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For the
SHARED VISION PROGRAM
Of the
NILE BASIN INITIATIVE

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AFTNL
Nile Team
Africa Region and
Middle East and North Africa Region

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
BMZ	Federal Ministry of Economic Cooperation and Development
CIDA	Canadian International Development Agency
DFID	Department for International Development
DGF	Development Grant Facility
DRC	Democratic Republic of the Congo
ENSAP	Eastern Nile Subsidiary Action Program
ESW	Economic and Sector Work
FAO	Food and Agricultural Organization of the United Nations
GDP	gross domestic product
GEF	Global Environmental Facility
GTZ	German Agency for Technical Cooperation
HRD	Human resource development
ICCON	International Consortium for Cooperation on the Nile
IGAD	Inter-Governmental Authority on Development
IGADD	Inter-Governmental Authority on Drought and Development
LVEMP	Lake Victoria Environmental Management Project
MGD	Millennium Development Goals
NBI	Nile Basin Initiative
NELSAP	Nile Equatorial Lakes Region Subsidiary Action Program
NGO	Nongovernmental organization
NILE-COM	Council of Ministers of Water Affairs of the Nile Basin states
NILE-SEC	Nile Basin Initiative Secretariat
NILE-TAC	Nile Basin Initiative Technical Advisory Committee
NORAD	Norwegian Agency for Development Cooperation
PMU	Project Management Unit
SAP	Subsidiary action program
SIDA	Swedish International Development Agency
SVP	Shared Vision Program
SMLVBP	Sustainable Management of the Lake Victoria Basin Program
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

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A. PROGRAM PURPOSE AND DEVELOPMENT OBJECTIVES

1. Program purpose

The Nile Basin. The Nile River, the world's longest river, traverses more than 6,700 kilometers from its farthest source at the headwaters of the Kagera Basin in Rwanda and Burundi to its delta in Egypt on the Mediterranean Sea. The river is shared by 10 countries: Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Eritrea, Kenya, Rwanda, Sudan, Tanzania, and Uganda. The basin covers 3 million square kilometers—one-tenth of Africa's land mass. The Nile River has played a central role in human settlement and the development of a rich diversity of cultures and livelihoods for millennia. It includes world-class environmental assets, such as Lake Victoria, the second largest freshwater body in the world, and the vast wetlands of the Sudd, roughly the size of Belgium. Today the basin is home to an estimated 160 million people, and more than 300 million people live in the 10 countries that share and depend on Nile waters. This number is expected to double to 600 million in the next 25 years. All of these people rely to a greater or lesser extent on the waters of the Nile for their basic needs and economic growth.

Challenges and opportunities. Despite the extraordinary natural endowments and rich cultural history of the Nile Basin, its people face considerable challenges. Dispute and even conflict, to a greater or lesser extent linked explicitly or implicitly to the control and use of Nile waters, have been longstanding obstacles to development and security throughout much of the basin. Today the basin is characterized by instability, poverty, and environmental degradation. Instability compounds the challenges of economic growth, as does the increasing scarcity of water relative to the basin's rapidly growing population. The transboundary nature of the basin poses additional challenges. Yet these challenges also create opportunities. The Nile River has great potential to foster regional social and economic development, cooperation, and integration in one of the poorest areas of the world. The Nile offers significant opportunities for "win-win" development that could enhance food production, energy availability, transportation, industrial growth, environmental conservation, and other development activities for the entire region. Cooperative water resources management also can serve as a catalyst for greater regional integration, both economic and political, with benefits far exceeding those derived from the river itself. In contrast, unilateral development of the basin could ultimately lead to serious degradation of the river system, perpetuate poverty, and result in increased tensions among the riparians.

