the NBI and the SAPs).

In order to optimize coordination and maximize complementarity of the present basin-wide project and LVEMP, the LVEMP focal points of each of the countries (Kenya, Tanzania and Uganda) will be invited to participate in yearly PSC meetings of the present Nile Transboundary Environmental Action project. In this way the NBI GEF project will build on and disseminate the transboundary experiences and actions of LVEMP to the basin-wide level.

Thus the Bank, using IDA and GEF resources, will be financing transboundary water and environment actions in the Nile Basin within one "concentric" framework, at different levels:

- (a) At the Basin-wide level (10 countries);
- (b) At the Sub-basin level (e.g. 6 countries in the Nile Equatorial Lakes); and
- (c) At lower levels, in the LVEMP/SMLVBP case at the level of Lake Victoria (3 countries).

LVDP. As part of a complementary, longer-term process, the Governments of Kenya, Tanzania and Uganda have recently re-established formal cooperation through the East African Community (EAC). The Lake Victoria Basin has been targeted as a Growth Zone common to the three EAC countries and a joint Lake Victoria Development Strategy and Action Plan for Sustainable Development (LVDP) is under preparation. To promote the investments necessary EAC has entered into a Partnership Agreement with the Governments of Sweden (through Sida), France and Norway as well as the World Bank and the East African Development Bank (April 2001). The partners are committed to support the development of the region in the long term in a coordinated manner.

A list of relevant Bank projects in the ten Nile countries is provided below. An extensive list of all relevant projects is provided in Annex 4 (see table entitled “Other Base-Line Projects”).

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed			
Regional (Kenya, Uganda, Tanzania) - International Waters - International Waters	Lake Victoria Environmental Management Project	S	S
Egypt - Agriculture	Egypt East Delta Agricultural Services	U	U
Egypt - Irrigation and Drainage	Egypt Irrigation Improvement	S	S
Egypt - Irrigation and Drainage	Egypt National Drainage II	S	S
Egypt - Integrated Natural Resource Management	Matruh Resource Management	S	HS
Ethiopia - Agricultural Research	Agricultural Research	S	S
Ethiopia - Natural Resource Management	Conservation and Sustainable Use of Medical Plants	S	S
Ethiopia - Power - Energy Adjustment	Energy Access Project		
Kenya - Natural Resource Management	Arid Lands	S	S
Rwanda – Environment	Integrated Management of Critical Ecosystems		
Rwanda - Rural Water Supply -Sanitation	Rural Water Supply and Sanitation Project	S	S
Tanzania - Water Resources and Irrigation	River Basin Management and Smallholder Irrigation Improvement	S	S
Tanzania – Environment	Wildlife and Livestock Utilization		
Uganda – Hydropower plant and Transmission	Bujagali / Private Hydropower	S	S
Uganda – Environment	Bwindi Forest and Mgahinga Gorilla NP Conservation		
Uganda – Enhancing Environmental Management Capacity	EMCBP I & II	S	S
Uganda - Power, Energy Conservation	Energy for Rural Transformation Project		
Uganda - Natural Resource Management – Capacity Building – Institutional Strengthening	ICB – PAMSU	S	S
Uganda – Advisory and Information Services	National Agriculture Advisory Services Project	S	S
Uganda - Biodiversity and Nature Conservation	Protected Areas Management and Sustainable Use	S	S

Uganda – Water Supply	Small Towns Water Supply	S	S
Uganda – Power System Expansion and Rehabilitation – Power Sector Reform	UG Fourth Power Project	S	S
Uganda – Fuels	Water Hyacinth Industry		
Other development agencies For projects funded by other development agencies please refer to Annex 4 - baseline projects			

IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

For non-Bank projects, please see Annex 4, Incremental Costs.

3. Lessons learned and reflected in the project design:

Lessons learned from the NBI to date, from the region and from the broader GEF International Waters Project portfolio, were reflected in project design. The lessons that are of the greatest relevance to the project include:

- (a) *Development of a shared vision.* This important step allows development and expression of a common overarching goal for cooperation and a common view of the objectives of riparian involvement in a transboundary dialogue and/or institution. Goals need to take full account of historical, environmental, and socio-economic development constraints and opportunities.
- (b) *Moving from challenges and constraints to opportunities.* Long-term conflict over scarce resources creates challenges, but also provides opportunity for cooperation, thereby unlocking a huge development potential. In spite of a history of conflicting water demands and difficulties, the Nile riparian countries have come together to forge a new environment of cooperation, seeking win-win benefits. The Shared Vision Program has been designed to provide the “software” and the enabling environment that will foster sound transboundary cooperation and development among the Nile riparian states.
- (c) *Sharing benefits not sharing water.* A dialogue that moves away from a stalemate in sharing a limited resource to sharing its benefits—especially in situations where water quantity is at stake—can provide a much more constructive base for continued cooperation and open an avenue for regional integrated planning. This also implies the need for “widening the circle” from water departments alone to broader sectoral involvement, such as agriculture, environment, planning, energy, infrastructure, and education.
- (d) *Preventive and curative measures.* There is a need to identify and undertake both preventive and curative measures to address environmental management concerns, ensuring a careful balance of the two. Preventive measures are by far the most cost-effective type of intervention and can be complemented by curative actions to remediate existing problems. In the Nile context, where the water quality concerns are not yet at critical levels, except in isolated locations (largely centered on urban centers around Lake Victoria, around large-scale irrigation along the Nile and in the delta), the emphasis

on preventive measures through sustainable development planning presents a huge opportunity for preventive action.

- (e) *Institutional and legal framework.* The dialogue and commitment to agree on a basic legal and institutional framework should be supported and where necessary capacity should be built to assist in this process. Partnership and trust among countries requires a “leveling of the playing field” in terms of information and skills among riparian partners. Entering into dialogue and eventually agreeing on a framework for cooperation demonstrate national and regional political commitment and facilitate the initiation of more concrete investment discussions.
- (f) *Acceptance of principle of subsidiarity and agreed policy guidelines.* The acceptance of the commonly known principle of subsidiarity has proven immensely useful in the Nile context. Once agreement was found and a common set of Policy Guidelines determined, within which all agreed to operate, this provided the opportunity to explore subsidiary actions on the sub-basin level, which would concern those countries affected by and those involved in the proposed activities.
- (g) *Trust.* Developing trust and personal relations among riparian delegations from countries that have often been in conflict for decades or more is a key ingredient to moving the process further. Trust and confidence among and between riparian parties and between riparians and donor partners need to be built and long-term involvement of specific individuals can be very important.
- (h) *Long-term commitment to process and product.* Involvement in regional processes requires a substantial commitment in terms of time, and long-term provision of financial and human resources. The dialogue process and support for development of trust underpin an enabling environment for cooperation, and a sense of ownership of and commitment by all parties to a process that may require years to bear fruit. For donor agencies, a key requirement is that they be able to stay with the process. Long-term support that will not be subject to political and institutional changes must be a mainstay of any donor involvement.
- (i) *Partnerships.* Building broad partnerships among and within the riparian countries and with key international agencies and donors is essential for a coordinated process and implementation of programs and for utilizing the comparative advantage of donor institutions. Public support and broad ownership in the countries should be encouraged and built early in the process.
- (j) *Management structures and implementation arrangements.* Financial sustainability, careful attention to institutional set-ups and selection of staff, and consideration of efficient, transparent and accountable management structures are all essential. Regional projects often have high overhead costs given the inherent complexity of their tasks. The present project has been designed with minimum organizational structures, and will

instead draw on consultancy expertise (preferably regional consultants) when required.

4. Indications of borrower and recipient commitment and ownership:

National Level. At the national level, the project has received strong support from governmental institutions and NGOs, which have actively participated in project preparation activities and workshops (Annex 12 provides a summary of the participatory process that was used in the project preparation process and a list of the involved stakeholders). The Environment Ministries/Agencies in the Nile countries have taken an active leadership role in the formulation of this project, working in close consultation with their sector colleagues in the respective ministries of water affairs (in a number of countries—Burundi, DRC, Kenya, Rwanda, Tanzania and Uganda—water and environment are within the same ministry). In addition, broader NGO and public participation in the preparation process was ensured through the organization of national workshops in each country to review the TEA and the priorities which were beginning to emerge as potential project elements.

Regional Level. At the regional level the commitment of the Nile countries has been of historic proportions. This large group of countries, many of which have a history of tension between them, has come together as one, united behind the NBI and the Shared Vision. This was demonstrated to the world at the June 2001 ICCON at which the countries presented their Vision and their program to the world's donor community.

The Nile countries realize that effective management and conservation of the Nile's unique environment and natural resources will depend first and foremost on long-term, high-level commitment by governments as well as the communities and peoples benefiting from the Nile. The prospects for implementing and sustaining the benefits of the *Agenda for Environmental Action*, including the initial activities within the present project, have been substantially enhanced by being embedded within the much broader basin-wide initiative to which the governments of the Nile countries have already committed themselves (see Annex 14). The governments see the NBI as offering the possibility to move beyond isolated planning and unilateral actions in a non-cooperative and possibly contentious setting, towards cooperative development planning in the utilization of this transboundary resource, seeking win-win opportunities within the spirit of benefit sharing. The initial basin-wide activities must therefore be seen as a component within a much larger Nile Basin Strategic Action Program. The governments of the region, in making their commitments to the NBI – including the actions identified through the TEA – have committed themselves to finding cooperative solutions to sustainable governance of shared natural resources and further integration. While intangible and unquantifiable, these commitments are the most important elements underpinning long-term sustainability of activities in the Nile Basin. The decision of the Nile riparian countries to self-finance the recurring costs of the Nile-SEC further reflects this commitment. This measure has been put in place to assure true ownership and control of the process.

5. Value added of Bank and Global support in this project:

The external support provided to the NBI is critical to the success of the SVP as well as the SAPs since the Bank, UNDP and other donor partners are able to provide a wide range of practical

experience from a series of jointly implemented regional GEF programs (Baltic Sea, Black Sea, Danube River Basin, Mediterranean Sea, Mekong River Basin, Lake Victoria, Red Sea, etc.). The global support provided by GEF facilitates the mobilization of regional efforts and resources to overcome barriers to addressing the management of transboundary environmental issues. Without the combined resources of the Bank, UNDP, GEF and donor partners, implementation of the *Agenda for Environmental Action* would proceed at a slower pace and would not fully benefit from the experience gained from other regional environmental programs worldwide.

The recent Second Biennial GEF International Waters Conference, held in Dalian, Liaoning Province, China, on September 25-29, 2002, demonstrated that the UNDP and the World Bank are leading agencies in implementing GEF International Waters Projects. Considerable in-house expertise and internationally-based knowledge of the main issues relating to such initiatives has been developed. While the NBI is by far the largest of the ongoing international waters initiatives at the moment, it is noteworthy that currently the World Bank is involved in the implementation and/or preparation of some twenty-three GEF International Waters Projects in Africa, the Middle East, Latin America, Europe and South East Asia.

E. Summary Project Analysis (Detailed assessments are in the project file, see Annex 8)

1. Economic (see Annex 4):

- ☐ Cost benefit NPV=US\$ million; ERR = % (see Annex 4)
- ☐ Cost effectiveness
- ☒ Incremental Cost
- ☐ Other (specify)

The economic evaluation methodology is the GEF incremental cost analysis. Although a number of baseline activities touch upon the proposed project, the incremental costs are substantial. Project investment addresses the transboundary overlay of Nile environmental management. It is highly unlikely that the individual countries would take action independently to preserve a resource that will be available for other, neighboring countries to use and the present project therefore provides an essential element for sound and sustainable management of the shared water resources.

2. Financial (see Annex 4 and Annex 5):

NPV=US\$ million; FRR = % (see Annex 4)

The project builds on a number of existing national and regional activities. In terms of this project, sustainable financing of the transboundary activities beyond GEF funding is a key issue. A first step in ensuring the long-term sustainability of environmental management activities was made in March 2001 when the Nile-COM endorsed the Nile TEA. This document, the preparation of which was funded by the GEF PDF B resources, lays the foundation for sound environmental analysis and understanding for programs which will follow. Financial sustainability is further ensured through strong government ownership and commitment to the NBI. In addition, the June 2001 meeting of the first ICCON secured US\$140 million in donor pledges towards the SVP and the preparation work for the first SAP (the investment projects). In the long term, therefore, the mainstreaming of environmental management action will be secured through the investment program, which is now under preparation.

Fiscal Impact:

Not applicable.

3. Technical:

The project is supporting networks, electronic communication and information dissemination to link the Nile Countries and stakeholders in different agencies, NGOs and educational institutions across the Basin. While it is realized that information technology infrastructure and availability in the countries is often just emerging, experience over the past five years has shown that this development is very fast and growing. Additionally, the information dissemination aspects do not only rely on electronic media, but also on regular distribution of printed material.

The main technical element in the project is the River Basin Model. This component of the project builds on existing technologies and incorporates lessons learned from these efforts. It is the first participatory basin-wide modeling effort entirely developed in institutions in the Basin and emphasizes capacity building and the creation of opportunities for careers for younger staff. Some specific technical challenges associated with developing the River Basin Model relate to:

- A suitable balance between the requirements of accuracy of model output and the relative scarcity of data;
- Maintenance and continuity of data collection;
- Operation and maintenance of information management systems/databases at regional and national levels;
- Regional coordination regarding uniformity and quality assurance of data and information;
- Design of the River Basin Model and the overall DSS so that these are useful tools at all levels and scales: regional, sub-regional, and national; and
- Creation of sustainable mechanisms of financing for activities after project completion.

The basin-wide water quality component has been designed as a starting point for coordination and dialogue on water quality management on a basin-wide scale. There is a wide divergence in the Nile Countries with respect to the priority accorded to water quality issues as well as capacities to address water quality threats. Project activities are facilitating regional cooperation through:

- Capacity building;
- Facilitating water quality data exchange;
- Comprehensive evaluation of the current state of water quality; and
- Enhanced monitoring efforts.

Support for water quality monitoring efforts will be geared towards low cost field methods with an emphasis on synergy with project activities in the Community-Level Land, Forests and Water Conservation component. As the emphasis of this component is to launch a basin-wide dialogue supplemented by exchanges and training, the project will not support significant laboratory development or equipment purchases. Additional resources are still required to upgrade *national* capacities in a number of the Nile countries which are largely outside the scope of the present *regional* effort. It is expected that in countries where this is considered a priority, this will form

elements of the SAP investment program.

4. Institutional:

The Nile Basin countries have established, through a series of legal instruments adopted at meetings of the Nile-COM between 1999 and 2002, transitional institutional mechanisms for cooperation, including a regional organization, the NBI, headquartered in Entebbe, Uganda. The current NBI institutional structure is transitional in nature until a permanent institution within a basin-wide framework for cooperation has been established. A Cooperative Framework is currently under discussion by the Nile Basin countries. While the establishment of a permanent regional institution will facilitate continuity and sustainability of the NBI activities, the present project and the entire SVP will contribute to strengthening cooperation, building awareness and supporting the development of technical tools as well as strengthening the expertise needed to support the anticipated functions of a permanent institution when it is established.

The SVP will be executed by the NBI through Project Management Units. The preparation of the SVP projects has been a complex, multi-country, multi-sectoral process involving more than seventy national experts from nine countries in the preparation of the seven projects. The NBI structure, supported by the Nile-SEC, has effectively managed this process, demonstrating Nile riparian capacity for basin-wide coordination. Effective implementation of the present project as well as the other SVP projects, however, will be a challenge. The creation of strong PMUs, as well as continued attention to strengthening the regional coordination capabilities of the NBI will be critical to the success of this project and each of the other SVP Projects.

At the national level, the present project will deal most frequently with the institutions responsible for environment and water resources management. The human and institutional capacities of these organizations vary across the Basin.

4.1 Executing agencies:

The NBI will execute the World Bank financed portion of the project. The NBI will act on behalf of the Nile Basin countries, and be responsible to the World Bank to ensure that applicable rules and procedures are adhered to. On behalf of the NBI, the UNDP portion of the project will be executed by UNOPS. The project will be managed by a small PMU to be created in Khartoum, Sudan. The PMU will be designed to function in close liaison and under the supervision of the Nile-SEC. To ensure that the NBI meets its required fiduciary, procurement, and project management responsibilities, the Bank and the NBI have agreed on an implementation arrangement through which the NBI will contract UNOPS to support Project execution by the NBI of the Bank managed components (see Annex 13). As no funds will transit directly through NBI, a Procurement and Financial Management Assessment of the NBI is not required.

4.2 Project management:

Project management challenges in a multi-country regional setting cannot be underestimated. The commitment of all the Nile countries to the NBI has been and continues to be a key for success. The success so far of the NBI is to a large extent derived from the fact that the countries have been firmly in the driver's seat, and that there is a keen sense of ownership of the Initiative. As the NBI moves into the project implementation phase, close attention must be paid by the Bank and UNDP to ensure that the PMU and the National Project Coordinators identify closely with,

and integrate well into the NBI structures, rather than functioning as separate entities that report to Washington or New York. For detailed project management description, see Annex 13.

4.3 Procurement issues:

Choice of a Project Services Agency. The Bank financed portion of the project will be executed by the NBI through Nile-SEC. The Nile-COM has decided that the NBI would contract a Project Services Agency (PSA) for the implementation of the SVP. The purpose of the PSA is to support the NBI in the execution of the SVP projects, through the provision of project services, in particular financial management, procurement of goods and services and capacity building of the NBI to oversee basin-wide projects. Following an extensive evaluation of options, the Bank agreed to the Nile-COM's request that UNOPS be selected as the PSA. (For further information on the choice and selection of the PSA, please see Annex 6).

Procurement of works and goods financed through the World Bank by the GEF Trust Fund and through the NBTF administered by the World Bank will follow the World Bank's "Guidelines for Procurement under IBRD Loans and IDA Credits" dated January 1995, and revised January and August 1996, September 1997 and January 1999. Procurement of services financed by the GEF Trust Fund and the NBTF will follow the World Bank's "Guidelines for Selection and Employment of Consultants by World Bank Borrowers" dated January 1997, revised September 1997, January 1999 and May 2002. The World Bank's latest editions of standard bidding documents and contracts will be used.

Consultant Services. It is envisaged that a large percentage of the consultants used on this project will be individual consultants, many of whom will be selected from the Nile Basin countries, who will work directly with specific aspects of the different components with both national and basin-wide teams implementing those components. Consultant firms will be used primarily for major studies and training exercises. Bank managed resources budgeted for consultant firms amount to a total of US\$7.0 million, while Bank managed resources for individual consultants amount to a total of US\$3.7 million.

Microgrants to NGOs. A large portion of the NBTF Grant (US\$5.5 million) is being used to make small grants to NGOs in the Nile Basin countries. These grants will be no larger than US\$25,000 and will be selected through a formal procedure to be established by the PMU based on the UNDP GEF Small Grants Program procedures.

4.4 Financial management issues:

As the project implementation functions will be carried out by UNOPS for the NBI, and further as no financial management actions will be undertaken by the NBI, a financial management assessment of the Nile Secretariat is not required. As part of the appraisal process, a senior Bank financial management specialist traveled to New York to discuss project financial management issues with UNOPS.

5. Environmental:

Environmental Category: C (Not Required)

5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

The project enhances transboundary cooperation and environmental quality. Training,

networking, improving the management of ecologically sensitive areas and information management are among the major activities of the project. The project is anticipated to enhance environmental management through improved information exchange and common analytical methods for water quality monitoring. Actions on the ground involve a Microgrant Program for community access (grants < \$25,000) for improved local land management, water weed control, soil conservation, and land and water degradation control. The activities will be implemented at community and village levels. Screening for environmental and social aspects will be part of the grant application process.

5.2 What are the main features of the EMP and are they adequate?

No Environmental Management Plan required.

5.3 For Category A and B projects, timeline and status of EA:

Date of receipt of final draft:

Not applicable.

5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

Not applicable.

5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

Not applicable.

6. Social:

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

The development of national policies for the use and protection of natural resources is of significant social importance in the Nile Basin countries, which are largely natural resource based economies. It is important that regional development action reflect the concerns of society and endorse the positive aspects of each society's values and culture while also ensuring that the transboundary nature of the resources does not result in downstream environmental degradation. Additionally, the present project will contribute to dialogue and decisions on possible alternative development paths from a regional perspective, thereby contributing to sustainable management of land and water resources. Environmental sustainability issues are largely linked to social issues of access to resources. The project will improve the information needed to assess social and environmental impacts of future NBI and related projects. The project itself, however, as it focuses on the building of capacity and technical tools, is not anticipated to have any adverse social impacts. The project will actively involve local and national NGOs and support community action. Equal participation of the poor and women will be assured throughout project implementation. For example, women's groups are specifically targeted by the Microgrant Program.

6.2 Participatory Approach: How are key stakeholders participating in the project?

Key stakeholders in the project are the national water and environment ministries/agencies as well as educators, local communities and NGOs. The ministries will participate at the level of policy issues, and in the development of the River Basin Model and the Water Quality work. The

educators will participate in the development of common educational modules on transboundary water and environment issues for primary, secondary and tertiary levels and students at these levels will also participate through their involvement in training, networking through the creation of school twinning arrangements, study tours, jamborees, school competitions, etc. NGOs and community groups will participate through the Microgrant Program and through the public awareness and outreach programs. The overall design of the project is based on open and broad participation at multiple layers of society, with the aim of ensuring that as many points of contacts as possible are created between the countries, therefore leading to greater understanding and dialogue, and, eventually, trust, integration and thus an overall reduction in tension and conflict. The conduct of frequent workshops is seen as an important means of bringing the different countries and stakeholders together.

6.3 How does the project involve consultations or collaboration with NGOs or other civil society organizations?

Annex 12 highlights the large number of national government and NGO institutions that were involved in project design and preparation. Implementation of the project will involve even larger numbers of community groups and NGOs. The Microgrant Program specifically targets local communities and NGOs in the Nile countries, while the Environmental Education and Awareness component will also largely be implemented by NGOs from the region. During the pre-appraisal, extensive meetings and consultations with NGOs and community-based organizations were undertaken. The present document reflects the findings and priorities from these consultations.

Annex 12 also provides an overview of some of the agencies and institutions that the project would aim to involve in the implementation phase.

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

The implementation arrangements for the project include regular meetings of the PSC. These meetings are intended to provide the governments, World Bank, UNDP and other co-financiers with information on the progress of the project, and with the opportunity to modify project activities to best accomplish overall project goals. As noted, one of these goals is community empowerment through appropriate informational programming and through the Microgrant Program. At the national level, the Microgrant Steering Committees will overview the Microgrant Program and will monitor that target beneficiaries are reached.

6.5 How will the project monitor performance in terms of social development outcomes?

The Logical Framework (see Annex 1) provides initial benchmarks for project monitoring. However, a separate monitoring unit will be established under the project to monitor and provide information on project progress and success in achieving project outcomes. In addition, the project will be subject to an independent mid-term evaluation. This will provide further insight and analysis on project progress and will suggest corrective measures for under-performing components or activities.

7. Safeguard Policies:

7.1 Do any of the following safeguard policies apply to the project?

Policy	Applicability
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Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No

7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

There are no anticipated issues surrounding safeguard compliance (see Integrated Safeguards Data Sheet - Annex 19).

F. Sustainability and Risks

1. Sustainability:

Project Ownership. Sustainability of project initiatives will greatly depend on the approach adopted during project design and implementation. First and foremost is the question of project ownership. Through a resolutely participatory process of project design, every effort has been made to ensure that riparian country stakeholders genuinely “own” the project. Local communities, NGOs and the private sector have been engaged in the national and local consultations underlying the TEA. These and other key stakeholders will need to be genuinely engaged in project implementation and encouraged to take on ownership. Project ownership will also be demonstrated through continued national commitment to the Nile Basin institutional set-up.

Tangible Benefits. The second important concern is whether the project outcomes will indeed result in tangible benefits for the local communities and farmers. It is recognized that the initial beneficiaries of the project will be selected local communities, NGOs, educators, government agencies and ministries, and the private sector. For long-term sustainability, project benefits must reach policy makers, financial planners and private sector investors. Incorporating regional experiences at the national level will need to form an important element of this strategy.

Regional Cooperation. Project sustainability will depend on the growing Nile cooperation being maintained and strengthened among the Nile Basin countries. There is among the riparians a strong commitment and a clear notion of “crossing the Rubicon”, a sense that so much has been invested already that the Nile Basin Initiative, including the present project, must succeed for the process to move forward. Regional commitment to the process is high, with the specifics of the cooperation anchored in the Policy Guidelines endorsed by the Nile Council of Ministers. The core institutions governing the overall Nile Basin Initiative (Nile-COM, Nile-TAC and Nile-SEC) as well as the Policy Guidelines have emphasized the importance of transparent operational procedures, open communication networks and information sharing as key principles

to guide long-term regional cooperation.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Commitment of the Nile-Basin Countries. Project success will be critically dependent on the countries' continued commitment to collaboration with other Nile Basin member countries, and to achieving the objectives of the SVP program, as laid down by the Nile-TAC. This is intimately related to political stability in the region. Many countries in the region are facing war, political uncertainty, extreme poverty, diseases, etc. All these conditions are not conducive to a long-term project aimed at improving an enabling environment on a regional basis. On the other hand, this and other NBI projects seek to contribute towards building trust among the Nile Basin countries. This very trust will work towards increasing cooperation and thereby reducing the levels of conflicts and tension. It is therefore of crucial importance that this process have tangible benefits. The emphasis on regional cooperation, the collaborative efforts that have been made to produce the TEA and the regional ownership that is the result thereof are powerful instruments for not only achieving the project's objectives, but also for accomplishing the longer term trust and understanding.

Institutional Leadership. The project critically depends on the capability of government institutions and staff to provide visionary leadership. This may not be forthcoming in a setting where there is general lack of incentives for staff, research and innovation and supporting infrastructure. Through regional learning from study tours, exchange visits and consultations, the project endeavors to create institutional capacity and leadership that will form the basis for implementation of project activities. It should be pointed out that the project intends to seek visionary leadership within, and not outside, the boundaries of the Nile Basin.

Regional Coordination Capacity. The institutions of the NBI supported by the Nile-SEC, have effectively managed a complex, multi-country sectoral process to prepare the seven projects of the Shared Vision Program. This demonstrates capacity for basin-wide coordination. Effective implementation of the SVP projects, however, will be a challenge. The creation of a strong Project Management Unit has been incorporated into the project design while continued strengthening of the regional capabilities of the NBI will take place through the present project as well as the broader SVP.

National Institutional Capacity. Recognizing that some countries in the Basin face institutional capacity constraints, the project has been designed to strengthen institutional and human resources capacity in the recipient countries. Component 1 of the present project, "Regional Capacity Building for Transboundary Environmental Management" is specifically designed to develop a culture of good practice within national environmental management institutions.

Insecurity and Conflict. Seven of the ten countries in the Nile region are at present, or have recently been, involved in internal or external conflict. This brings both operational as well as political risks to a process and a project of this size. However, there is awareness at the highest political levels of the Nile countries of the possibilities of a "cooperation and peace dividend" which the broader Nile Basin Initiative can leverage, and thus there is a high-level commitment to maintaining the momentum of the process, in spite of the political landscape and reality of the

moment. Leaders in the Nile Basin countries have made it clear that they see the Nile Basin Initiative as a tremendous opportunity to bring further cooperation, economic exchange and eventually greater integration and interdependence, which can yield high returns in terms of growth, food security, sustainable development and peace. Both of the Implementing Agencies are well represented in the ten countries concerned and manage large programs delivering both development and humanitarian assistance in all the countries. Moreover, as far as the regional Nile process is concerned, UNDP and the Bank have been involved since 1995 and 1997 respectively, and are confident of the agencies' ability to deliver this GEF project, as well as the larger Nile Basin Initiative, in an efficient and effective manner.

Risk	Risk Rating	Risk Mitigation Measure
<p>From Outputs to Objective</p> <p>Regional and national level management/institutional capacities are not adequate to ensure effective basin-wide coordination.</p> <p>Qualified and motivated staff and/or experts for particular components are not available in the region.</p> <p>Riparians are unwilling to share information and collaborate in the design and implementation of project components.</p> <p>1.2 The parallel Shared Vision Program Confident Building and Stakeholder Involvement Project s unable to provide planned support to the newsletter and website.</p> <p>1.3 Adequate national level institutional and human capacity is not available to implement the Regional River Basin Model (RBM) component and sustain the activity.</p> <p>1.4 Necessary economic and environmental data is not available over periods necessary to develop trends and sound hypotheses.</p> <p>2.3 Active women's participation in component activities is not achieved in all countries.</p> <p>2.3 Community-level stakeholders are not ready to submit proposals and implement grants dealing with transboundary issues.</p>	<p>S</p> <p>M</p> <p>M</p> <p>N</p> <p>S</p> <p>S</p> <p>M</p> <p>M</p>	<p>Through the broader SVP program, capacities are being built for regional management at a variety of levels. The present project will contribute to this effort in the environmental field, through regional exchanges, workshops, study tours and targeted training.</p> <p>Through mainstreaming environmental management in governments and through exposure to training and exchange, motivation of staff and career opportunities will be enhanced.</p> <p>All riparian countries have committed to share information for the project-specific components. Moreover, the follow-on investment projects will act as an incentive to mitigate this risk.</p> <p>Canadian CIDA has already committed funds through the NBTF for this component. The NBI has decided to fast-track this project, in view if the important service it is providing to the entire NBI.</p> <p>This project sub-component is directly linked to the SVP Water Resources Planning and Management Project, which is designed to assist the Riparians in building both the necessary human and institutional capacities.</p> <p>This project sub-component will study the links between the environment and macro-policies. Study topics will be selected in countries/fields in which data available.</p> <p>Special efforts will be made to encourage women's participation in the project component. M&E will particularly track gender ratios so corrective measures can be taken.</p> <p>A National Microgrant Coordinator will be appointed in each of the countries to work actively with community and NGO networks for outreach to communities and community-based organizations.</p>
<p>From Components to Outputs</p> <p>Pledged donor financing, including second phase GEF financing, and riparian in kind financing are not provided at expected levels.</p>	<p>M</p>	<p>The GEF Executive Council has endorsed the project brief in at the GEF Executive Council meeting in December 2001. Canadian CIDA has confirmed its contribution and already paid</p>

		the first installment. Other NBTF donors are going through the appropriations procedures and are expected to follow suit.
Overall Risk Rating	M	

Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

3. Possible Controversial Aspects:

None

G. Main Conditions

1. Effectiveness Condition and Board Condition

a. Board Condition

The Bank will receive the following from the NBI countries, in form and substance satisfactory to it:

- A letter from each of the countries' Ministers of Finance confirming their respective countries' agreement for the NBI to execute the GEF Grant on their behalf.

b. Effectiveness Conditions

- NBI, through its executive arm, the Nile Basin Secretariat, has entered into a Management Services Agreement for project services execution to the satisfaction of the Bank;
- Project Steering Committee constituted;
- Regional Project Management Unit established and its staff appointed;
- Procurement plan for first Project year prepared and agreed;
- Submission to the Bank of a Project Implementation Manual for use in project implementation;
- UNDP Project Document (UNDP/GEF funded portion of the Project) signed;
- Recruitment of an independent external auditor for the yearly audit of the Project accounts; and
- Establishment of an adequate financial management system for Project monitoring and implementation.

2. Other [classify according to covenant types used in the Legal Agreements.]

Conditions to be met at all times during project implementation

- Contract with the Project Services Agency continues to be in force;
- Regional Project Management Unit remains adequately staffed; and
- NBI, as executing agency, is able to operate in accordance with legal Instruments establishing it, and provide funds, facilities, services and other resources required for the project (Section 3.01 (a) of Grant Agreement).

H. Readiness for Implementation

- ☐ 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
- ☒ 1. b) Not applicable.

- ☒ 2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
- ☒ 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
- ☐ 4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

- ☒ 1. This project complies with all applicable Bank policies.
- ☐ 2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Inger Andersen
Team Leader

Praful C. Patel
Sector Manager/Director

Praful C. Patel
Country Director

Annex 1: Project Design Summary

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p>Sector-related CAS Goal:</p> <p>The vision of the Nile Basin Initiative (NBI) is to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.</p> <p>The NBI's Shared Vision Program aims to support the establishment of an enabling environment for cooperative development.</p>	<p>Sector Indicators:</p> <p>Increasing levels of regional cooperation and coordination through the Shared Vision Program's seven regional projects.</p>	<p>Sector/ country reports:</p> <p>Nile Secretariat's Annual Report.</p>	<p>(from Goal to Bank Mission)</p> <p>Continued political and financial commitment to the NBI by the ten riparian states.</p> <p>Continued donor support.</p>
<p>GEF Operational Program:</p> <p>The Transboundary Environmental Action project aims to develop a framework for basin-wide environmental action linked to transboundary issues within the context of the Nile Basin Initiative's (NBI's) Shared Vision Program under the GEF's International Waters Program.</p>	<p>Outcome / Impact Indicators:</p>		

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p>Global Objective:</p> <p>The project aims at creating more effective basin-wide stakeholder cooperation on transboundary environmental issues by supporting the implementation of a subset of actions prioritized by the TEA, including:</p> <ul style="list-style-type: none"> Enhancing the analytical capacity for a basin-wide perspective to support the sustainable development, management, and protection of Nile Basin water. Engaging the full spectrum of stakeholders, from local communities to national policy makers, from elementary schools to universities, from NGOs to line ministries, in management and protection of the Basin's shared resources. 	<p>Outcome / Impact Indicators:</p> <ul style="list-style-type: none"> Increased regional cooperation in environmental and water management fields. Increased basin-wide community action and cooperation in land and water management. Basin-wide networks of environmental and water professionals. Greater appreciation of river hydrology and more informed discussion of development paths. Expanded information and knowledge base on land and water resources available to professionals and NGOs. Greater awareness of the linkages between macro/sectoral policies and the environment. Greater awareness and increased capacity on transboundary water quality threats. 	<p>Project reports:</p> <p>Nile Basin Initiative Transboundary Environmental Action Project reports that clearly document basin-wide cooperation on environmental action.</p> <p>Project monitoring and evaluation reports.</p>	<p>(from Objective to Goal)</p> <p>The Nile riparian governments agree on the planning, implementation and monitoring of the project.</p> <p>Project component work plans and financial arrangements for the project are in place.</p> <p>Stakeholders from both the public sector and civil society at large are willing to actively participate in and collaborate with the project.</p> <p>Full GEF Financing for all planned project components.</p>

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Output from each Component: 1.1 Institutional Strengthening to Facilitate Regional Cooperation (GEF/WB & GEF/UNDP). Regional Capacity Building for Transboundary Environmental Management (GEF/UNDP). 1.2 Communications and Knowledge Management (GEF/WB). 1.3 River Basin Model (RBM): Regional River Basin model, coupled with human capacity and institutional support, developed and facilitating water resources planning at a regional level (GEF/WB & NBTf/WB).	Output Indicators: 1.1 Establish PMU and Project Steering Committee, including hiring of staff (GEF/UNDP). 1.2 PMU and National Coordinator offices connected to Internet (GEF/WB). 1.2 Newsletter published regularly and distributed widely with best practices, lessons learned, workshop announcements and links to additional resource material of interest for all project areas (GEF/WB). 1.2 Basin-wide environmental web site established and used as knowledge portal to access NBI related environment reports and for distributing newsletter (GEF/WB). 1.3 Functioning river basin planning model jointly developed (GEF/WB). 1.3 Greater appreciation for river system behavior among the riparians (GEF/WB). 1.3.1 River Basin Model developed and staff trained (GEF/WB) <ul style="list-style-type: none"> Model developed and calibrated based on participatory development process. Core riparian staff understand and able to use model. 1.3.2 Linkages between regional Unit and national network of users established (GEF/WB) <ul style="list-style-type: none"> Multi-sectoral network of DSS/RBM users solidified at national level through awareness building. National staff capable of using model. Technical troubleshooting and country visits by regional DSS/RBM unit staff conducted. 	Project reports: Annual Project Report – including project monitoring and evaluation, and workshop reports. 1.2 Project newsletter. 1.2 Regularly updated website. 1.3 Annual progress, technical and financial reports to Steering Committee and Nile-SEC. 1.3 External review and evaluation reports at critical milestones and project completion. 1.3 RBM performance and training program evaluations. <ul style="list-style-type: none"> User guides and technical manuals; model test and calibration results. Workplans and training logs/reports documenting in-basin on-the-job training, in-basin seminars and workshops; international study tours, etc. Interviews during visits to focal points and network nodes . Technical papers documenting process, model results, and use of test applications Course certificates or degrees for overseas training 	(from Outputs to Objective) 1.1 Qualified and motivated staff and other resources are available in the region. 1.2 The parallel Shared Vision Program Communications Project becomes operational and provides planned support to the newsletter and website. 1.3 Adequate regional-level management capacities to ensure effective basin-wide coordination. 1.3 Adequate national-level institutional capacity and cooperation to implement and sustain project. 1.3 Riparians are willing to share information and collaborate in the design and maintenance of the River Basin Model. <ul style="list-style-type: none"> Consensus reached on model needs and approach to describing river basin system. Accuracy of river basin model description useful. Input data adequate and consistent. Partners in other sectors and institutions can be motivated to actively cooperate. Data exchanges take place to level necessary for meaningful analysis. Model results credible. Combinations of

	<p>1.3.3 River Basin Model refined and applied (GEF/WB)</p> <ul style="list-style-type: none"> • River Basin Model applied on riparian selected test cases. • Modeling results facilitate dialogue among riparian staff on options for water resources management and development. <p>1.3.4 RBM use and training consolidated (BankGEF/WB)</p> <ul style="list-style-type: none"> • Long-term training plan, including overseas training programs, implemented. • RBM integrated into Nile DSS. 	<ul style="list-style-type: none"> • Independent evaluations. • Report on institutional and financing options. 	<p>short-term, long-term training plans, twinning with international institutions, and involvement of local universities sustain and update needed expertise.</p> <ul style="list-style-type: none"> • Critical data gaps filled. • Acceptable means to ensure long-term financial sustainability instituted.
<p>1.4 Macro and sectoral policies and the environment (GEF/WB).</p>	<p>1.4 Transboundary studies of macro and sector policies and environment (including root causes) completed in 4 countries, including at least one in each of the two NBI sub-regions (GEF/WB).</p>	<p>1.4 Studies on relationships between macro and sector policies and environment, including root causes.</p>	<p>1.4 Necessary economic and environmental data available over periods necessary to develop trends and sound hypotheses.</p>
<p>2. Community-Level Land, Forest and Water Conservation – Microgrant Program (CIDA through NBTf/WB & GEF/UNDP).</p>		<p>Annual Project Report – including project monitoring and evaluation, and workshop reports.</p>	
<p>2.1 Enhanced basin-wide capabilities and cooperation (GEF/UNDP).</p>	<p>2.1 Regional training workshops designed and conducted for NGO capacity building in technical and organizational skills related to transboundary environmental management (GEF/UNDP).</p>	<p>2.1 Workshop reports (including reporting on participation disaggregated by gender).</p>	<p>2.1 National and international NGOs are willing to share experience and collaborate with the project.</p> <p>2.1 Active women's participation in component activities is achieved in all countries.</p>
<p>2.2 Improved understanding of transboundary soil erosion (GEF/UNDP).</p>	<p>2.2 Transboundary assessments and studies of soil erosion completed in Ethiopia, Sudan & Rwanda (GEF/UNDP).</p>	<p>2.2 Reports on assessments and studies of transboundary soil erosion.</p>	<p>2.2 Studies provide usable insights on transboundary soil erosion to guide grant-making emphasis of Microgrant Program in countries concerned.</p>
<p>2.3 Nile Transboundary Microgrant Program to support local-level land, forest and water conservation initiatives (CIDA through NBTf/WB).</p>	<p>2.3 Transboundary Microgrant Program established and functioning in NBI Countries (GEF/WB).</p> <p>2.3 Microgrants disbursed to community-based organizations and grassroots groups across the broad base of stakeholder communities (GEF/WB).</p> <p>2.3 Country specific targets for percentage of the Microgrants to be awarded to women's NGOs or community organizations reached (GEF/WB).</p> <p>2.3 Identification of promising</p>	<p>2.3 Transboundary Microgrant Program reports on institutional arrangements, organization and management.</p> <p>2.3 Regional Microgrant Strategy, including eligibility criteria, and National Action Plans.</p> <p>2.3 Monitoring and evaluation reports for Microgrant Program, including monitoring and evaluation for individual grants (tracking percent of grants disbursed to women's groups and percent of grants for transboundary grants</p>	<p>2.3 Adequate institutional arrangements can be made in each country to house, manage, safeguard and administer the transboundary Microgrant Program in a transparent and open manner.</p> <p>2.3 Community-level stakeholders are ready to submit proposals and implement grants dealing with transboundary issues.</p>

	or viable approaches to transboundary environmental issues that can be scaled up or replicated (GEF/WB).	involving at least two countries).	
3. Environmental Education and Awareness (GEF/UNDP). 3.1 Enhanced public awareness and understanding of Nile transboundary environmental issues (GEF/UNDP).	3.1 National Working Groups established in 10 countries (GEF/UNDP). 3.1 National Environmental Education and Awareness Reviews carried out in 10 countries (GEF/UNDP). 3.1 At least two environmental awareness programs designed by transboundary teams and delivered in 5 countries (GEF/UNDP). 3.1 Enhanced public awareness of transboundary environmental issues (GEF/UNDP).	Annual Project Report – including project monitoring and evaluation, and workshop reports. 3.1 Environmental Awareness Program Materials. 3.1 Survey of environmental education and awareness program users to evaluate impact of activities.	All Nile countries ready to participate in component. 3.1 Transboundary communications can be established for teams to work together in designing awareness programs.
3.2 Networking of secondary schools for project-based learning (GEF/UNDP).	3.2 Teachers trained in project-based collaborative learning (1-3 teachers per school, a total of 80-100 schools from 6-10 countries) (GEF/UNDP). 3.2 Environmental modules developed and offered to teachers in 10 countries (GEF/UNDP). 3.2 Transboundary school environmental projects designed and carried out collaboratively (a total of 80-100 schools from 6-10 countries) (GEF/UNDP).	3.2 Environmental education and awareness program materials. 3.2 Surveys of users, including participation rates (collect gender disaggregated information). 3.2 Assessments of student learning, teachers' ability to integrate environmental education.	3.2 At least one real champion per country can be identified for developing and teaching environmental education modules. 3.2 National Working Groups are willing to work jointly and share information with counterparts from other riparian countries. 3.2 Institutional arrangements for development and delivery of environmental education programs can be made within each country – i.e. with the education ministries.
3.3 Piloting enhanced networking among universities and other research institutions (GEF/UNDP).	3.3 Two junior faculty or graduate students in exchange programs from each of 10 countries (GEF/UNDP). 3.3 University course in Nile Transboundary Environmental Issues developed collaboratively between universities in at least 6 Nile countries (GEF/UNDP).	3.3 Project reports on student/faculty exchanges and resulting research.	3.3 Willingness of relevant institutions to participate in exchange programs and commit staff resources.
4. Wetlands and Biodiversity Conservation (GEF/UNDP and possibly NBT/WB – Phase 2). 4.1 Regional cooperation is enhanced and capacity for conservation and management of wetlands and their biodiversity is improved (GEF/UNDP). 4.2 Understanding and awareness of the role of wetlands in supporting sustainable development is improved (Possibly NBT/WB –	4.1 Basin-wide wetland management network of stakeholders and experts established and functioning effectively (GEF/UNDP). 4.1 Wetland education, training and awareness programs have been developed in 3 languages (GEF/UNDP). 4.2 Ecological and economic studies of the role of wetlands in sustainable development completed in at least one southern and one northern Nile	Annual Project Report – including project monitoring and evaluation, and workshop reports. 4.1 Survey of users of wetland management network to evaluate impact of activities. 4.2 Reports on studies on the role of wetlands in sustainable development. 4.2 Workshop reports; surveys assessing awareness among	4.1 Wetland management stakeholders and experts are willing to participate in and share information through a network facilitated by the project. 4.2 Minimal level of trained staff available for training in countries.

Phase 2).	country (GEF/WB).	target audience.	
4.3 Management capacity of selected wetlands strengthened (GEF/UNDP and possibly NBTf/WB – Phase 2).	4.2 Wetland education, training and awareness programs developed in 4.1 and complemented by studies mentioned above, delivered (GEF/WB). 4.3 Pilot initiatives completed in support of capacity building and management at 3 key transboundary sites, involving at least one southern and one northern Nile country (GEF/WB).	4.3 Progress reports on pilot initiatives.	4.3 Wetlands and other priority transboundary sites selected for studies and for pilot initiatives are accessible.
5. Basin-wide Water Quality Monitoring (GEF/WB). 5.1 Enhanced national capacities for water quality monitoring (GEF/WB).	5.1 Regional Working Group established (GEF/WB) 5.1 Existing national capacities assessed, including documentation of sampling points in each country (GEF/WB). 5.1 Existing information on water quality aggregated in Nile water quality report (GEF/WB). 5.1 Common analytical methods selected and agreed for basin-wide use by Working Group (GEF/WB). 5.1 National training workshops held and methods pilot tested (GEF/WB). 5.1 Two regional workshops on water quality management issues conducted (GEF/WB).	Annual Project Report – including project monitoring and evaluation, and workshop reports. 5.1 Reports on national water quality monitoring activities and capacities. 5.1 Nile water quality report (may be combined and a chapter in the 'Nile Atlas' planned in the SVP- Water Resources Management Project). 5.1 Manual for common Nile Basin water quality analytical methods. 5.1 Workshop reports.	Commitment among the riparians to agree on common monitoring approaches and to share water quality information. Where functioning labs exist, the project will rely on these and provide additional financial resources during the course of the project; where labs do not exist, basic capacities are built. Adequate arrangements, including staff time and computers, are made available to continue to record national data and engage in regional exchange of information. Technical institutions and their trained staff ready to engage in regional effort. National monitoring efforts and capacity exist to support basic field methods for water quality analysis.
5.2 Transboundary water quality awareness raising and information sharing. (GEF/WB).	5.2 International Study Tour to raise awareness on need for transboundary cooperation (GEF/WB). 5.2 Information on sampling points and parameters of special transboundary significance exchanged on regular basis based on priority threats (GEF/WB). 5.2 Study on biological indices for water quality conducted and pilot tested (GEF/WB). 5.2 Critical evaluation of progress undertaken and recommendations for follow-up action formulated (GEF/WB).	5.2 Study tour report. 5.2 Progress reports on basin-wide water quality information and exchange of information developed by Working Group and Water Quality Lead Specialist. 5.2 Report from study available.	

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Project Components / Sub-components: Component 1: Institutional Strengthening to Facilitate Regional Cooperation 1.1 Regional Capacity Building for Transboundary Environmental Management 1.2 Communications and Knowledge Management 1.3 River Basin 1.4 Macro and sectoral policies and the environment Component 2: Community-Level Land, Forest and Water Conservation 2.1 Enhanced basin-wide capabilities and cooperation 2.2 Improved understanding of transboundary soil erosion 2.3 Microgrant Program to support local-level land, forest and water conservation initiatives at transboundary sites Component 3: Environmental Education and Awareness 3.1 Public awareness and understanding of Nile transboundary environmental issues 3.2 Networking of secondary schools for project-based learning 3.3 Enhanced networking among universities and other research institutions Component 4: Wetlands and Biodiversity Conservation 4.1 Enhanced regional cooperation and capabilities 4.2 Better understanding and broader awareness of the role of wetlands 4.3 More effective management of wetlands Component 5: Basin-wide Water Quality Monitoring 5.1 Enhanced national capacities for water quality monitoring 5.2 Transboundary water quality monitoring established	Inputs: (budget for each component) US\$14.6m US\$6.9m US\$1.0m US\$6.3m US\$0.4m US\$11.1m foreign US\$2.1 US\$0.3m US\$8.7m US\$3.4m US\$2.2m US\$0.8m US\$0.4m US\$7.1m US\$1.3m US\$2.7m US\$3.1m US\$2.9m US\$1.5m US\$1.4m	Project reports:	(from Components to Outputs)

Annex 2: Detailed Project Description

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

1. Objective

The objective of the project is to provide a strategic environmental framework for the management of the transboundary waters and environmental challenges in the Nile River Basin. The project will improve understanding of the relationship of water resources development and the environment in the Basin, and provide a forum to discuss development paths for the Nile with a wide range of stakeholders. The environmental framework established by the project will also promote: (a) enhanced basin-wide cooperation and environmental awareness essential to the successful implementation of the Agenda for Environmental Action in the Nile Basin through the NBI's SVP, SAPs and other programs, and (b) a basin-wide institution, the NBI, with substantially enhanced environmental management capacities.

More effective cooperation and coordination between the riparian countries is badly needed if the Nile Basin's environment is to be conserved in ways that help improve the quality of life of its inhabitants. This project will strengthen riparian cooperation and coordination by supporting a series of measures focusing on various aspects of transboundary environmental management. Project activities will include capacity building, training, education and awareness raising, knowledge and information sharing, communications, environmental monitoring and activities at selected pilot sites. All project components will require site selection and stakeholder participation from at least two riparian countries; while many will involve all of the countries. Consistent emphasis will be given to encouraging diverse stakeholder groups to work together, both within their own countries and with counterparts in other riparian countries, as an essential contribution to building the mutual understanding, relationships and trust that are essential to collaborative problem-solving in the future.

2. Approach

Promoting a broader understanding and appreciation of transboundary environmental and water management issues is the main thrust of this project. Hitherto, the Nile countries have generally worked in isolation while developing and implementing their plans for the use, conservation or development of the Nile Basin's resources. This project will help build bridges between the countries, to better enable a variety of key stakeholders to identify and take advantage of the opportunities offered by international collaboration. In its totality, the project aims to create many "points of contact" among and between a large and varied set of stakeholders in the ten different countries. As these contacts grow, and as independent networks are established around common issues of concern, this is expected to contribute to an overall reduction of tension, to building greater understanding and trust and, eventually paving the way for sound and environmentally sustainable cooperative developments for poverty alleviation.

For example, through policy dialogue and capacity building the project will bring together decision makers and environmental managers to create a variety of networks of key actors in the region. Decision makers will become better informed about linkages, opportunities and trade-offs as a result of the River Basin Model, thereby improving their abilities to frame more effective

policies and plans with better sustainability prospects. Improved regional exchanges and capacities will encourage streamlining of water quality monitoring. Bringing educators together for joint program development and training will help nurture a new generation in the region, which has been exposed to other Nile countries and is more aware of transboundary environmental impacts and opportunities, thus establishing a “community of spirit” over time. Finally, at the very grassroots, NGOs and community groups will be brought together to plan and implement Microgrant projects that will respond to shared local community priorities within a transboundary context.

3. Project Components

The project will encourage more effective basin-wide stakeholder cooperation on transboundary environmental issues by supporting implementation of the actions prioritized by the TEA, in the following areas:

1. Institutional Strengthening to Facilitate Regional Cooperation.
2. Community-Level Land, Forest and Water Conservation.
3. Environmental Education and Awareness.
4. Wetlands and Biodiversity Conservation.
5. Water Quality Monitoring Basin-wide.

The GEF Project is being executed by the NBI and jointly financed by the World Bank and UNDP (through GEF and NBTF resources).

By Component:

Project Component 1 - US\$14.71 million

1: Institutional Strengthening to Facilitate Regional Cooperation

GEF: US\$12.0 million; NBTF/WB: US\$2.70 million; total US\$14.7 million.

This component will enable deeper and more effective cooperation on transboundary environmental management among and between the Nile riparian countries, including governments, NGOs, researchers and other stakeholders. Key stakeholders will gain improved access to relevant resource management information relating to the entire Nile Basin, while some of the key linkages between macro and sectoral policies and the environment will be highlighted and better understood. A substantial learning process will result from the development of the River Basin Model and Decision Support System in coordination with the SVP Water Resources Planning and Management Project and will increase understanding of the Nile’s hydrological behavior as well as linkages between environment and development.

1.1 Regional Coordination (GEF/UNDP)

This sub-component includes the overall management arrangements for the project, including a Project Steering Committee, a Project Management Unit (PMU), and a National Project Coordinator in each country.

The PMU will: (a) strengthen the capacity of the NBI to coordinate and implement the national

components of the project, and (b) ensure effective cooperation with the NBI Subsidiary Action Programs as well as other environment and development programs in the Basin,

<i>Main Activities & Tasks</i>
1. Establish Project Steering Committee
2. Establish Project Management Unit
3. Hire National Project Coordinators

1.2: Knowledge Management (GEF/WB)

This sub-component will provide project participants and other key stakeholders across the Basin with improved access to relevant environmental and natural resource management information. It supports exchange of information, workshop materials and lessons learned from project activities and across components and the NBI at large. Key products will be regular project newsletters (printed and electronic), including special themes/topics as appropriate, e.g. on youth and environment, and a regularly updated project website. The sub-component will also support setup and maintenance of connections to the NBI website and resource center to be established at and managed by the Nile Basin Secretariat.

The Knowledge Management PMU staff (one KM specialist/editor and one internet publisher/webpage designer) will compile and make available resource materials and publish a regular printed and electronic newsletter (not less than three times a year). Information will cover each project component and relevant activities throughout the Basin. As this project will likely be the first SVP project to be operational, this sub-component will also have an important role in offering a learning opportunity through exchanges and transfer of lessons learned across the SVP projects and the SAPs. This will feed into the emerging Information Resource Center at the Nile-SEC. The National Project Coordinators will be responsible for coordinating information gathering at the local and national level, including lessons learned and best practices. Short term consultancies will support this effort as needed.

<i>Main Activities & Tasks</i>
1. Procure and install hardware
2. Hire Knowledge Management PMU staff
3. Develop project communications plan
4. Establish environmental knowledge base and disseminate knowledge on demand
5. Publish environmental newsletter and establish project website

1.3 Decision Support System and River Basin Modeling (GEF/WB and NBTF/WB)

This component will contribute to the development of a River Basin Model (RBM) for the Nile Basin as part of a Nile Basin Decision Support System (DSS) being developed by the SVP Water Resources Planning and Management Project. The DSS is being developed to support the assessment of transboundary opportunities for cooperative action based on commonly shared information and analysis tools. The DSS will be a basin-wide, computer-based platform for

communication, information management¹ and analysis of Nile Basin water resources. The analysis capabilities will be provided by the river basin model (RBM) element of the DSS which will serve as an important regional planning tool.

This RBM will be the first basin-wide, participatory river modeling effort wholly based in the region. Once developed and put into use, the RBM will: (a) increase regional understanding of the hydrology and system behavior of the Nile River; (b) provide a means of assessing the impacts of proposed development and management schemes and their transboundary implications on river hydrology; and (c) be a source of quantitative river flow information for environmental assessments.

This first participatory, basin-wide development effort of an RBM, at describing, on a regional basis, the hydrology in the Basin and river system behavior with adequate accuracy and reliability according to data availability. The model will represent a simplification of the natural system, which is acceptable for the purpose for which it is developed. From a planning perspective, the model will allow assessments of impacts that may have transboundary implications and will provide quantitative river flow information to support more detailed environmental assessments. Broader, multi-sectoral databases and finer scale models may be developed in subsequent projects to address site specific issues.

Within the overall set of DSS activities, the present GEF project will contribute to the development of the RBM, including training. NBTF resources shown herein but managed through the SVP Water Resources Planning and Management Project will also support model development efforts. In addition, the SVP Water Resources Planning and Management Project will support the remaining DSS components; the development of basin-wide information management system; and the development of guidelines for data collection, analysis and exchange.²

The GEF-supported RBM development approach will emphasize human resource development, institutional strengthening and team building, as well as the development of technical tools. An initial assessment of RBM training needs and system requirements will be conducted as a consultative process with the riparian states, and will consider the data and information needs of all NBI projects. The RBM should have an open ended architecture with the capability to gradually evolve over time in response to needs from SVP and SAP projects and to accommodate regional and national requirements. To ensure sustainability, the development approach will require a multi-year, multi-disciplinary effort, which includes not only the development of technical tools, but also team building and the development of staff and institutions. Broad acceptance and use of the RBM will depend on demonstrating its usefulness and successful application to decision makers at regional, sub-regional and national scales. This sub-component therefore includes substantial interactions with decision makers as an integral part of model development and refinement.

The development of the RBM will be managed through the SVP Water Resources Planning and Management Project and integrated with DSS development. To ensure sustainability, transparency and confidence in the DSS, a core team of specialists from the region will fully

participate in model development and application and will also serve as national lead specialists (within the SVP Water Resources Planning and Management Project). These National DSS Specialists will work with regional staff (e.g., project manager, project technical advisor, DSS lead specialist, and other technical experts) and with consultants (regional and international) as part of the core DSS team.

<i>Main Activities & Tasks</i>
1. Develop RBM and conduct staff training
2. Establish linkages between regional DSS unit and national user network
3. Test and apply RBM for selected projects/programs
4. Consolidate RBM use and training

(Note 1: The IMS will include the procurement and installation of hardware and software; the development of general database architecture; the development of GIS; development of user interfaces and other applications to support internet access; definition and development of security access; and comprehensive testing. In addition, the data and information component of the DSS (non-GEF funded) will establish guidelines for collecting, processing, analyzing and exchanging information through a consultative process among the Nile riparians. This will be closely linked with the broader NBI information exchange activities supported through the Nile-SEC and its emerging Information Resource Center.

Note 2: In addition to the DSS (estimated to cost \$21 million), the \$28 million grant-funded Water Resources Planning and Management Project includes components related to water policy, and water resources planning and management.)

1.4 Macro and Sectoral Policies and the Environment (GEF/WB)

This sub-component will consist of policy studies of the patterns of economic development and priority transboundary environmental issues. The primary goal is to produce a synthesis suitable for dissemination in all of the Nile riparian countries. The studies are expected to build on two key macro and sectoral policy issues identified in the Nile Basin TEA: (a) the policy issues and potential interventions related to the complex and variable relationship between site-specific deforestation for fuelwood and the dynamics of the sometimes distant energy markets being supplied; (b) the policy issues and potential interventions related to the complex and variable links between agricultural productivity, pesticide subsidies and non-point source pollution of water supplies.

These studies, carried out as consultancies by teams of researchers drawn from at least three Nile riparian countries, will need to be carefully coordinated with the other project components and other SVP projects to maximize complementarity and synergies. The results will be widely disseminated as a key step towards a more informed environmental policy debate in the Nile Basin.

<i>Main Activities & Tasks</i>
1. Identify candidate institutions and researchers, and select the study participants
2. Hold one regional workshop to plan each of the two applied research studies
3. Conduct studies through participating researchers/host institutions
4. Hold regional workshop to report on and disseminate each of the two research studies

Project Component 2 - US\$11.10 million

2: Community-Level Land, Forests and Water Conservation

GEF: US\$3.72 million; NBTf/WB: US\$7.38 million; total US\$11.1 million

Pilot activities at selected transboundary sites will demonstrate the feasibility of local-level approaches to land and water conservation, including mitigation actions for soil erosion, desertification, non-point source pollution and invasive water weeds. National NGO networks will be strengthened and NGO-government collaboration improved. This component includes regional institutional strengthening (sub-component 2.1) and a set of problem identification and site selection activities (2.2) that build on the basin-wide TEA. These activities will complement the community-level actions to be financed by a Nile Transboundary Microgrant Program (2.3).

2.1 Enhanced Basin-wide Capabilities and Cooperation (GEF/UNDP)

This sub-component includes the management activities for all of project component 2 and provides support to a series of workshops. Regional workshops will provide training and information sharing:

- (a) For government and NGO staff on lessons learned in land and water conservation, including issues of eutrophication and water weeds. This will include training in the identification and mitigation of root causes of environmental degradation, and in participatory planning and implementation of projects. Consideration will also be given to areas most at risk and the selection of cost-effective site-specific mitigation measures; and
- (b) For national NGO networks, on organization and management, funding options and sources, access to cost-effective technical solutions, best practices on community-level land, forest and water conservation, etc. NGO networking between as well as within the Nile countries will be encouraged (although the provision of equipment, technology and information technology training for the NGOs is not covered by the project budget and will depend on additional financing being mobilized). Special attention will be given to ensure that women's groups and NGOs are reached through the workshops and training.

<i>Main Activities & Tasks</i>
1. Hire Nile Transboundary Microgrant Lead Specialist at PMU
2. Conduct regional capacity building workshops for NGOs, NGO networks and government staff

2.2 Priority Actions for Addressing Soil Erosion (GEF/UNDP)

Soil erosion was identified by the Nile Basin TEA as a priority issue for more in-depth analysis. In order to identify areas where pilot and Microgrant interventions could provide the highest impact, rapid assessment studies will be carried out in regions of high priority that have been identified during project preparation. The rapid assessments will be limited to those places where

relevant and adequate information is not already available.

Expert consultants will be contracted by the PMU to conduct rapid soil erosion assessment in three countries (Ethiopia, Rwanda and Sudan). Relevant information to guide the Microgrant activities is already available in the other Basin countries. The rapid assessments will include mapping of erosion and deposition at critical pilot sites combined with the investigation of the proximate and underlying causes. The knowledge gained will help to target the Nile Transboundary Microgrant Program (2.3) as well as future NBI investment projects focusing on land management.

<i>Main Activities & Tasks</i>
1. Carry out rapid assessment studies for soil erosion in Ethiopia, Rwanda and Sudan
2. Hold national and regional workshops to apply findings and initiate dissemination

2.3 Nile Transboundary Microgrant Program (NBTF/WB through CIDA contribution)

The Nile Transboundary Microgrant Program will support community-driven interventions to address transboundary environmental threats on a local scale. The Microgrants will also provide alternative sustainable livelihood opportunities to communities who may otherwise be obliged to overexploit their natural resources. The main emphasis of the Microgrants will be on piloting new and promising transboundary initiatives, on the development and dissemination of best practice and on exchanges of lessons learned. Special emphasis will be given to include women and women's groups in the decision making and the activities within this Program. It is anticipated that there will be opportunities for the more successful or promising transboundary initiatives to be scaled up or replicated within the NBI SAPs. The institutional arrangements for the Microgrant sub-component will draw on the best practice model of the GEF Small Grants Programme (UNDP/GEF/SGP, see Annex 2 - Appendix A), although the specific arrangements will vary by country (Annex 2 - Appendix B).

A national Nile Transboundary Microgrant Program will be established in each participating country. The types of activities eligible to be supported by the Microgrants are listed in Annex 2 - Appendix C. Priority will be given to funding projects that: (a) focus on transboundary environmental problems and sites; (b) provide for community participation in their design, implementation and evaluation; (c) pay attention to the needs of women and/or indigenous peoples and practices; (d) draw on local or Nile Basin scientific and technical resources; (e) support capacity development; and (f) communicate best practices to wider audiences.

A draft **Microgrant Operational Manual** for the Nile Transboundary Microgrant Program has been prepared drawing from the best practice of the UNDP/GEF/SGP. This Operational Manual outlines the basic procedures for grant application, institutional arrangements, and flow of funds. The Microgrant Operational Manual will assure adherence to certain basin-wide guidelines, minimum criteria, procedures and terms and conditions of the Microgrant Program. This includes adherence to financial management guidelines outlined in the overall Project Implementation Manual as well as standard UNDP and World Bank policies. No grant will be disbursed unless it has been approved according to the requirements and criteria outlined in the Microgrant

Operational Manual. The Microgrant Operational Manual will be annexed to the Nile Transboundary Microgrants Strategy, which will be developed during the first year of the project (see paragraph below).

The maximum size of individual grants will be \$25,000, though it is expected that many grants will be much smaller and the average size will probably be around \$10,000. It will be encouraged that at least 50 percent of each country's Microgrants will directly support transboundary activities (i.e., those involving partners from at least one other Nile country), while all single-country projects should clearly be related to transboundary environmental issues (i.e., an environmental issue shared by at least one other Nile country). The project portfolio developed by each national Nile Transboundary Microgrant Program will be required to demonstrate a significant contribution to involving women and women's organizations (specific goals will be set within each country but should be no less than 10 percent of project funds). To help address the challenge of implementing local activities with transboundary significance, frequent interactions and networking between the Nile countries' Microgrant programs will be facilitated by the Microgrant Lead Specialist in the PMU.

<i>Main Activities & Tasks</i>
1. Establish national institutional arrangements for Nile Transboundary Microgrant Program in each country
2. Organize a regional initial Nile Transboundary Microgrant workshop
3. Develop regional Nile Transboundary Microgrant Strategy and finalize Microgrant Operational Manual
4. Develop National Nile Transboundary Microgrant Action Plans (each participating country)
5. Develop reporting requirements and Monitoring and Evaluation framework (regional and national)
6. Formulate Nile Transboundary Microgrant communication strategy
7. Organize national Nile Transboundary Microgrant launching workshop
8. Administer National Nile Transboundary Microgrants
9. Additional national and regional workshops as needed
10. Organize regional review workshop to assess progress and lessons learned
11. Prepare assessment of lessons learned and recommendations

Project Component 3 - US\$ 3.43 million

3: Environmental Education and Public Awareness (GEF/UNDP)

GEF: US\$3.43 million; NBTF/WB: US\$0 million; total US\$3.43 million

Support will be provided to develop or strengthen transboundary partnerships and networks of environmental education and awareness practitioners. The main objectives are to build practitioners' capacities, to introduce and build transboundary cooperation, and to demonstrate, through pilot activities, the feasibility of developing and delivering a variety of environmental education and awareness programs at a basin-wide level. This will contribute to a longer-term and more ambitious objective of enhancing awareness of the nature of environmental

inter-relatedness in the region and effects on communities.

3.1 Public Information and Awareness (GEF/UNDP)

Local and national public awareness campaigns linked to specific environmental issues have been quite effective on a limited scale in some Nile countries, especially campaigns related to water conservation, solid waste disposal and the protection of wetlands. Experiences gained through these programs will help provide the foundation for raising awareness about transboundary environmental issues. Despite some encouraging signs of progress, however, the appreciation and understanding of how human behavior can contribute to solving environmental problems remains generally low in the Basin.

This sub-component will support the development and delivery of a small number of transboundary environmental awareness campaigns by basin-wide teams of practitioners drawn from the participating countries. It will include regional training for environmental education and awareness practitioners on the development and delivery of programs and materials, regional briefings for media editors and journalists on transboundary environmental issues, and exchanges of environmental journalists and other media professionals between the Nile riparian countries. These programs will be launched through a variety of delivery mechanisms, e.g., nature clubs, schools, youth movements, the scout movement, universities, churches, mosques, etc. A variety of media will be used, including TV, radio, newspapers and web pages. A National Environmental Education and Awareness Working Group will be established in each participating country for sub-component 3.1.

<i>Main Activities & Tasks</i>
1. Establish National Environmental Working Education & Awareness Working Group
2. Hold regional workshop to exchange experiences and plan transboundary actions
3. Develop detailed work plan
4. Cooperatively develop transboundary environmental education materials
5. Hold additional national and regional workshops as needed
6. Hold final regional workshop to assess experiences and plan future activities

3.2 Secondary Schools (GEF/UNDP)

A very small nucleus of dedicated schools, teachers, curriculum developers, university academics, researchers and education administrators are working with students and local communities throughout the Nile Basin to develop environmental education, usually with very limited financial and technical resources. Most of the initiatives carried out so far have relied on external development agency funding. Many of the key stakeholders now have practical experience in the design and delivery of environmental education programs in their local and national contexts, but not in an international or transboundary context. This sub-component will support transboundary education and awareness activities that build on these promising local and national initiatives. Particular attention will be paid to ensuring that girls and boys benefit equally from these initiatives.

This sub-component will establish an electronic network of selected schools for transboundary environmental education and will support exchanges of school staff and experiences between the Nile riparian countries as well as community projects where students can apply knowledge acquired in the classroom while developing values and skills for improving environmental conditions. Finally, an award scheme or competition will be set up for outstanding Nile Transboundary Environmental Education projects in schools and their communities. All of these activities will be closely coordinated and managed as a single initiative. National education authorities will continue to be consulted and involved in the design and implementation of all school-related project activities. This sub-component will draw on existing best practice in networking developing country schools and educators, and will be executed as a single contract.

Establishing an electronic network of schools for transboundary environmental education and awareness will require preliminary identification of those schools capable of and interested in participating in such a network, and which can cover the basic costs of computer equipment purchase and maintenance, and Internet connections. A small but adequate number of schools within the Nile Basin already participate in international educational networks and/or are partnered with schools in other countries. Informal reviews have indicated that schools with the requisite capacities would be ready to participate in Egypt, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. These schools can form the basis of a Nile Schools Environmental Education and Awareness Network. Further work will be required to assess the potential for schools in the other Nile countries to participate.

<i>Main Activities & Tasks</i>
1. Deliver schools networking services sub-component
2. Develop detailed work plan
3. Identify participating schools and teachers
4. Organize and conduct teacher training workshops
5. Support transboundary environmental projects within school networks
6. Organize Nile Transboundary Environmental Education award scheme
7. Hold regional workshops to assess experiences and formulate further action
8. Hold additional national and regional workshops as needed

3.3 Universities and Other Research Institutions (GEF/UNDP)

This sub-component will support exchanges of university-level environmental education professors, other researchers and students between the Nile riparian countries. The exchange program will be coordinated by the Environmental Education and Public Awareness Lead Specialist in the PMU. It will also support two regional workshops as a contribution towards the development of a university-level course on one or more Nile transboundary environmental issues as a collaborative enterprise between participating universities from the riparian countries. Linkages and cooperation with the Applied Training Project (e.g. for course development and dissemination) will be sought as this project becomes operational.

Exchanges of junior faculty and graduate students engaged in environmental education will be

supported (approximately two per country). Selection criteria will be developed during the project. Emphasis will be put on supporting the participation of individuals from Nile Basin countries which have had limited recent opportunities to participate in such international programs. Participating individuals and their departmental hosts in other Nile Basin countries will need to demonstrate the value of their proposed exchange program to building transboundary environmental awareness and understanding in the Nile Basin.

<i>Main Activities & Tasks</i>
1. Prepare work plan
2. Facilitate faculty and student exchanges among Basin universities
3. Select participants for development of university course on Nile transboundary issues
4. Organize two regional workshops to facilitate course preparation

Project Component 4 - US\$7.10 million

4: Wetlands and Biodiversity Conservation (GEF/UNDP and possibly Bank through NBTF – phase 2)

GEF: US\$4.37 million; co-funding: US\$2.73 million; total US\$7.10 million

This component will improve the understanding and awareness of the role of wetlands in supporting sustainable development, and improve management at selected transboundary wetland sites and cross-border protected areas. The component will build on the significant number of nationally-focused wetland conservation and management initiatives in the Nile Basin. Networks based on existing centers of knowledge and experience will be established (including projects, government departments, national park or protected areas management units, academia, NGOs, etc.). The project will help provide a transboundary overlay and set of perspectives to complement national activities in wetland conservation.

A three-pronged approach will be adopted. First a network will be created, to enhance regional interaction and exchanges, and to help transfer knowledge and build capacity. Second, a small number of wetlands of transboundary significance will be selected for in-depth ecological and economic study. Third, pilot projects will be executed to strengthen management at priority wetland protected areas and to build capacity through training.

4.1 Enhanced Regional Cooperation and Capabilities (GEF/UNDP)

Implementation of this component will be coordinated by the Wetlands and Biodiversity Lead Specialist in the PMU, who will work closely with a Wetlands and Biodiversity Conservation Working Group to be established as part of the project, as well as with the National Project Coordinators in the participating countries. The Working Group is to plan joint activities, evaluate progress and share lessons learned. Working Group members will link basin-wide project activities with the national government agencies responsible for the management of priority conservation sites as well as NGOs and other stakeholders.

<i>Main Activities & Tasks</i>

1. Establish a Wetlands and Biodiversity Conservation Working Group
2. Elaborate selection criteria for key conservation areas to be targeted
3. Establish basin-wide network of stakeholder representatives/experts
4. Develop education, training, and awareness programs

4.2 Better Understanding and Broader Awareness of the Role of Wetlands in Supporting Sustainable Development (possibly NBTF/WB – phase 2)

This component will carry out at least two in-depth ecological and economic studies of the role that wetlands play in supporting sustainable development, one study each in a northern and a southern country of the Nile Basin. The project will select at least two of the most important Nile Basin wetlands as study sites to explore: (a) ecological processes, including wetlands' role in flood control and waste treatment (including the impact of wetland modification and loss on these roles); (b) the economic value of wetlands; and (c) major threats to wetlands and their underlying social and economic causes.

The results of these studies will be used, together with the wetland education, training and awareness programs developed in the previous sub-component, in an awareness campaign that will include a series of workshops and other forms of dissemination (publications, printed material etc.) that will target several key audiences (government/decision makers, local communities, private sector, conservation practitioners, etc.) in selected Nile Basin countries.

<i>Main Activities & Tasks</i>
1. Select study sites
2. Prepare Terms of Reference for each study and tender assignments
3. Backstop implementation of each study
4. Prepare the wetlands education, training and awareness programs
5. Carry out workshop to disseminate results and deliver training and education materials

4.3 More Effective Management of Wetlands and Transboundary Protected Areas (GEF/UNDP and possibly NBTF/WB – phase 2)

The current levels of effective management of wetlands and transboundary protected areas in the Nile Basin are very low and often even nonexistent. The capacities that are needed to implement effective management are largely inadequate, at all levels, not in the least at the field level, one of the most critical. By means of a select number of pilot sites, this component intends to demonstrate best practices in protected area and wetland management and build the required capacity for ensuring long-term conservation.

The selection process to determine the key intervention sites will be informed by the two previous sub-components. Among the criteria to be used in determining this choice will be the global significance of the biodiversity present, the level of threats, the transboundary nature of the area and the absence of donor-financed assistance (many areas of key importance already

receive assistance from GEF and other donors).

The approach that will be followed is to demonstrate at these selected sites effective management schemes that have proven to lead to sustainable conservation of natural resources. After initial baseline assessments on the status and trends of biodiversity and related social, economic and institutional issues at each site, site-specific participatory management plans will be prepared. The emphasis will be on multiple-use objectives, where applicable, using a process that facilitates dialogue among key stakeholders to build consensus on the problems and opportunities of community participation and action in and around the selected sites.

The project will also assist in the implementation of these plans, by building the necessary capacity. Capacity building efforts will not be limited to the professional staff in charge of the management of the protected area, but will extend to the local communities living in and around the sites.

<i>Main Activities & Tasks</i>
1. Select three sites for intervention; prepare Terms of Reference for baseline assessment and preparation of management plans
2. Contract assignments
3. Formally adopt the management plans, elaborated through participatory process
4. Start implementation of plans

Project Component 5 - US\$2.93 million

5: Water Quality Monitoring Basin-wide (GEF/WB)

GEF: US\$2.93 million; co-funding: US\$0 million; total US\$2.93 million

Transboundary cooperation will be increasingly important to maintain appropriate water quality for drinking water, irrigation, and industry and to support human health and livelihoods and ecosystem functions in the Nile Basin. This project component will increase the understanding of the current state of water quality and priority needs for transboundary cooperation between the Nile countries and will contribute to building greater capacity for water quality monitoring and management. Exchange of experiences on regulatory issues and on water quality information between countries will facilitate improved decision making by governments and other resource users. The present project component also aims to create a starting point for increased regional transboundary water quality assessment and collaborative action through initiating a limited exchange of information. This basin-wide dialogue among relevant stakeholders will help develop a common vision and goal for water quality for the Nile Basin.

The Nile countries differ noticeably in the degree to which they consider water quality management an immediate priority. Furthermore, technical and resource capacities to address water quality issues vary considerably. The project component will therefore emphasize awareness raising on benefits/costs of cooperation with regard to transboundary water quality management on an institutional level. Capacity development efforts will be focused on the Nile countries with the greatest needs in terms of formulating and enforcing regulations, analyzing water quality and addressing immediate problems. No additional inputs in training and resources are anticipated in countries that already receive GEF or other targeted resources for similar activities. Support of water quality monitoring efforts will mainly be geared towards aiding low-cost field methods to address transboundary priority actions with an emphasis on synergy with project activities in Component 2, Community Level Land, Forests and Water Conservation (such as erosion control, improved land management and non-point source pollution control).

As the emphasis of this component is to launch a basin-wide dialogue supplemented by exchanges and training, the project will not support significant laboratory development or equipment purchases. Additional resources are still required to upgrade *national* capacities in a number of the Nile countries (including laboratories, equipment, identification of sampling points, etc.), which are largely outside the scope of the present *regional* effort. An assessment of the experiences from this regional engagement on water quality will provide the basis for recommending future NBI investment and grant funded activities and the development of water quality action plans.

5.1 Enhanced National Capacities for Water Quality Monitoring (GEF/WB)

Building on the identification of root causes and priority action steps initiated in the Nile TEA, this sub-component will begin by assessing existing water quality information on a national and regional scale and identifying major information gaps and needs. A detailed work plan will be developed based on this initial overview. One product of this initial assessment will be the

compilation of a Nile Water Quality Report (this will be coordinated with the planned activities to publish a Nile Atlas within the SVP Water Resources Planning and Management Project and close collaboration and synergies with this project are anticipated when it becomes operational).

One of the prerequisites of successful water quality management is to build effective institutions and develop appropriate and enforceable regulations. Regional workshops and training events will foster exchanges among the Basin countries and draw on lessons learned across the Basin and worldwide. The project will especially build on and incorporate lessons learned from ongoing regional efforts in the LVEMP and work with the same actors. Some key capacities for regional cooperation will be enhanced, especially through strengthening dialogue and evaluation of existing water quality data and information in a transboundary context. Agreement will also be sought on the formulation and use of uniform analytical methods and standardized laboratory protocols for measuring key water quality parameters.

The activities will be coordinated and supervised by the regional Water Quality Lead Specialist. It is envisaged that the leading laboratories in the region, for example in Uganda and Egypt, will be able to serve as training sites during the project and then as future reference laboratories. A regional Working Group will be formed.

<i>Main Activities & Tasks</i>
1. Establishment of basin-wide Working Group
2. Review and summarize national water quality monitoring efforts; compile Nile Water Quality report; set priorities and develop work plan
3. Develop common analytical methods and conduct training
4. Build capacity for water quality monitoring and enforcement

5.2 Awareness Raising and Information Sharing on Transboundary Water Quality Monitoring (GEF/WB)

The planned activities are aimed at raising awareness on the institutional level of the relevance of cooperation in water quality management and at providing an initial common, updated information base on transboundary water quality issues as identified in the TEA.

Information exchanges will be initiated, emphasizing priority transboundary issues and a limited subset of the sites identified through the analysis of gaps and needs under component 5.1.2. Information management and communication will take advantage of existing facilities supplemented by those established through this project and other SVP projects (SVP Water Resources Planning and Management and the Nile-SEC supported information Resource Center as this emerges). Critical data gaps and information needs identified will be addressed by improved sampling and analysis methods emphasizing sustainable, low cost methods that can be carried out in the field. This effort is limited to a realistic number of sites and hotspots of transboundary significance, which will be selected based on the initial gaps and needs analysis (5.1) by the Working Group under the guidance of the Water Quality Lead Specialist. Selected sites where priority actions take place under the Component 2, Community Level Land, Water and Forest of the present project will be especially considered.

Information exchanged is expected to include the assessment of sediment and nutrient loads and the protection of wetlands and be closely related to other project activities. Countries that are already engaged in intensive monitoring efforts are likely to provide more detailed information and contribute their own experiences. The project will seek complementarity to ongoing efforts (e.g., LVEMP) and will not provide additional resources where other resources, including GEF funds, are already being provided for similar activities.

<i>Main Activities & Tasks</i>
1. Conduct study tour to raise awareness of transboundary water quality needs
2. Develop compatible data reporting and database formats
3. Undertake transboundary Nile water quality monitoring at selected pilot sites (including exchange of information and improvement of field methods)
4. Review and consolidate experiences and formulate recommendations for further actions

Annex 2 Table A - Summary of Component Activities and Tasks
Component 1 – Institutional strengthening to facilitate regional cooperation
<i>Sub-component 1.1 Regional coordination</i>
<i>Activities & Tasks</i>
1. Establish Project Steering Committee
2. Establish Project Management Unit
3. Hire National Project Coordinators
<i>Sub-component 1.2 Knowledge Management</i>
<i>Activities & Tasks</i>
1. Procure and install hardware
2. Hire Knowledge Management PMU staff
3. Develop project communications plan
4. Establish environmental knowledge base
5. Publish environmental newsletter and establish project website
<i>Sub-component 1.3 River Basin Model (RBM)</i>
<i>Activities & Tasks</i>
1. Develop RBM and conduct staff training
2. Establish and solidify linkages between regional DSS unit and national user network
3. Test and apply RBM for selected projects/programs
4. Consolidate RBM use and training
<i>Sub-component 1.4 Macro- and Sectoral Policies and the Environment</i>
<i>Activities & Tasks</i>
1. Identify candidate institutions & researchers, and select the study participants
2. Hold one regional workshop to plan each of the two applied research studies
3. Contract with participating researchers/host institutions
4. Hold one regional workshop to report on and disseminate each of the two research studies
Component 2 - Community-level land, forests & water conservation
<i>Sub-component 2.1 Enhanced Basin-wide Capabilities and Cooperation</i>
<i>Activities & Tasks</i>
1. Hire Nile Transboundary Microgrant Lead Specialist at PMU
2. Conduct regional capacity building workshops for NGOs, NGO networks and government staff
<i>Sub-component 2.2 Priority Actions for Addressing Soil Erosion</i>
<i>Activities & Tasks</i>

1. Carry out rapid assessment studies for soil erosion in Ethiopia, Rwanda and Sudan
2. Hold national and regional workshops to apply findings and initiate dissemination
<i>Sub-component 2.3 Nile Transboundary Microgrant Program</i>
<i>Activities & Tasks</i>
1. Establish national institutional arrangements for Nile Transboundary Microgrant Program in each country
2. Organize a regional initial Nile Transboundary Microgrant workshop
3. Develop regional Nile Transboundary Microgrant Strategy and finalize Microgrant Operational Manual
4. Develop National Nile Transboundary Microgrant Action Plans (each participating country)
5. Develop reporting requirements and Monitoring and Evaluation framework (regional and national)
6. Formulate Nile Transboundary Microgrant communication strategy
7. Organize national Nile Transboundary Microgrant launching workshop
8. Administer National Nile Transboundary Microgrant
9. Additional national and regional workshops as needed
10. Organize regional review workshop to assess progress and lessons learned
11. Prepare assessment of lessons learned and recommendations
Component 3 - Environmental education and public awareness
<i>Sub-component 3.1 Public Information and Awareness</i>
<i>Activities & Tasks</i>
1. Establish National Environmental Working Education & Awareness Working Group
2. Regional workshop to exchange experiences and plan transboundary actions
3. Develop detailed work plan
4. Cooperatively develop transboundary environmental education materials
5. Additional national and regional workshops as needed
6. Hold final regional workshop to assess experiences and plan future activities
<i>Sub-component 3.2 Secondary Schools</i>
<i>Activities & Tasks</i>
1. Deliver schools networking services sub-component (World Links or equivalent)
2. Develop detailed work plan
3. Identify participating schools and teachers
4. Organize and conduct teacher training workshops
5. Support transboundary environmental projects within school networks
6. Organize Nile Transboundary Environmental Education award scheme
7. Hold regional workshops to assess experiences and formulate further action
8. Additional national and regional workshops as needed
<i>Sub-component 3.3 University Networks</i>
<i>Activities & Tasks</i>
1. Prepare work plan
2. Facilitate faculty and student exchanges among Basin universities
3. Select participants for development of university course on Nile transboundary issues
4. Organize two regional workshops to facilitate course preparation
Component 4 - Wetlands and biodiversity conservation
<i>Sub-component 4.1 Enhanced Regional Cooperation and Capabilities</i>
<i>Activities & Tasks</i>
1. Establish a Wetlands and Biodiversity Conservation Working Group
2. Elaborate selection criteria for key conservation areas to be targeted
3. Establish basin-wide network of stakeholder representatives/experts
4. Develop education, training, and awareness programs
<i>Sub-component 4.2 Better Understanding and Broader Awareness of the Role of Wetlands in Supporting Sustainable Development</i>
<i>Activities & Tasks</i>
1. Select study sites
2. Prepare Terms of Reference for each study and tender assignments
3. Backstop implementation of each study
4. Prepare the wetlands education, training and awareness programs
5. Carry out workshop to disseminate results and deliver training and education materials

<i>Sub-component 4.3 More Effective Management of Wetlands and Transboundary Protected Areas</i>
<i>Activities & Tasks</i>
1. Select three sites for intervention; prepare Terms of Reference for baseline assessment and preparation of management plans
2. Contract assignments
3. Formally adopt the management plans, elaborated through participatory process
4. Start implementation of plans
Component 5 - Water quality monitoring basin-wide
<i>Sub-component 5.1 Enhanced National Capacities for Water Quality Monitoring</i>
<i>Activities & Tasks</i>
1. Establishment of basin-wide Working Group
2. Review and summarize national water quality monitoring efforts; compile Water Quality report; set priorities and develop work plan
3. Develop common analytical methods and conduct training
4. Build capacity for water quality monitoring and enforcement
<i>Sub-component 5.2 Awareness Raising and Information Sharing on Transboundary Water Quality</i>
<i>Activities & Tasks</i>
1. Conduct study tour to raise awareness of transboundary water quality needs
2. Develop compatible data reporting and database formats
3. Transboundary Nile water quality monitoring at selected pilot sites (including exchange of information and improvement of field methods)
4. Review and consolidate experiences and formulate recommendations for further actions

Annex 2 - Appendix A

Sub-component 2.3

The GEF Small Grants Programme (UNDP/GEF/SGP)

The UNDP/GEF/SGP has been making small grants since 1992 and now has highly-regarded, decentralized and country-driven programs in more than fifty countries. Within the Nile Basin, the UNDP/GEF/SGP operates in Egypt, Kenya, Tanzania and Uganda. In addition to managing small grants for the GEF, the UNDP/GEF/SGP has also entered into agreements with EU, DANIDA and other donors to manage additional small grants funds for each of these agencies in certain countries as separate financing windows, each of which have their own specific grant-making criteria. The more experienced national UNDP/GEF/SGPs typically award small grants amounting to about \$400,000 each year. The UNDP/GEF/SGP is implemented globally by UNDP and executed by UNOPS. All SGP grant disbursements are authorized by UNOPS.