The Nile Basin Initiative. The Nile Basin Initiative (NBI) is a partnership initiated and led by the riparian states of the Nile River¹ through the Council of Ministers of Water Affairs of the Nile Basin states (Nile Council of Ministers, or Nile-COM). The NBI seeks to develop the river in a cooperative manner, share substantial socioeconomic benefits, and promote regional peace and security. Cooperative water resources management is complex in any international river basin. In the Nile Basin, which is characterized by water scarcity, poverty, a long history of dispute and insecurity, and rapidly growing populations and demand for water, it is particularly difficult. The NBI started with a participatory process of dialogue among the riparians that resulted in their agreeing on a shared vision—to "achieve sustainable socioeconomic development through the equitable utilization of, and benefit from, the common Nile Basin water resources."²

NBI Strategic Action Program. To convert the NBI shared vision into action, the NBI developed the Strategic Action Program comprising two complementary programs: the Shared Vision Program (SVP) of basinwide projects and Subsidiary Action Programs, investment programs at a sub-basin level involving

¹ The NBI currently includes nine Nile riparian countries: Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. Eritrea has participated in the Nile Basin Initiative as an observer since August 2000 and has stated its intention to formally join soon.

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

all potentially affected countries. Figure 1, taken from the NBI Policy Guidelines,² illustrates that the SVP promotes the basinwide vision, which is realized by the investment programs at the local level. This model is proving very robust, as the growing trust and capacity achieved through the preparation of the SVP has facilitated the identification of investments currently under preparation at the sub-basin level in the Eastern Nile and the Equatorial Lakes Regions (see Annex 9 for further background on the NBI). The complementary and reinforcing nature of the basinwide SVP and investment-oriented Subsidiary Action Programs is analogous in many ways to the institutional strengthening programs often undertaken in parallel to major investments in a single country context.

The Shared Vision Program. The Shared Vision Program is a multicountry, multisectoral, grant-funded program of collaborative action, exchange of experience, and trust and capacity building intended to build a strong foundation for regional cooperation. The program aims at promoting the shared vision of the Nile riparians through “a limited, but effective, set of basinwide activities and programs,”² whose main goal is the “creation of an enabling environment for investments and action on the ground, within an agreed basinwide framework.”²

SVP project portfolio. The SVP project portfolio, identified and prepared through a participatory process involving a range of stakeholders from the Nile riparian states,³ includes seven thematic projects focusing on water resources, the environment, power trade, agriculture, applied training, communication and stakeholder involvement, and benefit sharing. These projects address the priority water-related sectors and cross-cutting themes identified by the Nile riparians to ensure an integrated and comprehensive approach to water resources development and management. The projects may also serve as a catalyst for broader socioeconomic development and regional cooperation. The SVP portfolio also includes an eighth “project,”⁴ which will strengthen the capacity of NBI institutions to execute and coordinate cooperative basinwide projects.

Master Project Appraisal Document. The purpose of this project appraisal document (PAD)—the SVP Master PAD—is to provide a comprehensive overview of the SVP and describe general program guidelines for implementation arrangements, financial management, procurement, and monitoring and evaluation. In addition, the Master PAD provides detailed information about the SVP Coordination project (see Annex 14). Detailed information for the other SVP projects will be provided in project-specific appraisal documents. The appraisal and approval process⁵ for the Master PAD and project-specific appraisal documents is outlined in Annex 7.

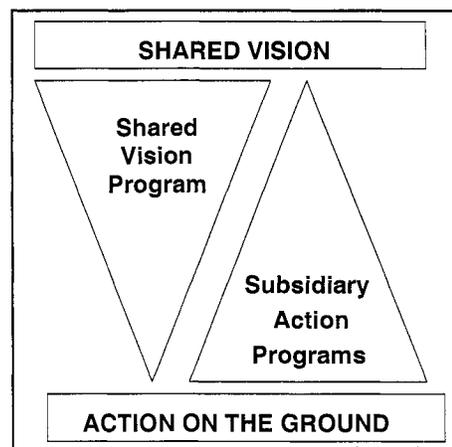


Figure 1. Strategic Action Program for the Nile Basin

³ Project documents for each of the seven thematic projects in the SVP were approved at the Extraordinary Meeting of the Nile Council of Ministers in Khartoum in March 2001 and were presented to the international community at the first International Consortium for Cooperation on the Nile (ICCON) in Geneva in June 2001.

⁴ The project concept was approved at the ninth meeting of the Nile Council of Ministers and the twelfth meeting of the Nile Technical Advisory Committee, Cairo, March 2002.