The key elements of the institutional arrangements for the UNDP/GEF/SGP in each country are the National Steering Committee (NSC) and the National Coordinator (NC), operating with support from the UNDP Country Office. The NC and NSC together are responsible for ensuring that participatory, democratic, impartial, and transparent procedures for project review and approval as well as all other aspects of program implementation are established and practiced at the country level.

The UNDP/GEF/SGP NSCs¹ are composed of voluntary members from NGOs, academic and scientific institutions, other civil society organizations, key government agencies and UNDP, with a majority of members coming from the nongovernmental sector. The NSC provides overall guidance and direction to the country program, and contributes to developing and implementing strategies for country program sustainability. In collaboration with the NC, the NSC helps to develop a country program strategy and oversees its implementation. The NSC is responsible for selecting and approving projects, and for ensuring their technical and substantive quality. NSC members are encouraged to participate in pre-selection project site visits and in project monitoring and evaluation. Most NSCs function under the principle of consensus, and rarely resort to voting to determine whether a project is approved or a particular course of action is taken. Members of the NSC are formally appointed by the UNDP Resident Representative. Participation in the NSC is without monetary compensation. Travel expenses for project site visits or to NSC meetings can be covered by the UNDP/GEF/SGP country operational budget.

UNDP/GEF/SGP experience has shown that NSC often play very constructive roles in developing or reinforcing working relationships between government officials and NGOs. NGOs learn to appreciate that they need to partner effectively with key government agencies in order to achieve their own objectives and to work effectively at community levels, while government officials benefit from the opportunity to work directly with members of the NGO community and to exchange experiences and ideas while working towards shared objectives.

The UNDP/GEF/SGP NC has lead responsibility for managing country program implementation. The NC's major functions include: (a) promoting the program's objectives, procedures, and achievements among NGOs, community-based organizations, and other key stakeholders; (b) developing and revising a Country Program Strategy in collaboration with the NSC and other stakeholders; (c) implementing the Country Program Strategy, and ensuring that SGP grants and projects meet the criteria of the Strategy; (d) assisting NGOs and community-based organizations in the formulation of project proposals, and ensuring their technical and substantive quality; (e) serving as the NSC's secretariat, pre-screening project proposals, and otherwise supporting the work of the NSC; (f) facilitating NGO and community-based organizations access to technical support services; (g) developing and implementing communications and information dissemination strategies which will reach a wide range of target audiences; (h) ensuring sound program monitoring and evaluation, including periodic project site visits; (i) mobilizing resources for co-financing projects; (j) supervising other UNDP/GEF/SGP local staff; and (k) reporting to UNDP, UNOPS and other funding agencies as required.

In some countries, the UNDP/GEF/SGP is located in a national host institution, normally a national NGO. UNOPS administers a sub-contract with the host NGO that outlines the technical support and administrative services to be provided as well as the operating budget. The sub-contract contains rules of collaboration with the host organization and is supervised by UNOPS. All country programs, whether based in the UNDP or in a host NGO, are equally bound by the overall UNDP/GEF/SGP Strategic Framework and Operational Guidelines.

UNOPS provides program execution services for the UNDP/GEF/SGP in the following areas: (a) personnel recruitment and contract administration for project staff and consultants; (b) sub-contracts for host institutions; (c) authorization of country program grant allocations and disbursements; (d) budget administration, including authorization and monitoring of expenditures; (e) training and guidance on the above to country-level staff; and (f) support for initiation of the program in new countries.

The Kenya and Tanzania UNDP/GEF/SGPs already participate in the six-country COMPACT project, which should provide a useful operational model for management and contractual arrangements for the Nile Transboundary Microgrant Program. The COMPACT project is supporting small grants focused on one specific area within each country.³ To facilitate these small grants and provide an on-site presence, the UNDP/GEF/SGP has hired Local Coordinators who report directly to the National Coordinator. These Local Coordinators are based in a local NGO which provides support services through a contract with UNOPS. There is also a Local Steering Committee to guide the project's activities, although strategic and grant-making decisions for the COMPACT project continue to be made by its NSC. A similar arrangement is expected to be established for the Nile Transboundary Microgrant Program.

1 Known as National Selection Committees in some countries.

2 COMPACT = Community-Managed Protected Area Management Project (funded by the UN Foundation and the GEF).

3 Mount Kenya in Kenya and Mount Kilimanjaro in Tanzania.

Annex 2 - Appendix B

Sub-component 2.3

Nile Transboundary Microgrant Institutional Arrangements

A national Nile Transboundary Microgrant Program will be established in each participating country. The types of activities eligible to be supported by the Microgrants are listed in Appendix C. Priority will be given to funding projects that: (a) focus on transboundary environmental problems and sites; (b) provide for community participation in their design, implementation and evaluation; (c) pay attention to the needs of women and/or indigenous peoples and practices; (d) draw on local or Nile Basin scientific and technical resources; (e) support capacity development, and (f) communicate best practices to wider audiences.

A draft **Microgrant Operational Manual** for the Nile Transboundary Microgrant Program has been prepared drawing from the best practice of the UNDP/GEF/SGP. The Microgrant Manual will be available in final form for Bank review and acceptance six months after project effectiveness. Grants will not be disbursed until the Microgrant Manual has been completed and accepted by the Bank. The Microgrant Manual outlines the basic procedures for grant application, institutional arrangements, and flow of funds. The Microgrant Manual will assure adherence to certain basin-wide guidelines, minimum criteria, procedures and terms and conditions of the Microgrant Program. This includes adherence to financial management guidelines outlined in the overall Project Implementation Manual as well as standard UNDP and World Bank policies. No grant will be disbursed unless it has been approved according to the requirements and criteria outlined in the Microgrant Manual. The Microgrant Manual will be annexed to the Nile Transboundary Microgrant Strategy, which will be developed during the first year of the project (see paragraph below).

The maximum size of individual grants will be \$25,000, though it is expected that many grants will be much smaller and the average size will probably be around \$10,000 per grant. It will be encouraged that at least 50 percent of each country's Microgrants will directly support transboundary activities (i.e., those involving partners from at least one other Nile country), while all single-country projects should clearly be related to transboundary environmental issues (i.e., an environmental issue shared by at least one other Nile country). The project portfolio developed by each national Nile Transboundary Microgrant Program will be required to demonstrate a significant contribution to involving women and women's organizations (specific goals will be set within each country but should be no less than 10 percent of project funds). To help address the challenge of implementing local activities with transboundary significance, frequent interactions and networking between the Nile countries' Microgrant Programs will be facilitated by the Microgrant Lead Specialist in the PMU.

Following an initial regional workshop, the Microgrant Lead Specialist in the PMU will coordinate and take the lead in preparing a **Regional Nile Transboundary Microgrant Strategy** based on input from the participating countries. The Microgrant Operational Manual (see above) will be annexed to the Strategy. This basin-wide Strategy will provide the substantive framework

for focusing resources and guiding program implementation, including the spatial and thematic priorities to guide project selection and grant making. It will also provide a basis for the assessment of achievements and sustainable outcomes of the Nile Transboundary Microgrant Program through the development of overall outcome indicators. In particular, the Strategy will document the approach to identifying, designing and implementing transboundary activities with Microgrant support. The Strategy development process will be an important and substantive contribution to capacity building that will strengthen the awareness and ability of key stakeholders to address transboundary environmental and sustainable livelihood concerns in an integrated manner.

Each participating country will then use the Nile Transboundary Microgrant Strategy as a starting point to developing their own National **Nile Transboundary Microgrant Action Plan**, intended as a concise and condensed document. The National Nile Transboundary Microgrant Action Plan will provide a substantive framework for allocating resources, including spatial and thematic priorities for grant making on a national level (for example, some Microgrant Programs may target a limited spatial area within the Nile Basin or a subset of their priority environmental issues). The National Nile Transboundary Microgrant Action Plan will also provide a basis for the assessment of achievements and outcomes. The National Nile Transboundary Microgrant Action Plan development process will include consultations with national stakeholders as well as transboundary counterparts. The Nile Transboundary Microgrant Lead Specialist in the PMU will support the development of these Action Plans and ensure their mutual compatibility and alignment with the regional Nile Transboundary Microgrant Strategy and Microgrant Operational Manual.

Once institutional arrangements and adequate operational procedures are in place – including the Regional Nile Transboundary Microgrant Strategy and the national Nile Transboundary Microgrant Program Action Plans – and documented to the satisfaction of the PMU and the Project Steering Committee, each participating country will receive an initial round of fund allocation. The initial range for this allocation will be determined at the time of allocation, but is expected to be in the range of \$200,000-\$500,000 to be disbursed as Microgrants over 2-3 years. The amount allocated to each country will be based on an assessment by the PMU of the institutional arrangements, transparent and appropriate procedures and the absorptive capacity in each country. Allocation of the remaining funds will be based on the effectiveness of the first round of funding combined with a convincing plan for second and further rounds. The Project Steering Committee and the PMU will approve all grant fund allocations to the national Nile Transboundary Microgrant Programs.

In Kenya, Tanzania and Uganda, the Nile Transboundary Microgrant Program will coordinate with the small grants program of the Lake Victoria Environmental Management Project (LVEMP), possibly inviting this project to be represented on the National Steering Committees of the UNDP/GEF/SGP (see below). In all countries, coordination with other small grants programs with related objectives such as the Africa 2000 network, will be emphasized.

2.3.3 Organizational Arrangements

The component will be managed by the Microgrant Lead Specialist in the PMU, working closely with the National Project Coordinators and National/Local Microgrant Coordinators in the participating countries.

The institutional arrangements for the Nile Transboundary Microgrants will draw on the best practice model of the UNDP/GEF/SGP. As such, therefore, it will be managed within each country by an NSC and an NC. Appendix A describes the UNDP/GEF/SGP institutional arrangements in more detail. Although the institutional arrangements for the Nile Transboundary Microgrant Program will build on the UNDP/GEF/SGP experience, the specific arrangements will vary by country.

i. Riparian Countries with an existing UNDP/GEF/SGP (see Appendix A)

In Egypt, Kenya, Tanzania and Uganda it is expected that the existing national UNDP/GEF/SGP will be used as a delivery mechanism for the Nile Transboundary Microgrants. UNOPS is executing the UNDP/GEF/SGP and the present project will avail itself of the established UNDP/GEF/SGP mechanism.

In these countries, the UNDP/GEF/SGP has agreed to manage the Nile Transboundary Microgrant Program as a separate funding window. The UNDP/GEF/SGPs in these four countries already have experience in managing other small grant funds for donor agencies in addition to their core grant making on behalf of GEF. In Kenya, Tanzania and Uganda the UNDP/GEF/SGPs are based at or close to the UNDP Country Offices, while a national NGO, the Arab Office for Youth and Environment, has hosted the Egyptian GEF/SGP since 1992. The membership of the existing National Steering Committees will be reviewed and may be expanded to service the needs of the Nile Transboundary Microgrant Program. The present project will fund the hiring of a Nile Transboundary Microgrant Local Coordinator in Egypt, Kenya, Tanzania and Uganda, to work under the guidance of the UNDP/GEF/SGP National Coordinator.

In both Kenya and Tanzania, the Nile Basin occupies a portion of the country at a considerable distance from the national capital. It is therefore planned that a local NGO located within the Nile Basin will host the Nile Transboundary Microgrant Local Coordinator (probably in Mwanza in Tanzania and in Kisumu in Kenya). The national UNDP/GEF/SGP Coordinator and the Nile Transboundary Microgrant Local Coordinator will undertake a market survey, reviewing potential NGOs which could host the program in these two countries. A proposal will be drawn up and will be presented to the PMU for approval. Host NGOs will be selected based on criteria stated in the Microgrant Operational Manual. Local Steering Committees may be appointed to guide the project's activities in these two countries, although strategic and grant making decisions will continue to be made by the National Steering Committee. This arrangement is based on the best practice example of the model established by the COMPACT project which is operational in Kenya and Tanzania and which is – like the Nile Transboundary Microgrants – an

add-on to the ongoing UNDP/GEF/SGP with a specific geographical focus.

ii. Riparian Countries without an existing UNDP/GEF/SGP

Institutional arrangements for the Nile Transboundary Microgrant Program in the riparian countries without an existing UNDP/GEF/SGP will be based on the UNDP/GEF/SGP model but will not be associated in its management with the global UNDP/GEF/SGP. In these countries a national NGO will be selected to host the Nile Transboundary Microgrant Program based on criteria outlined in the Microgrant Operational Manual. UNOPS will administer a contract with the host NGO that outlines the technical support and administrative services to be provided and an operating budget. The sub-contract contains rules of collaboration with the host organization as defined in the offer or terms of reference, both of which are integral parts of the contract. This contract will be supervised by UNOPS. All National Nile Transboundary Microgrant Programs, whether based in the UNDP or in a host NGO, will respond equally to the Nile Transboundary Microgrant Strategy and Microgrant Operational Manual.

Based on careful assessment and interviews during the three-year project preparation period, the host NGOs for Ethiopia and Sudan have been identified and selected. In Ethiopia the Christian Relief and Development Association (CRDA) will host the program, while in Sudan the Sudan Environmental Conservation Society (SECS) will be the host. Each of these are umbrella NGOs with a broad and inclusive membership. Their selection has been discussed with and agreed with the two respective governments. Further work will be required to identify suitable institutional arrangements in Burundi, DR Congo and Rwanda. Selection of the host NGO through a consultative process will be approved by the Nile-TAC members, the PMU, UNDP and World Bank. Appendix D describes the selection criteria to be used in selecting the host NGO.

Selection in the three remaining countries will aim to identify a suitable national umbrella NGO, environmental fund, or foundation, although an independent academic/scientific institution could also be appropriate. With the objective of strengthening Nile riparian local institutions and NGOs, the Nile-TAC and Nile-COM have agreed that local representation of international NGOs would not be eligible.

Annex 2 - Appendix C

Sub-component 2.3 Nile Transboundary Microgrant Activities

The types of activities to be supported by Nile Transboundary Microgrant Program will include:

- o Strengthening or helping to establish national and transboundary networks of NGOs working on environment and sustainable development.
- o Capacity building and training for NGOs, communities and community-based organizations, with special attention to the participation of women and women's groups.
- o Transboundary workshops and other activities that enhance NGO-government collaboration on environmental management.
- o Rapid assessment studies of transboundary soil erosion to identify priority sites, processes and opportunities for interventions, mainly based on existing information, in Ethiopia, Rwanda and Sudan.
- o Support for local environmental planning and awareness raising.
- o Local-level pilot initiatives, adoption of best practices and exchanges of lessons learned in relation to measures to prevent and mitigate desertification or land degradation, defined as any form of deterioration of the natural potential of land that affects ecosystem integrity, specifically reducing its sustainable ecological productivity or native biological richness and resilience.
- o Environmental education and awareness raising (in coordination with Component 3).
- o Support for exchanges and dissemination of ideas, best practices and lessons learned through a variety of media: written, audio, video, etc., including modest equipment purchases (in coordination with Component 3).

Specific measures, including:

- o Water weed control
- o Land management, soil conservation, reforestation, afforestation and land degradation control.
- o Physical and biological soil conservation measures.
- o Production/procurement of multi-purpose tree seedlings.
- o Water harvesting to decrease soil erosion.
- o Development and use of alternative energy and construction materials.
- o Mitigation of non-point source pollution from agriculture.
- o Integrated Pest Management (IPM) demonstration sites.
- o Environmentally sustainable farming demonstration sites (inter-cropping etc.).
- o Agroforestry demonstration plots.

Extension services to promote agricultural practices leading to less soil loss, better nutrient retention, and less fertilizer and pesticide use.

Annex 2 – Appendix D

Sub-component 2.3 Nile Transboundary Microgrant Program Institutional Arrangements Selection of Host NGOs

Factors to consider in selecting the best candidate national NGO to host the Nile Transboundary Microgrant Program in Countries where UNDP/GEF/SGP does not operate:

- o Established NGO with at least 10 years of operational experience.
- o Umbrella NGO with broad based membership preferred.
- o Independent of party politics/political movements.
- o Broadly recognized credibility and demonstrated leadership among NGO community in country.
- o Demonstrated compatibility with the procedures, objectives, and grant-making functions of the Nile Transboundary Microgrant Program.
- o Significant experience in community-based, participatory environment and development activities.
- o Substantial involvement and technical expertise in environmental issues related to the Agenda for Environmental Action described in the Nile Basin Initiative's Transboundary Environment Analysis (2001).
- o Proven program management and administrative capacity with reliable and demonstrated accounting systems in place.
- o Good working relationships with other NGOs and community-based organizations, including participation in environment/development networks, and established credibility in previous grant administration based on donor funding.
- o Established relationship with UNDP, the World Bank or CIDA.
- o Experience with small grant administration.

Annex 2 – Appendix E

Summary Budget Tables

Table 2.1 - Overall Project Budget (US\$millions)

Components	Riparian (in kind) ¹	SVP Coordin ation ²	NBTF ³	GEF WB	GEF UNDP	TOTAL NBTF & GEF	GRAND TOTAL ⁴
1. Institutional Strengthening							
1.1 Regional coordination (GEF/UNDP)	3.55	0	0	0	6.92	6.92	10.47
1.2 Knowledge management (GEF/WB)	0	0	0	0.99	0	0.99	0.99
1.3 Decision Support System - River Basin Model (GEF/WB & NBTF/WB)	0	0.07	2.70	3.63	0	6.33	6.33
1.4 Macro/sectoral policies and the environment (GEF/WB)	0	0	0	0.45	0	0.45	0.45
Component 1 subtotal	3.55	0.07	2.70	5.07	6.92	14.69	18.24
2. Community Level Land, Forests and Water Conservation							
2.1 Enhanced Basin-wide capabilities and cooperation (GEF/UNDP)	0.75	0	0	0	2.07	2.07	2.87
2.2 Priority Actions for Addressing Soil Erosion (GEF/UNDP)	0	0	0	0	0.31	0.31	0.31
2.3 Nile Transboundary Microgrant Program (NBTF/WB)	0	0.20	7.40	0	1.32	8.72	8.72
Component 2 subtotal	0.75	0.20	7.40	0	3.7	11.10	11.85
3. Environmental Education and Public Awareness (GEF/UNDP)							
3.1 Public information and awareness	0	0	0	0	2.20	2.20	2.20
3.2 Secondary Schools	0	0	0	0	0.78	0.78	0.78
3.3 Networking universities and other research institutions	0	0	0	0	0.45	0.45	0.45
Component 3 Subtotal	0	0	0	0	3.43	3.43	3.43
4. Wetlands and Biodiversity Conservation							
4.1 Enhanced regional cooperation and capabilities (GEF/UNDP)	0	0	0	0	1.33	1.33	1.33
4.2 Wetlands in sustainable development (GEF/UNDP and possibly NBTF/WB – Phase 2)	0	0.07	2.71	0	0	2.71	2.71
4.3 Management of wetlands & cross-border protection areas (GEF/UNDP)	0	0	0	0	3.11	3.11	3.11
Component 4 Subtotal	0	0.07	2.71	0	4.44	7.15	7.15
5. Water Quality Monitoring Basin-wide (GEF/WB)							
5.1 National capacity building for water quality monitoring	0	0	0	1.51	0	1.51	1.51
5.2 Transboundary water quality monitoring	0	0	0	1.42	0	1.42	1.42
Component 5 Subtotal	0	0	0	2.93	0	2.93	2.93
<i>Total SVP Coordination Support</i>		0.38					0.38
TOTAL	4.3	0.38	12.81	8.00	18.49	39.30	43.6

1 For detailed breakdown of Riparian contribution, see table 2.2.

2 SVP Coordination costs will be deducted from NBTF.

3 NBTF includes SVP Coordination.

4 Riparian (in kind) plus Total NBTF & GEF.

Table 2.2 – Riparian Contribution (US\$equivalent)

Contributions from Nile countries	10 NBI countries	PMU Host country	NGO contributions	TOTAL
PMU Office and staff	0	330,000	0	330,000
National project offices	900,000	0	0	900,000
National staff	60,000	0	0	60,000
Nile-SEC Contribution	1,750,000	0	0	1,750,000
NGO contributions to Microgrants	0	0	750,000	750,000
Office Furniture	20,000	3,000	0	23,000
Travel	100,000	0	30,000	130,000
Utilities	305,000	0	0	305,000
Misc. Expenses	10,000	20,000	25,000	55,000
Total	3,145,000	353,000	805,000	4,303,000

Annex 2 – Appendix E
World Bank Implemented Component Budget Tables
(includes both NBTF/World Bank and GEF/World Bank financed components)

Component 1.2 - Knowledge Management
World Bank GEF

Totals Including Contingencies (US\$ Million)							
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs							
A. KM Project Staff /a							
KM Staff - Writer/editor	-	0.04	0.05	0.05	0.05	0.02	0.21
KM International Consultants	-	0.01	0.01	0.01	0.01	-	0.03
KM Basin Consultants	-	0.01	0.01	0.01	0.01	0.01	0.07
Communications/Web Page Lead Specialist	-	0.06	0.06	0.06	0.06	0.02	0.25
Subtotal KM Project Staff	-	0.12	0.13	0.13	0.13	0.05	0.56
B. KM Equipment							
KM Software Installation /b	-	0.01	-	-	-	-	0.01
KM PC/DTP Equipment	-	0.02	-	-	-	-	0.02
Subtotal KM Equipment	-	0.03	-	-	-	-	0.03
C. KM Expenses							
KM SVP Network	-	0.04	0.04	0.05	0.05	0.05	0.23
KM Printing/Translation/dissemination	-	0.01	0.02	0.02	0.02	0.02	0.10
Total	-	0.21	0.19	0.20	0.20	0.12	0.92
UNOPS Fee (Estimated)	-	0.02	0.02	0.02	0.02	0.01	0.07
SVP Coordination Support	-	-	-	-	-	-	-
TOTAL INVESTMENT COSTS	-	0.22	0.21	0.21	0.22	0.13	0.99

\a KM Travel will be covered by component 1.1.

\b Assumes installations at 10 country offices and PMU.

**Component 1.3 - River Basin Modeling
World Bank GEF and NBTF**

	Totals Including Contingencies (US\$ Million)						Total
	2003	2004	2005	2006	2007	2008	
I. Investment Costs							
A. RBM Consultants							
Database Specialist	-	-	0.07	0.07	-	-	0.14
GIS Specialist	-	-	0.05	-	-	-	0.05
Water Resources Modelling Specialist	-	0.05	0.21	0.21	0.22	0.06	0.74
Socio-Economist	-	-	-	0.11	0.11	-	0.21
Code Developers	-	-	0.09	0.09	0.09	-	0.26
Regional Sector Specialists /b	-	-	0.04	0.04	0.02	0.02	0.12
Subtotal RBM Consultants	-	0.05	0.45	0.52	0.43	0.08	1.53
B. RBM Travel /c	0.02	0.06	0.07	0.07	0.07	0.04	0.33
C. RBM Training							
Study Tours /d	-	0.11	0.11	0.11	-	-	0.32
Overseas Internships /e	-	0.09	0.09	0.09	-	-	0.28
MS in WRM at overseas universities	-	0.18	0.18	0.24	-	-	0.60
Subtotal RBM Training	-	0.38	0.38	0.44	-	-	1.20
D. RBM Modelling Contract	-	0.49	0.49	0.49	0.49	0.49	2.43
E. Oversight and M&E							
Independent Reviews /f	-	-	-	0.05	0.05	0.05	0.14
Panel of Experts	-	0.03	0.03	0.03	0.03	0.03	0.17
Subtotal Oversight and M&E	-	0.03	0.03	0.08	0.08	0.08	0.30
Total	0.02	1.01	1.42	1.59	1.07	0.68	5.80
UNOPS Fee (Estimated)	0.00	0.08	0.11	0.13	0.09	0.05	0.46
SVP Coordination Support	-	0.01	0.01	0.01	0.01	0.01	0.07
TOTAL INVESTMENT COSTS	0.02	1.11	1.55	1.73	1.17	0.75	6.33

\a GEF Contribution to the RBM/DSS SVP Project.

\b Includes specialists in AG, water supply, hydropower, environment, etc.

\c Assumes an average of 5 trips/year @ US\$10,000/trip.

\d Assumes 2 week tours for ten participants.

\e Assumes 3 month internships for 10 people.

\f Assumes 2 people per review including fees and travel.

Component 1.4 - Macro & Sectoral Policies and the Environment
World Bank GEF

	Totals Including Contingencies (US\$ Million)						
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs							
A. Macro & Sectoral Studies /a	-	0.10	0.10	-	-	-	0.21
B. Macro & Sectoral Travel							
International Trips	-	0.01	0.01	0.01	-	-	0.03
Basin Trips	-	0.01	0.01	-	-	-	0.02
Subtotal Macro & Sectoral Travel	-	0.02	0.02	0.01	-	-	0.04
C. Macro & Sectoral Training							
Training and Workshops	-	-	0.08	0.08	-	-	0.16
Printing, Translation, Dissemination	-	-	0.01	0.01	-	-	0.01
Total	-	0.12	0.20	0.09	-	-	0.42
UNOPS Fee (Estimated)	-	0.01	0.02	0.01	-	-	0.03
SVP Coordination Support	-	-	-	-	-	-	-
TOTAL INVESTMENT COSTS	-	0.13	0.22	0.10	-	-	0.45

\a Assumes 2 topics and 4 countries/topic.

Component 2.3 - Micro-grant Fund for NGOs
NBTF - CIDA

Totals Including Contingencies (US\$ Million)							
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs							
A. National Microgrant Coordinators							
NMGC - Burundi	-	-	0.02	0.03	0.02	-	0.07
NMGC - DRC	-	-	0.01	0.04	0.04	0.02	0.10
NMG Coordinator - Egypt	-	-	0.06	0.06	0.06	0.03	0.20
NMGC-Eritrea /a	-	-	-	0.02	0.02	0.01	0.04
NMGC - Ethiopia	-	-	0.03	0.03	0.03	0.01	0.09
NMGC - Kenya	-	-	0.04	0.05	0.05	0.03	0.17
NMGC - Rwanda	-	-	0.01	0.02	0.02	0.01	0.07
NMGC - Sudan	-	0.01	0.03	0.03	0.03	0.01	0.10
NMGC - Tanzania	-	0.02	0.04	0.04	0.05	0.02	0.18
NMGC - Uganda	-	0.01	0.03	0.03	0.03	0.01	0.10
Subtotal National Microgrant Coordinators	-	0.03	0.25	0.34	0.33	0.16	1.12
B. Micro-grant Administrative Costs							
Microgrant Travel /b	-	0.03	0.03	0.03	0.02	0.02	0.12
Monitoring/Evaluation of Grants /c	-	-	0.03	0.03	0.08	0.08	0.22
Subtotal Micro-grant Administrative Costs	-	0.03	0.06	0.06	0.10	0.10	0.34
C. Micro-Grants							
Micro-Grants (Canadian CIDA)	-	1.30	1.30	1.30	1.30	-	5.20
Total	-	1.36	1.61	1.70	1.73	0.26	6.67
UNOPS Fee (Estimated)	-	0.11	0.13	0.14	0.14	0.02	0.53
SVP Coordination Support	-	0.04	0.05	0.05	0.05	0.01	0.20
TOTAL INVESTMENT COSTS	-	1.51	1.79	1.89	1.92	0.28	7.40

\a Eritrea currently has observer status and is expected to become a full member of the NBI; therefore, this position is budgeted.

If Eritrea does not become a full member of NBI during the course of this Project, these funds will be re-allocated into the Micro-grants.

\b Assumes identification and supervision missions for MG LS.

\c Independent evaluation of Grants.

**Component 4.2 - Wetlands in Sustainable Development
NBTF**

	Totals Including Contingencies (US\$ Million)						
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs /a							
A. Wetlands Studies	-	-	-	1.24	1.20	-	2.44
Total	-	-	-	1.24	1.20	-	2.44
UNOPS Fee (Estimated)	-	-	-	0.10	0.10	-	0.20
SVP Coordination Support	-	-	-	0.04	0.04	-	0.07
TOTAL INVESTMENT COSTS	-	-	-	1.38	1.33	-	2.71

\a The NBTF financed wetlands activities are to be designed during the first three years of the project and implemented along with the UNDP GEF funded Wetlands activities, which come in Phase II of the UNDP GEF project funding.

**Component 5.1 - Water Quality Capacity Building
World Bank GEF**

Totals Including Contingencies (US\$ Million)							
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs							
A. Water Quality Staff							
Water Quality Lead Specialist	-	0.10	0.10	0.11	0.11	0.06	0.47
Water Quality International Consultants	-	0.02	0.03	0.03	-	-	0.08
Water Quality Basin Consultants	-	0.05	0.11	0.11	-	-	0.27
Subtotal Water Quality Staff	-	0.17	0.24	0.25	0.11	0.06	0.83
B. Water Quality Travel /a	-	0.01	0.01	0.01	0.01	0.01	0.05
C. Water Quality Training and Workshops							
Water Quality Working Group Meetings	-	0.04	0.04	0.04	-	-	0.12
Water Quality Basin-Wide Workshops	-	-	0.04	0.04	0.04	-	0.12
Water Quality National Workshops	-	-	0.06	0.03	0.03	-	0.11
Water Quality Printing, Translation, and Dissemination	-	0.03	0.03	0.03	0.03	0.03	0.14
Sundry Expenses	0.00	0.00	0.01	0.01	0.01	0.01	0.03
Total	0.00	0.25	0.42	0.40	0.22	0.10	1.40
<i>UNOPS Fee (Estimated)</i>	0.00	0.02	0.03	0.03	0.02	0.01	0.11
<i>SVP Coordination Support</i>	-	-	-	-	-	-	-
TOTAL INVESTMENT COSTS	0.00	0.27	0.45	0.43	0.24	0.11	1.51

\a Assumes 3 international and 4 basin trips over the life of the project. Note that Lead Specialist's travel is largely funded from Project Management (component 1.1) budget.

Component 5.2 - Water Quality Monitoring

Totals Including Contingencies (US\$ Million)							
	2003	2004	2005	2006	2007	2008	Total
I. Investment Costs							
A. Transboundary Water Quality Consultants							
Tranboundary Water Quality International Consultants	-	0.02	0.02	0.02	0.02	0.02	0.08
Transboundary Water Quality Basin Consultants	-	0.01	0.05	0.06	0.04	0.03	0.19
Subtotal Transboundary Water Quality Consultants	-	0.03	0.07	0.07	0.06	0.05	0.28
B. Transboundary Water Quality Training and Workshops							
Transboundary Water Quality Basin Workshops	-	-	0.04	0.04	-	-	0.08
Transboundary Water Quality National Workshops	-	-	0.04	0.04	0.04	0.04	0.15
Subtotal Transboundary Water Quality Training and Workshops	-	-	0.07	0.08	0.04	0.04	0.23
C. Transboundary Water Quality Expenses							
Transboundary Water Quality Equipment	-	0.06	0.15	0.25	0.25	0.10	0.81
Total	-	0.09	0.29	0.40	0.35	0.18	1.31
<i>UNOPS Fee (Estimated)</i>	-	0.01	0.02	0.03	0.03	0.01	0.10
<i>SVP Coordination Support</i>	-	-	-	-	-	-	-
TOTAL INVESTMENT COSTS	-	0.10	0.32	0.43	0.37	0.20	1.42

Annex 3: Estimated Project Costs
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Project Cost By Component	Local US \$million	Foreign US \$million	Total US \$million
1. Institutional Strengthening	3.50	13.83	17.33
2. Community Level Land, Forest, and Water Conservation	0.80	10.72	11.52
3. Environmental Education and Awareness	0.00	3.14	3.14
4. Wetlands and Biodiversity Conservation	0.00	7.14	7.14
5. Water Quality Basin-wide	0.00	2.77	2.77
Total Baseline Cost	4.30	37.60	41.90
Physical Contingencies	0.00	0.74	0.74
Price Contingencies	0.00	0.96	0.96
Total Project Costs¹	4.30	39.30	43.60
Total Financing Required	4.30	39.30	43.60

Project Cost By Category	Local US \$million	Foreign US \$million	Total US \$million
Equipment	0.00	1.95	1.95
Staff	0.00	6.99	6.99
Consultant Services	0.00	14.46	14.46
Training and Workshops	0.00	4.63	4.63
Travel		2.12	2.12
Microgrants to NGOs	0.00	7.10	7.10
Miscellaneous expenses		2.05	2.05
In kind from riparians*	4.30	0.00	4.30
Total Project Costs¹	4.30	39.30	43.60
Total Financing Required	4.30	39.30	43.60

*See Table 2.2, Appendix E, Annex 2.

¹ Identifiable taxes and duties are 0 (US\$m) and the total project cost, net of taxes, is 43.6 (US\$m). Therefore, the project cost sharing ratio is 18.35% of total project cost net of taxes.

Annex 4 Incremental Costs

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project BROAD DEVELOPMENT GOALS

The Nile River Basin is home to about 160 million people in Burundi, D.R. Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda, with six of these countries among the world's poorest. The Basin contains an extraordinarily rich and varied range of ecosystems, with mountains, tropical forests, woodlands, savannas, high and low altitude wetlands, arid lands and deserts, culminating in a delta partially below sea level. Extreme poverty, combined with rapid population growth, war, civil strife, drought and famine, has put enormous pressure on these environmental resources, which in turn represent the only source of livelihood for many millions of Africa's most impoverished people. As a result, there is an urgent need to integrate environmental concerns into poverty alleviation and sustainable economic development strategies, specifically through improved land and water resource management practices.

Recognizing their common concerns and interests, the Nile riparian countries have taken a historic step towards cooperation with the establishment in 1999 of the Nile Basin Initiative (NBI), which provides an agreed framework to fight poverty and promote economic development. The NBI provides a transitional institutional mechanism, an agreed vision and basin-wide framework, and a process to facilitate substantial investment in the Nile Basin to realize regional socio-economic development. The establishment of the NBI begins the complex, challenging and long-term process of building confidence and realizing mutual benefits through shared projects. To translate its shared vision into action, the NBI has launched a Strategic Action Program, which includes two complementary components: (1) a basin-wide Shared Vision Program (SVP), and (2) Subsidiary Action Programs (SAPs).

The SVP includes a series of technical assistance and capacity building projects to be implemented basin-wide to help establish a foundation for transboundary regional cooperation and provide a common vision to ensure long-term sustainability; they incorporate common analytical frameworks, practical tools and demonstrations, and institutional and human capacity building. The SVP project portfolio includes seven projects. Four of these projects are thematic in nature, addressing issues related to transboundary water and environmental management (the subject of this proposal), power trade, efficient use of water for agriculture, and water resources planning and management; the remaining three are facilitative, supporting efforts to strengthen confidence building and stakeholder involvement, applied training, and benefit sharing and integration.

The SAPs will be initiated in parallel to the SVP, implementing investment projects that confer mutual benefits at the sub-basin level while following the guidance of the overall NBI Policy Guidelines endorsed by the Nile-COM. The Nile riparians have formed two SAPs. The Eastern Nile (EN-SAP) includes Egypt, Sudan and Ethiopia; while the Nile Equatorial Lakes Region (NEL-SAP) includes the six countries in the southern portion of the Basin—Burundi, D.R. Congo, Kenya, Rwanda, Tanzania and Uganda—in cooperation with the downstream riparians,

Sudan and Egypt.

The identification of environment and development synergies and sustainable development opportunities has emerged as a major NBI priority. Although political, economic and social differences persist between them, the Nile riparian countries share several critical environmental problems and threats that reinforce the need for regional collaborative efforts. The riparians have recognized that focusing on issues of common concern provides them with a major opportunity to make significant progress towards their economic and environmental goals in ways that have proved difficult to achieve independently.

A Transboundary Environmental Analysis (TEA) has been carried out by the Nile riparians as part of the SVP, with support from UNDP, World Bank and other international partners, and with funding provided by the Global Environment Facility. This process identified the elements of an Agenda for Environmental Action in the Nile Basin, based on a collective synthesis of environmental trends, threats and priorities. This Agenda includes a recommended program of complementary preventive and curative actions to address current and emerging environmental issues. It delineates key measures for institutional strengthening, human resource development and expansion of public awareness at regional, national and local levels. The Agenda is to be implemented over the next decade or more under the NBI's Strategic Action Program in coordination with other development activities.

The project will support the priority transboundary activities to be addressed in the initial implementation phase of the Agenda for Environmental Action. The objectives are to provide a strategic environmental framework for environmentally sustainable development of the Nile River Basin, improve understanding of the relationship of water resources development and environment in the Basin, and provide a forum to discuss development paths for the Nile with a wide range of stakeholders. The project seeks to conserve the Basin's unique but critically threatened environmental assets while helping to ensure that its natural resources are used in an optimal and sustainable way to foster economic development and mitigate the appalling levels of poverty that pervade the region.

BASELINE SITUATION

The baseline situation consists of existing projects and programs for the riparian countries included in country-level plans and strategies for economic development, environmental conservation and natural resource management, supplemented by other activities being planned or conducted by individual governmental agencies at national and local levels as well as private enterprises and NGOs. The total baseline is estimated at US\$403 million as detailed in Table 1, Project Baseline Summary at the end of this Annex. This amount includes US\$77 million for the estimated costs of defined NBI NEL-SAP projects currently under preparation. The total estimated costs of the NBI EN-SAP projects also form part of the baseline, however, finalized cost estimates are still not available.

Perpetuation of the baseline would limit the NBI's ability to encourage more effective integrated land and water management within overall economic development strategies on a basin-wide

scale. The majority of support for natural resource management and environmental conservation would continue to focus on independent national-level activities. Some sub-regional activities will be implemented through the NEL-SAP and the EN-SAP projects in addition to important existing East African activities involving Kenya, Tanzania and Uganda (such as the GEF-funded Lake Victoria Environmental Management Project and the Sida-funded Lake Victoria Initiative). However, none of these activities will be implemented on a *basin-wide* scale, which is the key to success of the entire NBI. The ability of the Nile riparians to effectively address transboundary environmental issues requiring coordination at the basin-wide level would remain limited, especially for those environmental issues related to future investments in land and water management. Key cross-border environmental issues such as environmental information sharing, community-level land and water management (including the spread of aquatic weeds), environmental education and awareness, transboundary benefits from wetland conservation (including threats to migratory species) and water quality monitoring would not therefore be addressed adequately or at the appropriate scale.

1. Institutional Strengthening to Facilitate Regional Cooperation

The baseline for this component amounts to US\$93 million, with two main types of project intervention: first, capacity building and institutional support to the water resources and environment sectors; second, water resources assessments combined with planning, modeling, forecasting and simulation, including environmental planning and monitoring. This baseline of action is, significantly, largely national in character and is unevenly distributed within the Basin. Apart from Bank and FAO-funded regional projects that were specifically designed in the context of the wider Nile program, there are no other projects in the institutional strengthening category which specifically target the coordination of transboundary elements required for cooperative management of shared water resources.

2. Community-level Land, Forest and Water Conservation

The baseline is very large under this rather broad category, as would be expected, consisting of projects totaling US\$206 million, including three sub-regional NEL-SAP projects with estimated costs of US\$61 million. Many of these projects target agricultural productivity or expansion through irrigation or other intensification as the basis for food security and poverty alleviation. Other projects in this category attempt integrated land and water management with an emphasis on soil conservation, as well as land rehabilitation and community-based efforts in afforestation, reforestation and forest management. While it is recognized as cross-cutting, multi-sectoral and interdisciplinary, the IDA portion of the Lake Victoria Environmental Management Project is categorized as baseline under this component.

3. Environmental Education and Awareness

The TEA identified less than US\$1 million in current, externally-funded baseline activities for this category. This is mainly because most environmental education and awareness activities are being undertaken on a relatively small scale by large numbers of NGOs and community organizations and are widely dispersed within the Basin. There is no central project database

documenting these activities. While existing and emerging environmental NGOs are undoubtedly very active in environmental education and awareness in a number of the Nile Basin countries, their activities seem almost exclusively to be limited to local and national levels. There is no program beginning to build awareness of interdependence and opportunities for cooperation across national boundaries. The proposed NBI project on Communication and Stakeholder Involvement will be the first of its kind, attempting to develop common messages and common dialogues among the people of the Nile Basin.

4. Wetlands and Biodiversity Conservation

Non-GEF-funded baseline actions under this component are comparatively large at US\$74 million, including a US\$16 million NEL-SAP fisheries project for Lake Albert. This is an impressive total for a region as pervaded by poverty and food security concerns as the Nile Basin. The focus of these projects is mainly environmental management and planning, targeting wetlands and other protected areas, with an emphasis on both conservation and sustainable uses. The projects are distributed very unevenly within the Basin, however. Apart from the Lake Albert initiative, the only project with a transboundary focus is a GEF project addressing East African cross-boundary protected areas (since this is GEF-funded, however, it does not form part of the baseline). The critical linkages between transboundary water resource management and the Basin's acutely threatened and dwindling natural ecosystems is of such importance that the significance of the transboundary wetland conservation (including biodiversity) issues can scarcely be overestimated.

5. Water Quality Monitoring basin-wide

The baseline of action for this component amounts to US\$29 million, almost entirely in Egypt, indicating the low priority given to the transboundary aspects of water quality in the wider Nile Basin. At a sub-basin level, the GEF and IDA-funded Lake Victoria Environmental Management Project addresses water quality issues in the Lake Victoria basin (again, the GEF portion does not form part of the baseline). Relatively little attention has been given to this issue in the wider Nile Basin, however, even though it is of growing concern, particularly in the Basin's more heavily populated and farmed areas. Pollution and water quality issues are becoming especially critical at and around large-scale irrigation schemes with intensive use and storage of agrochemicals (e.g., in Egypt and Sudan), as well as larger urban and industrial settings throughout the Basin. Only in Egypt is a large water quality monitoring program in place. Although the adverse impacts are often fairly local and not basin-wide phenomena, water quality issues are major human health and environmental concerns at these sites.

ALTERNATIVE SCENARIO

The alternative consists of the steps needed to establish a sound basin-wide environmental framework consistent with current and projected patterns of economic development. This would be accomplished through GEF support to facilitate the priority transboundary actions outlined in the *Agenda for Environmental Action* in the Nile Basin through the present Transboundary Environmental Action Project, together with additional resources from the projects identified in the table below, which are funded through the International Consortium for Cooperation on the Nile (ICCON) mechanism by other international as well as domestic sources. This joint effort would generate sustainable global benefits embodied in mitigation of the environmental problems identified in the TEA. GEF participation would finance the incremental costs needed to remove barriers to regional environmental conservation and sound natural resource use, including transaction costs for joint planning activities, development of common approaches to sectoral policies, further cross-border data collection and analysis, knowledge management and information sharing at a regional level, and coordination of efforts among the participating countries.

Non GEF-Funded Alternative - *NBI Shared Vision Program*

As noted above, the project alternative is augmented by a significant part of the project portfolio of the NBI's Shared Vision Program (SVP) and the Cooperative Framework project. This consists of seven technical assistance and capacity building projects aiming to create a basin-wide enabling environment for cooperative development. It should be noted that while these projects form a firm part of the project alternative, they are not reflected in the financing plan (PAD cover page and PAD cost tables on pages 10 and 14), since separate Project Appraisal Documents will be processed for each of these projects. However, a description of these projects (as well as of the Subsidiary Action Program) is provided in Annex 14.

Non-GEF-funded portion of the Alternative (Co-financing, in US\$m)

NON GEF-FUNDED ALTERNATIVE	AMOUNT (\$US m)	CORRESPONDING COMPONENT OF PRESENT PROJECT
NBI/SVP Socio-Economic Development - Macroeconomic Integration	11.0	Institutional Strengthening 1
Water Resources Planning and Management	21.7	Institutional Strengthening 1
Nile River Basin Cooperative Framework, Phase I	3.5	Institutional Strengthening 1
Nile River Basin Cooperative Framework, Phase II	0.4	Institutional Strengthening 1
NBI/SVP Efficient Water Use for Agriculture	5.0	Land Management 2
NBI/SVP Confidence Building & Stakeholder Involvement	15.0	Awareness 3
NBI/SVP Applied Training	20.0	Awareness 3
Sub-total	76.6	
NBI/SVP Transboundary Environmental Action	12.8	Institutional Strengthening; Land&Forest; Biodiversity 1,2 & 4
Total	89.4	

As described in the body of this Project Brief, the NBI's Strategic Action Program includes Subsidiary Action Programs in addition to the SVP. The EN-SAP and NEL-SAP have identified sub-basin projects. Funding for initiating project pre-feasibility studies and/or preparation has

been secured at the first International Consortium for Cooperation on the Nile (ICCON) in June 2001. Details of the SAP projects had not become available at the time of drafting the Project Brief and PAD. However, it is already evident that the SAP projects in water resources management, agriculture, communications, macro-economic planning and other economic development sectors will add significantly to the alternative as well as to the baseline, depending on project type.

GEF-Funded Alternative - Nile Transboundary Environmental Action Project

The GEF alternative would support a regionally led initiative to promote more effective management and conservation of the natural resources and environmental assets of the Nile Basin. This would greatly facilitate the ability of the NBI and the cooperating countries to address transboundary environmental issues and common natural resource management concerns at a basin-wide level. The GEF alternative would allow the *Agenda for Environmental Action* in the Nile Basin to be initiated and undertaken with support from a variety of sources. GEF support would also increase the visibility of and demonstrate the opportunities for more effective transboundary environmental management in the Basin. In this way the project would complement the innovative and far-reaching regional NBI investment programs currently being prepared and about to be undertaken on a significant scale in a variety of economic development sectors, including water, agriculture and hydropower. The alternative would also test and demonstrate a variety of approaches to Nile transboundary environmental management issues, of which the most successful and promising could be scaled up or replicated in subsequent NBI Strategic Action Program investments.

The project is supported by GEF resources as outlined below (in million US\$):

GEF Resources

	World Bank	UNDP	Total
Phase 1	8.0	8.8	16.8
Phase 2		9.7	9.7
Project total	8.0	18.5	26.5

The project will encourage more effective basin-wide stakeholder cooperation on transboundary environmental issues by supporting implementation of actions prioritized by the TEA in the following areas:

1. Institutional Strengthening to Facilitate Regional Cooperation

Transboundary threats to be addressed. Overall basin-wide capacities for environmental management are quite limited and there have been relatively few efforts to exchange environmental information and experiences among and between key resource users, research institutions and other stakeholders throughout the Basin. Understanding of the dynamics of the river system is insufficient to assess the downstream environmental impacts of future river system interventions or changes in watershed management regimes. The environmental impacts of macro and sectoral policies on the Nile Basin's land and water resources are poorly

understood.

Objective and global benefits. This project component will strengthen NBI's capacity in basin-wide program management, regional coordination, knowledge management, understanding of the Nile Basin system and policy analysis. The largest sub-component will link with the non-GEF-funded SVP Water Resources Management Project to develop a basin-wide Decision Support System, with GEF resources used to support the development and application of a River Basin Model including the training of management teams from the riparian countries. This will help provide a regional perspective on water resources management as well as the assessment of transboundary environmental impacts of investment projects, and will support the exploration of alternative development strategies. A Nile Basin environmental knowledge base accessible to all key stakeholders will be developed. Transboundary impacts of national economic and sectoral policies linked to trade, transport and migration will be further analyzed and regional dialogues initiated with policymakers and other donor organizations. The component will also facilitate effective implementation and coordination of all project activities at a national level. The active participation of basin-wide Thematic Working Groups will further enhance regional cooperation and technical transfer among the countries involved with respect to each of the other five project components. Baseline costs of this component are US\$93 million and incremental costs are US\$51.3 million (including US\$28 million for the Decision Support System) of which US\$9.7 million are requested from the GEF for Phase 1 funding, while additional US\$2.32 million will be requested from the GEF for Phase 2 funding.

2. Community-level Land, Forest and Water Conservation

Transboundary threats to be addressed. Relatively few local stakeholders have access to adequate means of communication. For local stakeholders, tenure is often unclear and access to resources inadequate. Soil erosion is a chronic problem throughout the Basin. Deforestation and soil erosion can lead to increased sedimentation and greater flood risks downstream, while sediments also accumulate in wetlands and reservoirs. Water hyacinth and other invasive aquatic weeds have spread throughout many parts of the Nile Basin.

Objective and global benefits. This component will help to strengthen national and international NGO networks within the Basin. Regional land and water conservation training workshops will emphasize transboundary cooperation as well as government-NGO partnerships. The component will also support in-depth examination of transboundary soil erosion and sediment transport. Major sources and root causes will be further analyzed by teams from the participating countries, and priority sites will be identified for pilot activities. A Microgrant Fund will be established with GEF and Canadian support to finance pilot initiatives in the priority land and water conservation areas identified by the TEA, including aquatic weed infestations. Key grant selection criteria will include participation of local communities, targeting of issues with direct cross-border impacts, identification of lessons and best practices, and the potential for promising initiatives to be scaled up or replicated within the NBI SAP. Baseline costs of this component are US\$206 million and incremental costs are US\$16 million of which US\$1.7 million is requested from the GEF for Phase 1 funding, while an additional US\$2 million will be requested from the GEF for Phase 2 funding.

3. Environmental Education and Awareness

Transboundary threats to be addressed. In all the riparian countries, lack of awareness and understanding of the transboundary environmental consequences of decisions concerning land and water resource management is a major barrier to strengthening environmental management.

Objective and global benefits. This component will develop and deliver education and awareness programs that emphasize the way in which environmental issues are shared by the Nile riparian countries. Economic and ecological linkages with neighboring countries upstream and downstream will be emphasized, as well as the riparians' mutual dependence on the natural resources and environmental assets of the entire Basin. A variety of media will be used in programs developed by basin-wide teams of educators for delivery throughout the Basin (translated to appropriate languages). This component aims not only to highlight the importance of sustainable environmental management, and the role of every individual and community in trying to achieve this, but also contribute to breaking down the mistrust between countries that has long proved a constraint to more effective basin-wide collaboration. The component will also support basin-wide networking among universities engaged in environmental education, with exchanges of information, teachers and students. Baseline costs of this component are US\$1 million and incremental costs are US\$38 million of which US\$2.5 million are requested from the GEF for Phase 1 funding, while an additional US\$1 million will be requested from the GEF for Phase 2 funding.

4. Wetlands and Biodiversity Conservation

Transboundary threats to be addressed. Water-dependent ecosystems throughout the Nile Basin contribute to the stability, resistance and resilience of both natural and human systems to stress and sudden changes. In particular, significant transboundary benefits derive from the Basin wetlands' role in maintaining water quality, trapping sediment, retaining nutrients, buffering floods, stabilizing micro-climates and providing storm protection. The ecological and economic role of wetlands in supporting sustainable development in the Basin is not well understood or widely appreciated. Key plant and animal species with habitats in adjoining countries often require cross-border protected areas and other conservation measures for effective management. Adequate management of protected areas and other environmental hot spots is generally lacking.

Objective and global benefits. This component will support further analysis of the key economic and ecological role of wetlands in the transboundary Basin system and promote awareness of the need to conserve and manage these natural resources, building on the promising national wetland programs that have already been established in a few of the riparian countries. The regional capacity for monitoring and managing wetland resources will be strengthened through technical assistance and training. Programs emphasizing the multiple-use management of internationally significant wetlands will be developed and presented through basin-wide workshops attended by wetland managers and other key stakeholders. Pilot activities will be undertaken to demonstrate best practice management. Baseline costs of this component are \$US74.2 and incremental costs are \$US7.2 million of which \$US4.4 million will be requested

from the GEF for Phase 2 funding.

5. Water Quality Monitoring Basin-wide

Transboundary threats to be addressed. Physical impacts from land and water management as well as aquatic pollutants can cross national boundaries downstream. Urbanization, industrialization and increased use of agricultural chemicals all lead to increased runoff and pollution that harm downstream water users. In addition, waterborne diseases are prevalent throughout the Basin. Data and understanding related to the transboundary aspects of these issues is lacking. Only limited work has been done to identify environmental hot spots or to carry out systematic water quality monitoring at environmentally sensitive transboundary sites.

Objective and global benefits. This component will augment the collective capacity of the riparian countries to monitor a limited set of agreed key water quality parameters on a basin-wide scale. Teams from the participating countries will work together on developing common analytical methods, identifying parameters to be measured, and preparing and delivering training programs for key national stakeholders through regional workshops. GEF resources will also be used to provide a systematic overview of existing monitoring stations in the Basin, to identify gaps and to strengthen water quality monitoring in relation to transboundary environmental threats. The result of this component will be to substantially upgrade basin-wide capacity to make high quality and consistent water quality information available to inform decision making and thereby target future investments more effectively. Baseline costs of this component are US\$29 million and incremental costs are US\$2.9 million, requested from the GEF for Phase 1 funding.

DOMESTIC BENEFITS

Domestic benefits arising from the project are expected to be largely incidental. The project sub-components that are expected to generate measurable domestic benefits will be financed from non-GEF sources. These are:

- (a) Training/resources provided to NGOs under component 2.
- (b) Approximately 50-80 percent of the microgrant activities under component 2.

SCOPE OF ANALYSIS

The scope of analysis includes the geographic, institutional, market, policy and legislative issues having a transboundary impact on the Nile Basin's environmental resources. This includes actions at the national and regional levels, as well as actions undertaken on the ground as part of the national development and/or conservation efforts within the parts of the countries that fall within the Nile Basin itself. The defined baseline includes non-GEF projects outside the NBI that were still active in 1999. Reference to the NBI's investment program, the SAP, has been made in the text where figures exist, such as for the NEL-SAP. The size of the investment program is expected to total several billion US dollars over the coming decades, but it is only in the

definition stage, and actual figures have therefore not been fully reflected in the incremental cost analysis. Some of the projects in the investment program will form the baseline while others will be part of the alternative.

Relevant actors/elements in the program include (a) national governments; (b) local governments for sub-national jurisdictions within the Basin; (c) local (and community-based), national and international NGOs active in the Basin; (d) the private sector; (e) universities and other research institutions; (f) government policies, laws, regulations and development plans; (g) other donors active in the Basin and (h) relevant international conventions and agreements entered into by the Nile countries related to land and water management.

COSTS

The costs of the action are over and above those incurred by the countries to implement their national environmental policies and environmental action plans and to comply with existing environmental laws and regulations. The incremental cost, by which the alternative scenario exceeds the costs of the baseline situation, is estimated at US\$115.9 million¹. In addition to the US\$350,000 grant from the PDF Block B, already disbursed, GEF is requested to finance US\$26.5 million. Project co-financing is expected to amount to US\$89.4 million (of which US\$76.6 million will support other NBI/SVP projects, while an additional US\$12.8 million has been raised for the project through the ICCON process to complement the GEF increment (Funding by Canada has been confirmed and additional funds from the Netherlands are under discussion). The costs of monitoring and evaluation, supervision and quality control, contingencies and execution are included in these amounts. The project builds on a substantial baseline and is complemented by significant associated financing. The nine participating Nile Basin country governments are fully committed to the project and to the sustainability of activities undertaken beyond the life of the project.

In line with the above, therefore, the GEF project total for Phase 1, which is requested in the present project proposal, amounts to a total of US\$16.8 million, while the GEF resources which will be requested for Phase 2 amounts to a total of US\$9.7 million.

Incremental Cost Matrix (US\$M)

Component/ Other Costs	Category	Amount	Domestic Benefits	Global Benefits
1. Institutional Strengthening to Facilitate Regional Cooperation	Baseline	93.0	The institutional framework in most riparian countries includes national legislation, environmental plans and strategies, and projects for natural resource management and environmental conservation.	
	Alternative	116.3	Some gains in institutional and human capacity through training and involvement of National Experts in the project.	Establishment of an environmental framework that will promote: (a) enhanced basin-wide cooperation essential to successful implementation of the Agenda for Environmental Action in the Nile Basin through the SVP, SAPs and other programs,

				and (2) a basin-wide institution (NBI) with substantially enhanced environmental management capacities.
	Increment	23.3		
1a. Decision Support System (DSS)	Baseline	0.0	Currently insufficient understanding of river basin dynamics to assess the downstream environmental impacts of future river system interventions or changes in watershed management regimes. Existing efforts are fragmented and have not included all riparians.	
	Alternative	28.0	Some incidental domestic benefits.	Improved technical foundation for transboundary water resources planning and management, including environmental assessments. Improved access to information within and between the riparian countries, improved knowledge of shared biological resources, enhanced understanding of river basin dynamics, especially transboundary effects. Also regional, integrated planning and management of water resources.
	Increment	28.0		
2. Community-level Land, Forest and Water Conservation	Baseline	205.9	Local-level capacities and access to resources and information throughout the Basin are mostly inadequate.	
	Alternative	222.0	Emphasis will be on transboundary soil erosion hot spot sites and areas with biodiversity of global significance. There will be some incidental domestic benefits. Equipment provided to NGO networks will be funded from non-GEF sources and 50-80% of micro grants will be funded from non-GEF sources.	Improved understanding of transboundary soil erosion processes and land and water conservation. Increased knowledge from exchanges of lessons and experiences among and between national NGO networks. Improved environmental management involving activities designed and implemented by local stakeholders plus enhanced government-NGO collaboration.
	Increment	16.1		
3. Environmental Education and Awareness	Baseline	0.9	Low level of environmental awareness and education on issue of shared water resources among the public, students, officials and professionals.	
	Alternative	39.3	Some incidental domestic benefits.	Deepened public awareness and understanding of riparian countries' co-dependence on sound environmental management. Strengthened transboundary education and research initiatives.
	Increment	38.4		
4. Wetlands and Biodiversity Conservation	Baseline	74.2	There is generally inadequate information, awareness and management of wetlands and protected areas.	
	Alternative	81.4	There will be some incidental domestic benefits.	Enhanced information and knowledge of economic and ecological contribution of wetlands to conservation and development.

				Increased basin-wide appreciation of wetland functions. Improved protection of key transboundary conservation areas and key sites for migratory species.
	Increment	7.2		
5. Basin-wide Water Quality Monitoring	Baseline	29.0	Existing water quality monitoring efforts are inconsistent, uncoordinated and mainly do not include the sharing of transboundary information.	
	Alternative	31.9	Monitoring at selected sites will provide some incidental domestic and capacity building benefits, net of domestic contributions. Non-GEF funding will be sought for investments in monitoring equipment that generate domestic benefits.	Improved water quality information for basin-wide natural resource and environmental management, especially at transboundary and globally-significant hot spot sites.
	Increment	2.9		
TOTALS	Baseline	403.0		
	Alternative	518.9		
	Increment	115.9¹		
	<i>GEF</i>	26.5		
	<i>Non-GEF</i>	89.4		

Note 1: Reflecting donor (GEF&non-GEF) contributions. The total increment is \$US 120.2 million if local contributions of \$US 4.3 million of the present project are included. However, figures for recipient contributions for the other SVP projects will have to be added once they become available.

Project Baseline Summary

Baseline (\$US millions)

<u>Component</u>	<u>Total Baseline</u>
Institutional Strengthening to Facilitate Regional Cooperation	93.0
Land, Forest, and Water Conservation	205.9
Environmental Education & Awareness	0.9
Wetlands and Biodiversity Conservation	74.2
Water Quality Monitoring Basin-wide	29.0
TOTAL	403.0

Other Baseline Projects

Country	Project	Year	Budget (US\$M)*	Implementing Agency	Donor Agency	Location & Issues Addressed	Rel. Proj. Comp.
BURUNDI	Integrated Development - Bututsi (1)	2000-2002	5.6	-		Agriculture, Land mgt	2
	Support to the Mgt and Rehab of Env. (wetlands component)	Ongoing	3.0	General Directorate for Land and Environment Mgt. (DGATE)	UNDP	Biodiv./Nature Conservation	4
	Rural Development Program (wetlands component)	Ongoing	5.0	Provincial Directorate for Agriculture and Livestock (DPAE)	FIDA-OPP	Wetlands	4
	Agricultural Development - Musinga (1)	2000-2002	0.1	-		Agriculture, Land mgt	2
	Soil Erosion Program (2)	2000-2002	0.1	General Directorate for Land and Env. Mgt.		Soil erosion	2
	Forestry - World Bank (2)	2000-2001	0.1	Forestry Department	IDA	Forest mgt	2
	National Biodiversity Strategy & Action Plan	1996-2000	0.22 (GEF)	National Institute for Env. and Nature Conservation	GEF	Biodiv./Nature Conservation	4
Sub-total of known non-GEF projects		13.9					
CONGO	National Biodiversity Strategy & Action Plan		0.25(GEF)	Ministry of Tourism and Environment	GEF	Biodiv./Nature Conservation	4
	Range Management and Pasture Improvement	5 years	2.5	Ministry of Agriculture		Land and Water Conservation	2
Sub-total of known non-GEF projects		2.5					
EGYPT	Capacity building/Env Sector/Upgrade NEAP	1998-2000	1.1	Min. of State for Environmental Affairs, Egyptian Environmental Affairs Agency		Instit. Strengthening	1
	Lake Manzala Engineered Wetland	1997-2002	4.5 (GEF)	Min. of State for Environmental Affairs, Egyptian Environmental Affairs Agency	GEF	Pollution	5
	Developing Renewable Groundwater Resources in Arid Lands: a Pilot Case – the Eastern Desert of Egypt		1.84 (GEF)	Min. of Water Resources and Irrigation	GEF/ UNDP	Water Resources Management, Land and Water Conservation	2
	National Oil Spill, River Nile & Lake Nasser	2000-2002	0.9	Egyptian Environmental Affairs Agency		Disaster mgt	5
	Used Oil & Domestic Waste/Along Nile	1999-2001	0.6	Min. of Water Resources, Egyptian Environmental Affairs Agency		Pollution	5
	National Environmental Disaster Plan	1999-2002	4.4	Egyptian Environmental Affairs Agency		Disaster mgt	5
	Organic Agriculture	Ongoing	0.5	Min. of Agriculture		Land and Water Conservation	2
	National water Quality and Availability Management (NAWQAM) Project	1997-2004	21.3	National Water Resources Centre (NWRC)	Canada/ Egypt	WQ Monitoring, Water resources Management	5
	National Water Resources Plan for Egypt	1998-2002	3.9	Ministry of Water resources and Irrigation (MWRI)	Neth./ Egypt	Water Resources Planning	1
	DSS for Water Resources Planning based on Environmental Balance	1998-2001	1.5	National Water Resources Centre (NWRC)	Italy/ Egypt	DSS development	1
	Monitoring, Forecasting and Simulation of the Nile River	Ongoing	15.0	FAO/ Ministry of Water resources and Irrigation (MWRI)	USAID	Water resources management	1
	Updating Meteorological Network	Ongoing	1.4	Government of Egypt	Egypt	Hydrological network	1
	METAP III	1996-2001	4.2	Egyptian Environmental Affairs Agency	UNDP/ WB	Instit. Strengthening	1
	Wetlands & Coastal/Mediterranean Region	1997-2002	2.8 (GEF)	Egyptian Environmental Affairs Agency	GEF	Instit. Strengthening	4

	National Biodiversity Strategy & Action Plan	1995-1997	3.5 (GEF)	Egyptian Environmental Affairs Agency	GEF	Biodiv./Nature Conservation	4
	Local Initiative Facility to Urban Environment	1993-1998	0.9	NGOs	UNDP	Env. Education/Awareness	3
	Italian Cooperation Project	1998-2002	2.0	EEAA, Min. Water Res. & Irrigation, Min. of Culture	Italy		1
Sub-total of known non-GEF projects		57.7					
ETHIOPIA	Conservation Strategy for Ethiopia (CSE) project	1989-to date	0.5	IUCN and Environmental Protection Authority (EPA)	NORAD	Biodiv./Nature Conservation	4
	Regional Conservation Strategy Projects	1994-1999	1.5	IUCN and National Regional Governments with the Technical Support from EPA	NORAD	Biodiv./Nature Conservation	4
	National Action Program to Combat Desertification	1997-1999	0.3	EPA	UNDP/UNSO	Biodiv./Nature Conservation	4
	Environmental Support Project	1999-2003	12.3	Ministry of Water Resources (MOWR)	Neth./Ethiopia	Water supply & sanitation master plan; water res. & env. meta database	1
	Flow Forecasting	2000-2001	0.2	Ministry of Water Resources (MOWR)	UNDP	Flow forecasting	1
	Capacity Building of The Hydrology Department	1998-2001	0.7	Ministry of Water Resources (MOWR)	NORAD/Ethiopia	Data Collection	1
	Soil Conservation for Hydrology	Ongoing	1.4	Ministry of Water Resources (MOWR)	EU/Ethiopia	Sediment transport in rivers	2
	Ecological Sustainable Industrial Development	2000-2002	1.5	EPA	Neth./UNIDO	Instit. Strengthening	1
	National Biodiversity Strategy & Action Plan	2000-2002	0.33(GEF)	Institute for Bio-diversity Conservation and Research (IBCR)	GEF	Biodiv./Nature Conservation	4
	Bird Life Project	2000-2002	0.2 (GEF)	Ethiopian Wildlife and Natural History NGO (EWLNHS)	GEF	Biodiv./Nature Conservation	4
	Conservation of Plant Genetic Resources	1994-1999	2.45 (GEF)	National governmental departments	GEF	Biodiv./Nature Conservation	4
	Conservation of Plant Genetic Resources	1994-1999	3.9	National governmental departments	UNDP/GOV	Biodiv./Nature Conservation	4
Sub-total of known non-GEF projects		22.3					
KENYA	National Biodiversity Strategy & Action Plan	Recently concluded		Min. of Env. and Natural Resources (National Environment Secretariat)	GEF	Biodiv. /Nature Cons.	4
	Integrated Water Resource Management	2000-2003	0.6	Ministry of Environment and Natural Resources (MENR)	Sida/Kenya	Watershed management	2
	Water Resources Assessment Project (WRAP 5)	1996-2000	0.3	Ministry of Environment and Natural Resources (MENR)	Neth./Kenya	Water Resources database & water res. assessment	1
	National Action Program to Combat Desertification	Five Years	8.3	Min. of Env. And Natural Resources	UNDP/UNSO	Land and Water Conservation	2
Sub-total of known non-GEF projects		9.2					
RWANDA	National Biodiversity Strategy & Action Plan	Ongoing	0.17 (GEF)	Ministry of Lands and Environmental Protection	GEF	Biodiv./Nature Conservation	4
	Environmental Law Formulation	2000-2001	0.1	Ministry of Lands and Environmental Protection	UNDP	Biodiv./Nature Conservation	4
	Implementation of National Environmental Action Plan	1996-2001	0.8	Ministry of Lands and Environmental Protection	UNDP	Biodiv./Nature Conservation	4
	Potable Water Supply (A.E.P.)	1999-2001	0.1	Ministry of Water, Energy and Natural Resources	Rwanda	Land and Water Conservation	2
	Capacity Building for the National Meteorological Service	Ongoing	0.3	Ministry of Public Works, Transport and Communications (MINITRACO)	UNDP	Capacity building	1

	Database for Geology and Mining	Ongoing	0.3	Ministry of Public Works, Transport and Communications (MINITRACO)	IDA	Information systems	1
	Rehab & Reforestation	Ongoing	0.4	Ministry of Geology and Mining, Energy, Water and Natural Resources (MINERENA)	EU	Environmental conservation.	2
	A.E.P. Umutara	1999-2001	1.2	Ministry of Water, Energy and Natural Resources	Denmark	Land and Water Conservation	2
	A.E.P à partir du lac Mugesera (Karege-Kigali)	1998-2000	2.0	Ministry of Water, Energy and Natural Resources	RFA	Land and Water Conservation	2
	A.E.P. Umutara-Kibungo-Kigali rural	1998-2000	3.0	Ministry of Water, Energy and Natural Resources	IDA	Land and Water Conservation	2
	National Program for Soil and Water Conservation	1999-2001	4.3	Ministry of Agriculture	Rwanda	Land and Water Conservation	2
	Management of natural Forests in Nyungwe (cross-border w. natural forest of Kibira in Burundi)	2000-2001	1.2	Ministry of Agriculture	EU	Land and Water Conservation	4
	Agro-forestry in the Oriental High Plateau	1997-2001	1.0	Ministry of Agriculture	EU	Land and Water Conservation	2
Sub-total of known non-GEF projects		14.7					
SUDAN	Biodiversity Mgt - Dinder National Park	1999-2002	0.8 (GEF)	Higher Council for Environment & Natural Resources	GEF	Biodiv./Nature Conservation	4
	Biodiversity Mgt - Dinder National Park	1999-2002	0.5	Higher Council for Environment & Natural Resources	UNDP	Biodiv./Nature Conservation	4
	Lower Atbara Area Development Scheme	1995-2003	4.5	Ministry of International Cooperation and federal states	UNDP	Land and Water Conservation	2
	Area Rehabilitation Scheme – Juba	1998-2001	1.5	Ministry of International Cooperation and federal states	UNDP	Land and Water Conservation	2
	Area Rehabilitation Scheme - Wau	1998-2001	1.5	Ministry of International Cooperation and federal states	UNDP	Land and Water Conservation	2
	National Action Plan to Combat Desertification	1997-1999	0.3	National Desertification Unit	UNDP	Land and Water Conservation	2
	National Biodiversity Strategy and Action Plan	1999 - 2000	0.3 (GEF)	Higher Council for Environment & Natural Resources	GEF	Biodiv./Nature Conservation	4
Sub-total of known non-GEF projects		8.3					
TANZANIA	Participatory Environmental Resource Management Project	1997-1999	10.0	Min. of Natural Resources & Tourism	USAID	Biodiv./Nature Conservation	4
	National Action Plan to Combat Desertification	1997-1999	0.4	Division of Environment under Vice President's office	UNDP/UNSO	Land mgt	2
	River Basin Management and smallholder Irrigation Improvement Project.	1997-2003	10.6	Ministry of Water	World Bank	Water resources mgmt. & irrigation	2
	Capacity Building for Environmental Management and Pollution Abatement in Mwanza Region	1998-2003	1.8	Prime Minister's office; Mwanza municipality	DANIDA	Instit. Strengthening, pollution	5
	National Biodiversity Strategy and Action Plan	1995-1996	0.3 (GEF)	Division of Environment under Vice President's office	GEF	Biodiv./Nature Conservation	4
Sub-total of known non-GEF projects		22.8					
UGANDA	National Wetlands Conservation and Management Project	July 1996-2001	2.2	Min. of Water Lands and Environment	Neth. Govt.	Biodiv./Nature Conservation	4
	Tree Seed Project	Oct 1998-2003	2.1	Forestry Dept, Min. of Water, Lands and Env.	NORAD/ G of Uganda	Forest mgt	2

	South East and South West Integrated Watershed Management Project.	July 99 - 2004	3.7	Forestry Dept, Ministry of Water, Lands and Environment	ADB	Land mgt.	2
	Environment Management Capacity Building Project	1996-2000	8.4	Nat. Environment Management Authority	World Bank	Instit. Strengthening	1
	Integrated Water Resources Management of Lakes George & Edward Basin	1999-2004	9.4	Ministry of Local Govt.	DFID	Integrated basin management	2
	Strengthening Water Resources Monitoring and Assessment Services (WRAP)	1996-2003	12.0	Directorate of Water Development (DWD)	Danida	Water resources information	1
	National Environment Monitoring Agency	1998-2002	1.5	National Environmental Management Authority (NEMA)	Uganda	Monitoring	1
	National Parks and Wildlife Management.	1995-1999	5.0	Uganda Wildlife Authority	USAID	Instit Strengthening	1
	Environment Laws and Institutions Project	1996-1999	0.4	Ministry of Water Lands and Environment	UNEP	Instit. Strengthening	1
	Kibali Wild Coffee	1999	0.8	Uganda Coffee Trade Federation	IBRD/GEF	Biodiv./Nature Conservation	4
	Peri-urban Plantations Project	1996-2000	1.8	Forestry Dept, Ministry of Water Lands and Environment (MWLE).	NORAD/ G of Uganda	Forest mgt	2
	Mt. Elgon Conservation and Development	1996-2000	1.4	Ministry of Water Lands and Environment	IUCN	Biodiv./Nature Conservation	4
	Biomass Study Phase III	1996-2000	0.7	Forestry Dept, Ministry of Water Lands and Environment (MWLE).	EU	Forest mgt/Energy	2
	Development Through Conservation Project	1989-2002	2.8	Ministry of Tourism, Wildlife and Industry		Biodiv./Nature Conservation	4
	Water Resources Assessment Project	1996-2000	7.0	Directorate of Water Development	Danida	Water resources	1
	Environment Management	1996-2001	11.8	Ministry of Natural Resources	IDA	Biodiv./Nature Conservation	4
	Bwindi Forest and Mgahinga Gorilla	1995-1999	4.0 (GEF)	Government of Uganda	GEF	Biodiv./Nature Conservation	4
	National Biodiversity Strategy and Action Plan		0.25 (GEF)	Ministry of Water Lands and Environment (MWLE).	GEF	Biodiv./Nature Conservation	4
	Cross-border Biodiv. Project (Sango Bay)	1998-2002	1.77 (GEF)	Ministry of Water Lands and Environment	GEF	Biodiv./Nature Conservation	4
	Protected Areas Management & Sustainable Use	1999-2002	12.4	Ministry of Tourism, Wildlife and Antiquities	IDA	Biodiv./Nature Conservation	4
	Protected Areas Management & Sustainable Use	1999-2002	2.0 (GEF)	Ministry of Tourism, Wildlife and Antiquities	GEF	Biodiv./Nature Conservation	4
	Small - Towns Water Supply	1995-2001	42.3	Ministry of Water Lands and Environment	IDA	Water resources	2
	Sub-total of known non-GEF projects	125.7					
Regional	Strengthening of National Capacities in Nile Basin	2000-2002	5.3	Nile-Council of Ministers through Nile-SEC	FAO	Instit. Strengthening	1
	Operational Water Resources Management and Information Systems in the Nile Basin Countries Project (basin-wide)	1996-1999	3.6	Ministers of Water Affairs - Nile Countries	FAO/ Italy	Instit. Strengthening	1
Sub-basin	NBI Eastern Nile Subsidiary Action Program (Egy, Eth, Sud)	Design phase	tbd	Relevant sector ministries under coordination by Ministers of Water Affairs	tbd	Water Resources; Early warning Systems and Modeling; Agriculture; Land & Water Conservation; Power	
	NBI Equatorial Lakes Subsidiary Action Program (Bur, DRC, Ken, Rwa, Tan, Ug) :			(relevant NEL-SAP projects under design listed below:)			

1. Water Use in Agriculture	Design phase	46.2	Relevant sector ministries under coordination by Ministers of Water Affairs	tbd	Soil & Water Conservation	2
2. Sustainable management and Conservation of Lakes and Linked Wetlands	Design phase	16.0	Relevant sector ministries under coordination by Ministers of Water Affairs	tbd	Wetlands and Biodiversity	4
3. Watershed Management (three sub-projects)	Design phase	10.0	Relevant sector ministries under coordination by Ministers of Water Affairs	tbd	Soil & Water Conservation	2
4. Water Hyacinth and Water Weed Control	Design phase	4.7	Relevant sector ministries under coordination by Ministers of Water Affairs	tbd	Water Resources; Soil & Water Conservation	2
Lake Victoria Environment Management Project (LVEMP)	1996-2001	35.0	Ministries of environment affairs Ken, Tan, Uga + many local partners	IDA	Water Res.; Soil & water conservation	2
Lake Victoria Environment Management Project (LVEMP)	1996-2001	35 (GEF)	Ministries of environment affairs Ken, Tan, Uga + many local partners	GEF	Water Res.; Soil & water conservation	2
Lake Victoria Water Resources Project (Ken, Tan, Uga)	1996-1999	4.9	Ministries of Water Affairs - Ken, Tan, Uga	FAO/ Japan	Instit. Strengthening	1
Lake Victoria Development Initiative	Planned	-	EAC- Secretariat and member states	Sida	Instit. Strengthening	1
Reducing Biodiv Loss - Cross Border Sites - East Africa	1998-2002	12.6(GEF)	Gov't Tan, Gov't Ken, Gov't Uga	GEF	Biodiv./Nature Conservation	4
East African Sub-Regional Project on Environmental Law	1997-1999	0.2	Division of Environment under Vice President's office	Denmark/ UNEP/ UNDP	Instit. Strengthening	1
Institutional Support for the Protec. E. Africa Biodiversity		10 (GEF)	Gov't Tan, Gov't Ken, Gov't Uga	GEF	Biodiv./Nature Conservation	4
Afr NGO-Govt Partnerships Biodiv.Action/Birdlife (BkF, Cam, Eth, Gha, Ken, Mad, SiL, SA, Uga)	1994 - 1999	4.3 (GEF)	Natl. NGOs, Govt. & intl. NGOs	GEF	Biodiv./Nature Conservation	4
East African Communities' Organization for Management of Lake Victoria Resources (ECOVIC)	Planned	-	NGOs and CBOs with environment mandate within the Lake Basin		Instit. Strengthening	1
Sub-total of known non-GEF projects	125.9					
Grand Total		403.0				

* Project budgets indicated as GEF funded are **not** added in the baseline.

Annex 5: Financial Summary
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Years Ending
FY2008

	IMPLEMENTATION PERIOD						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Financing Required							
Project Costs							
Investment Costs	6.6	7.6	7.8	12.1	9.5	0.0	0.0
Recurrent Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Project Costs	6.6	7.6	7.8	12.1	9.5	0.0	0.0
Total Financing	6.6	7.6	7.8	12.1	9.5	0.0	0.0
Financing							
IBRD/IDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Government	0.7	0.7	0.7	0.7	0.7	0.0	0.0
Central	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provincial	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co-financiersNBTF	2.7	1.7	1.8	3.3	3.3	0.0	0.0
World Bank GEF	1.2	2.3	2.1	1.7	0.7	0.0	0.0
UNDP GEF	2.0	2.9	2.9	6.1	4.6	0.0	0.0
NGO (inkind)	0.0	0.0	0.3	0.3	0.2	0.0	0.0
Total Project Financing	6.6	7.6	7.8	12.1	9.5	0.0	0.0

Main assumptions:

Government and NGO Contributions are inkind.

Annex 6: Procurement and Disbursement Arrangements
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Procurement

A. Procurement Methods (See Table A)

1. Procurement Arrangements

The Nile Transboundary Environmental Action Project is a stand-alone project. The Bank financed portion will be executed on behalf of the Nile riparian countries by the NBI and is funded from two distinct sources: the GEF Trust Fund in the amount of US\$8.0 million equivalent and the Nile Basin Trust Fund (NBTF) in the amount of US\$12.81 million equivalent. This Annex outlines Procurement for both the GEF and NBTF funded activities. Procurement of works and goods financed through the World Bank by the GEF Trust Fund and through the NBTF administered by the World Bank will follow the World Bank's "Guidelines for Procurement under IBRD Loans and IDA Credits" dated January 1995, and revised January and August 1996, September 1997, and January 1999. Procurement of services financed by the GEF Trust Fund and the NBTF will follow the World Bank's "Guidelines for Selection and Employment of Consultants by World Bank Borrowers" dated January 1997, revised September 1997, January 1999, and May 2002. The Bank's latest editions of Standard Bidding Documents and Request for Proposals will be used.

Initially, the NBI reviewed the possibility of hiring a Project Services Agency (PSA) following a competitive process. The focus at that time was on the provision of technical services in financial management, procurement, and overall management that are normally bid competitively. However, after further discussions, it became apparent that the assignment was not so much to provide mechanical, logistic assistance but a deeper and more substantial involvement. It was realized that the thrust of the Shared Vision Program lay in the pursuit of dialogue, cooperation, and trust among the Nile riparians. The main role of the PSA, therefore, shifted to a close cooperation with the NBI to maintain and enhance further these development objectives.

This in turn raised the notion of establishing a partnership between the NBI and the PSA. The decision to select the United Nations Office for Project Services (UNOPS) was reached by the Nile-COM after serious consultations among themselves, taking full cognizance of the shift from the traditional client/consultant contractual relationship to that of a partner to maintain and enhance dialogue between the Nile riparians and to further the project's developmental objectives. The Nile-COM further recognized the fact that this approach would open (rather than restrict, due to possible conflict of interest issues) to participation all eligible consulting firms in the various consulting opportunities under the proposed project. The decision from the Nile-COM was given no-objection by the Bank with the approval of the Bank's Operations Procurement Review Committee (OPRC).

All procurement will therefore be undertaken by UNOPS, on behalf of the NBI. While the specific arrangements will be further detailed in the Management Services Agreement (MSA)

negotiated between the NBI and UNOPS, it is anticipated that UNOPS will outpost a senior staff to the NBI at the Nile Secretariat in Entebbe. This senior staff will support the operations of the PMU in Khartoum and will draw on UNOPS services (procurement, finance, logistics, etc.). Overall management from UNOPS's side will be from UNOPS/New York. **Please also refer to paragraphs 13 and 14 below.**

2. Advertising of Procurement Opportunities

A General Procurement Notice (GPN) was published in the UN Development Business (UNDB) on-line and print version in May 2002. The Executive Director of the Nile Secretariat, the NBI's administrative body, was listed as the contact. The Executive Director has been advised of the need for NBI to collect and file all inquiries that are received in response to the GPN. NBI will in turn pass these to UNOPS for action once UNOPS has been appointed under the MSA. The GPN will be updated when the final procurement plan is completed in order to indicate all the procurement contracts estimated to cost the equivalent of US\$100,000 or more, where International Competitive Bidding (ICB) would be used. The GPN will be updated on an annual basis to indicate all outstanding ICBs for goods, contracts and all International Consulting Services.