⁵ The SVP Nile Environmental Action Project, which is funded by a grant from the Global Environmental Facility Trust Fund, was discussed and approved by the Board on April 8, 2003 (GEF/R2003-0004), as required by GEF procedures. Due to the grant-funded nature of the program, the seven remaining SVP projects will be approved at the regional level.

2. Program development objective

Program development objective. The long-term goal of the Shared Vision Program is to create the enabling environment for the Nile riparians to realize their vision to “achieve sustainable socioeconomic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.” The specific development objective of the SVP is to build trust, capacity, and an enabling environment for investment in Nile Basin countries. This objective will be achieved through the implementation of the projects in the SVP portfolio and the successful coordination and management of the program throughout the basin.

Project objectives. The projects in the SVP portfolio and their primary objectives, which were endorsed by the Nile Council of Ministers in March 2001, are listed in Table 1 and described in more detail in project-specific appraisal documents. Although the SVP projects differ in scope and focus, all contribute to building a strong foundation for regional cooperation by supporting basinwide engagement and dialogue, developing common strategic and analytical frameworks, building practical tools, and strengthening human and institutional capacity. The multisectoral nature of the program will provide riparian countries with practical experience in coordination across sectors and promote an integrated approach to water and natural resources management. Together, the projects of the SVP seek to lay a solid foundation of trust and capacity for achieving sustainable development in the Nile region. Realization of this development is occurring through the investment-oriented subsidiary action programs, which are currently under preparation.

Table 1. Objectives of the SVP Projects

Project Name	Primary Objective
Nile Transboundary Environmental Action	Provide a strategic framework for environmentally sustainable development of the Nile River Basin and support basinwide environmental action linked to transboundary issues in the context of the NBI Strategic Action Program.
Nile Basin Regional Power Trade	Establish the institutional means to coordinate the development of regional power markets among the Nile Basin countries.
Efficient Water Use for Agricultural Production	Provide a sound conceptual and practical basis to increase the availability and efficient use of water for agricultural production.
Water Resources Planning and Management	Enhance analytical capacity for a basinwide perspective to support the development, management, and protection of Nile Basin water resources in an equitable, optimal, integrated and sustainable manner.
Confidence Building and Stakeholder Involvement	Develop confidence in regional cooperation under the NBI, both at the basin and local levels, and ensure full stakeholder involvement in the NBI and its projects.
Applied Training	Strengthen the capacity in selected subject areas of water resources planning and management in the public and private sectors and community groups; strengthen centers with the capacity to develop and deliver programs on a continuing basis; and expand the frequency and scope of basin interchange among water professionals.
Socioeconomic Development and Benefit Sharing	Strengthen Nile River basinwide socioeconomic cooperation and integration.
SVP Coordination	Strengthen the capacity of NBI institutions to execute basinwide programs and ensure effective oversight and coordination of the NBI's Shared Vision Program.

3. Key performance indicators

The Shared Vision Program is the first cooperative effort of all Nile riparian countries⁶ to identify, design, and implement joint projects for the region. Due to the trust and capacity building nature of the program,

⁶ Eritrea has participated in the Nile Basin Initiative as an observer since August 2000 and has stated its intention to formally join soon

outcome indicators at the program level are inherently qualitative in nature. More specific performance indicators will be developed for each project and outlined in the project-specific appraisal documents. Performance indicators for the SVP Coordination project are presented in Annex 14.

Key outcome indicators of the success of the overall Shared Vision Program include:

- Increased basinwide dialogue and exchange of information in SVP-related fields, including water, environment, power, agriculture, training, stakeholder involvement and communication, and macroeconomics.
- Functioning networks of professionals in SVP-related fields
- Enhanced skills, expanded information bases, and strengthened institutions in SVP-related fields
- Extensive stakeholder participation in the NBI process
- Continued progress in the joint identification and preparation of cooperative investment programs through the Subsidiary action programs
- Increased trust, reduced tension, and a growing community of interest across in the Nile Basin.