Specific Procurement Notices (SPN) for goods to be procured under ICB and Expressions of Interest for Consultants' Services estimated to cost the equivalent of US\$200,000 and above would also be published in UNDB as well as in the national press of the Nile riparian countries. All consultancy assignments estimated to cost the equivalent of US\$200,000 or more also will be advertised in an international newspaper and in the UNDB. In addition, expressions of interest may be sought from prospective consultants by advertising in national newspapers of riparian countries or technical magazines. Assignments estimated to cost US\$200,000 or less may be advertised regionally in riparian countries and the shortlist may be made up entirely of consultants from the Nile riparian countries, provided that no more than two individuals from any one riparian are on the shortlist, at least three qualified firms or individuals from the Nile riparian countries are available, and foreign consultants who wish to participate are not excluded from consideration. Procurement notices for contracts below US\$200,000 will be placed in the regional press in each of the Nile countries.

3. Procurement Planning

An Overall Procurement Plan (OPP) for Consultants' Services and goods, which will be part of the Project Implementation Plan (PIP) for the PMU, has been prepared by NBI and has been made available in draft form at negotiations. The OPP includes relevant information on Consultants' Services and goods as well as the timing of each milestone in the procurement process. Similarly, the first year's Detailed Procurement Plan (DPP) has been made available in draft form at negotiations. The DPPs for the remaining years of the project, indicating the procurement method and processing time for each contract, will be prepared by UNOPS for NBI and upon acceptance by NBI, will be submitted by the NBI to the Bank every year for the Bank's review and comments. This will be received by the Bank not later than three months before the end of each fiscal year.

The PIP, prepared during the project preparation period by consultants working for the NBI, was made available in draft form at negotiations. NBI will review and finalize the PIP with UNOPS.

4. Goods and Equipment (GEF US\$0.84 million & NBTF US\$0.16 Million)

Technical equipment and other goods costing US\$150,000 and more per contract will be subject to ICB requirements. For goods in the range between US\$80,000-US\$150,000 contracts may be awarded on the basis of National Competitive Bidding (NCB) – it should be noted that for this project, NCB includes all of the participating riparian countries and bidding opportunities will therefore be published in all riparian countries for NCB. For goods contracts below US\$80,000 contracts will be awarded on the basis of the Bank's Shopping procedure, where price quotations will be obtained from at least three qualified suppliers from at least two eligible countries or from comparison of quotations obtained from three domestic suppliers from the riparian countries.

5. Consultants' Services, including training and workshops (GEF/WB US\$5.4 million & NBTF US\$5.82 million).

As the majority of work undertaken in this project is capacity building and technical assistance to the Nile riparian countries, a large percentage of the expenditures will be for Consultants' Services, much of which will be based in the Nile Basin. Following agreed upon criteria, the PMU will maintain and update a list of consultants that will be used to establish shortlists. The shortlists will be established based on expressions of interests received through GPNs and Specific Advertisements placed in the UNDB and/or regional newspapers, depending upon the estimated value of such assignments. Consultant firms financed under the project will be selected in accordance with Bank Consultant Guidelines through a Quality and Cost-Based Selection (QCBS), and by using the Bank's Standard Request for Proposals. Specialized Consultants' Services from the Nile riparian countries, below an estimated contract value of US\$50,000 equivalent, will be selected on the basis of Consultant Qualifications (CQ) from the predetermined roster of qualified consultants. Training under the project will be implemented according to an annual training plan that the PMU will prepare and submit to the Bank for non-objection before implementation. More specifically, the following selection procedures would be used for Consultants' Services:

- (a) *Quality-and-Cost-based Selection:* All consulting service contracts valued at more than US\$200,000 equivalent would be awarded through the Quality and Cost Based Selection (QCBS) method. QCBS will also be used for all contracts awarded to consulting firms between US\$50,000 and US\$200,000 equivalent. To ensure that priority is given to the identification of suitable and qualified national consulting firms, short-lists for QCBS contracts estimated at or less than US\$200,000 equivalent may be comprised entirely of national consultants from the Nile riparian countries, with no more than two firms on the short-list from any one riparian country, (in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines), provided that a sufficient number of qualified individual or firms (at least three) are available. However, if foreign firms have expressed interest, they would not be excluded from consideration.

- (b) *Consultant's Qualification Selection (CQ)* may be used for Consultants' Services contracts below an estimated contract amount of US\$50,000 equivalent, for research and targeted interventions for which organizations with specialized expertise, strong capacities to work with multinational groups and proven track records would be recruited. CQ may also be used for the selection of training institutions for contracts to provide training services that are estimated to cost up to US\$150,000 equivalent per contract.
- (c) Consultants for services meeting the requirements of Section V of the Consultant Guidelines will be selected under the provisions for the *Selection of Individual Consultants* method. Individual Consultants (IC) will be selected through comparison of curriculum vitae against job description requirements of those expressing interest in the assignment, or those having been identified directly by the PMU. Civil servants from the riparian countries cannot be hired as consultants under the project.
- (d) *Indefinite delivery contracts* may be used for contracts on a retainer basis. Services under this type of contract are likely to be those which will be required on a recurrent basis and could include, but are not limited to, services such as translation, interpretation, workshop facilitation and community training etc.

6. Training, Workshops, and Conferences (GEF/WB US\$1.82 million & NBTF US\$0.2 million)

Training, workshops, conference attendance and study tours will be carried out on the basis of approved annual programs that will identify the general framework of training and similar activities for the year, including the nature of training/study tours/workshops, the number of participants, and cost estimates. For national training and workshops, preference will be given to consultants from the country in which the training is being organized, provided that a sufficient number of qualified individuals or firms (at least three) are available. For regional training, preference will be given to consultants from the Nile riparian countries, provided that no more than two consultants from any one riparian are shortlisted and a sufficient number of qualified individuals or firms (at least three) is available.

7. Research Institutions and/or Government Owned Universities (GEF/WB approximately US\$1.0 million and NBTF approximately US\$2.0 million)

The regional and technical nature of this project will result in the possibility that a number of tasks and activities may best be undertaken by existing state owned universities or research institutions in the Nile riparian countries. The project thus will involve contracting research institutions, think tanks and academic institutions that are government owned in the respective countries where the services are required to be rendered. This work will likely be in the fields of: (a) environmental economics, (b) water quality research, (c) hydrological data and modeling; (d) environmental management with special focus on wetlands; and (e) environmental education.

As these unique assignments will be specific for the respective countries, it is very unlikely that

suitable expertise from private sector consultants will be available.

University professors or scientists from research institutes can be contracted individually under Bank financing provided that they have full time employment contracts with their institution, have regularly exercised their function for a year or more before they are contracted under Bank funding, and selection is made on a competitive basis, with full justification, and in accordance with relevant Bank policies.

8. Operational Expenses (GEF/WB US\$1.76 million and NBTF US\$1.06 million)

The project will establish and staff a PMU in Khartoum, Sudan and will also employ National Microgrant Coordinators, through NBTF Financing, in the participating riparian countries. The National Microgrant Coordinators will be nationals of the country in which they will work. Project staff will be employed through UNOPS using standard UNOPS employment contracts and those project staff employed under the World Bank funded portion of the project will be hired in accordance with Section V of the Bank's Consultant Guidelines. Other operational costs, such as utilities, fuel, office supplies, will be purchased based on standard UNOPS procedures. All the above positions will be advertised in SPNs.

9. Microgrants for Nongovernmental Organizations (NBTF US\$5.77 million)

A large percentage of the funds made available from the NBTF is earmarked for Microgrants to NGOs. The PMU will establish a formal procedure for awarding and supervising those Microgrants based on the UNDP GEF Microgrant for NGO procedures in each of the participating Nile riparian countries. The Microgrants will be limited in size to US\$25,000 each. A Microgrant Manual will be finalized no more than six months after effectiveness of the GEF grant agreement. It is expected that the following arrangements will be established under the NBTF grant agreement for the Project regarding the Microgrant Component: (a) the Bank will review and approve the Microgrant Manual and the associated procedures prior to the implementation of the Microgrant component; (b) no Microgrants will be released until the Microgrant Manual has been finalized and approved; (c) an annual external audit will be undertaken of the NGOs who are hosts to the Microgrant Program (including an audit regarding proper utilization of funds); and (d) the cost of this audit will be financed by the project (through NBTF funds), the audit will be supervised by UNOPS, and the report will be submitted to the Bank for review.

10. Prior Review Thresholds (Table B)

The World Bank will conduct a prior review of the following procurement documentation:

- (a) *Goods and Equipment:* All Contracts above US\$150,000 will be submitted for prior review.
- (b) *Consultants' Services:* All contracts with firms above US\$200,000, will be submitted for prior review, while the first contract with firms below US\$200,000 will be reviewed. Individual consultant contracts above US\$50,000 will all be subject to prior review.

Terms of Reference will be written by the appropriate PMU staff (in many cases by the Lead Specialists) and UNOPS shall be responsible for review of all Terms of Reference. A large portion of this project will consist of small stand-alone Consultants' Services. To streamline project operations, the Bank will not review the Terms of Reference for any contract less than US\$50,000. Moreover, the Bank will only review the first Terms of Reference for Consultants' Services which falls in the following broad categories:

- Workshop facilitation (national workshop)
- Microgrant workshop facilitation (regional workshop)
- Water quality training workshop facilitation (national workshop)
- Water quality training workshop facilitation (regional workshop)
- Interpretation/translation
- IT technical support to PMU

In all cases other than the above, the Bank's no objection to the Terms of Reference shall be obtained.

- (c) *Operational expenses:* All individual long term contracts (greater than six months) for professional project staff will be subject to prior review.
- (d) The contracts that would not be subject to prior review would be subject to ex-post review.

12. Procurement Processing

All procurement packages will be prepared either by UNOPS directly or by the Procurement Specialist at the PMU. All procurement will be carried out in accordance with the procurement plan and as agreed with the Bank. The PMU/UNOPS will forward the procurement packages to the NBI for endorsement and for onward forwarding to the Bank for prior review and no objection, as required. Detailed Terms of Reference for the PSA have been elaborated. A summary of these is provided in paragraph 14 below.

13. Selection of a PSA

The NBI will execute the World Bank GEF and NBTF financed portion of the project. The Nile-COM decided to contract a PSA for the implementation of the SVP. The purpose of the PSA is to support the NBI, acting on behalf of the Nile-COM, in the execution of the SVP projects, through the provision of project services, in particular financial management, procurement of goods and services and capacity building of the NBI to oversee basin-wide projects.

In an effort to identify suitable candidates to serve as a PSA, the NBI undertook a market survey, and based on expressions of interest, the Nile-COM expressed a preference for the selection of UNOPS, on a sole-source basis, as the agency to support the NBI in the implementation of the SVP. The Nile-COM has agreed that UNOPS will best provide the services for the project. This

is based on a number of factors, including:

- UNOPS has the capacity and extensive experience in the implementation of large regional projects
- UNOPS will contract suppliers of goods and services from the private sector through opportunities for capacity building of NBI procurement skills during the course of the project.
- UNOPS, through the UNDP network of offices, has a presence in all ten Nile countries, which will greatly facilitate the implementation of this regional project.

As UNOPS is already implementing the GEF Small Grants Program (which is operational in Egypt, Kenya, Tanzania and Uganda) and as the Microgrant Program of the proposed project will utilize the same delivery mechanism, the selection of UNOPS as PSA will greatly facilitate the implementation of the project.

As the project will be executed by UNOPS, and further as no procurement actions will be undertaken directly by the NBI, a procurement capacity assessment of NBI is not required. (See also below for a summary of the TOR for the PSA).

14. Summary of Terms of Reference for the PSA

Objective. The objective of the assignment is to support the efficient and effective implementation of the SVP and build the capacity of the NBI to manage and implement similar basin-wide technical assistance projects. In order to accomplish this, the PSA will: support NBI in the effective execution and coordination of the SVP, particularly for general administration, financial management, and procurement; build NBI capacity to execute and oversee basin-wide projects; and support each SVP project in conferring tangible benefits to the riparian countries and creating enabling environments for action on the ground.

Approach. The PSA will uphold the spirit of the NBI, by ensuring riparian ownership of the Program; and enhancing cooperation and trust among the Nile countries while building capacity within the Basin to manage and implement basin-wide projects and applying the highest quality and fiduciary standards to the SVP.

Scope of Services. The PSA will support the NBI and each of the SVP PMUs in carrying out standard project management activities in the following categories: general administration and implementation support; financial management; procurement; monitoring and evaluation; and capacity building. The PSA will strengthen NBI capacities in key administration, financial management, procurement, coordination and monitoring functions and in adherence to specified benchmarks. For this purpose, a periodic assessment of existing and potential capacity will be made and a training plan will be developed and implemented for NBI and relevant PMU staff, in areas such as project management, financial management, procurement, and monitoring. The PSA will also encourage and develop suppliers and service providers in the Nile Basin countries.

In order to facilitate smooth project operations, the PSA, acting as NBI's Agent, will open imprest accounts for the PMU and the National Project Coordinators. The PSA will bear full

responsibility and all business risks associated with those accounts.

Procurement methods (Table A)

Table A: Project Costs by Procurement Arrangements
(US\$ million equivalent)

Expenditure Category	Procurement Method ¹				Total Cost
	ICB	NCB	Other ²	N.B.F.	
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.30 (0.30)	0.65 (0.54)	2.00 (0.00)	2.95 (0.84)
3. Services	0.00 (0.00)	0.00 (0.00)	10.70 (5.40)	8.36 (0.00)	19.06 (5.40)
4. Micro-grants to NGOs	0.00 (0.00)	0.00 (0.00)	5.77 (0.00)	2.08 (0.00)	7.85 (0.00)
5. Operational Expenses	0.00 (0.00)	0.00 (0.00)	3.39 (1.76)	10.35 (0.00)	13.74 (1.76)
Total	0.00 (0.00)	0.30 (0.30)	20.51 (7.70)	22.79 (0.00)	43.60 (8.00)

^{1/} Figures in parenthesis are the amounts to be financed by the Bank Grant. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Table A1: Consultant Selection Arrangements (optional)
(US\$ million equivalent)

Consultant Services Expenditure Category	Selection Method							Total Cost ¹
	QCBS	QBS	SFB	LCS	CQ	Other	N.B.F.	
A. Firms	4.50 (2.50)	0.50 (0.25)	0.00 (0.00)	1.50 (0.50)	0.00 (0.00)	0.50 (0.25)	5.50 (0.00)	12.50 (3.50)
B. Individuals	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1.00 (0.70)	2.00 (1.00)	0.70 (0.20)	2.86 (0.00)	6.56 (1.90)
Total	4.50 (2.50)	0.50 (0.25)	0.00 (0.00)	2.50 (1.20)	2.00 (1.00)	1.20 (0.45)	8.36 (0.00)	19.06 (5.40)

1\ Including contingencies

Note: QCBS = Quality- and Cost-Based Selection

QBS = Quality-based Selection

SFB = Selection under a Fixed Budget

LCS = Least-Cost Selection

CQ = Selection Based on Consultants' Qualifications

Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.

N.B.F. = Not Bank-financed

Figures in parenthesis are the amounts to be financed by the Bank Grant.

Prior review thresholds (Table B)

Table B: Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value Threshold (US\$ thousands)	Procurement Method	Contracts Subject to Prior Review (US\$ millions)
1. Works			
2. Goods	>150 80 - 150 <80	ICB NCB Shopping	All Post review Post review
3. Services- Firms	>200 100 - 200 <100	QCBS QCBS, QBS, LCS CQ	All First contract (each type) First contract only
4. Services - Individuals	<50	CQ	All professional project long-term staff (>6 months)

Total value of contracts subject to prior review: approximately
US\$3.50 Million

Overall Procurement Risk Assessment

Average

Frequency of procurement supervision missions proposed: One every 12 months (includes special procurement supervision for post-review/audits)

Disbursement

Allocation of grant proceeds (Table C)

1. Allocation of GEF and NBTF Proceeds

The allocation of the Grants' proceeds is shown in tables C and C I below.

The project will be implemented over a period of five years. Disbursements will be against the four main expenditure categories: Goods and Equipment; Consultants' Services including audit fees; Training and Workshops; and Operating Costs.

2. Disbursement

Management Services Agreement (MSA) and Blanket Application for Withdrawal (BAW).

Following the signing of the Grant Agreement between the NBI and the Bank, the NBI will establish a Management Services Agreement (MSA) with UNOPS. After the effective date of the Grant Agreement, the NBI will submit to the Bank a copy of the signed MSA along with a Blanket Application for Withdrawal (BAW) covering the total estimated cost of the services, such application to be copied to UNOPS. This will enable UNOPS to request advances from the Grant proceeds for the purposes agreed in the MSA; however, disbursement will not commence until the Bank Financial Management Specialist (FMS) certifies that the accounting and financial management systems used for the purpose of the implementation of the Project are operational and able to produce the agreed upon Financial Monitoring Reports (FMRs).

Initial request for advance. Upon receipt by UNOPS of a notice from the Bank that the withdrawal application has been received in good order and accepted, UNOPS will submit a request to the Bank, with copy to the NBI, for an initial advance necessary to cover project expenditures for the first six months of the project life. This request will be supported by the first set of FMRs. The estimate of funds required will be consistent with the initial work plan as reflected in the PIP, which will have been agreed between the NBI and the Bank. UNOPS will start making obligations against the project budget when the initial advance is received.

Quarterly replenishment requests. Replenishment of the project account will be on a quarterly basis. UNOPS will submit quarterly replenishment requests for each calendar year to the Bank, with copies to the NBI, reflecting expenditures paid during the previous three months and an estimate of expenditures for the ensuing six months. These quarterly requests will be in the agreed FMR format, which will include the following for disbursement purposes:

- Statements containing Institutional Information
- Source of supply information

For contracts above the prior review threshold:

- The contractor/consultant's name, nationality, and (where applicable) the zip code
- The amount disbursed under each contract

For contracts below the prior review threshold:

- Aggregate disbursements by country of supply
- Breakdown of aggregate disbursements by legal disbursement category and disbursement percentage
- Project Account reconciliation statement
- Forecast of expenditures for the next two FMR reporting periods (two quarters)

As part of each replenishment request, and in order to reconcile the advance amounts previously made, UNOPS will submit cash-flow projections (estimate of disbursements for project expenditures for the ensuing six months, less unspent balance of previous advances and interest earned).

Deposit Account. Advances from the Grants' Accounts will be deposited into the UNOPS US dollar denominated bank account with the JP Morgan Chase Bank, New York. UNOPS will maintain separate ledger accounts for the GEF and NBTF funding of the project.

Bank Guidelines. Advances to UNOPS from the Grants' Accounts will be managed by UNOPS in accordance with Bank Guidelines as set forth in the MSA between UNOPS and the NBI and the Disbursement Letters to be issued by the Bank.

3. Financial Management:

For financial management of the program, the services of UNOPS would be retained by NBI under the MSA (see above: 2. Disbursement).

Bank staff has visited UNOPS and interviewed its management and staff and is satisfied with the capacity and systems in place and procedures and practices for project management services. With regard to the assignment and required business standards, as part of documentation for the negotiations of the MSA, UNOPS will produce a statement of capability, describing its capacity and the salient features of the systems it maintains, and demonstrating its ability to perform at the highest standards all responsibilities conferred to it through the agreement. Furthermore, along with the proposal, financial management manuals and a copy of the FMRs will be submitted to the Bank for review.

Prior to project effectiveness the following two actions will take place: (1) in order to ensure the strengthening of FMS systems and procedures at Nile-SEC and the PMU for long-term sustainability, UNOPS and NBI will develop a time-bound action plan to be implemented during the course of the project; and (2) the Bank project team will further review the systems operated by UNOPS and will satisfy itself that those are operational and able to produce the FMRs.

Financial Monitoring Reports. UNOPS will report on the financial progress of the project using the quarterly FMR and the Bank will reimburse UNOPS for project expenses based on those FMRs, the content of which has been discussed between the Bank and UNOPS. The FMR and any supporting documentation must be provided to the NBI, with a copy to the World Bank.

The FMR format will be customized in a format to be agreed between the Bank, the NBI and UNOPS, adapted to the specific needs of the project. The FMR will be submitted on a quarterly basis by the UNOPS Finance Section and is forwarded directly by the UNOPS Finance Section to the Bank.

UNOPS will be responsible for preparing quarterly and annual budgets and Project Monitoring Reports, including FMRs, and the annual consolidated financial statements to be submitted to NBI and the World Bank. All documentation relating to financial transactions, procurement, contracts and invoices will be retained and made available to supervision missions and auditors.

Audit Reports. As UNOPS will be acting as the NBI's agent, an annual audit of the Grant will be conducted by the UNDP Division for Audit and Management Review and/or by auditors or audit firms contracted by it for this purpose in accordance with established practice in similar arrangements involving UN agencies acting as project service providers under Bank financed projects.

Flow of Funds. Upon receipt of the Blanket Application for Withdrawal from NBI and the subsequent request for project advance from UNOPS, the Bank shall deposit the requested project advance to a Deposit Account (see below) - funds will be advanced to the project because of the time that it will take UNOPS to collect documentation and confirm accountability of funds disbursed by the PMU in the recipient countries. Thereafter, the Bank shall reimburse UNOPS for project expenses based on the quarterly FMRs and Payment Request. Separate sub-ledger accounts will be maintained for GEF and NBTF funds (separate accounts for GEF/Bank and NBTF/Bank resources). UNOPS in turn, based on agreed work plans and acting on behalf of the NBI, will be responsible for contracting goods and services to achieve the project objectives. Major expenses (salaries, ICB Contracts, QCB Contracts, etc.) shall be paid directly by UNOPS. In order to facilitate smooth project operations and cover minor expenses, UNOPS will open imprest accounts for the PMU and the National Project Coordinators. UNOPS will bear full responsibility and all business risks associated with those accounts.

Deposit Account. UNOPS maintains a bank account at the JP Morgan Chase Bank to receive funds, including funds for NBI Projects from UNDP and the World Bank - this account is maintained in United States dollars. Therefore, UNOPS will be required to maintain separate ledger accounts for the various funding streams for the project (GEF/World Bank, NBTF/World Bank). It should be noted that UNOPS only serves as the project management agency, which means that it is not the owner of any funds by mandate. Rather UNOPS is the custodian of the funds on behalf of the NBI.

Management Fee. The level of the fee, which will be paid to UNOPS, will be agreed through negotiations between UNOPS and the NBI, to the satisfaction of the Bank. The fee will be based on the workload and the level of services to be provided. The fee will be requested as part of the Quarterly Payment Requests.

Table C: Allocation of Grant Proceeds

Expenditure Category	Amount in US\$million	Financing Percentage
----------------------	-----------------------	----------------------

Goods	0.84	100
Consultants' Services	3.12	100
Training and Workshops	1.82	100
Operating Costs	1.69	100
Unallocated	0.53	
Total Project Costs	8.00	
Total	8.00	

The above table summarizes the Allocation of GEF Grant Proceeds (US\$8.0 million) for the WB implemented parts of the overall project, which total US\$20.81 million (GEF - US\$8.0 million and NBTF - US\$12.81 million).

Tables C 1 provides an additional breakdown for the GEF/WB and the NBTF/WB funds respectively.

Table C 1 - Allocation of grant proceeds GEF/WB and NBTF/WB

Resources to support the implementation of the project ("SVP Coordination") totaling US\$380,000 will be made available from the NBTF resources as depicted below.

Expenditure Category	Amount in US\$ Million	
	GEF/WB	NBTF/WB
1. Goods	0.84	0.00
2. Consultants' Services including audit fees	2.48	5.07
(a) Project Activities		4.80
(b) SVP Coordination		0.21
Training and Workshops	1.82	0.00
Microgrants to NGOs	0.00	5.20
(a) Project Activities		5.20
(b) SVP Coordination		0.00
Operating Costs^{*1}	2.33	2.39
(a) Project Activities		2.22
(b) SVP Coordination		0.17
Unallocated^{*2}	0.53	0.15
Total Project Costs		12.81
(a) Project Activities		12.43
(b) SVP Coordination		0.38
Total	8.0	12.81

*1 Operational Expenses include office rental, fuel and maintenance for vehicles, equipment operation and maintenance, miscellaneous office expenses (communication, office supplies and utilities).

*2 Unallocated: total of contingency amounts.

Annex 7: Project Processing Schedule
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Project Schedule	Planned	Actual
Time taken to prepare the project (months)	33	35
First Bank mission (identification)	12/15/1999	12/15/1999
Appraisal mission departure	04/15/2002	05/19/2002
Negotiations	08/19/2002	08/19/2002
Planned Date of Effectiveness	03/31/2003	03/31/2003

Prepared by:

Preparation assistance:

Bank staff who worked on the project included:

Name	Speciality
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People from outside the Bank who worked on the document:

Michael Wells, Lead Consultant, World Bank and UNDP	Mateos Mekiso, National Consultant, Ethiopia
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Anne Fouillard, CIDA Consultant	Babiker A.Ibrahim, National Consultant, Sudan
Hakizimana Gabriel, National Consultant, Burundi	Francis J.Gumbo, National Consultant, Tanzania
Katsuva Kilala, National Consultant, D. R. Congo	Justin Ecaat, National Consultant, Uganda
Hesham El Badry, National Consultant, Egypt	

Annex 8: Documents in the Project File*

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

A. Project Implementation Plan

A draft Project Implementation Plan (PIP) has been prepared by the NBI and has been appraised. The PIP is a "living" document that will be amended and updated during the course of project implementation.

B. Bank Staff Assessments

C. Other

Nile Basin Initiative

The following background and project documents have been prepared through a consultative process involving the Basin stakeholders, international development organizations, and bilateral donors, as the basis for the *Nile Basin Initiative's Shared Vision Program*. They are available on request. For copies, please contact Ms. Inger Andersen at iandersen1@worldbank.org.

SVP Documents: The SVP Project Briefs were prepared under the guidance of the Council of Ministers of Water Affairs of the Nile Basin States.

- Nile Secretariat and World Bank (May 2001). International Consortium for Cooperation on the Nile (ICCON) Nile Basin Initiative Strategic Action Program: Overview.
- Nile Basin Initiative (May 2001). Nile River Basin Transboundary Environmental Analysis.
- Nile Basin Initiative (May 2001). Nile Transboundary Environmental Action Draft GEF Project Brief.
- Nile Basin Initiative (March 2001). Nile Basin Regional Power Trade Project Document.
- Nile Basin Initiative (March 2001). Efficient Water Use for Agricultural Production Project Document.
- Nile Basin Initiative (March 2001). Confidence-Building and Stakeholder Involvement (Communications) Project Document.
- Nile Basin Initiative (March 2001). Applied Training Project Document.
- Nile Basin Initiative (March 2001). Socio-Economic Development and Benefit-Sharing Project Document.
- Nile Basin Initiative (March 2001). Water Resources Planning and Management Project Document.

Subsidiary Action Program Documents. The Subsidiary Action Program Documents for the Eastern Nile and the Nile Equatorial Lakes sub-regions were prepared under the guidance of the Eastern Nile Council of Ministers and the Nile Equatorial Lakes Council of Ministers, respectively.

- Nile Basin Initiative (May 2001). Eastern Nile Subsidiary Action Program (EN-SAP) Project Identification Document.
- Nile Basin Initiative (May 2001). Nile Equatorial Lakes Subsidiary Action Program (NEL-SAP) Project Identification Document.

Transboundary Environmental Analysis Country Reports

The country reports were prepared for the *Nile Basin Initiative Shared Vision Program – Environmental Analysis and Management Component* by the national environmental experts and with funding provided by the Global Environmental Facility. These country reports each reference the key background documents and other information sources used at a national level, which are therefore not repeated here. The sources include National Environmental Action Plans, National Biodiversity Strategies and Action Plans, National Action Plans to Combat Desertification, National Communications to the Climate Change Framework Convention, and Tropical Forestry Action Plans.

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**Including electronic files*

Annex 9: Statement of Loans and Credits
AFRICA: Nile Transboundary Environmental Action Project
02-Oct-2002

Project ID	FY	Purpose	Original Amount in US\$ Millions		Cancel.	Undisb.	Difference between expected and actual disbursements ^a		
			IBRD	IDA			Orig	Frm	Rev'd
P074602	2003	BURUNDI- ERC	0.00	54.00	0.00	53.86	0.00		0.00
P071371	2002	BURUNDI - HIV/AIDS and Orphans	0.00	36.00	0.00	38.63	0.00		0.00
P065789	2001	Regional Trade Fac. Proj. - Burundi	0.00	7.50	0.00	5.70	0.50		0.00
P064961	2001	PUBLIC WORKS AND EMPLOYMENT CREATION	0.00	40.00	0.00	36.34	-4.78		0.00
P064556	2000	BI-EERC	0.00	35.00	0.00	0.26	-13.97		0.00
P064510	2000	Social Action Project II (BURSAP)	0.00	12.00	0.00	5.00	1.48		0.00
P000216	1995	HEALTH/POPULATION II	0.00	21.30	0.00	1.25	3.45		3.48
Total:			0.00	205.80	0.00	141.03	-13.32		3.48

AFRICA
STATEMENT OF IFC's
Held and Disbursed Portfolio
Burundi
Jun 30 - 2002
In Millions US Dollars

		Committed				Disbursed			
		IFC				IFC			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
2001	AEF Florex	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	AEF V&F Export	0.49	0.00	0.00	0.00	0.49	0.00	0.00	0.00
Total Portfolio:		0.81	0.00	0.00	0.00	0.49	0.00	0.00	0.00
		Approvals Pending Commitment							
FY Approval	Company	Loan	Equity	Quasi	Partic				
Total Pending Commitment:		0.00	0.00	0.00	0.00				

Egypt

Project ID	FY	Purpose	Original Amount in US\$ Millions					Difference between expected and actual disbursements ^a	
			IBRD	IDA	GEF	Cancel.	Undisb.	Orig	Frm Rev'd
P056236	2002	HIGHER EDUCATION ENHANCEMENT PROGRAM	50.00	0.00	0.00	0.00	49.50	2.40	0.00
P045499	2000	EG-NATIONAL DRAINAGE II	50.00	0.00	0.00	0.00	41.57	-1.18	0.00
P052705	1999	SOCIAL FUND III	0.00	50.00	0.00	0.00	48.90	49.81	0.00
P053832	1999	PRVT SECT.& AG. DEV.	225.00	75.00	0.00	0.00	169.26	128.46	15.79
P050484	1999	Secondary Education Enhancement Project	0.00	50.00	0.00	0.00	39.83	8.38	0.00
P066336	1999	SOC PROT INIT PROJ	0.00	5.00	0.00	0.00	4.42	1.67	0.80
P040858	1999	SOHAG RURAL DEV.	0.00	25.00	0.00	0.00	20.99	8.45	-1.51
P041410	1999	P. S. REHAB. III	120.00	0.00	0.00	0.00	103.41	73.91	0.00
P054958	1998	POLLUTION ABATEMENT	20.00	15.00	0.00	0.00	16.56	13.19	-0.50
P049166	1998	EG-EAST DELTA AG.SERV.	0.00	15.00	0.00	0.00	12.77	11.72	0.91
P045175	1998	EG-HEALTH SECTOR	0.00	90.00	0.00	0.00	82.44	62.83	0.00
P005169	1997	EG-ED.ENHANCEMENT PROG.	0.00	75.00	0.00	0.00	35.81	37.97	35.30
P005163	1996	POPULATION	0.00	17.20	0.00	0.00	11.22	12.62	11.41
P005173	1995	EGYPT IRRIGATION IMP	26.70	53.30	0.00	0.00	33.92	36.33	-6.39
P005168	1993	PVT SEC TOURISM INF & ENV	130.00	0.00	5.00	189.50	8.00	67.50	5.59
P005161	1993	BASIC EDUCATION IMPROVEMENT PROJECT	0.00	55.50	0.00	0.00	7.00	10.29	4.91
P005153	1993	MATRUH RESOURCE MANA	0.00	22.00	0.00	0.00	0.26	0.79	0.76
Total:			621.70	548.00	5.00	189.50	685.87	525.13	67.05

STATEMENT OF IFC's
Held and Disbursed Portfolio
Egypt
Jun 30 - 2002
In Millions US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1983/91/92/94/96/98	ANSDK	0.00	11.15	0.00	0.00	0.00	11.15	0.00	0.00
1994/96/99	Abu Soma Develop	0.00	0.07	0.00	0.00	0.00	0.07	0.00	0.00
2001	Amreya	5.31	0.00	0.00	0.00	5.31	0.00	0.00	0.00
1999	CIL	0.00	1.65	0.00	0.00	0.00	1.65	0.00	0.00
1992/97/98	Carbon Black-EGT	7.50	0.00	0.00	0.00	7.50	0.00	0.00	0.00
2002	Ceramica Al-Amir	6.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00
1994	Club Ras Soma	2.45	2.37	0.00	0.00	2.45	2.37	0.00	0.00
1993	Cmrcl Intl Bank	0.00	15.59	0.00	0.00	0.00	15.59	0.00	0.00
2001	EFG Hermes	10.86	0.00	0.00	0.00	10.86	0.00	0.00	0.00
1999	HC Investment	0.00	1.41	0.00	0.00	0.00	1.41	0.00	0.00
2001	IT Worx	0.00	2.50	0.00	0.00	0.00	2.50	0.00	0.00
1997	MGDK	0.00	1.47	0.00	0.00	0.00	1.47	0.00	0.00
1986/88/92	Meleiha Oil	0.00	13.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	Misr Compressor	9.70	0.00	0.00	0.00	9.70	0.00	0.00	0.00
2002	OCIC	25.00	0.00	0.00	30.50	25.00	0.00	0.00	30.50
1997/99	Orascom	0.00	0.85	0.00	0.00	0.00	0.85	0.00	0.00

1996/01	Orix Leasing EGT	6.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
2001	Port Said	45.00	0.00	0.00	152.50	21.65	0.00	0.00	73.35
2001	SUEZ GULF	45.00	0.00	0.00	152.50	30.76	0.00	0.00	104.24
1997/01	UNI	3.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00

Total Portfolio:	165.82	50.06	0.00	335.50	120.23	37.06	0.00	208.09
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FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic
2002	Metro	15.00	0.00	0.00	0.00
1999	Sidi Krir	70.00	0.00	0.00	122.00
2000	ACB Expansn III	9.00	0.00	0.00	0.00
2001	Suez Gulf	3.00	0.00	0.00	0.00
2001	Port Said	3.00	0.00	0.00	0.00
2002	SEKEM	4.00	0.00	1.00	0.00
Total Pending Commitment:		104.00	0.00	1.00	122.00

Ethiopia

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements ^a	
			IBRD	IDA	SF	GEF			Orig	Frm Rev'd
P050938	2003	Capacity Building for Dec.Serv.Del.	0.00	26.20	0.00	0.00	0.00	27.38	0.00	0.00
P049395	2003	ENERGY ACCESS PROJECT	0.00	132.70	0.00	0.00	0.00	138.02	0.00	0.00
P057770	2002	CULTURAL HERITAGE	0.00	5.00	0.00	0.00	0.00	5.43	0.18	0.00
P050383	2002	FOOD SECURITY PROJECT	0.00	85.00	0.00	0.00	0.00	89.76	0.00	0.00
P074585	2002	Ethiopia Structural Adjustment Credit	0.00	120.00	0.00	0.00	0.00	127.50	0.00	0.00
P052315	2001	CONSERVATION OF MEDICINAL PLANTS	0.00	2.60	0.00	0.00	0.00	2.48	-0.19	0.00
P073196	2001	Demobilization and Reintegration Project	0.00	170.60	0.00	0.00	0.00	70.99	33.28	0.00
P069886	2001	ETHIOPIA MULTISECTORAL HIV/AIDS PROJ	0.00	59.70	0.00	0.00	0.00	46.68	11.22	0.00
P069083	2001	GLOBAL DISTANCE LEARNING	0.00	4.90	0.00	0.00	0.00	4.81	2.07	0.00
P067084	2001	EMERGENCY RECOVERY AND REHAB. PROJECT	0.00	230.00	0.00	0.00	0.00	147.24	116.25	0.00
P050342	2001	WOMEN'S DEVELOPMENT INITIATIVES PROJ	0.00	5.00	0.00	0.00	0.00	4.61	1.03	0.00
P035147	2001	CONSERV.& SUSTAIN. USE OF MEDIC. PLAN	0.00	0.00	0.00	1.80	0.00	1.74	0.30	0.00
P000756	1999	HEALTH SECTOR	0.00	100.00	0.00	0.00	0.00	48.33	47.23	0.00
P000732	1998	EDUCATION SECTOR INVESTMENT	0.00	100.00	0.00	0.00	0.00	28.39	30.49	0.00
P000733	1998	AG. RESEARC & TRAIN	0.00	60.00	0.00	0.00	0.00	33.06	24.73	0.00
P000736	1998	ET ENERGY II	0.00	200.00	0.00	0.00	0.00	81.86	66.46	0.00
P000755	1998	ROAD SEC. DEV. PROG.	0.00	309.20	0.00	0.00	0.00	134.58	145.45	65.59
P000771	1996	Social Rehab (ESRDF I)	0.00	120.00	0.00	0.00	11.48	13.17	37.83	18.27
P000764	1996	WATER SUPPLY DEV&REH	0.00	35.70	0.00	0.00	0.00	6.12	10.17	0.00
P000734	1993	ROAD REHABILITATION	0.00	96.00	0.00	0.00	0.00	14.43	20.10	-2.23
Total:			0.00	1,862.60	0.00	1.80	11.48	1,026.57	546.60	81.63

STATEMENT OF IFC's
Held and Disbursed Portfolio
Ethiopia
Jun 30 - 2002
In Millions US Dollars

		Committed				Disbursed			
		IFC				IFC			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
	Total Portfolio:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

		Approvals Pending Commitment			
FY Approval	Company	Loan	Equity	Quasi	Partic
	Total Pending Commitment:	0.00	0.00	0.00	0.00

Kenya

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements ^a	
			IBRD	IDA	SF	GEF			Orig	Frm Rev'd
P066490	2002	PUB.SEC.MGMT.TA	0.00	15.00	0.00	0.00	0.00	13.27	6.15	0.00
P066486	2001	Decentralized Repr. Health and HIV/AIDS	0.00	50.00	0.00	0.00	0.00	47.08	15.97	0.00
P069501	2001	Kenya Economic & Public Sector Reform	0.00	150.00	0.00	0.00	0.00	101.45	97.62	0.00
P070718	2001	Regional Trade Fac. Proj. - Kenya	0.00	25.00	0.00	0.00	0.00	19.08	1.56	0.00
P070920	2001	HIV/AIDS Project (Umbrella)	0.00	50.00	0.00	0.00	0.00	34.85	1.39	0.00
P046838	1997	LAKE VICTORIA ENV.	0.00	12.80	0.00	0.00	0.00	4.64	5.39	0.00
P046871	1997	LAKE VICTORIA ENV.	0.00	9.80	0.00	9.80	0.00	6.46	7.14	0.00
P034180	1997	EARLY CHILDHOOD DEV	0.00	27.80	0.00	0.00	0.00	11.46	13.97	4.73
P001354	1997	NARP II	0.00	39.70	0.00	0.00	0.00	7.24	-1.06	0.00
P001344	1997	KE ENERGY SECTOR REFORM	0.00	125.00	0.00	0.00	0.00	51.03	60.83	0.00
P035691	1996	NAIROBI MOMBASA ROAD	0.00	50.00	0.00	0.00	0.00	6.05	10.59	3.94
P001319	1996	URBAN TRANSPORT	0.00	115.00	0.00	0.00	0.00	22.75	28.75	0.00
P001331	1996	ARID LANDS	0.00	22.00	0.00	0.00	0.00	1.55	4.07	-0.45
P001353	1994	MICRO & SMALL ENTERP	0.00	21.80	0.00	0.00	7.83	2.82	11.94	2.31
Total:			0.00	713.90	0.00	9.80	7.83	329.73	264.30	10.52

STATEMENT OF IFC's
Held and Disbursed Portfolio
Kenya
Jun 30 - 2002
In Millions US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
2001	Gapco Kenya	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1982/01	IPS(K)	0.00	0.66	0.00	0.00	0.00	0.66	0.00	0.00
	IPS(K)-Allpack	0.00	0.05	0.00	0.00	0.00	0.05	0.00	0.00
1986	IPS(K)-Frigoken	0.00	0.06	0.00	0.00	0.00	0.06	0.00	0.00
1986	IPS(K)-Prem Food	0.00	0.11	0.00	0.00	0.00	0.11	0.00	0.00
1986	Intl Hotels-Ken	4.29	0.00	0.00	0.00	4.29	0.00	0.00	0.00
1994	K-Rep Bank	0.00	0.43	0.00	0.00	0.00	0.12	0.00	0.00
1996/99	KCL	4.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002	LIK	0.00	0.03	0.00	0.00	0.00	0.03	0.00	0.00
1983/91	Mabati	6.50	0.00	4.50	0.00	6.50	0.00	4.50	0.00
2000	Magadi Soda Co.	1.80	0.00	0.00	0.00	1.80	0.00	0.00	0.00
1995	Panafrican	12.64	0.00	0.00	0.00	12.64	0.00	0.00	0.00
1970/74/77/79/81/88/8	TPS (Kenya)	0.00	0.04	0.00	0.00	0.00	0.04	0.00	0.00
9/94/96	Tsavo Power	0.00	0.00	0.03	0.00	0.00	0.00	0.03	0.00
1972	AEF AAA Growers	0.48	0.00	0.00	0.00	0.48	0.00	0.00	0.00
	AEF AAR Clinic	0.00	0.50	0.00	0.00	0.00	0.50	0.00	0.00
2000	AEF Bawan Roses	0.05	0.00	0.00	0.00	0.05	0.00	0.00	0.00
2000	AEF Ceres	0.93	0.00	0.00	0.00	0.93	0.00	0.00	0.00
1998	AEF Deras Ltd.	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
1995	AEF Equitea	0.24	0.12	0.00	0.00	0.24	0.12	0.00	0.00
1997	AEF Future Hotel	0.13	0.00	0.00	0.00	0.13	0.00	0.00	0.00
1997	AEF Landmark	0.28	0.00	0.00	0.00	0.28	0.00	0.00	0.00
1996	AEF Lesiolo	2.50	0.00	0.00	0.00	2.50	0.00	0.00	0.00
1992	AEF Locland	0.38	0.00	0.00	0.00	0.38	0.00	0.00	0.00
1996	AEF Magana	1.25	0.00	0.00	0.00	1.25	0.00	0.00	0.00
2000	AEF Makini	0.34	0.00	0.00	0.00	0.34	0.00	0.00	0.00
1998	AEF Multi Hauler	0.25	0.00	0.00	0.00	0.25	0.00	0.00	0.00
2000	AEF Redhill Flrs	0.22	0.00	0.00	0.00	0.22	0.00	0.00	0.00
1997	AEF Transenergy	0.38	0.00	0.00	0.00	0.38	0.00	0.00	0.00
1999	ANSPAR	2.00	0.67	0.00	0.00	2.00	0.67	0.00	0.00
1997	DBK	4.20	0.00	0.00	0.00	4.20	0.00	0.00	0.00
1999	Diamond Trust	0.00	0.80	0.00	0.00	0.00	0.80	0.00	0.00
1999	EARC	0.00	0.05	0.00	0.00	0.00	0.05	0.00	0.00
1980/83/98	GBHL	4.67	0.00	3.00	0.00	4.67	0.00	3.00	0.00
1982									
1994/99									
1998									
Total Portfolio:		64.16	3.52	7.53	0.00	44.53	3.21	7.53	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic
2002	Eberege Tea	1.80	0.00	0.00	0.00
2002	Itumbe Tea	1.70	0.00	0.00	0.00
Total Pending Commitment:		3.50	0.00	0.00	0.00

Rwanda

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements ²		
			IBRD	IDA	SF	GEF			Orig	Frm	Rev'd
P075129	2002	Demobilization and Reintegration	0.00	25.00	0.00	0.00	0.00	26.38	0.00	0.00	
P064965	2001	Rwanda-Rural Sector Support Project	0.00	48.00	0.00	0.00	0.00	46.89	11.28	0.00	
P057295	2001	Competitiveness & Enterprise Development	0.00	40.80	0.00	0.00	0.00	40.67	10.56	0.00	
P065788	2001	Regional Trade Fac. Proj. - Rwanda	0.00	7.50	0.00	0.00	0.00	5.73	0.50	0.00	
P058038	2000	AGRICULTURAL AND RURAL MARKET DEVELO	0.00	5.00	0.00	0.00	0.00	2.68	2.72	0.00	
P045091	2000	Human Resource Dev.	0.00	35.00	0.00	0.00	0.00	30.06	11.16	0.00	
P045182	2000	RW-Rural Water Supply & Sanitation Proje	0.00	20.00	0.00	0.00	0.00	18.33	0.06	0.00	
P051931	1999	Community Reintegration (CRDP)	0.00	5.00	0.00	0.00	0.00	0.62	0.77	0.00	
Total:			0.00	186.30	0.00	0.00	0.00	171.36	37.06	0.00	

STATEMENT OF IFC's
Held and Disbursed Portfolio
Rwanda
Jun 30 - 2002
In Millions US Dollars

		Committed				Disbursed			
		IFC				IFC			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
2001	AEF Dreamland	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Portfolio:	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Approvals Pending Commitment							
FY Approval	Company	Loan	Equity	Quasi	Partic				
	Total Pending Commitment:	0.00	0.00	0.00	0.00				

Tanzania

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements ²		
			IBRD	IDA	SF	GEF			Orig	Frm	Rev'd
P002797	2002	TZ SONGO SONGO GAS DEV. & POWER GEN.	0.00	183.00	0.00	0.00	0.00	184.56	62.14		0.00
P058706	2002	Forest Conservation and Management	0.00	31.10	0.00	0.00	0.00	31.38	0.17		0.00
P071012	2002	Primary Education Development Program	0.00	150.00	0.00	0.00	0.00	105.23	12.50		0.00
P073397	2002	Lower Kihansi Environmental Management	0.00	6.30	0.00	0.00	0.00	6.13	1.10		0.00
P047762	2002	RURAL WATER SUPPLY	0.00	26.00	0.00	0.00	0.00	26.43	0.63		0.00
P065372	2001	SOCIAL ACTION FUND PROJECT	0.00	60.00	0.00	0.00	0.00	39.84	1.46		0.00
P069982	2001	Regional Trade Fac. Proj. - Tanzania	0.00	15.00	0.00	0.00	0.00	11.39	0.94		0.00
P049838	2000	PRIVATIZATION	0.00	45.90	0.00	0.00	0.00	33.29	19.25		0.00
P050441	2000	RURAL & MICRO FIN SVC	0.00	2.00	0.00	0.00	0.00	1.44	1.46		1.46
P057187	2000	FIDP II	0.00	27.50	0.00	0.00	0.00	17.25	15.31		0.37
P058627	2000	Health Sector Development Program	0.00	22.00	0.00	0.00	0.00	10.85	-3.91		0.00
P060833	2000	PUBLIC SERV REF PROG	0.00	41.20	0.00	0.00	0.00	31.14	-8.16		0.00
P002822	2000	TANZANIA PSAC I	0.00	190.00	0.00	0.00	0.00	118.68	-68.24		0.00
P047761	1999	TAX ADMINISTRATION	0.00	40.00	0.00	0.00	0.00	26.00	19.29		0.00
P002804	1998	AGRIC RESEARCH	0.00	21.80	0.00	0.00	0.00	8.27	5.53		0.00
P002789	1998	HUMAN RESOURCE DEV 1	0.00	20.90	0.00	0.00	0.00	2.52	0.42		0.00
P002753	1997	NAT EXT PROJ PH.II	0.00	31.10	0.00	0.00	0.00	3.52	6.09		-0.40
P038570	1997	TZ:RIVER BASIN MGM.SMAL	0.00	26.30	0.00	0.00	0.00	6.21	7.08		0.00
P046872	1997	LAKE VICTORIA ENV	0.00	9.80	0.00	9.80	0.00	0.06	0.56		0.00
P046837	1997	LAKE VICTORIA ENV.	0.00	10.10	0.00	0.00	0.00	4.67	-0.00		0.00
P002758	1996	URBAN SECTOR REHAB	0.00	105.00	0.00	0.00	0.00	21.72	22.60		0.00
P002770	1994	ROADS II	0.00	170.20	0.00	0.00	63.53	41.15	112.79		36.54
P002757	1991	RAILWAYS RESTRUCTURI	0.00	76.00	0.00	0.00	11.26	2.20	11.37		-1.96
Total:			0.00	1,311.20	0.00	9.80	74.79	733.91	220.39		36.01

STATEMENT OF IFC's
Held and Disbursed Portfolio
Tanzania
Jun 30 - 2002
In Millions US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1998	AEF Blue Bay	1.45	0.00	0.00	0.00	1.45	0.00	0.00	0.00
2001	AEF Boundary Hil	0.20	0.00	0.00	0.00	0.20	0.00	0.00	0.00
1996	AEF Contiflora	0.35	0.00	0.00	0.00	0.35	0.00	0.00	0.00
1998	AEF Drop Zanziba	0.32	0.00	0.00	0.00	0.32	0.00	0.00	0.00
1997	AEF Hort. Farms	0.19	0.00	0.00	0.00	0.19	0.00	0.00	0.00
1998	AEF Maji Masafi	0.27	0.00	0.00	0.00	0.27	0.00	0.00	0.00
1996	AEF Milcafe	0.18	0.00	0.00	0.00	0.18	0.00	0.00	0.00
1994	AEF Moshi Lthr	0.00	0.19	0.00	0.00	0.00	0.19	0.00	0.00
1999	AEF Musoma Fish	1.50	0.00	0.00	0.00	1.50	0.00	0.00	0.00
1997/99	AEF Pallsons	0.32	0.00	0.00	0.00	0.32	0.00	0.00	0.00
1995	AEF Tanbreed	0.70	0.00	0.00	0.00	0.70	0.00	0.00	0.00
2000	AEF Zan Safari	0.70	0.00	0.00	0.00	0.70	0.00	0.00	0.00
2002	Exim Bank	2.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	IHP	0.82	0.60	0.00	0.00	0.82	0.60	0.00	0.00
2000	IOH	2.50	0.00	0.00	0.00	2.50	0.00	0.00	0.00
2000	NBC	0.00	10.00	0.00	0.00	0.00	3.44	0.00	0.00
1993	TPS (Tanzania)	5.69	0.87	1.04	0.00	5.69	0.87	1.04	0.00
1991/97	TPS Zanzibar	0.00	0.03	0.00	0.00	0.00	0.03	0.00	0.00
1994	Tanzania Brewery	0.00	6.00	0.00	0.00	0.00	6.00	0.00	0.00
1998	Tanzania Jubilee	0.00	0.29	0.00	0.00	0.00	0.29	0.00	0.00
1994	ULC Leasing	0.00	0.38	0.00	0.00	0.00	0.38	0.00	0.00
2001	AEF 2000 Indust	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996/99	AEF A&K Tanzania	0.15	0.00	0.00	0.00	0.15	0.00	0.00	0.00
1997	AEF Aquva Ginner	0.68	0.00	0.00	0.00	0.68	0.00	0.00	0.00
Total Portfolio:		20.12	18.36	1.04	0.00	16.02	11.80	1.04	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic
2002	Exim Bank	0.00	1.00	0.00	0.00
Total Pending Commitment:		0.00	1.00	0.00	0.00

Uganda

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements ^a	
			IBRD	IDA	SF	GEF			Orig	Frm Rev'd
P065437	2003	PAMSU	0.00	27.00	0.00	0.00	0.00	28.70	2.33	0.00
P073671	2003	UG-PRSC II	0.00	150.00	0.00	0.00	0.00	159.23	0.00	0.00
P002952	2003	Northern Uganda Social Action Fund	0.00	100.00	0.00	0.00	0.00	105.62	3.23	0.00
P069996	2002	UG: Energy for Rural Transformation	0.00	49.15	0.00	0.00	0.00	50.08	1.30	0.00
P002984	2002	UG FOURTH POWER PROJECT	0.00	62.00	0.00	0.00	0.00	59.57	6.68	0.00
P070222	2002	UG Energy/RurTrans	0.00	0.00	0.00	12.12	0.00	12.39	0.40	0.00
P065436	2002	2ND PHASE OF THE RD. DEVELOPMENT PROG	0.00	64.52	0.00	0.00	0.00	67.46	8.99	0.00
P074078	2002	Makerere Pilot Decentr Service Delivery	0.00	5.00	0.00	0.00	0.00	5.28	0.55	0.00
P044695	2001	National Agric. Advisory Services Proj.	0.00	45.00	0.00	0.00	0.00	46.65	0.27	0.00
P050439	2001	PRIVATIZATION & UTILITY SECTOR REFORM	0.00	48.50	0.00	0.00	0.00	38.15	24.34	0.00
P070627	2001	Regional Trade Fac. - Uganda	0.00	20.00	0.00	0.00	0.00	15.09	1.10	0.00
P073089	2001	EMCBP II	0.00	22.00	0.00	0.00	0.00	19.20	8.59	0.00
P072482	2001	HIV/AIDS Control Project	0.00	47.50	0.00	0.00	0.00	43.38	18.57	0.00
P002992	2000	LOCAL GOV DEVE.PROGRAM	0.00	80.90	0.00	0.00	0.00	24.56	-51.96	0.00
P044679	2000	Second Economic and Fin. Mgmt. Project	0.00	34.04	0.00	0.00	0.00	25.42	19.60	0.00
P002941	1999	ICB-PAMSU	0.00	12.40	0.00	2.00	0.00	0.46	-1.24	-1.51
P059223	1999	NAKIVUBO CHANNEL REH	0.00	22.40	0.00	0.00	0.00	11.29	12.17	0.00
P059127	1999	AGRIC.RES & TRNG. II	0.00	26.00	0.00	0.00	0.00	17.09	7.17	0.00
P002970	1999	ROADS DEVT PROGRAM	0.00	90.98	0.00	0.00	0.00	67.44	30.91	6.95
P040551	1998	NUTRIT.CHILD DEV	0.00	34.00	0.00	0.00	0.00	7.89	2.34	0.00
P049543	1998	ROAD SECT/INST.SUPP	0.00	30.00	0.00	0.00	0.00	18.47	19.96	3.38
P057007	1998	EL NINO EMERG RD REP	0.00	27.60	0.00	0.00	16.98	5.70	24.08	0.55
P046836	1997	Lake Victoria Env.	0.00	12.10	0.00	0.00	0.00	5.65	1.63	0.00
P046870	1997	LAKE VICTORIA ENV.	0.00	9.80	0.00	9.80	0.00	1.46	2.27	0.00
P035634	1996	PRIV. SECTOR COMPETI	0.00	12.30	0.00	0.00	2.18	1.09	4.51	1.89
P002971	1995	DISTRICT HEALTH	0.00	45.00	0.00	0.00	0.00	0.00	2.93	0.00
P002963	1994	SEXUAL.TRANS.IN	0.00	50.00	0.00	0.00	0.00	0.35	1.17	0.00
P002957	1994	SMALL TOWNS WATER	0.00	42.30	0.00	0.00	0.00	1.48	2.37	0.00
Total:			0.00	1,170.49	0.00	23.92	19.16	839.14	154.25	11.26

STATEMENT OF IFC's
Held and Disbursed Portfolio
Uganda
Jun 30 - 2002
In Millions US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1996	AEF Agro Mgmt	0.60	0.40	0.00	0.00	0.55	0.40	0.00	0.00
1992	AEF Clovergem	0.84	0.00	0.00	0.00	0.84	0.00	0.00	0.00
1997	AEF Conrad Plaza	0.88	0.00	0.00	0.00	0.88	0.00	0.00	0.00
1998	AEF Exec. Invmnt	0.79	0.00	0.00	0.00	0.79	0.00	0.00	0.00
1999	AEF Gomba	1.40	0.00	0.00	0.00	1.40	0.00	0.00	0.00
2001	AEF Kabojja	0.33	0.00	0.00	0.00	0.33	0.00	0.00	0.00
	AEF Kiwa II	0.07	0.00	0.00	0.00	0.07	0.00	0.00	0.00
1997	AEF Ladoto	0.80	0.00	0.00	0.00	0.80	0.00	0.00	0.00
2000	AEF LongFreight	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	AEF Makss	1.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002	AEF Mosa Court	0.40	0.00	0.00	0.00	0.40	0.00	0.00	0.00
1998	AEF Rainbow	0.79	0.00	0.00	0.00	0.79	0.00	0.00	0.00
1995	AEF Rwenzori	0.17	0.00	0.00	0.00	0.17	0.00	0.00	0.00
1993	AEF Skyblue	0.51	0.00	0.00	0.00	0.51	0.00	0.00	0.00
1994	AEF White Nile	0.22	0.00	0.00	0.00	0.22	0.00	0.00	0.00
1998	CelTel Uganda	2.50	0.70	0.00	0.00	2.50	0.70	0.00	0.00
1994/00	DFCU	0.00	0.60	0.00	0.00	0.00	0.60	0.00	0.00
0/84/92	Jubilee	0.00	0.10	0.00	0.00	0.00	0.10	0.00	0.00
1993	Kasese Cobalt	8.00	3.60	0.00	0.00	8.00	3.60	0.00	0.00
1996	Tilda Rice	1.43	0.00	0.00	0.00	1.43	0.00	0.00	0.00
1998	Uganda Sugar	4.02	0.00	0.00	0.00	4.02	0.00	0.00	0.00
1983									
Total Portfolio:		25.90	5.40	0.00	0.00	23.70	5.40	0.00	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic
2002	Bujagali	70.00	0.00	0.00	40.00
Total Pending Commitment:		70.00	0.00	0.00	40.00

Annex 10: Country at a Glance
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Country at a Glance Information for Burundi, D.R.Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda is available in the project files, on the Bank's website - www.worldbank.org, and in the print version of the Project Appraisal Document prepared for Board presentation.

Additional Annex 11: Strategic Action Program
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

A “Transboundary Environmental Analysis (TEA)” has been prepared by the Nile Basin countries in preparation for the GEF Transboundary Environmental Action Project. The TEA has been endorsed by the Nile Council of Minister of Water Affairs of the Nile Basin States (Nile-COM) and forms the basis for the present project. The TEA includes an “Agenda for Environmental Action,” which will serve to inform the other SVP projects, as well as form the initial transboundary environmental context for the subsequent Subsidiary Action Programs (SAPs). Copies of the TEA are available on request from Astrid Hillers (ahillers@worldbank.org) and John Bryant Collier (jcollier@worldbank.org).

Additional Annex 12: Public Involvement Plan Summary

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

The preparation of this project, as well as the other projects within the SVP project portfolio, was directed by the institutions of the NBI and involved the active participation of technical experts from across the Basin. This complex, multi-country, multi-sectoral process, which is described below, demonstrates riparian ownership and commitment to successful project implementation.

1. Evolution of the Shared Vision Program: Broad basin-wide consultation throughout project formulation

The SVP evolved from four thematic areas, or pillars, as described in the NBI Policy Guidelines for a coordinated program of seven basin-wide projects, between February 1999 and December 2000. The process, as summarized in the table below, was executed and coordinated by the Nile-SEC, involved active participation of and guidance from the Nile-TAC, and received formal endorsement by the Nile-COM at critical milestones (the various organizational components of the NBI are explained in Annex 14).

Date	Meeting/ Activity	Location	Key Outcomes
July 1998	Nile-TAC	Dar es Salaam, Tanzania	Drafting of Policy Guidelines that define the SVP and 4 major thematic areas of the program.
Feb 1999	Nile-COM and Nile-TAC	Dar es Salaam, Tanzania	Adoption of the NBI Policy Guidelines, and instruction by Nile-COM to prepare a portfolio of priority SVP projects for ICCON.
May 1999	SVP Planning Meeting	Sodere, Ethiopia	Preliminary list of priority projects, including project goals and objectives, based on consultation and brainstorming by Nile-TAC members and 2 additional sectoral experts from each country.
May 1999	Nile-COM and Nile-TAC	Addis Ababa, Ethiopia	Approval of list of priority projects and project preparation process. Nile-COM endorses GEF PDF-B project for submission to GEF Secretariat.
Sept 1999	Nile-TAC	Entebbe, Uganda	Based on output from Sodere Planning Meeting, development of Project Concept Notes for 7 priority projects and approval of a detailed project preparation process and schedule for each project.
Nov 1999	PDF B Review meeting	Washington DC	GEF SEC approved PDF B funding.
Dec 1999	Project Preparation 1	Entebbe, Uganda	Review and further development of Draft Project Concept Notes/Documents by Working Groups (WG). For each project, the WGs included a Nile-TAC member and National Expert(s) from each country. A total of 8 National Experts were involved from each country. Each project was assisted by a Lead Consultant.
Dec 1999 - Nov 2000	National Analysis and Consultations	(Basin-wide) Nile Basin countries	Lead Consultants together with National Experts prepare Draft Project Documents. Depending on the project and country, National Experts provided inputs through preparation of National Reports, country consultations and/or country visits by Lead Consultants.
Jan 2000	Nile-TAC	Entebbe, Uganda	Review of progress in project preparation and further refinement of Project Concepts, as warranted.
Jan – Apr 2000	National Consultations	In all Basin countries	GEF PDF-B funds facilitated the holding of national consultation workshops in each of the Nile riparian countries. This allowed for further stakeholder involvement and consultation.
Mar 2000	Environment Experts	Entebbe, Uganda	Review of draft National Reports. Agreements of common transboundary priorities.
Mar 2000	Nile-TAC	Delft, The Netherlands	Review of progress in project preparation and further refinement of project concepts/design, as warranted.
July 2000	Project	Addis Ababa, Ethiopia	Review and further development of detailed Draft Project

	Preparation 2		Documents by WGs.
Aug 2000	Nile-COM and Nile-TAC	Khartoum, Sudan	Approval of SVP Project Portfolio and updated Project Summaries.
Oct 2000	Nile-TAC	Via electronic mail	Review of Final Project Documents.
Feb 2001	Nile-COM and Nile-TAC	Khartoum, Sudan	Final approval of SVP Project Portfolio and Project Documents.
June 2001	First ICCON	Geneva, Switzerland	Forum to solidify the partnership between the riparian states. Meeting to raise donor support for the NBI and its portfolio of cooperative projects.
Nov 7-Dec 7 2001	Pre-Appraisal Mission	All NBI Countries	Preparation of the Transboundary Environmental Action Project Implementation Plan.

The Transboundary Environmental Analysis

Participatory. The TEA was prepared through a participatory and transparent process to ensure maximum consultation and involvement, which in turn can translate into maximum relevance, ownership and commitment.

Political commitment. The decision to carry out a process of environmental analysis was taken by the Nile-COM based on the recommendations by the Nile-TAC at meetings held in Addis Ababa in May 1999, which prepared the strategic guidance for the overall SVP.

National Experts. During October – November 1999, the national ministries of water affairs consulted with their national environment authorities for the nomination of a National Environment Expert from each of the nine countries who would serve as National Expert and Drafting Group member.

Initiation of Transboundary Analysis. The TEA process was formally launched with a one-week workshop in December 1999 at the Nile-SEC in Entebbe, Uganda. During this workshop, participants from each of the Nile countries studied GEF guidelines and operations, and started initial identification of common Nile-related transboundary environmental priorities. The National Experts participated in this workshop, together with UNDP and World Bank staff. Members of the Nile-TAC participated in several of the workshop sessions. One of the key workshop outputs was a preliminary characterization of the major basin-wide environmental threats by the National Experts. The workshop participants also agreed on a basic approach and methodology for the process ahead; decided to hold broad national consultations in each of the nine countries to ensure that the report would emerge reflecting national concerns and priorities, and agreed on the format for the National Report which each National Expert would produce; and, finally, committed to a challenging work plan for the following six months. For the riparian countries, this workshop began the critical process of working together on shared environmental concerns at an operational level, complementing the commitment to political cooperation that had already been established through the NBI.

National Consultations. The national consultation process varied between countries, reflecting national traditions and preferences as well as the nature of individual Nile Basin issues within each country. In each case the National Experts started by identifying the major stakeholder groups. The national ministries or departments responsible for water resources and for environment were usually facilitators of the consultation as well as being important stakeholders themselves. Other key stakeholders included national government agencies responsible for natural resources and for planning, local government agencies, national and local NGOs, universities and other research institutions, participants in related projects and programs, and selected individual experts (see table below for a list of stakeholders involved

in the national consultations).

Broad Participation. At least one stakeholder workshop was held in each riparian country. All of the workshops were led by the national Nile-TAC representative and many had ministerial-level participation. The workshops served the dual purpose of explaining the relatively complex context for and background to the consultations, including making sure that the NBI itself was well understood, as well as soliciting inputs and suggestions on environmental priorities. In some cases workshop participants were able to respond to early drafts of the National Reports. In all cases the workshop participants were encouraged to contact the National Experts directly to request information about progress or to provide further inputs. In countries where the national capital is outside the Nile Basin, the National Experts traveled to the Nile Basin region of their countries for consultations. In some cases additional workshops or briefings were conducted for NGO groups.

Coordination with Environmental Planning Initiatives. All of the riparian countries had previously undertaken comparable national environmental planning processes aimed at diagnosing and prioritizing environmental problems. These include national environmental action plans, national conservation strategies, national desertification action plans, national biodiversity strategies and action plans, tropical forestry action plans, etc. Many of these processes had themselves been based on broad consultations. The findings from these planning frameworks were reflected in the National Reports.

National Reports. The National Experts prepared their National Reports to reflect the results of the consultations as well as prior analytical work done in their respective countries. These reports in draft form were made available to and reviewed by the stakeholders who had participated in the consultations. By March 2000, the National Reports were received from each of the nine countries and a second workshop for the National Experts was therefore held in Entebbe. The purpose of this workshop was to review the environmental analysis in each of the reports and begin to identify common themes and priorities, around which joint and common environmental management action could be taken.

Consolidation of Findings. Following the March 2000 workshop, a draft Consolidated Report was produced and shared with the Nile-TAC members and the National Experts. This was followed by a final workshop held in Addis Ababa in July 2000, during which the Consolidated Report and the project action components were carefully reviewed and revised to fully reflect the national and basin-wide priorities.

Throughout the process, policy guidance was provided by the national Nile-TAC members and close interaction took place between the Nile-TAC members and the National Experts. Moreover, the Nile-SEC provided administrative and logistical support and facilitated links to related NBI activities while UNDP and World Bank staff provided technical guidance. Coordination between the countries was provided by an international Lead Consultant who also prepared the Consolidated Report based on the national findings and recommendations. The core funding for these activities was provided by the GEF. Additional funding was provided by UNDP and the World Bank.

A parallel set of activities supported by USAID involved a scoping study preparing a multi-country technical background paper based on readily accessible and public domain information. This activity was carried out by a US-based consulting team that consulted with stakeholders in Burundi, D.R. Congo, Egypt, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The National Experts worked closely with the consulting teams during their country visits. The National Experts reflected some of the results of this scoping study in the consolidated TEA report.

The impressive collaboration between the riparian countries' Experts laid a promising foundation for the

detailed design and implementation of the transboundary project activities proposed as a result of the TEA.

Pre-appraisal Mission

A joint World Bank-UNDP-CIDA pre-appraisal mission visited all nine Nile countries during the period November 7 – December 7 2001. The mission held information and dialogue meetings with the NGO and academic community in each of the countries visited. An important part of the discussion with the NGO community was the Microgrant Program and the Environmental Education and Awareness Component.

2. The Public Involvement Plan

Introduction. The strategic approach behind this project is to ensure as large and as broad an involvement of community groups as feasible. This will be achieved through Components 2 (Land, Forest and Water Conservation – the Microgrant Program) and Component 3 (Environmental Education and Awareness). The overall outcome of project will be a broader civil society engagement in the NBI in general and, specifically, increased transboundary environmental awareness and enhanced environmental transboundary management. The project increases cooperation and dialogue between the nongovernmental and governmental sectors.

Community-Level Land, Forest and Water Conservation

The Microgrants under this component are specifically targeted at community based organizations. Each grant will be no larger than \$25,000 and will be given in accordance with agreed eligibility criteria which will be established basin-wide. This criteria will clearly include the need for community participation, as every Microgrant should be closely linked to a community's interest and participation. Special attention will be paid to the needs of women and/or indigenous peoples. The main emphasis is on ensuring that NGOs, academia and community groups in the Basin are encouraged to undertake actions that will lead to improved environmental management and regional cooperation on environmental matters.

During the initial phase of the project, National Coordinators will be brought together to develop a regional strategy for the Land, Forest and Water Conservation Component. This will provide an opportunity to develop common approaches and understanding of the Microgrant Program. National Steering Committees will be established in each country with representation from the nongovernmental and governmental sectors and these committees will be responsible for the process of grant making based on proposals received.

National NGO networks will be strengthened and NGO-government collaboration improved. These grassroots activities will be profiled for the public through dissemination to the public on a regular basis. The information on these Microgrants will be disseminated in a wide variety of ways:

- NGOs and their networks (i.e. National NGO networks)
- NGO extension workers involved in agriculture, forestry, relief, water-resources, environment, etc.
- Radio extension programs
- Television programs
- Print materials: posters, pamphlets, etc.

Environmental Education and Awareness

Environmental education will make an important contribution to deepening public awareness and

understanding of the community of interest and the ecospace which the Nile creates. It will also help inform a generation that has broader Nile-related transboundary environmental understanding and to create a constituency for environmental conservation. The project will support three sets of transboundary activities: (a) environmental awareness campaigns, (b) an electronic network of selected schools for transboundary environmental education, and (c) exchanges of university-level environmental education researchers and students.

The development and delivery of a small number of transboundary environmental awareness campaigns will be carried out by basin-wide teams of practitioners drawn from the participating countries. It will include regional training for environmental education and awareness practitioners on the development and delivery of programs and materials, regional briefings for media editors and journalists on transboundary environmental issues, and exchanges of environmental journalists and other media professionals between the Nile riparian countries. These programs will be launched through a variety of delivery mechanisms, e.g., nature clubs, schools, youth movements, the scout movement, universities, churches, mosques, etc. A variety of media will be used, including TV, radio, newspapers and web pages.

An electronic network of selected schools will be established for transboundary environmental education, and support will be provided for exchanges of school staff and experiences between the Nile riparian countries as well as community projects where students can apply knowledge acquired in the classroom while developing values and skills for improving environmental conditions. An award scheme or competition will be set up for outstanding Nile Transboundary Environmental Education projects in schools and their communities. Informal reviews have indicated that schools with the requisite capacities would be ready to participate in Egypt, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. These schools can form the basis of a Nile Schools Environmental Education and Awareness Network. Further work will be required to assess the potential for schools in the other Nile countries to participate.

Exchanges of university-level environmental education professors, other researchers and students between the Nile riparian countries will be supported. Emphasis will be put on supporting the participation of individuals from Nile Basin countries which have had limited recent opportunities to participate in such international programs. Participating individuals and their departmental hosts in other Nile Basin countries will need to demonstrate the value of their proposed exchange program to building transboundary environmental awareness and understanding in the Nile Basin. The project will also support two regional workshops as a contribution towards the development of a university-level course on one or more Nile transboundary environmental issues as a collaborative enterprise between participating universities from the riparian countries.

NGOs and Community Groups

During the project formulation process, meetings, exchanges and consultations with community groups, NGOs, and academic institutions were undertaken in all nine countries. The list below reflects the groups with whom visiting missions have met or who have participated in national consultations. The project will reach out to these institutions and seek their participation. The project will also seek the involvement and cooperation of many additional community based organizations, academic institutions and NGOs with whom contacts have not yet been made..

COUNTRY	STAKEHOLDER
BURUNDI	Institut Géographique du Burundi (IGEBU)
	Institut National Pour l'Environnement et la Conservation de la Nature (INECN)
D.R. CONGO	Action Progressive pour la gestion de l'Environnement
	AREC
	Asmedi (eco-development NGO)
	Association de Développement Culturel
	Association de la Paix, de la protection de l'environnement
	Bureau d'Etudes de l'Association pour le Développement de Beni et Lubero (ADEBEL)
	CAIDECO
	Centre National d'Information Environnementale (CNIE)
	Construction et Développement Communautaire (CDC)
	Eau Source de Vie
	Femmes et Environnement
	Foyer de la Culture
	IDEE DR Congo Forests
	Institut Géographique de Congo
	Institut Supérieur des Techniques Appliquées (ISTA)
	Notabilité de la Province du Nord – Kivu
	Programme Source d'eau
	SPCIE/ECN
EGYPT	
	Ain Shams University, Engineering Department
	Ain Shams University, Environmental Institute
	Arab Youth and Environment Office
	Bassaia
	Cairo University, Engineering Department
	Climate Change and Environmental Research Institute
	Egypt Youth for Development and Environment
	Egyptian Environment Federation
	GEF Small Grants Programme
	Kenoz Sinai
	Land and Water Resources Management Programme
ETHIOPIA	
	CARE – Ethiopia
	Christian Relief and Development Agency (CRDA)
	ENDA-Ethiopia\
	Ethiopia Environmental NGO (EENGO)
	Ethiopian Aid
	Ethiopian Wildlife and Natural History Society (EWNHS)
	Ethiopian Wildlife Conservation Organization
	HNDEE (Oromo Grass-roots Development Initiative)
	Institute for Biodiversity Conservation and Research (IBCR)
	Inter Africa Group

	OXFAM-Great Britain
	University of Addis Ababa
KENYA	Africa Water Network
	Care Kenya
	Department of Civil Engineering – University of Nairobi
	East African Cross-Border Biodiversity Project
	International Network for Water and Sanitation (NETWAS)
	IUCN – East African Regional Office
	Kenya Association of Manufacturers
	Kenya Wildlife Society (KWS)
	Kipsaina Youth Conservation Group
	Maseno University College
	Moi University
	National Museums of Kenya
	Osienala Kisumu
	World Wild Fund for Nature (WWF)
RWANDA	ARAMET
	Association Rwandaise des Ecologistes (ARECO)
	Catholic Relief Services
	International Rescue Committee (IRC)
	Lutheran World Federation
	Morris Animal Foundation Mountain
	Programme International de Conservation des Gorilles
	REIE/PGZ
SUDAN	Environment Forum
	Environmental Information
	Environmental Society
	Farmers Union
	Geologist Trade Union
	Habitat Voluntary Organisation
	Institute of Disaster Management
	Institute of Environment and Natural Resource Research
	Juba University, College of Environment and Natural Resource Studies
	Omdurman Ahlia University
	Save the Children – Great Britain
	Sudan University for Science and Technology (SUST)
	Sudanese Council of Voluntary Agencies (SCOVA)
	Sudanese Environmental Conservation Society
	Sudanese Social Forestry Society
	Union of Engineers
	University of Khartoum, College of Agriculture
	University of Khartoum, Faculty of Science
	University of Khartoum, Institute of Environmental Studies
TANZANIA	Agenda for Environment and Responsible Development
	ENV-TEC (NGO)
	Green Shinyanga Group
	Journalist Environmental Association (JET)
	Tanzania Association of Nongovernmental Organizations (TANGO)
	Tanzania Institute for Education
	Tanzania Traditional Energy and Environment Organization (TATEDO)
	University of Dar es Salaam – Institute for Development
	Wildlife Conservation Society (WCS)

	World Wildlife Fund (WWF)
UGANDA	Action for Rural Development
	Auxfound Environmental Awareness
	Clean Lakes Kampala
	Climate and Development Initiatives
	Environment Policy Resource Center
	Friends of Wetlands
	Greenwatch
	IUCN, Uganda
	Jinja Urban Women Wetland Organization (JUWWO)
	Living Earth
	Lugazi Peoples Enterprise Development
	Makerere University, Faculty of Environmental Education
	Makerere University, Institute of Environment and Natural Resources
	National Association of Professional Environmentalist
	Panos, Kampala
	Uganda Environmental Protection Forum
	Uganda National NGO Forum
	Uganda Neem Movement
	Uganda Wetlands and Resource Conservation Association
	Uganda Wildlife Society
	Uganda Women Tree Planting Movement

Additional Annex 13: Institutional Arrangements for Project Implementation

NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

A Decentralized Approach

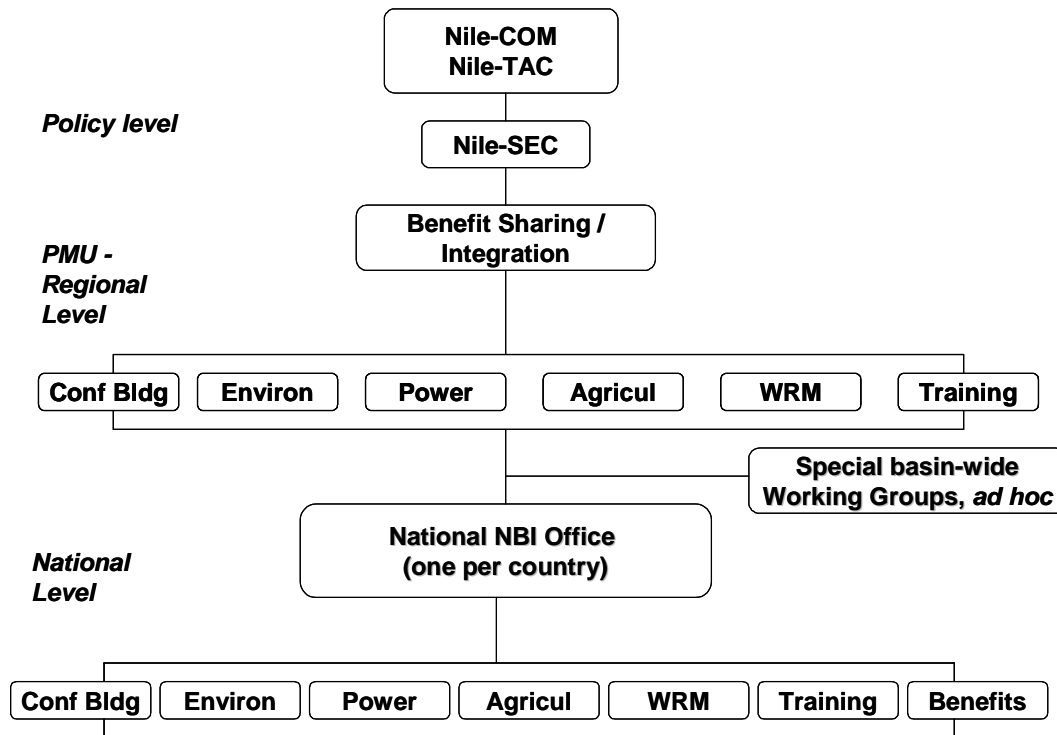
In March 2001, at the Extraordinary Meeting of the Nile Council of Ministers, options for the implementation arrangements of the SVP projects were further reviewed. The Nile COM decided, as a basic principle, that the **Project Management Units** (PMUs) for each of the seven SVP projects will be located in several Nile countries in accordance with a “decentralized approach” to enhance ownership and commitment to the program in the region. In making its decision on PMU location, the Nile Council of Ministers took into account issues such as country commitment, project synergies, special expertise, and donor relations. The Nile Council of Ministers decided that to be eligible to host a PMU, a country must at minimum: (i) be up to date in its NBI Secretariat annual dues; and (ii) have committed to funding a National NBI Office that will serve a coordination function among the various regional and national NBI activities. Moreover, a country interested in hosting a PMU was requested by the Nile Council of Ministers to demonstrate commitment to the project by providing office space and administrative-secretarial support, water and power services, operation and maintenance of the project’s premises, and other support.

Following consultations between Nile Council of Ministers members, PMU locations have been agreed as follows:

Shared Vision Program Projects and Project Management Unit Locations

Confidence Building & Stakeholder Involvement (Communications)	Uganda (Nile Sec)
Socio-Economic Development and Benefit Sharing	Uganda (Nile Sec)
Nile Basin Regional Power Trade	Tanzania
Efficient Water Use for Agricultural Production	Kenya
Nile Transboundary Environmental Action Project	Sudan
Water Resources Planning and Management	Ethiopia
Applied Training	Egypt

Chart 1. Organizational chart illustrating the Shared Vision Program



Management at the Regional Level

The PMU for the Nile Transboundary Environmental Action Project will be located in Khartoum. Key technical and administrative staff for the PMU will be hired under the UNDP financed portion of the project, which, on behalf of the NBI, will be executed by UNOPS . The PMU will operate at the basinwide level and, in support of the NBI, will be responsible for managing and implementing the project in all participating countries. In order to facilitate smooth operations, maintain and enhance dialogue between the Nile riparians, and further the SVP's developmental objectives, the NBI is entering into a partnership with the United Nations Office for Project Services (UNOPS). NBI will request UNOPS to oversee the daily management of the PMU in order to facilitate local contracting, fund management, local procurement, disbursement, program administration, and project-level monitoring.

The **Project Manager**, the regional **Thematic Lead Specialists** for the project and other staff, including monitoring and evaluation, procurement and finance specialists, and a knowledge management specialist, will be located at the PMU.

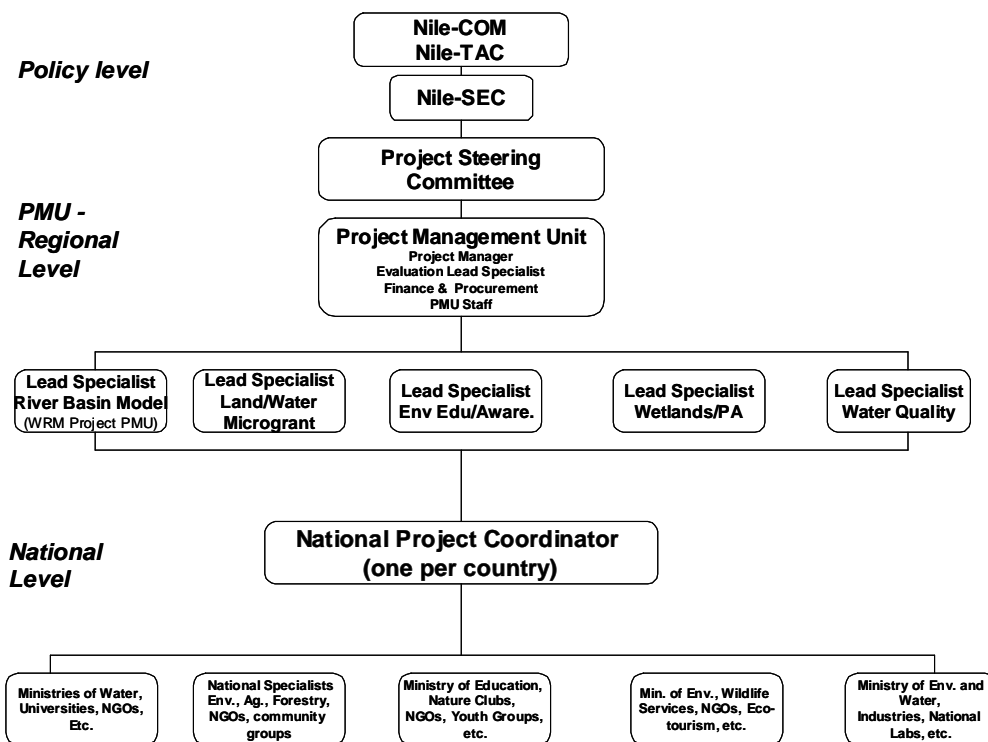
The PMU will report to the project **Steering Committee**, which will provide it with strategic guidance. The Steering Committee will review and approve annual work plans and will receive and review annual substantive and financial reports on project activities. The Steering Committee will be composed of an environment sector focal point from each participating country (Heads of environment agencies or departments or Permanent Secretaries of the environment ministries); an

NBI Technical Advisory Committee member from the PMU country to ensure coordination with the broader NBI and other SVP projects; and the NBI Secretariat. National Project Coordinators, or the equivalent, may attend Steering Committee meetings as appropriate to the project. CIDA (as well as any additional donor partners), the World Bank, UNOPS, and other appropriate parties will be invited as observers to the meetings. The Steering Committee is expected to meet at least annually in Khartoum and will be alternately chaired by the host country member of the Steering Committee and the Nile-SEC representative. The member from Sudan will chair the first meeting of the Committee. The PMU will provide secretariat support to the Committee.

To facilitate needs as determined by the PMU, special ad hoc basinwide **Working Groups** can be convened by the PMU. These Working Groups are intended to be temporary, existing only for the duration necessary to address the identified need. For example, a Working Group may be set up to identify transboundary migratory species.