B. STRATEGIC CONTEXT

1. Regional and Country Assistance Strategy goals supported by the program

International rivers and the benefits of cooperation. Where rivers cross or form national borders and river flow is extremely variable, international cooperation is essential and generates a wide range of benefits for riparian states. Cooperation will enable better management of ecosystems, providing benefits *to the river*, which underpins all other benefits. The efficient, cooperative management and development of shared rivers can yield major benefits *from the river*, such as increased food and energy production. Cooperation on an international river will result in the *reduction of costs because of the river* because tensions between riparian states will always be present, to a greater or lesser extent, and those tensions will generate costs. International rivers can be catalytic agents, because cooperation that yields benefits from the river and reduces costs because of the river can pave the way to much greater cooperation between states, even economic integration among states, generating *benefits beyond the river*. The Nile Basin Initiative, in which all riparian states are seeking to generate and share the benefits of cooperation at all of these levels, leads the way in Africa, where more than 60 river basins are shared by two or more nations.

Meeting the Millennium Development Goals. Poverty alleviation and sustainable development are the main objectives of the Millennium Development Goals (MDG), which were agreed upon at the United Nations Millennium Summit in September 2000 to provide a benchmark of indicators to measure development progress. The World Bank is strongly committed to supporting the Millennium Development Goals by aligning its corporate strategy to the MDG agenda. With a focus on institutional capacity building and building regional trust and cooperation, the Shared Vision Program lays the foundation for unlocking the investment potential of Nile Basin states. The Shared Vision Program will create an enabling environment for subsequent NBI cooperative investment programs, the Eastern Nile Subsidiary Action Program (ENSAP) and the Nile Equatorial Lakes Subsidiary Action Program (NELSAP). These will support the MDG agenda of poverty alleviation and sustainable development, and in addition will promote regional peace and security. Specifically, Millennium Development Goal 1, eradicate extreme poverty; Goal 7, ensure environmental sustainability; and Goal 8, develop a global

partnership for development, will be addressed directly by ENSAP and NELSAP multicountry projects in watershed management, fisheries, irrigated agriculture, hydropower and flood prevention.

Regional cooperation in Africa. Realizing gains for all parties from cooperation and regional integration has become an important aspect of the development strategy for the Africa Region of the World Bank. A regional integration and cooperation unit has been established in the chief economist's office. The World Bank has entered into close partnerships with the New Partnership for Africa's Development (NEPAD) and other regional organizations, including the Eastern African Cooperation (EAC), the Southern African Development Community (SADC), and the Common Market for Eastern and Southern Africa (COMESA). The SVP has played an important role in the recent trend of cross-sectoral and multicountry initiatives. The overall development goal is to build trust and the capacity for regional cooperation, as well as an enabling investment environment for the equitable use of and benefit from common Nile Basin water resources.

The Bank's water sector strategy. The main messages of the Bank's Water Sector Strategy⁷ are directly and particularly relevant to supporting the NBI. Agreement between riparian states on the management and development of international rivers are central to conflict prevention, growth and poverty reduction and initiatives in both management of water resources and development of water infrastructure are needed in most basins shared by developing countries. The NBI Shared Vision Program focuses on the management of water resources and the NBI Subsidiary action programs focus on water resources development. The Bank is clearly perceived as having a major comparative advantage in supporting complex international waters initiatives, and there is a strong and growing demand for the Bank's services in support of the NBI. The issues of the Nile Basin are intensely political, requiring a pragmatic but principled approach, that is practical and patient. World Bank support for developing hydraulic infrastructure (including potentially controversial works such as dams) in the Nile Basin and for mobilizing public and private finance for this is critical, at the same time ensuring that this meets social and environmental standards. The key conclusion of the Strategy is that the World Bank will re-engage with support for high-risk/high-reward hydraulic infrastructure, using a more effective business model, where such projects are treated as Corporate Projects from the start and are governed by transparent, crisp, time-bound and predictable decisions. The Bank's support to the NBI is an archetypal case, which has both assisted in defining the Strategy and will in future be defined by the Strategy.