Specific issues for the River Basin Model component (component 1.3). The present project is supporting the development of the River Basin Model within the DSS component of the SVP Water Resources Planning and Development Project. To ensure integration of the model within overall DSS development, GEF resources that are allocated to the River Basin Model will be administered by UNOPS through the PMU for the Water Resources Project (located in Addis Ababa). Procurement and financial management will be coordinated between the Regional Project Manager in Addis Ababa and the Regional Project Manager in Khartoum. The Regional Project Manager in Khartoum will receive reports from his Addis Ababa based colleagues and will integrate these into consolidated reports to UNOPS, GEF and others (see below). NBTF resources that form part of the Water Resources Project will be directly managed by the PMU in Addis Ababa. The DSS Lead Specialist who will be hired by the Water Resources PMU/Addis will coordinate with and support GEF project related reporting.

Chart 2. Organizational chart illustrating the Transboundary Environmental Action Project



Management at the national level

Project management at the national level. The project will employ a **National Project Coordinator (NPC)** in each of the participating countries. The NPC will be responsible for supervising and coordinating the implementation of project activities at the country level. The NPC will also provide a critical link between the PMU and regional activities and national-level organizations and project activities as well as between the Environment Project and the respective national NBI office. The NPC will be a full-time position that is project-funded and competitively hired. The NPCs will be housed in the Ministries of Environment or lead Environment Agency in each of the participating countries.

Project Execution

Ownership

Ownership of the NBI by the Nile Basin countries is central to the progress made in Nile cooperation. It is important, therefore, that this remains unquestioned as the process moves from project planning to project implementation. Therefore, SVP implementation arrangements are designed to maximize ownership and decision-making of the NBI institutions, the national ministries and counterparts, and the PMUs. The implementation arrangements, in addition, aim not to overburden these structures with unnecessary administrative and procedural functions and to allow them to focus unhindered on the strategic guidance and daily management of the Shared Vision Program.

NBI – Project Executing Agency

The NBI, through its executive arm the NBI Secretariat, will be the **executing agency** for the World Bank GEF and Nile Basin Trust Fund (NBTF) financed portions of the Project. The NBTF is a multidonor trust fund established for financing NBI activities. It is initially managed by the World Bank with the understanding that management of the NBTF will be transferred to the NBI at an appropriate time.

The NBI therefore will manage overall fund flow and disbursements, as well as information sharing, coordination, integration, and monitoring and evaluation. As the executing agency for the project, the NBI will define procedures for issues such as reporting, monitoring and evaluating. In addition, the Nile-SEC will manage an **integration matrix**, to be developed in cooperation with the Socio-Economic Development and Benefit Sharing Project to ensure that the impact and benefits from the SVP projects are maximized throughout the Nile Basin.

United Nations Office for Project Services– (UNOPS)

In order to facilitate smooth operations of each of the eight SVP projects and strengthen the capacity of the NBI to manage donor-funded regional programs, the NBI has decided to seek the support of a Project Services Agency (PSA). Initially, the NBI reviewed the possibility of hiring the PSA for the SVP following a competitive process. The focus at that time was on the provision of the technical services in financial management, procurement, and overall management that are normally bid competitively. However, after further discussions, it became apparent that the thrust of the assignment was not so much to provide a mechanical logistic assistance but support and project services with a view to long-term and sustainable development. It was realized that the thrust of the SVP lay in the pursuit of dialogue, cooperation, and trust among the Nile riparians. The main role of the PSA, therefore, shifted to a close cooperation with NBI to maintain and enhance these development objectives.

This in turn raised the notion of establishing a partnership between NBI and the PSA. The decision to select the **United Nations Office for Project Services (UNOPS)** was reached by the Nile Council of Ministers after serious consultations among themselves, taking full cognizance of the shift from the traditional consultant contractual relationship to that of a partner to maintain and enhance dialogue between the Nile riparians and to further the project's developmental objectives. The Nile Council of Ministers further recognized the fact that this approach would open the participation of all eligible consulting firms (and not restrict due to possible conflict of interest issues) in the various consulting opportunities under the proposed project. The recommendation from the Nile Council of Ministers was given a no-objection by the Bank with the approval of the Bank's Operations Procurement Review Committee (OPRC). The Nile Council of Ministers decision is based on a number of factors, including:

- UNOPS has the capacity and extensive experience in the implementation of large regional projects.
- UNOPS will contract suppliers of goods and services from the private sector through opportunities for capacity building of NBI procurement skills during the course of the project.

- UNOPS, through the UNDP network of offices, has a presence in all 10 Nile countries, which will greatly facilitate the implementation of this regional project.

NBI will negotiate a **Management Services Agreement (MSA)** with UNOPS that will detail the scope of UNOPS support for the project. UNOPS, through the PMUs, will be responsible for contracting, fund management, procurement, disbursement, program administration, and project-level monitoring. UNOPS will also support NBI by strengthening its capacity to manage and implement basin-wide projects and apply high-quality and fiduciary standards. Overall management from UNOPS will be from UNOPS in New York, drawing upon its extended network of offices and staff around the world.

Reporting and Supervision

Financial reports

Financial Monitoring Reports. The NBI will be responsible for submitting quarterly FMRs as well as annual budgets, project monitoring reports, and consolidated financial statements to the World Bank. The NBI will request UNOPS to prepare this financial documentation for NBI review and submission to the Bank.

Audits. Because UNOPS will be acting as the NBI's agent, an annual audit of the grant will be conducted by the UNDP Division for Audit and Management Review and/or by auditors or audit firms contracted by it for this purpose in accordance with established practice in similar arrangements involving U.N. agencies acting as project service providers under Bank-financed projects.

Project supervision

The project will be supervised in accordance with World Bank supervision rules adapted to the unique character of the NBI Shared Vision Program. The following activities will support the supervision process:

Annual supervision mission—Supervision missions will be fielded to review project progress. The supervision missions will be joint undertakings consisting of the World Bank, donors (UNDP, CIDA, etc.), and NBI Secretariat representation.

Annual Steering Committee meetings—In conjunction with the annual supervision mission, an annual Steering Committee meeting will be held and will be attended by the Steering Committee members, the supervision mission members, and other invited observers. The Steering Committee will have received and reviewed the annual progress report before the meeting.

Midterm review—In accordance with standard Bank procedure, a midterm review will be fielded. It is expected that the midterm review will take place approximately halfway through the implementation of the project, after the completion of the independent midterm evaluation (see below).

Project reports

During implementation, the following reporting will be required from each SVP project:

E-mailed monthly narrative report—outlining the work accomplished in the preceding month, the work expected to be completed during the coming month, and if appropriate, comments and/or recommendations relating to any unforeseen conditions which may affect the progress or the quality of the work (maximum of two pages). The responsibility for reporting is with the project manager.

Distribution—NBI Secretariat, national project coordinators (or equivalents), and World Bank. For internal use only.

Quarterly FMR—procurement and disbursement information for the preceding quarter and projections for the following six months will be consolidated in the quarterly FMR. The FMRs will also include a summary of the physical progress in project implementation, with an explanation of variances from implementation targets.

Timing—quarterly for each fiscal year of project effectiveness.

Distribution—NBI Secretariat and World Bank.

Semiannual project implementation progress reports—Twice a year the e-mailed monthly narrative reports will be expanded to include a narrative summary of activities undertaken during the past six months (maximum five pages). This narrative should include:

- The status of implementation progress, problems encountered and corrective actions needed
- The current costs of each project component and estimated costs for completion
- The degree of achievement of project objectives, as measured by the status of project indicators.
- The most recent FMR also will be attached.

Timing—July and January of each fiscal year of project effectiveness

Distribution—NBI Secretariat, National Project Coordinators (or equivalents), World Bank, UNDP and all Steering Committee members.

Annual substantive project progress report—The Project Manager will complete an annual substantive project progress report, which will clearly describe and assess project progress against the established work plan, project documents, and the overall objectives of the project. Every effort will be made to simplify and unify reporting arrangements; therefore, the project manager will review the annual reporting requirements of the World Bank, UNDP, CIDA, and the other relevant agencies and donors and design a unified reporting format acceptable to all that meets most of the reporting requirements of the donors and agencies in one single report.

Timing—First report to be submitted 12 months after project signature and two months ahead of the first annual project review and steering committee meeting.

Distribution—All steering committee members, including observers.

Substantive work plan—will include an updated procurement plan and be attached to the annual substantive project progress report.

GEF Project Implementation Review (GEF PIR). The project will also complete the annual GEF PIR. In order to minimize duplication of effort, it has been agreed that UNDP will submit the GEF PIR on behalf of the two agencies. The Bank will have the opportunity to review the PIR prior to submission. The Project Manager will liaise with the UNDP Task manager for this purpose.

Timing—To be submitted annually. Normally in June of every year.

Distribution—Nile-SEC, National Project Coordinators, UNDP, World Bank. The World Bank will ensure onward forwarding to the GEF Secretariat.

Midterm evaluation—Resources will be set aside for each project in accordance with standard procedure to ensure that a midterm evaluation can be carried out. The terms of reference and timing of this evaluation will be determined through the annual review process or by correspondence. The evaluations will normally be independent and thus carried out by consultants not previously associated with the project.

Timing—midway through project implementation.

Distribution—all Steering Committee members. This report may be shared with other parties, upon their request in accordance with established policy.

Ad hoc Reporting and Substantive Reports— The project will produce a large number of ad hoc substantive reports in the thematic areas in which it is operating. These reports will be produced at either the national or regional levels for a variety of purposes.

Distribution—As per intention of report.

Additional distribution—All Steering Committee members.

Recruitment of Project Management Unit Staff

Competitive and transparent selection

The PMU will be staffed by personnel who have been recruited competitively. Qualified applicants will be shortlisted by UNOPS in cooperation with the NBI Secretariat. The World Bank will be given the opportunity to comment on the shortlist of qualified candidates before the final selection is made. Shortlists for regionally recruited staff will not contain more than two candidates from any one country. In the interest of transparency, **interview panels** will be established. For senior staff, the interview panels will include the NBI Technical Advisory Committee member from Sudan, the NBI Secretariat, UNOPS, donor representatives, international and regional organizations, and, for PMU staff, the Project Manager. Selection will be made by these interview panels.

Selection therefore will be on a strictly competitive basis with a view to ensuring broad regional coverage in the selection process. Preference will be given to staff from the region, with assistance from regional or international consultants as necessary.

PMU Staff Reporting Lines. Most long-term PMU staff will be hired under the UNDP financed portion of the GEF Project that, on behalf of the NBI, will be executed by UNOPS. Once selected by the interview panel, the staff will be appointed by UNOPS.

PMU staff will be recruited as follows:

- The Project Manager will be recruited competitively, preferably originating from the region (other than from the country hosting the PMU), following advertisement in national, regional and international press, seeking balance among the countries represented for the entire SVP.
- The Lead Specialists and Procurement Advisor/Financial Specialist will be recruited competitively, preferably originating from the region, following advertisement in national, regional and international press.
- Technical support staff will be competitively recruited from the PMU host country.

Basin-wide Coordination

NBI Roles and Responsibilities

The NBI is the executing agency for the Bank financed portion of the project. With respect to the implementation of the present project, the respective roles and responsibilities of the NBI committees and councils are as follows:

Nile-COM. Will have overall oversight of the combined project portfolio and will provide policy advice and guidance.

Nile-TAC. Will review the project portfolio and provide technical advice and guidance to the Nile-COM.

Project Steering Committee. Will review and approve annual work plans and will receive and review annual substantive and financial reports on project activities.

Nile-SEC. The NBI will sign agreements with UNDP and the Bank for the implementation of the project. For the GEF/Bank financed portion of the Project and the associated NBTF funds, the NBI will act as executing agency, through its executing arm the Nile-SEC. The NBI in turn, will sign a contract with UNOPS for management support of the Bank financed components of the project.

UNOPS. On behalf of the NBI, UNDP will execute the UNDP funded (GEF resources) project components and will be sub-contracted by the NBI for delivery of the Bank funded (GEF and NBTF resources) project components.

Additional Annex 14: Description of the Nile Basin Initiative
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

THE NILE BASIN

The River Nile. The Nile is one of the world's great rivers. For millennia, this unique waterway has nourished varied livelihoods, an array of ecosystems, and a rich diversity of cultures. As the world's longest river, it traverses nearly 6,700 kilometers, covering more than 35 degrees of latitude and draining an area of over 3 million square kilometers - one tenth of Africa's total land mass. It is a Basin of varied landscapes, with high mountains, tropical forests, woodlands, lakes, savannas, wetlands, arid lands, and deserts, culminating in an enormous delta on the Mediterranean Sea. It is generally agreed that the Nile has several sources. The principle streams are the White Nile, which begins in the Great Lakes region of Central Africa; and the Blue Nile (Abbay) and the Atbara (Tekeze), both flowing from the highlands of Ethiopia. The most distant source is the Kagera River, which winds its way through Burundi, Rwanda, Tanzania and Uganda into Lake Victoria.

A Transboundary Resource. The Nile River is shared by ten countries: Burundi, Democratic Republic of Congo (DRC), Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. It serves as home to world-class environmental assets, such as Lake Victoria (the second largest fresh water body by area in the world) and the vast wetlands of the Sudd. It also serves as home to an estimated 160 million people within the boundaries of the Basin, while about twice that number - roughly 300 million - live within the ten countries that share and depend on Nile waters.

Challenges and Opportunities. Despite the extraordinary natural endowments and rich cultural history of the Nile Basin, its people face considerable challenges. Today, the Basin is characterized by poverty, instability, rapid population growth, and environmental degradation. Four of the Nile riparian countries are among the world's ten poorest, with per capita incomes in the range of USD 100-200 per year. Population is expected to double within the next 25 years, placing additional strain on scarce water and other natural resources. Only one other river basin (the Danube) is shared by more countries than the Nile, and the transboundary nature of the river poses complex challenges. Yet the Nile holds significant opportunities for 'win-win' development that could enhance food production, energy availability, transportation, industrial development, environmental conservation, and other related development activities in the region. Cooperative water resources management can also serve as a catalyst for greater regional integration, both economic and political, with potential benefits possibly far exceeding those derived from the river itself.

Evolving Cooperation. Appreciating the benefits of cooperation, various sub-groups within the Nile Basin have engaged in cooperative activities over the past thirty years. One of the early regional projects in the Nile Basin was Hydromet, which was launched in 1967, with the support of the United Nations Development Program (UNDP), to foster the joint collection of hydrometeorologic data. Hydromet operated until 1992. In 1993, the Technical Cooperation

Committee for the Promotion of the Development and Environmental Protection of the Nile Basin (TECCONILE) was formed in an effort to focus on a development agenda. Also in 1993, the first in a series of ten Nile 2002 Conferences, supported by the Canadian International Development Agency (CIDA), was launched to provide an informal mechanism for riparian dialogue and the exchange of views between countries, as well as with the international community. Within the framework of TECCONILE, a Nile River Basin action plan was prepared in 1995 with support from CIDA. In 1997, the World Bank agreed to a request by the Council of Ministers of Water Affairs of the Nile Basin States (Nile-COM) to lead and coordinate donor support for their activities. Thus, the World Bank, the UNDP, and CIDA began operating in concert as 'cooperating partners' to facilitate dialogue and cooperation among the riparians, creating a climate of confidence within which an inclusive mechanism for working together could be established.

A New Era of Regional Cooperation

Towards a Long-Term Legal and Institutional Framework. Aware that sustained Nile cooperation requires a development focus, a permanent institution, and agreement on core legal principles, the Nile riparians established a forum for a process of legal and institutional dialogue in 1997, with UNDP support. With three-person teams from each country (typically senior government lawyers and water resource specialists) a 'Panel of Experts' (POE) produced the draft text of a 'Cooperative Framework' in early 2000. The draft framework has moved the riparians a long way and important compromises have been reached. However, some key issues remain to be resolved, and the Council of Ministers agreed in August 2000 to extend the dialogue process to seek further agreement on the outstanding issues. A draft Transitional Committee prepared a "Draft Agreement on the Nile River Basin Cooperative Framework" in 2001 which was presented to the 9th Nile-COM meeting in February 2002. The Nile-COM recommended that necessary steps be taken to form a Negotiations Committee, to resolve outstanding issues. UNDP has pledged its continued support to the process, which by its nature requires time and effort.

Establishment of the Nile Basin Initiative. In 1998, recognizing that cooperative development holds the greatest prospects of bringing mutual benefits to the region, all riparians, except Eritrea,¹ joined in a dialogue to create a regional partnership to facilitate the common pursuit of sustainable development and management of Nile waters. In an historic step, they jointly established an inclusive transitional mechanism for cooperation until a permanent cooperative framework is established. The transitional mechanism was officially launched in February 1999 in Dar es Salaam by the Nile-COM. In May 1999, the overall process was officially named the Nile Basin Initiative (NBI).

Developing a Shared Vision and Objectives. Following extensive consultations, the Nile-COM, at its Extraordinary Meeting in February 1999, adopted a shared vision and policy guidelines² for the NBI. The shared vision is:

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

The policy guidelines, which provide a basin-wide framework for moving forward with cooperative action, set forth the primary objectives of the NBI:

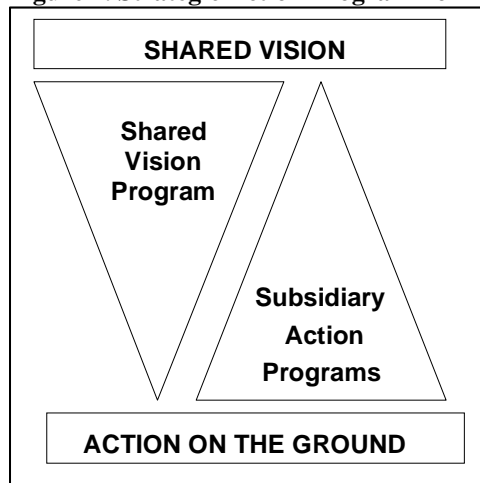
- To develop the water resources of the Nile Basin in a sustainable and equitable way to ensure prosperity, security, and peace for all its peoples;
- To ensure efficient water management and the optimal use of the resources;
- To ensure cooperation and joint action between the riparian countries, seeking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

Pursuing Cooperative Development. The Initiative provides a unique forum for the countries of the Nile to move forward a cooperative process to realize tangible benefits in the Basin and build a solid foundation of trust and confidence. The Nile-COM serves as the highest decision-making body of the NBI. Chairmanship of the Nile-COM is rotated annually. The Nile-COM is supported by a Nile Technical Advisory Committee (Nile-TAC), which is composed of two senior officials from each member country. The NBI maintains a secretariat, the Nile-SEC, located in Entebbe, Uganda. The Secretariat began operations in June 1999 and was officially launched on September 3, 1999.

The NBI Strategic Action Program

From Vision to Action. To translate the Shared Vision into action, the riparians are developing a *Strategic Action Program* that focuses on two complementary ideas - *a shared vision* and *action on the ground* (Figure 1). The ideas are mutually reinforcing. A common vision provides a framework for activities on the ground, and, in turn, these activities realize the vision. These ideas are being translated into actions through two complementary programs: (i) a basin-wide Shared Vision Program to create an ‘enabling environment’ for cooperative action through building trust and skill, and (ii) Subsidiary Action Programs to plan and implement investments and activities ‘on the ground’ at the lowest appropriate level, taking into account the benefits from, and impacts of, these activities in all riparian countries (Figure 2).

Figure 1. Strategic Action Program For The Nile Basin



The Shared Vision Program (SVP). The primary purpose of the SVP is to create an enabling environment for cooperative management and development in the Nile Basin through a limited but effective set of basin-wide activities and projects. The Shared Vision Program project portfolio includes the seven projects listed below and summarized in Table 1. These projects 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 resources development and management. The projects may also serve as catalysts for broader socio-economic development. The projects are:

- Nile Transboundary Environmental Action;
- Nile Basin Regional Power Trade;
- Efficient Water Use for Agricultural Production;
- Water Resources Planning and Management;
- Confidence-Building and Stakeholder Involvement (Communication);
- Applied Training; and
- Socio-Economic Development and Benefit-Sharing.

Though each project is different in focus and scope, they build upon each other to form a coordinated program. All SVP projects contribute to building a strong foundation for regional cooperation by supporting basin-wide engagement and dialogue, developing common strategic and analytical frameworks, building practical tools and demonstrations, and strengthening human and institutional capacity. Together, the projects of the Shared Vision Program seek to lay the foundations for the shared vision for - as well as build the capacity to achieve - the sustainable development of the River Nile for the benefit of all.

Table 1. Overview of Shared Vision Program (SVP) Project Portfolio

Function	Project	Objectives	Indicative Cost* (USD million)
Creating an enabling environment for cooperative development: Basin-wide engagement and dialogue Common strategic and analytical frameworks Practical tools & demonstrations Institutional and human capacity building	1. Nile Transboundary Environmental Action	Provide a strategic framework for environmentally sustainable development of the Nile River Basin. Support basin-wide environmental action linked to transboundary issues in the context of the Nile Basin Initiative Strategic Action Program.	39
	2. Nile Basin Regional Power Trade	Establish the institutional means to coordinate the development of regional power markets among the Nile Basin countries.	12
	3. Efficient Water Use for Agricultural Production	Provide a sound conceptual and practical basis to increase availability and efficient use of water for agricultural production.	5
	4. Water Resources Planning and Management	Enhance the analytical capacity for basin-wide perspective to support the development, management, and protection of Nile Basin waters.	28
	5. Confidence Building & Stakeholder Involvement (Communication)	Develop confidence in regional cooperation under the NBI and ensure full stakeholder involvement in the NBI and its projects.	15
	6. Applied Training	Strengthen institutional capacity in selected subject areas of water resources planning and management in public and private sectors and community groups. Create or strengthen centers with capacity to develop and deliver programs on a continuing basis.	20
	7. Socio-Economic Development and Benefit-Sharing	Strengthen Nile River basin-wide socio-economic cooperation and integration through: (i) joint identification, analysis, and design of cooperative development options and priorities. (ii) development of criteria, methods, and frameworks for sharing benefits/costs, and managing attendant risks.	11
Total			130

* Foreign costs only. Government contributions will be shown in the individual PADs.

The detailed preparation of the Shared Vision Program was accomplished through a unique, multi-country, multi-sectoral and highly participatory process led by the Nile-COM and Nile-TAC and executed by the Nile-SEC. More than seventy national experts, including eight technical specialists from each of the nine countries, were involved in detailed project preparation. For many, it was the first time that they have discussed common concerns and potential opportunities with their colleagues from neighboring and co-riparian countries. The creative energy, enthusiasm, and hope for the future engendered by this preparation process were a visible demonstration of the strong ownership by the Nile riparian countries and their commitment to jointly pursue their common goal.

The Shared Vision Program and project documents for each of the seven projects were approved by the Nile-COM at their Extraordinary Meeting held in Khartoum, Sudan, in March 2001. Support is now being sought for the implementation of these projects.

The Subsidiary Action Program (SAP). In parallel to the SVP, groups of countries have initiated Subsidiary Action Programs (SAPs) to cooperatively identify and implement investment projects that confer mutual benefits. The objective of these programs is to translate the Shared Vision into action, realizing transboundary development opportunities within the agreed basin-wide framework. Potential types of projects identified by the riparians for ‘bundling’ into SAPs are summarized in Table 2.

Table 2. Types of Projects for Consideration in Subsidiary Action Programs

I. Generic Water Resources Management Project Possibilities	II. Other Related Joint Development Project Possibilities
Water Supply & Sanitation Irrigation & Drainage Development Fisheries Development Hydropower Development & Pooling Watershed Management Sustainable Management of Wetlands & Biodiversity Conservation Sustainable Management of Lakes & Linked Wetland Systems River Regulation Flood Management Desertification Control Water Hyacinth & Weeds Control Pollution Control & Water Quality Management Water Use Efficiency Improvements.	<i>Infrastructure:</i> Regional energy networks, including power interconnection and gas pipelines Telecommunication development Regional transport, including: railway and road networks; river and marine navigation; and aviation. <i>Trade and Industry:</i> Promotion of trade (including border trade) Industrial development Regional tourism development Promotion of private investment and joint ventures Marketing and storage of agricultural products Forest crop harvesting. <i>Health, Environment, other.</i> Malaria and other endemic diseases control Protection of wildlife Environmental management Disaster forecasting and management.

The Eastern Nile Subsidiary Action Program (EN-SAP). The Eastern Nile Subsidiary Action Program (EN-SAP) currently includes the countries of Egypt, Ethiopia, and Sudan.³ As set out in a jointly developed strategy adopted by the Eastern Nile Council of Ministers, the primary objectives of EN-SAP are to: ensure efficient water management and optimal use of resources through equitable utilization and causing no significant harm; ensure cooperation and joint action between the Eastern Nile countries seeking win-win gains; target poverty eradication and promote economic integration, and; ensure that EN-SAP results in a move from planning to action.

The Eastern Nile riparians recognize that potential investments need to be assessed within a regional context and that benefits of a win-win nature are most likely to be found in the bundling of projects within a multi-purpose context. Consequently, consensus was reached that the objective of a first EN-SAP project – referred to as the Integrated Development of the Eastern Nile (IDEN) Project – will be to “*initiate a regional, integrated, multi-purpose development*

project through a first set of investments which confer tangible, win-win gains and demonstrate joint action between the Eastern Nile countries.” IDEN includes a preparation process that facilitates integration, options analysis based on best practice, and prioritization of sub-projects within an overall regional, integrated framework.

IDEN, the first EN-SAP project, will comprise seven major sub-projects listed below:

- Eastern Nile Planning Model Sub-Project;
- Baro-Akobo Multi-purpose Water Resources Development Sub-Project;
- Flood Preparedness and Early Warning Sub-Project;
- Ethiopia-Sudan Transmission Interconnection Sub-Project;
- Eastern Nile Power Trade Investment Program;
- Irrigation and Drainage Sub-Project; and
- Watershed Management Sub-Project.

Each of the sub-projects will be prepared and implemented in a phased manner, and the sub-projects will be more fully defined during the preparation process. Some sub-project proposals, which can clearly be identified as contributing to an integrated, regional program and are already at advanced stages of preparation, will proceed at an accelerated pace (fast-track) to final stages of appraisal. This will ensure that tangible results are realized early, fostering confidence in the process. Other sub-projects will require extensive preparatory work to ensure and maximize win-win gains in a regional context. It is anticipated that additional activities may be identified during the project preparation process, and prepared for appraisal or fast-tracked as appropriate. An Eastern Nile technical regional office is being established to facilitate the process of cooperative development and assist the Eastern Nile Council of Ministers (ENCOM) and technical team (EN-SAPT) in the joint and coordinated preparation of IDEN.

The Nile Equatorial Lakes Region Subsidiary Action Program (NEL-SAP). The Nile Equatorial Lakes Region (NEL) includes eight Basin countries: the six countries in the southern portion of the Nile Basin – Burundi, DRC, Kenya, Rwanda, Tanzania and Uganda – as well as the downstream riparians Egypt and Sudan. The water resources of the Nile Equatorial Lakes region include one of the world’s great complexes of lakes, wetlands, and rivers. The region’s economies are characterized by rain-fed agriculture, subsistence farming, low industrialization, and poor infrastructure development.

The objectives of NEL-SAP, as defined by the NEL Council of Ministers (NEL-COM), are to contribute to the eradication of poverty, promote economic growth, and reverse environmental degradation. NEL-SAP is expected to be a long-term program, with multiplier effects in broader economic integration as the program shows results on the ground.

Twelve NEL-SAP projects, as listed below, have been identified by the Nile Equatorial Lakes riparians in a consultative manner, targeting investments in agricultural development, fisheries development, water resources management, water hyacinth control, and hydropower development and transmission interconnection. Preparation and implementation of the projects will be through joint project steering committees set up by the participating riparian countries. A

small coordination unit is proposed to facilitate project preparation and implementation. Preparation periods are, in most cases, between one and three years depending on the scale and scope of the project.

These projects are being prepared within three types of programs:

(i) On-the-ground Investment Programs

- Efficient Use in Agriculture
- Power Development and Trade

(ii) Natural Resources Management Programs

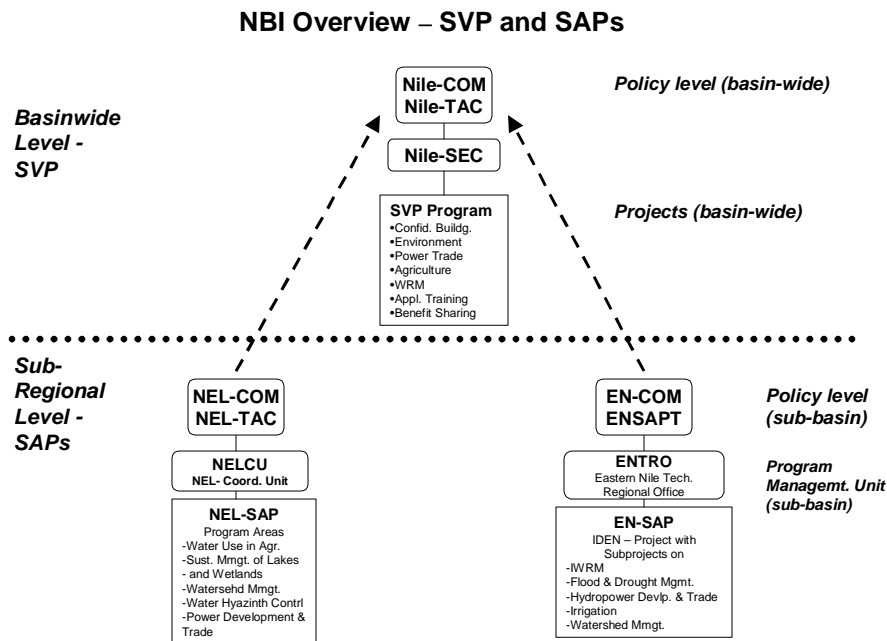
- Lake Albert and Edward Fisheries
- Water Hyacinth Abatement in the Kagera River Basin

(iii) Water Resources Management and Development Program

- Development of a Framework for Cooperative Management in the Mara River Basin
- Kagera River Basin Integrated Water Resources Management Project
- Sio-Malaba-Malakisi Water Resources Management Project

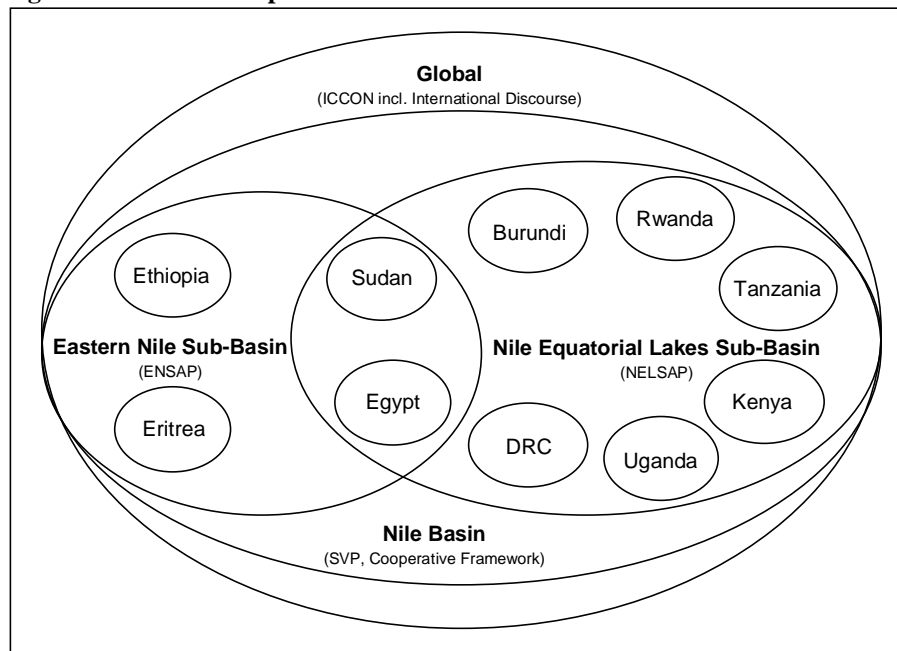
(It should be noted that these projects complement the GEF funded Lake Victoria Environment Development Project (and its successor project the Sustainable Management of the Lake Victoria Basin Program) and will incorporate the DRC, Burundi and Rwanda into the sub-basin environmental management activities, since these countries are not covered by the LVEMP and its successor project).

Figure 2: Nile Basin Initiative – Overview



Riparian Consultative Process. The NBI facilitates riparian dialogue and cooperative action at multiple political and technical levels. The Nile-COM provides the main policy direction for Nile Basin cooperation, including the Strategic Action Program. The Nile-TAC, which coordinates joint activities, is responsible to the Council for preparing and implementing the basin-wide Shared Vision Program. While the Nile-COM and the Nile-TAC have promoted the identification of Subsidiary Action Program projects at the sub-basin level, the responsibility for the Subsidiary Action Programs rests with the involved riparians, within the overall basin-wide framework. Throughout the process, high priority has been – and will continue to be – placed on strengthening the process of consultation in order to build trust and confidence. Figure 3 illustrates how country activities will take place within sub-basin frameworks, which will occur within the broader context of the basin-wide framework. The basin-wide framework also includes an ‘international discourse’ to promote broad based discussion on the sustainable development and management of Nile waters. The international discourse is currently being developed in cooperation between a number of national and regional NGOs of the Nile Region, the World Conservation Union (IUCN), the World Wildlife Fund and the World Bank.

Figure 3. Levels of Cooperation within the Nile Basin Initiative



Supporting an Historic Process

International Consortium for Cooperation on the Nile (ICCON). An International Consortium for Cooperation on the Nile (ICCON) has been established to support the NBI's Strategic Action Program. Its first meeting took place in June 2001. The ICCON is a unique forum, envisioned as a long-term partnership of the riparian states and the international community. The first meeting of the ICCON raised funding for the portfolio of basin-wide Shared Vision Projects and the preparation of projects identified under the Subsidiary Action Programs. The first ICCON meeting also celebrated cooperation and demonstrated international solidarity for cooperative development in the Nile Basin.

Partnerships. Support for the NBI has been characterized by partnership since it began. The initial partners comprised the World Bank, UNDP and CIDA. These initial cooperating partners have played the role of concerned facilitators, assisting the process of dialogue. As the NBI moved into the preparation of the Strategic Action Program, the governments of Denmark, Finland, Germany, Italy, the Netherlands, Norway, Sweden, the United Kingdom, and the United States, together with the United Nations Food and Agriculture Organization (FAO) and the Global Environmental Facility (GEF), have actively supported the Initiative, directly or through World Bank trust funds. With the first ICCON, the circle of partners has widened as the international development community committed further support for implementation of the Shared Vision Program and for preparation of Subsidiary Action Program projects.

Riparian Ownership and Commitment. The Nile Basin countries have invested significant time, effort, and resources in launching and sustaining the NBI. The Initiative provides a transitional institutional mechanism for cooperation, an agreed vision and basin-wide framework, and a process to facilitate substantial investment in the Nile Basin. The Initiative is based on the

recognition that the Basin has a shared past and a shared future, and that there is an urgent need for development and for the alleviation of poverty. It represents deep commitment by the Nile riparian countries to foster cooperation and pursue jointly the sustainable development and management of Nile water resources for the benefit of all. Although various sub-groups of Nile riparians have engaged in cooperative activities over the past thirty years, the Cooperative Framework and the NBI process mark the first time that *all* riparians have joined together in a joint dialogue and a cooperative initiative as equal members. The inclusion of all ten Nile riparians holds the promise of meaningful, comprehensive cooperation in the Basin.⁴

1 Eritrea attended its first Council of Ministers meeting in August 2000. It is participating actively in the Nile Basin Initiative in an observer capacity and has stated its intention to participate fully soon.

2 *Policy Guidelines for the Nile River Basin Strategic Action Program*, The Council of Ministers of Water Affairs of the Nile Basin States, February 1999.

3 Eritrea, which is located in the Eastern Nile region, participated in its first meeting of the Eastern Nile Council of Ministers as an observer in March 2001 and may join EN-SAP in the future.