Accordance with overall CAS goals. Environment and water resources management issues are prominent in the Country Assistance Strategies (CAS) for seven of the NBI countries. Most of the CASs recognize the centrality of environmentally sustainable development, and each country gives prominence to different aspects of the water subsector (such as water supply and sanitation, irrigation). The Nile is mentioned as a key issue in the CASs for Egypt and Uganda and will be mentioned in the forthcoming Ethiopia CAS. Given the broad, multicountry, multisectoral nature of the SVP, alignment with specific CAS goals for each country will be addressed in the project-specific appraisal documents. The current status of CASs in the Nile Basin countries is provided in Annex 8.

2. Main sector issues

Overarching issues in the Nile Basin are poverty, political instability and conflict, rapid population growth, environmental degradation, and weak relations between many of the states. These issues are related to the Nile in myriad, complex ways. Water scarcity has meant that use and control of the Nile has been a strategic objective across much of the basin for centuries. The Nile River system played a key role in the evolution of societies, cultures, political systems, and international order that exist today. Because of its complex history, there is only limited cooperation in the development and management of the Nile,

⁷ *Water Resources Sector Strategy: Strategic Direction for World Bank Engagement*, adopted by the World Bank Board, February 25, 2003.

with unilateral action causing dispute and even threatening regional security. All riparian states rely to a greater or lesser extent on the waters of the Nile for their basic needs and economic growth. For some states, the waters of the Nile are perceived as central to their very survival. For example, in Egypt, 95 percent of the population lives on 4 percent of the land, within a few kilometers of the Nile. For others, the Nile has only a small part to play; the Nile Basin only touches the northeast corner of Democratic Republic of Congo, and the Congo river has almost 20 times the flow of the Nile. However, whether they live within the Nile Basin or outside it, most people in the basin states have growing expectations of the Nile, for water, food (fish and irrigated crops), energy, or transport.

The 10 countries of the Nile differ in their water and natural resource endowments, human and institutional capacities, and their approaches to water and natural resources planning and management. During the early preparation process for the SVP, national experts for each project identified and analyzed key sector issues relevant to each country. This information is presented in the approved SVP project documents (March 2001) and will be summarized in the project-specific appraisal documents.

The main water-related issues relevant to all Nile countries are summarized in the following paragraphs, while the responses of the Nile Basin governments and the issues addressed by the Shared Vision Program are outlined in section B.3.

Water stress. Water resources are highly utilized in parts of the Nile Basin, and the availability of water varies greatly in space and in time throughout the basin. These factors result in considerable water stress, and population growth, urbanization, poverty, and environmental threats exacerbate the stress. These problems are difficult to address effectively in isolation but they can be addressed through a collaborative and integrated approach to the sustainable economic development of the Nile Basin resources.

Fragmented management approach. The complexity and variability of the river basin hydrology requires an integrated approach to water resources management, but current management is fragmented along sectoral and country lines. At the national level, different ministries and agencies manage different types of water use, with only limited collaboration across sectors (agriculture, power, industry, water supply, environment, etc.). Projects that affect the quantity and quality of water often are developed without much consideration of the water need in other sectors. At the regional level, various groups of Nile countries have engaged in cooperative activities during the past 30 years; however, before the Nile Basin Initiative, there has been no mechanism for involving all Nile countries on an equal footing in addressing water-related and development issues in a comprehensive, integrated fashion. Regional fragmentation in the basin has been aggravated by an historic lack of confidence and trust among the Nile countries.

Inadequate capacity and regional differences. The institutions involved in planning and managing SVP-related sectors vary widely in terms of size, funding, capacity, and legal and institutional framework. The institutions in a few Nile countries benefit from a full complement of highly trained professionals, while others have only a few professionally trained staff members. Significant barriers commonly block professional women's full participation. Even countries that have adequate human capacity available have not focused on the transboundary aspects of water resources planning, and management and water professionals frequently do not interact with professionals in other fields whose skills are essential for multisectoral, socioeconomic development of the basin. Knowledge about the Nile beyond country borders and its importance to the well-being of the region is minimal. Yet strong national and regional institutions, as well as a level playing field, are important elements in achieving regional cooperation and the joint planning and management of the Nile Basin's shared resources.

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 a major cause of sickness and death among small children; it frequently is related to polluted water and the absence of sanitary toilets as well

as insufficient education about hygiene. Significant improvements have been achieved in Egypt in recent years through programs that address these issues, yet in other parts of the basin waterborne intestinal diseases and the death of the young, the very old, and vulnerable groups, such as people with HIV/AIDS, remain serious problems.