4 Eritrea is participating actively as an observer in the NBI and has stated its intension to participate fully soon.

Additional Annex 15: Root Causes
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Issue	Symptoms/ Impacts	Immediate Causes	Root Causes	Extent <i>Specific locations are indicated on the country maps attached to this report</i>	Severity
1. Land Degradation					
A. Deforestation	<ul style="list-style-type: none"> Decreasing vegetation/forest cover; loss of density and diversity Deterioration of watershed: high run-off associated with increased erosion leading to loss of fertile soils and sedimentation and siltation downstream Energy crisis associated with price increases due to decreased availability of fuelwood and charcoal Large scale habitat destruction and loss of wildlife in terms of numbers and biodiversity; progressive disappearance of National Parks Variability in local climate and rainfall patterns 	<ul style="list-style-type: none"> Land use conversion due to increasing need for arable land and grazing areas; slash and burn practices for land clearing and shifting cultivation Uncontrolled logging for fuelwood and charcoal production (especially with increased fuelwood prices), construction material and local industry fuel needs Unsustainable and inefficient resource use (e.g. overgrazing, extensive cultivation on steep hillslopes and uncontrolled logging) Lack of local planting/replanting Human migration and resettlement; encroachment into forested areas 	<ul style="list-style-type: none"> Poverty and population pressure leading to pressure on resources; absence of alternative livelihoods and weak capacity to increase unit agricultural production Insufficient energy alternatives to fuelwood Unsustainable land use practices perpetuated through weak policies and laws and failure to enforce laws and regulations; lack of forest protection Insufficient awareness and knowledge of sustainable land use practices and effects of deforestation Land tenure system leading to allocation and use of marginal lands and lack of incentives for sustainable land use practices Large number of refugees and resettlements without basic support Drought and overall arid climate and topography 	Basin-wide Critical areas: <ul style="list-style-type: none"> Burundi: along Ruvubu River and other river basins, along steep slopes of high mountains D.R. Congo: Territories of Beni, Lubero, Rutshuru and Irumu; Virunga National Park Border area between D.R. Congo, Rwanda, Uganda Ethiopian highlands Rwanda: Nyungwe National Forest, Gishwati Forest Sudan: Nile Basin south of Khartoum, Atbara River, Blue Nile Tanzania: Several divisions in Mwanza region; some districts in Kagera region Uganda: Mt. Elgon and Rwenzori areas; SW highlands 	Severe
B. Soil Erosion	<ul style="list-style-type: none"> Loss of top soil and reduction of soil fertility leading to decrease in agricultural production and food security Reduction of vegetative cover and loss of habitats and biodiversity Water quality degradation from high sediment loads, siltation of shallow lakes, wetlands, reservoirs, and low lying lands downstream Degradation of river beds and river bank erosion; desertification and wind erosion (northern arid regions); sheet and rill erosion and gully formation (after heavy rainfall) in highlands Landslides and 	<ul style="list-style-type: none"> Massive continued loss of vegetative cover due to deforestation and loss of other land cover, deterioration of catchment buffer zones Inappropriate agricultural practices leading to decreased soil quality and erosion, such as use of marginal lands, overgrazing and free grazing Lack of soil and water conservation measures and/or abandonment and poor maintenance of anti-erosion works Bush fires and slash and burn practices 	<ul style="list-style-type: none"> Population pressure and poverty leading to unsustainable land use practices Topography (uneven relief, high stream flow velocities) and rainfall patterns (floods, droughts, climate variability) Lack of land use policies and improper land use management; weak extension service on soil conservation and lack of incentives for conservation often connected with prevalent land tenure system High livestock density Lack of awareness of land-water interaction Lack of EIAs or systematic implementation of EIA for infrastructure projects due to lack of financial and human resources 	Regional Critical areas: <ul style="list-style-type: none"> Burundi: Ruvubu River region, steep slopes/hillsides D.R. Congo: Lubero; near Kasenyi (south shore of Lake Albert) Egypt: River bank/river bed erosion north of Aswan dam Ethiopia: Blue Nile and Tekeze area, Baro and Akobo region Kenya: Trans-Nzoia district; Uasin Gishu district; Kakamega/Vihiga districts; Kisii and Migori districts; lakeshore Rwanda: Runyinya, Murama, Bulinga, Nyamutera, Kibali Sudan: Sobat region; along Blue Nile; Atbara region; wind erosion along main Nile (Nile State and Northern State) 	Severe

	flooding leading to destruction of infrastructure (houses, means of communication, communal facilities)			<ul style="list-style-type: none"> Tanzania: Steep hills in Mwanza, Mara, and Kagera region; lakeshores Uganda: Mt. Elgon and Rwenzori and SW mountain areas 	
C. River Bank and Lakeshore Degradation	<ul style="list-style-type: none"> Destruction of vegetative cover especially in riparian and lakeshore buffer zones Erosion, landslides, and downstream sedimentation leading to change in river course Adverse effects on riverine aquatic life and lake ecosystems 	<ul style="list-style-type: none"> Poor land use and agricultural practices such as dry season cultivation near banks and destruction of vegetative cover to increase arable land area; high animal density Drop in water levels and drying up of waterways Increased urban development and construction and industrial activities near river banks; poorly planned tourism centers 	<ul style="list-style-type: none"> Lack of or insufficient national land use plans, laws and regulations, and/or enforcement of existing laws Population pressure and rapid growth of urban centers Expansion of farm lands and inadequate agricultural practices near river banks and shores, including overgrazing Land subsidence; relief and morphological structure of soil Climatic variability and conditions; seasonal floods and intermittent increase of lake levels 	<p>Mostly sub-regional</p> <p>Critical areas:</p> <ul style="list-style-type: none"> Burundi: Lake Cohoha Ethiopia and Sudan: Atbara and Sobat, Blue Nile and tributaries; main Nile (Sudan) Egypt: Nile below Lake Nasser Rwanda: Nyabarongo River Tanzania: estuaries of rivers into Lake Victoria Uganda: Severe in seasonal wetlands near shore of Lake Kyoga 	Moderate to severe
D. Mining Impacts	<ul style="list-style-type: none"> Water and air pollution Soil degradation and erosion of sites and adjacent river banks; deforestation and landslides leading to river siltation Adverse impact on flora and fauna 	<ul style="list-style-type: none"> Use of toxic chemicals and lack of containment and treatment facilities (esp. mercury use in gold mining) Lack of or inadequate site rehabilitation Inadequate mining practices High demand for construction materials and indiscriminate clearing of vegetation 	<ul style="list-style-type: none"> Inadequate policy guidance, lack of or insufficient safeguards (EIA, anti-pollution/ environmental legislation) and enforcement No regulation/ enforcement of private mining entrepreneurs Lack of (government) planning and oversight 	<p>Localized</p> <p>Mining operations in the Basin include gold, coal, copper, diamond, iron ore, phosphate, manganese, tin, wolfram and zinc</p> <p>Critical areas mainly:</p> <ul style="list-style-type: none"> Burundi: Kibira D.R. Congo: Irumu, Mahagi, and Aru regions Rwanda: Bisesero, Rutsiro, Gatumba, Rutongo, Nyakabingo, Nemba, Rwinkwavu, Musha Tanzania: Mara, Mwanza, parts of Shinyanga, and Kagera regions Sudan: Gissan and Kurmuk on Blue Nile and in northern Sudan; north of town of Atbara Uganda: Lake George area (past copper and current cobalt processing) 	<p>Overall low</p> <p>Severe in certain locations</p>
2. Water Quality Degradation					
A. Pollution (point and non-point source)	<ul style="list-style-type: none"> Degradation of water quality, rendering water unsuitable for domestic, agricultural, industrial and other uses Adverse impacts on water-dependent flora and fauna; loss of habitats and biodiversity; nutrient discharges leading to increased eutrophication Pollution of lakes and tributaries, resulting in 	<ul style="list-style-type: none"> Discharge and run-off of untreated water from urban and industrial sources containing dissolved nutrients, industrial pollutants, agricultural chemicals/fertilizers; lack of recycling of waste matter; uncontrolled dumping of waste Non-point source pollution from agriculture due to improper and high 	<ul style="list-style-type: none"> Weak policies, laws and regulations for environmental protection (e.g. EIA); insufficient enforcement and monitoring especially in respect to industrial facilities; low budgetary provision for enforcement of existing regulations; lack of sufficient human resources Point sources: Inadequate funding of investments; high capital costs; high operation and maintenance costs; inadequate containment and treatment of wastes and lack of 	<p>Basin-wide</p> <p>Critical areas:</p> <ul style="list-style-type: none"> Point source pollution: localized around urban centers, such as Kampala, Khartoum, Cairo and other urban centers in Egypt Non-point sources: regional problem mostly from agricultural sources. Hotspots include large irrigation schemes in Sudan and Egypt, and 	Moderate

	contamination of drinking water <ul style="list-style-type: none"> • Lack of adequate liquid and solid waste disposal systems and accumulation of refuse • Decrease in environmental quality, disappearance of natural habitats and proliferation of water hyacinth 	application rates of agro-chemicals <ul style="list-style-type: none"> • Degradation of vegetative cover especially riparian buffer zones and wetlands in Basin which could act as filters 	sanitary facilities <ul style="list-style-type: none"> • <i>Non-point sources:</i> Unsustainable land use practices in combination with lack of security of land tenure • Inadequate zoning regulations and/or enforcement; inadequate environmental and land use planning • Low environmental awareness and sense of value of environmental protection 	nutrient pollution from agricultural areas around Lake Victoria and its tributaries	
B. Sanitation Concerns – Water borne Diseases and Environmental Health	<ul style="list-style-type: none"> • Pollution of drinking water sources (ground and surface water) and high dissolved nutrient loads resulting in increasing eutrophication and spread of infectious diseases (diarrhea, malaria, bilharzia, dysentery, intestinal worms) • Risks to public health due to poor sanitation conditions, especially during rainy season and floods • Increased absence from work due to sickness; increase in malnutrition and death rates especially among vulnerable groups such as small children, the displaced and the elderly 	<ul style="list-style-type: none"> • Lack of water supply systems and/or other reliable drinking water source; drinking water contamination with fecal matter leading to spread of pathogens • Lack of or insufficient sewerage or alternative sanitation systems; leaks and insufficient maintenance of existing facilities; lack of urban stormwater sewers and solid waste disposal facilities • Insufficient sanitation and hygiene training in conjunction with widespread poor sanitary conditions • Increased breeding ground for mosquitoes in water weed infested areas and irrigation canals 	<ul style="list-style-type: none"> • Lack of environmental regulations and laws, monitoring and enforcement and general waste management strategies • Rapid growth of urban centers and lack of financial resource base to build needed water supply and sanitation infrastructure, combined with lack of planning for urban expansion and required infrastructure • High capital costs for investments; high operation and maintenance costs • Previous low priority given to sanitation by government agencies; lack of awareness of connection between sanitation and safe drinking water; need for better hygiene education • Poverty and poor health condition of large parts of the population 	Basin-wide – localized Critical areas: <ul style="list-style-type: none"> • All large urban centers, such as Kampala, Khartoum, Cairo and urban centers in Nile delta • Rural villages (local threats) 	Severe
C. Eutrophication	<ul style="list-style-type: none"> • Algal blooms and increasing invasion by water weeds • Decreased water quality • Change/reduction in fish stock 	<ul style="list-style-type: none"> • Discharge of nutrients from domestic and industrial wastewater sources and agricultural run-off • Degradation of catchment area, especially wetlands 	<ul style="list-style-type: none"> • Inadequate environmental provisions in planning of industrial and urban centers • Land degradation • Over-use of agro-chemicals • Poor land use and farming practices 	Regional, sub-basin Critical areas: <ul style="list-style-type: none"> • Lake Victoria region, including Kagera basin (lakes and river), • Urban areas in delta area in Egypt 	Moderate
D. Water Weed Infestation	<ul style="list-style-type: none"> • Continuing spread of weeds and infestation of lakes and rivers, eutrophication • Interference with ecology and economy, e.g. mats on water surface impair navigation and fishing activities and lead to decrease in fish yields as well as to eutrophication • Decrease in diversity of certain fish species • Increase in occurrence of water borne diseases; increased water evaporation 	<ul style="list-style-type: none"> • High dissolved nutrient levels from pollutant discharge from industrial and domestic sources and agricultural run-off due to poor land use practices and lack of water treatment • Inadequate response mechanisms 	<ul style="list-style-type: none"> • Introduction of hyacinth; insufficient preventive measures against introduction of foreign species in general • Lack of capacity in water resources and environment departments in some countries resulting in insufficient enforcement of environmental regulations • Delay in mobilizing funds and creating national/regional programs to combat infestation 	Regional Critical areas: <ul style="list-style-type: none"> • Burundi: Ruvubu River, Lake Cyohoha and Rwihinda • D.R. Congo: Lake Albert (severe), Lake Edward (moderate) • Kenya: Winam Gulf (Lake Victoria) • Rwanda/Tanzania/ Burundi: Kagera River • Rwanda: Lake Cyohoha, Lake Rwero, Nyabarongo River, entire stretch of Kagera • Sudan: White Nile south of Jebel Aulia dam • Tanzania: Southern shore of Lake Victoria, 	Severe in certain areas

				<p>especially in bays of Mara and Mwanza regions</p> <ul style="list-style-type: none"> Uganda: Lake Victoria, Lake Kyoga and Victoria Nile 	
E. Siltation	<ul style="list-style-type: none"> Decreased life span of dams and reservoirs as well as siltation of flooded fields, plains and irrigation canals; additional threat often associated with toxic pollutants adsorbed in silt particles Siltation leading to decrease of wetlands and reduction of beneficial functions and uses Heavy silt loads in water bodies; sedimentation leading to formation of sand bars, changes in river course and river bank erosion 	<ul style="list-style-type: none"> Climatic conditions and topographic features upstream (heavy rains and steep slopes) as well as land practices resulting in catchment degradation and soil erosion (such as encroachment for agricultural purposes) 	<ul style="list-style-type: none"> Inappropriate land management practices and lack of soil conservation practices often perpetuated by specific land tenure systems; deterioration in catchment through deforestation (see above) Lack of stringent enforcement of environmental regulations and policies Lack of awareness of link between land based activities and water pollution 	<p>Basin-wide – localized</p> <p>Critical areas:</p> <ul style="list-style-type: none"> Burundi: Shallow lakes in the NE Egypt: Aswan Dam reservoir Ethiopia: Finchaa, Tekeze Kenya: Lower reaches of Yara, Nzoia, Kuja, Sondu-Miriu, Nyando Sudan: Roseires, Sennar, Khasm el Girba reservoirs; Gezira, Rahad and new Halfa irrigation schemes; main Nile Tanzania: Mara River, Simiyu River, Shinyanga and Mwanza regions Uganda: Nile River system especially Kioga 	Moderate to severe (varies by location)
3. Disaster Preparedness and Remediation					
A. Floods and Droughts	<p><i>Floods:</i></p> <ul style="list-style-type: none"> Direct impacts include loss of life and property (crops/ livestock and arable land, housing, infrastructure); other results are food insecurity (availability and increased prices), loss to economy and environmental impacts <p><i>Droughts:</i></p> <ul style="list-style-type: none"> Direct impacts are food insecurity, famine and human migration; long-term impacts include change in water availability (e.g. permanently dried springs, perennial rivers becoming seasonal) <p><i>Floods/droughts:</i></p> <ul style="list-style-type: none"> Dislocation of people and problems associated with high number of disaster victims, such as food insecurity and high incidence of waterborne diseases 	<p><i>Floods:</i></p> <ul style="list-style-type: none"> Heavy rainfalls in conjunction with specific natural terrain features, increased by certain land use practices; lack of planning of urban settlements to prevent settlement in flood prone areas, aggravated by population pressure and lack of land ownership <p><i>Droughts:</i></p> <ul style="list-style-type: none"> Long/prolonged dry season resulting in water shortage, aggravated by improper management of land and water resources (e.g. deforestation, overgrazing) leading to decreases in vegetative cover, water retention capacity and groundwater recharge; and increased desertification <p><i>Floods/droughts:</i></p> <ul style="list-style-type: none"> Poorly equipped meteorological services and lack of efficient and reliable early warning systems contributing to lack of disaster preparedness 	<p><i>Floods:</i></p> <ul style="list-style-type: none"> Irregular and large seasonal and year to year variability in rainfall patterns increased by climatic changes; mismanagement of land and water resources leading to soil erosion and increased run-off <p><i>Droughts:</i></p> <ul style="list-style-type: none"> Climatic zone/ geography; effects from El Niño 	<p>Regional</p> <p>Most critical areas:</p> <p><i>Floods:</i></p> <ul style="list-style-type: none"> Blue Nile and Atbara from Ethiopian highlands to Lake Nasser Flash floods in wadis in dry areas (e.g. between Aswan and Cairo) Floods from recent rise in Lake Victoria lake levels Gambella plain in Ethiopia, lower river reaches in Kenya (Nzoia and Nyando River) <p><i>Droughts:</i></p> <ul style="list-style-type: none"> Severe drought prone areas north of 8th parallel Localized droughts in all Nile countries 	Severe
B.	<ul style="list-style-type: none"> Pressure on and 	<ul style="list-style-type: none"> Sudden, large-scale 	<ul style="list-style-type: none"> Political instability, armed 		

Refugees and Displaced People	<p>destruction of surrounding ecosystems, for fuel or agriculture; threat to wildlife habitats and pressure on drinking water resources</p> <ul style="list-style-type: none"> • Spread of disease in camps, especially waterborne, contributing to poor health, malnutrition and death • Migration of large numbers of people to refugee camps and establishment of new, unplanned settlements leading to conflict with existing population 	<p>refugee influxes overwhelming local capacity to provide protection, shelter and food</p> <ul style="list-style-type: none"> • Inadequate basic subsistence resources such as fuelwood and water; inadequate waste containment and treatment facilities 	<p>conflicts, governance problems and social unrest</p> <ul style="list-style-type: none"> • Natural catastrophes such as famine 	<p>Localized</p> <p>Main areas of current settlements of refugees and displaced people:</p> <ul style="list-style-type: none"> • Burundi: Rivubu River region • Ethiopia: Sudan /Ethiopia cross-border area near Dinder (=Alatish valley), Gambella region, Ben-Shangul-Gumuz region, Baro/Akobo area, Dobus swamp area, SW part of country • Rwanda: south of country near Burundi border • Sudan/Uganda border area and Sudan/ Uganda/D.R. Congo area • Sudan: Refugees in eastern Sudan, Kassala and Gedarf States; displaced people along selected areas of Nile • Tanzania: SW lakeshores, Muleba Ngara and Karagwe districts of Kagera region 	Moderate overall
C. Uncertain Impacts of Climate Change	<ul style="list-style-type: none"> • Increase in severe floods and droughts • Potential negative impacts may include: <p><i>Ecosystems:</i></p> <p>Changes in species distribution and composition; changes in migration patterns; wildlife habitat deterioration</p> <p><i>Food security, agriculture and land-use:</i></p> <p>Decreasing food security; land degradation, e.g. through landslides and change in forest and rangeland cover; desertification</p> <p><i>Water resources:</i></p> <p>Change in local water availability; deteriorating water quality</p> <p><i>Health and settlements:</i></p> <p>Increase in waterborne diseases; possible increase in urbanization</p> <p><i>Economy:</i></p> <p>Vulnerability of</p>	<ul style="list-style-type: none"> • Changes in temperature, precipitation and wet and dry cycles • Changes in weather and rainfall patterns • Impacts and vulnerability due to floods and droughts • Population pressure on limited resources 	<ul style="list-style-type: none"> • Global phenomenon related to anthropogenic activities leading to increased emission of greenhouse gases 	Basin-wide	Low to moderate

	mostly agrarian based economies in Sub-Saharan Africa to climate change related impacts				
D. Navigation Risks, Aids, and Mapping (oil spills, boat discharges)	<ul style="list-style-type: none"> Routine accidents (collisions, groundings, wreckage) and associated pollution risks Navigation risks <p><i>Oil discharge:</i></p> <ul style="list-style-type: none"> Contamination of surface and groundwater, river banks and lakeshores Adverse impact on natural habitats and biodiversity and species loss 	<ul style="list-style-type: none"> Poorly separated traffic and inaccurate navigation charts Limited navigational devices and aids and lack of technology Old and poorly constructed ships and additional overloading as well as non-qualified boat owners <p><i>Oil discharge:</i></p> <ul style="list-style-type: none"> Discharge from tankers (cleaning of tanks) and bilge and ballast water as well as increasing incidences of oil spills through accidents of tankers (ships) Discharge of petroleum products from industrial sectors and leaking storage tanks 	<ul style="list-style-type: none"> Complex navigational hazards (e.g. hidden channels) combined with lack of mapping and insufficient maintenance of waterways (e.g. no regular dredging) No emergency response system; lack of government control <p><i>Oil discharge:</i></p> <ul style="list-style-type: none"> Lack of technology for preventive and remediation measures; high cost of water treatment; lack of reception and treatment facilities at ports Industrialization of coasts and river banks combined with lack of EIA and inadequate control and enforcement of environmental regulations Lack of oil spill emergency plans and measures 	Subregional	Low overall
4. Loss of Biodiversity, Habitat and Wetlands					
A. Loss and Destruction of Valuable Species, Special Ecosystems and Habitats	<p><i>Species loss and decline of ecosystems and unique habitats:</i></p> <ul style="list-style-type: none"> Disappearance of unique animal and plant species, especially endemic ones; decline of species diversity Decrease in numbers of large mammals with negative impact on tourism and associated decrease in revenue Decrease in forest cover constituting decrease in food, fuel, timber and shelter <p><i>Loss of agrodiversity:</i></p> <ul style="list-style-type: none"> Loss of genetic base (cattle breeds, crops, vegetables/ fruits); loss of benefits from local variety qualities (tolerance, productivity, resilience); dependency on exotic seeds and breeds/ imported varieties 	<p><i>Species loss and decline of ecosystems and unique habitats:</i></p> <ul style="list-style-type: none"> Poaching and illegal trade in valuable species as well as intensive and unsustainable resource use and land management, such as deforestation, wetlands conversion, expansion of agriculture (crops and livestock farming, overfishing, uncontrolled burning and forest fires) Lack of alternative income sources especially in areas of resettlement <p><i>Loss of agrodiversity:</i></p> <ul style="list-style-type: none"> Expansion of hybrid/ high yielding crop and livestock varieties leading to decrease of genetic diversity of domestic species Introduction of exotic species (not only restricted to agricultural species) 	<ul style="list-style-type: none"> Population pressure and poverty combined with high reliance on primary natural resources and income from agriculture Low financial and staff capacity in management of protected areas and associated lack of control and monitoring; poor enforcement of laws protecting gazetted forests and game sanctuaries; lack of financial resources for development and implementation of effective and relevant programs Weak agricultural extension services Lack of awareness of biodiversity concerns and benefits from conservation Lack of regulations to prevent introduction of exotic species Inadequate and unregulated land use practices; insufficient integrated programs for people living in protected areas 	<p>Basin-wide</p> <p>Areas are related to specific issues of species loss*: <i>Species and ecosystems/ unique habitat loss:</i></p> <ul style="list-style-type: none"> Wetlands Forest areas Specific protected areas <p><i>Agrodiversity:</i></p> <ul style="list-style-type: none"> Intense primary agricultural areas <p><i>* For specific locations please refer to maps attached to this report</i></p>	Severe
B. Wetland Degradation	<ul style="list-style-type: none"> Decrease and degradation of wetland areas (reclamation, siltation, flood) 	<ul style="list-style-type: none"> Reclamation of wetlands to expand agricultural production Deforestation, erosion 	<ul style="list-style-type: none"> Lack of wetland protection and management regulations and measures and/or lack of implementation 	<p>Basin-wide</p> <p>Important and/or degraded wetlands:</p>	Severe in most countries

	<p>damage; water weed infestation)</p> <ul style="list-style-type: none"> • Decreased benefits from functioning wetlands, e.g. less groundwater recharge, decreased buffering of floods, loss of filter function to absorb and degrade pollutants and associated decrease in water quality; decreasing ability to act as sediment trap; destruction of habitats and loss of biodiversity 	<ul style="list-style-type: none"> • and sedimentation • Overuse of natural resources (overfishing/ hunting/ overgrazing, farming practices) • Pollution from industrial, agricultural and domestic sources 	<ul style="list-style-type: none"> • Poverty and population pressure; shortage of land; inadequate land use policies • Lack of awareness of wetlands function and value 	<ul style="list-style-type: none"> • Burundi: Ruvubu, Kanyaru valley and around Lake Rwihinda, Nyamuswaga wetland • D.R. Congo: SW lakeshore of Lake Edward • Egypt: Lake Nasser area, Nile delta (shores of Lake Mariut, Burullus and Manzala); Qarun and Rayan • Ethiopia: Gambella flood plain (Baro and Akobo River), Lake Tana, Finchaa area, Dobus Swamp/Alatish River • Kenya: Winam Gulf/ Kisumu, estuary of Nzoia River, Yara swamp • Rwanda: Upstream of Risumu Falls, lakes south of Kagera National Park (Lakes Rwehikama, Ihema, Hago, and Rwanyakizinga), Lake Cyohoha and entire Lake Bugesera area, Lake Rweru, Lake Mugesera • Sudan: Sudd, Machar Marshes, Dinder wetlands • Tanzania: Simiyu river, Lake Victoria shores, banks of Kagera River/swamps • Uganda: shores of Lake Victoria, Kyoga, Lakes Edward, George and Albert 	
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Additional Annex 16: Letters of Endorsement
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Letters of Endorsement for the Project from Burundi, D.R.Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda are available in the project files and in the print version of the Project Appraisal Document prepared for Board presentation.

Additional Annex 17: STAP Roster Technical Review
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

GEF Scientific & Technical Advisory Panel (STAP)
STAP Technical Review

STAP Reviewer:

Dr. Jan O. Lunqvist

Professor, Department of Water and Environmental Studies
Linköping University, Sweden

Nile Transboundary Environmental Action. Draft GEF Project Brief (GEF-PB)

1. Overall Impression

I am quite impressed by the level of commitment among the riparians. I am also enthused by the systematic and coordinated approach to tackle significant development and environmental challenges that people in the Nile Basin face. Apart from the impressions conveyed by the GEF-PB report and also the Transboundary Environmental Analysis (TEA), I have had the opportunity to meet colleagues who have been involved in the Nile Basin Initiative (NBI). Their description of the NBI concurs with the tone in the GEF-PB and TEA. Actually, I have heard no arguments which contradict this overall impression. Needless to say, it is a huge project and risks have been identified (p. 25-27).

2. Relevance & Priority

This project is a core component of the NBI and the Shared Vision Program. Human livelihoods, mutual trust and the stability in this part of the world hinge on the possibilities to effectively deal with negative environmental trends. If not abated and reversed, these trends represent mounting threats especially to those who live off and on (marginal) lands and whose livelihood is directly linked to environmental goods and services. To abate and reverse the negative trends, the pertinent question is not so much who is affected but: *what are the root causes behind the trends and what measures are likely to be effective to foster sustainable development?* In TEA, it is argued that poverty tends to be seen as the general cause for environmental degradation while the production and consumption of the non-poor account for most environmental impacts (p. 26 ff.). In Annex 1 (pp 89 – 96 of GEF-PB) various root causes are listed; poverty is mentioned but production and consumption aspects are missing. Irrespective of the relative significance of the root causes, it is essential that both poverty and production and consumption issues are addressed. It seems that performance benchmarks (p. 32-33) could be shaped so that project progress is assessed in this regard. This is also motivated by the repeated argument that poverty alleviation is a major objective of the NBI.

The GEF-PB is one out of seven basin-wide projects. I have not read documents elaborating on the other six projects. Judging from the titles of the other six projects and the overall NBI, it is clear that the Environmental Action Program supplements the other projects and *vice versa*; the

success of the GEF-PB depends on how well it is co-ordinated with other projects.

3. Approach

By and large, the approach seems appropriate. It builds on cooperative activities in the region during the last couple of decades. Obviously, considerable effort has been devoted to make it a transparent and participatory process. An active involvement of representatives from political, scientific and other groups in ten riparian countries in the preparation of the GEF-PB, is the best guarantee for promoting confidence and creating a sense of ownership and commitment in the region. It is, however, not clear from the report how far down in the society that ownership extends. Involvement and commitment of civil society is usually tricky but decisive for the outcome. It is reassuring that the entire project has explicitly emphasized an extensive participation by a wide range of stakeholders (p. 28; Annex F). The setting up of a Microgrant Fund which is supposed to target communities and smaller NGOs is a very relevant component in this connection.

Institutional Strengthening is a key component in the project and it is also the component which has been allocated the largest share of the budget. The four issues (pp. v and 16-19) which together make up this component are all relevant. But from the text, it is not possible to see if all relevant institutional issues are addressed. One important issue concerns title to land. Similarly, the institutional and legal frameworks regulating water rights (and responsibilities) are critical in this connection. Both in GEF-PB and TEA, there is a concern about the negative effects of unclear tenure situations and the failure to enforce laws and regulations.

4. Objectives

The objectives are valid and focused. It is satisfactory to see that considerable thought has been given to integrate the various projects so that the NBI can be a coherent undertaking.

5. Background and justification

From what I have read and heard, the project fits with national priorities and commitments. The background information, as presented in the report, is relevant. I would have liked to see more information about land tenure, formal and traditional water rights (and responsibilities) and to what extent existing (national) environmental policies have worked. Similarly, subsidies on agro-chemicals, pricing of water and regulation of resource utilisation in general are important for an understanding of the dynamics of resource utilisation and environmental trends. Many of these aspects are of a national concern rather than transboundary issues. Maybe that's why they are not elaborated upon in this report.

6. Government Commitment and Sustainability

I see no reason to doubt the commitment of Governments in the basin. Mechanisms have been established in the region, and mandates have been identified, which will make it possible to co-ordinate national efforts. The GEF-PB gives a clear overview of how regional mechanisms are

created. Grassroots actions are described in more general terms, for instance, in terms of demonstration projects, activities at schools, etc. But as mentioned, there is a noticeable commitment in the project to mobilise and support grassroots activities.

7. Activities

Activities are organised to promote more effective basin-wide co-operation in five main areas. During the first phase, two areas are in focus: institutional strengthening (component 1) and water quality monitoring (component 5). It is quite logical to start with these two areas. Once the benchmarks have been achieved, the second phase will be launched, consisting of three areas: Community level land, forest and water conservation, Environmental education and awareness, and Wetlands and biodiversity conservation.

Water quality monitoring should be linked to a project/program, which has the task to identify the sources and the pathways of the polluting substances. To be effective, water quality management must focus on the source of pollution or treatment before environmental damage occurs. As indicated in the GEF-BP and TEA, there are a number of activities and sources behind the pollution and the ensuing water quality degradation. In addition to pollution and sediment load from rural based activities, it is likely that urban and industrial development and also consumption patterns will play an increasing role. On page 25 it is mentioned that: "It is expected that SAPs will design follow-on investment programs addressing specific water quality interventions in the future". This is a kind of activity which is valid in the ambition to deal with root causes.

8. Project funding

I find it difficult to have any clear opinion about this. I note that this project will promote and support the commencement of activities for many years to come and that the total budget for all these activities is expected to be several billion US dollars (p. 47). I also note that the indicative cost of GEF PB is US\$39 million and that the request to GEF is for US\$26.65 million (out of the 39). Some cost estimates are still not available (p. 40).

9. Replicability

There are 261 trans-boundary (international) river systems in the world. For many of these, some kind of agreement for collaboration exists, but in most cases, the institutional set-up is weak and the national political commitment is not as strong as could have been desired. As far as I know, bi-lateral collaboration is rather common but multi-lateral co-operation is less apparent. Experiences from the NBI and especially the explicit concern for the linkages between environmental issues and development aspirations, could be used in other basins. Every basin is unique - in several aspects - but the principles and the approaches to overcome barriers are of universal interest.

10. Time Frame

The first phase runs over three years. It consists of the full implementation of two components (point 7 above). At the end of year 3, an assessment of the achievements will be made against an agreed list of benchmarks. Depending upon the outcome of this evaluation, the intention is to submit a new proposal for project funding. – The time-table and procedure is reasonable.

11. Global Environmental Benefits and Goals of the GEF

Yes, this project does definitely address issues, which qualify for GEF support. I do not foresee any negative environmental effects. The opposite is probable.

12. Rationale for GEF support

With reference to what has been discussed above, the project fits quite well within the overall strategic thrust of the GEF-funded International Waters project activities and the GEF Operational Strategy. The answers to the four bullets raised under this point are affirmative.

13. Secondary Issues to be Addressed

The project has linkages to the biodiversity convention and there are a number of sites in the Basin which are declared Ramsar sites. Stakeholder involvement has been discussed above. The innovative character of the project is perhaps primarily related to the fact that the ideas that have been a recurrent feature in discussions about sustainability have been translated into a coherent program, which has been widely accepted. Quite an achievement!

One aspect, which is quite innovative but which unfortunately is not elaborated in the report, concerns the essential idea: “sharing benefits not sharing water” (p. 34). Translating this idea into policy is probably quite challenging. But for countries where competition for limited and vulnerable water resources is more and more stiff, this idea is quite valid. -- The proposal to establish micro-credits is not new, but it is very promising tool to reach the “grassroots”.

14. Additional comments

It is a constructive and systematic project, which I do hope will progress as anticipated.

Linköping, September 6, 2001

Additional Annex 18: Response to STAP (and IA comments as appropriate)
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

The project preparation team is pleased with the STAP reviewer's strong endorsement of the project. It is anticipated that the reviewer will remain involved in an advisory capacity during the implementation phase of the project. The observations and comments provided in the review are of very great relevance to the project.

- **Addressing production and consumption aspects of environmental degradation.**
Production and consumption aspects are highlighted in the Agenda for Environmental Action identified in the GEF funded TEA. The present project will address a priority subset of actions of the Agenda. Production/consumption issues are addressed in the context of the 'water quality' component, as well as the 'land and water' and 'wetlands' components.
- **Land tenure, effectiveness of national environmental policies and effect of subsidies.**
This is a key issue and will to a certain extent be addressed through the 'macro/sectoral policies and the environment' (component 1). However, as also noted by the reviewer, aspects on land tenure and related policy matters are best addressed at the national level rather than in a transboundary context

Additional note: Under points 7 and 10 of the STAP review, the reviewer outlines the components included under phase 1 and 2 of the project. This is a slight misunderstanding, since Phase 1 will include components 1, 2, 3, and 5, while Phase 2 will include 1, 2, 3 and 4. This is clarified in the Project Brief under the sub-heading: "A Program Approach".

Additional Annex 19: Integrated Safeguards Data Sheet
NILE BASIN INITIATIVE: Nile Transboundary Environmental Action Project

Integrated Safeguards Data Sheet	
Section I – Basic Information	
Date ISDS Prepared/Updated: March 2002	
A. Basic Project Data (from PDS)	
COUNTRY: Burundi, Congo, Egypt, Ethiopia, Eritrea, Kenya, Rwanda, Sudan, Tanzania, Uganda	
PROJECT ID: P070073	
PROJECT: Nile Transboundary Environmental Action	TTL: Inger Andersen
APPRAISAL DATE: May 2002	GEF AMOUNT (\$m): 26.5
BOARD DATE: June 2002	TOTAL AMOUNT (\$m): 39.3
MANAGING UNIT: AFTU1	SECTOR: Environment, Water
LENDING INSTRUMENTS: GEF Grant IW Portfolio / O.P. 9	STATUS: PAD
<p>Project Objectives</p> <p>The objective of this project is to provide a strategic environmental framework for the environmentally sustainable development of the Nile River Basin, to improve the understanding of the relationship between water resources development and environmental conservation in the Basin, and to provide a forum to discuss development paths for the Nile with a wide range of stakeholders. Focusing on transboundary issues provides the riparian countries with a major opportunity to make significant progress towards their economic and environmental goals in ways that have proved difficult to achieve independently.</p> <p>This project will strengthen riparian cooperation and coordination by supporting a series of measures focusing on various aspects of transboundary environmental management. Project activities include capacity building, training, education and awareness raising, knowledge and information sharing, development of a decision support system, communications, environmental monitoring and microgrant activities undertaken at community levels. Diverse stakeholder groups will be encouraged to work together, both within their own countries and with counterparts in other riparian countries, to help build the mutual understanding, relationships and trust that are essential to joint problem-solving.</p>	
<p>Project Description</p> <p>The Nile countries recognize that future development of the Basin must be environmentally sustainable. Identifying the environment and development synergies, and thus the sustainable development opportunities in the Basin, has therefore emerged as a major priority. A Transboundary Environmental Analysis (TEA) has been carried out by the Nile riparians with funding from GEF PDF resources and with support from UNDP and the World Bank. The TEA report constitutes a collective synthesis of basin-wide environmental trends, threats and priorities. The TEA also identifies the elements of an Agenda for Environmental Action in the Nile Basin, to be implemented over the next decade or more under the NBI's Strategic Action Program in coordination with other development activities.</p> <p>The project will take a programmatic approach and will implement a first set of priority actions identified through the <i>Agenda for Environmental Action</i> in the TEA. It will encourage more effective basin-wide stakeholder cooperation on transboundary environmental issues by supporting priority actions through the following project components, which will be funded through World Bank and UNDP resources respectively:</p>	
<p>1. Institutional Strengthening to Facilitate Regional Cooperation (Phases 1 & 2)</p> <p>1.1 Regional capacity building for transboundary environmental management (UNDP)</p> <p>1.2 Knowledge management (World Bank)</p> <p>1.3 Decision Support System - River Basin Model (World Bank)</p> <p>1.4 Macro/sectoral policies and the environment (World Bank)</p> <p>2. Land, Forest and Water Conservation (Phases 1 & 2) (UNDP & World Bank)</p>	

3. Environmental Education and Awareness (Phases 1 & 2)	(UNDP)
4. Wetlands and Biodiversity Conservation (Phase 2)	(UNDP & World Bank)
5. Water Quality Monitoring Basin-wide (Phase 1)	(World Bank)

The World Bank supported areas are highlighted above. The key elements of these components are:

Component 1 - Institutional Strengthening to Facilitate Regional Cooperation

Sub-Component 1.2 - Knowledge management (GEF/WB). This component will provide key project participants and other stakeholders with improved access to relevant environmental and resource management information as well as enhanced abilities to communicate with one another. Project activities will facilitate the establishment of basin-wide environmental communication email/internet, establish and maintain an electronic environmental knowledge base and repository for resources and documents and publish an environmental SVP electronic newsletter and establish a website.

Sub-Component 1.3 - Decision Support System(DSS) and River Basin Modeling¹ (GEF/WB). This component will afford a substantial learning process and support improved decision making by developing a basin-wide decision support system (DSS), including a River Basin Model. This first participatory, basin-wide development effort of the River Basin Model aims at a simplified representation of the Basin's hydrology and river system behavior based on available data. The model will allow assessments of potential future impacts of collaborative projects that may have transboundary implications, and will provide quantitative river flow information to support more detailed environmental assessments.

Sub-Component 1.4 - Macro and Sectoral Policies and the Environment (GEF/WB). This component will encourage strengthening of national policies that affect environmental conservation, as a component of sustainable economic development and as a key step towards a more informed environmental policy debate. Project activities will support a regional/transboundary study of the national and international policies determining the patterns of economic development and environmental change in at least three of the riparian states (in coordination with the SVP Benefit-sharing/Integration project).

Component 2 – Community Level Land, Forest, and Water Conservation. This component includes regional institutional strengthening and support to national NGO networks (Sub-Component 2.1 – GEF/UNDP); and rapid soil erosion studies that build on the basin-wide transboundary environmental analysis (Sub-Component 2.2 – GEF/UNDP). These activities will complement the community-level actions to be financed by a Nile Transboundary Microgrant Program (Sub-Component 2.3 - GEF/UNDP; NBTF/WB Canadian CIDA contribution – Phases 1 & 2). The community-based microgrants (not exceeding \$25,000 per grant) will support pilot activities at selected transboundary sites to demonstrate the feasibility of local-level approaches to land and water conservation, including mitigation actions for soil erosion, desertification, non-point source pollution and invasive water weeds.

Component 4 - Wetlands and Biodiversity Conservation (GEF/UNDP and NBTF/WB – Phase 2). This component will improve the understanding and awareness of the role of wetlands in supporting sustainable development and improve management at three transboundary wetlands and cross-border protected areas to be selected in Phase 2 of the project. The project component will build on the significant number of nationally-focused wetland conservation and management initiatives in the Nile Basin. Networks based on existing centers of knowledge and experience will be established. The project will help provide a transboundary overlay and set of perspectives to complement national conservation activities.

Component 5 – Water Quality Monitoring (GEF/WB). This component will make an important contribution to improving water quality monitoring across the Nile Basin. Capacities for water quality vary widely in the Basin and this component will help upgrade the skills and capacities of key stakeholders. One essential outcome will be the establishment of standard analytical methods and improved capacities to monitor a limited number of key water quality parameters using uniform analytical methods across the Basin. Additionally, cost recovery options for water quality monitoring and possibilities of creating incentives for pollution prevention will be better understood. Improved water quality information will enable better decision making by governments and other resource users, particularly with respect to transboundary environmental

management. A limited basin-wide water quality monitoring program at selected environmental hotspots of transboundary significance will be initiated.			
Project Location: (Geographic location, information about the key environmental and social characteristics of the area and population likely to be affected, and proximity to any protected areas, or sites or critical natural habitats, or any other culturally or socially sensitive areas.) The proposed project involves all the Nile Basin riparian countries (Burundi, Congo, Egypt, Ethiopia, Eritrea, Kenya, Rwanda, Sudan, Tanzania, Uganda). Maps outlining the Nile Basin area, areas of critical environmental threats as well as critical habitats have been prepared and are appended to the GEF brief as well as the Transboundary Environmental Analysis report. The maps will be appended to the PAD.			
B. Check Environmental Classification A <input type="checkbox"/> , B <input type="checkbox"/> , C <input checked="" type="checkbox"/> , FI <input type="checkbox"/> , TBD <input type="checkbox"/>			
<i>Comments:</i> The project enhances transboundary cooperation and environmental quality. Training, networking, improving the management of ecologically sensitive areas and information management are among the major activities of the project. The World Bank funded components will strengthen environmental capacities and awareness through (i) enhanced information exchange, NGO networking and community level capacity building, (ii) better understanding and broader awareness of the role of wetlands in supporting sustainable development, and (iii) common analytical methods and transboundary information exchange for water quality monitoring. Resources will be made available through a Microgrant Fund for community actions (grants < \$20-25,000) for improved local land management, water weed control, soil conservation, and land and water degradation control. The activities will be implemented at community and village levels. Screening for environmental and social aspects will be part of the grant application process.			
C. Applicability of Safeguard Policies (from PDS) Click on Policy name for brief summary of objectives, triggers and requirements Click on Policy reference number for full policy			
	Yes	No	TBD
Environmental Assessment (OP/BP/GP 4.01)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forestry (OP/GP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Involuntary Resettlement (OD 4.30)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OD 4.20)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cultural Property (OPN 11.03)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Projects in Disputed Territories (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Projects in International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

** By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

Section II – Key Safeguard Issues and Their Management

D. Summary of Key Safeguard Issues. Please fill in all relevant questions. If information is not available, describe steps to be taken to obtain necessary data.

1. Describe any safeguard issues and impacts associated with the proposed project

There are no anticipated safeguard issues associated with the project.

2. Identify and describe any potential large scale, significant and/or irreversible impacts. Describe any potential cumulative or long term impacts.

N/R

3. In light of 1 and 2, describe the proposed treatment of alternatives (if required)

N/R

4. Describe arrangement for the borrower to address safeguard issues

The Nile Basin countries are committed to demonstrate excellence in implementing cooperative projects. Intensive EA training has taken place in most of the Basin countries and enhancing capacity on all aspects of project cycle management, including EA, in a transboundary context is additionally addressed within a major component of another basin-wide project, the Water Resources Planning and Management Project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The project PAD including the ISDS will be made available through the World Bank Info Shop, will be available from the Nile Basin Secretariat and through each National Shared Vision Program office which will be coordinating activities of all Nile Basin Initiative basin-wide projects on the National level. The GEF project brief has been posted on the website of the GEF Secretariat. All key documentation will be available in English and French, the two agreed languages within the Nile Basin Initiative.

The following documents have been made available on websites or in printed versions during *project preparation*:

Document	Published through	Date
Transboundary Environmental Analysis	GEF; hundreds of copies made available through the Nile-TAC members, UNDP country offices/WB resident missions, and distribution to donors and other interested individuals; copies available upon request through the GEF/WB and GEF/UNDP	5/2001
GEF Project Brief (draft)	Printed copies distributed at the ICCON meeting and through mailings; posted on NBI website www.nilebasin.org	5/2001 (print); 10/2001 (website)
SVP overview of projects	NBI website www.nilebasin.org	4/2001
Project Information Document (PID)	WB Infoshop (PIC)	9/2001; 4/2002 (updated)
Integrated Safety Data Sheet (ISDS)	WB Infoshop (PIC)	9/2001; 3/2002 (updated)
GEF Project Brief (final) (work program submission)	GEF website www.gefweb.org ; document location (Council work program Dec. 2001): http://www.gefweb.org/Documents/Council_Documents/GEF_C18/Regional_Nile_Transboundary_Environmental.pdf	11/2001

General Procurement Notice	UN Development Business and Development Gateway's dgMarket.	5/2002
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Extensive participation by a wide range of stakeholders is an explicit emphasis of the entire project. A range of stakeholders have already participated in the national consultation processes linked to the Transboundary Environmental Analysis, and the implementation of the project will build on these contacts and relationships.

Significant project components aim to broaden and deepen stakeholder involvement in environmental management. The basin-wide Working Groups that will coordinate each of the project components will all include a range of stakeholder representatives. Local stakeholders, especially communities and smaller NGOs, are explicitly targeted beneficiaries for some of the components. A wide range of stakeholders is also expected to be involved in and benefit from the information and knowledge management component as well as the environmental education and awareness program. Representatives of major stakeholder groups will also have opportunities to participate in monitoring and evaluating the project.

E. Safeguards Classification (*select one*). Category is determined by the highest impact in any policy. Or on basis of cumulative impacts from multiple safeguards. Whenever an individual safeguard policy is triggered the provisions of that policy apply.

☐ S1. – Significant, cumulative and/or irreversible impacts; or significant technical and institutional risks in management of one or more safeguard areas

☐ S2. – One or more safeguard policies are triggered, but effects are limited in their impact and are technically and institutionally manageable

☒ S3. – No safeguard issues

☐ SF – Financial intermediary projects, social development funds, community driven development or similar projects which require a safeguard framework or programmatic approach to address safeguard issues.

F. Disclosure Requirements

Environmental Assessment/Analysis/Management Plan:

Date of receipt by the Bank	.../.../...	or N/A
Date of “in-country” disclosure	.../.../...	or N/A
Date of submission to InfoShop	.../.../...	or N/A
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	.../.../...	or N/A

Resettlement Action Plan/Framework:

Date of receipt by the Bank	.../.../...	or N/A
Date of “in-country” disclosure	.../.../...	or N/A
Date of submission to InfoShop	.../.../...	or N/A

Indigenous Peoples Development Plan/Framework:

Date of receipt by the Bank	.../.../...	or N/A
Date of “in-country” disclosure	.../.../...	or N/A
Date of submission to InfoShop	.../.../...	or N/A

Pest Management Plan:

Date of receipt by the Bank	.../.../...	or N/A
Date of “in-country” disclosure	.../.../...	or N/A
Date of submission to InfoShop	.../.../...	or N/A

Dam Safety Management Plan:

Date of receipt by the Bank	.../.../...	or N/A
Date of “in-country” disclosure	.../.../...	or N/A
Date of submission to InfoShop	.../.../...	or N/A

If in-country disclosure of any of the above documents is not expected, please explain why.

Signed and submitted by:

Task Team Leader:	Name: Inger Andersen	Date: June 7, 2002
Project Safeguards Specialist 1:	Name: Astrid Hillers	Date: June 7, 2002
Project Safeguards Specialist 2:	Name	Date:

Project Safeguards Specialist 3:	Name	Date:
<i>Approved by:</i>		
Deputy Regional Safeguards Coordinator	Name: Serigne Omar Fye	Date: June 19, 2002
Acting Sector Manager	Name: Alain Locussol	Date: June 7, 2002