Poverty and environmental degradation. Poverty is endemic in the Nile Basin. In 2000, seven of the 10 countries had a per capita GDP of less than US\$300, and four of them less than US\$200. Extreme poverty and population growth impose pressure on natural resources. Localized pollution from agriculture, industry, mining, and domestic effluent paired with the lack of financial means for water treatment plants and filtering mechanisms lead to severe water quality problems. Additionally, land degradation, aquatic weed infestation, wetland loss (the region contains some of the world's largest and most ecologically important wetlands), and the damaging impacts of extreme events such as droughts and floods cause significant environmental problems. Land degradation due to deforestation and cultivation on steep slopes has already led to losses of biologically important habitats, high rates of soil erosion, and sedimentation of rivers, lakes, and reservoirs.

Power. Limited access to electricity (less than 10 percent of the population, except in Egypt) constrains development in most parts of the basin. Energy demand is expected to increase in Nile countries by between 5 percent and 10 percent per year during the next 20 years. There is substantial potential for the increased development of reliable, low-cost power, especially hydropower. The electric power generation potential of the Nile Basin countries (excluding Democratic Republic of Congo with its huge generation potential on the Congo River) for the next 50 years is almost seven times higher than present generation levels (550 terawatt hours compared to the current 80 terawatt hours, primarily from hydropower and natural gas). Expanding power-generating facilities and developing a framework and mechanisms for trading power in the region are likely to bring major benefits to the basin states.

Agriculture and irrigation. Agriculture is of great economic and social importance in the Nile Basin. Between 70 percent and 90 percent of labor in the basin is employed in agriculture, except for in Egypt, where agricultural labor makes up almost 40 percent of the labor force. Although in most parts of the basin only a small portion of the agricultural land is under irrigation (with the exception of Egypt), irrigated agriculture is by far the largest user of water in the region. In the southern and eastern parts of the basin, where rainfall varies greatly, rain-fed agriculture prevails. Food production in the Nile Basin countries meets approximately 75 percent of demand. Except for Egypt, the Nile Basin countries are classified as food insecure, yet their policies focus on food self-sufficiency at the national level instead of on food security, which would be facilitated by improving the regional integration of markets.

Water-related information and exchange. In many basin countries, monitoring networks, databases, and facilities to process and analyze water resources-related information are not well developed or do not function effectively. In addition, differences in procedures for data collection and processing and record-keeping within countries and across the region mean that data are often inconsistent. The data that do exist often are scattered across government departments and are difficult to access. This situation creates problems in conducting adequate assessments. Furthermore, lack of trust and confidence throughout the basin have hindered the sharing of what information does exist. Yet accurate and shared information will be critical for informed decisionmaking, priority setting, and investment planning at national, subregional, and regional levels.

Public awareness and participation. There is a general lack of public awareness of land-water interaction, the importance of treating water as a precious resource, or the benefits of natural resource conservation. National and basinwide public information and stakeholder involvement are required to create a culture of awareness of the opportunities for beneficial cooperation in the basin and build a community of interest among the peoples of the Nile Basin. Yet most countries in the Nile Basin do not have formal mechanisms for institutionalizing public participation.

3. Sector issues addressed by the program and strategic choices

Nile Basin Initiative. Recognizing that cooperative development holds the greatest prospects for bringing benefits to the entire region, and aware of the challenges, the Nile riparians took an historic step in establishing the Nile Basin Initiative. Formally launched in February 1999, the initiative provides an institutional mechanism, a shared vision, and a set of agreed policy guidelines to provide a basinwide framework for cooperative action. The policy guidelines⁸ define the following as the primary objectives of the NBI:

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

The Strategic Action Program represents the Nile riparians' strategic approach to achieving sustainable socioeconomic development in the basin through "equitable utilization of, and benefit from, the common Nile Basin water resources." The Strategic Action Program provides the means for translating this shared vision into concrete activities through a two-fold, complementary approach:

- Lay the groundwork for cooperative action through a regional program to build confidence and capacity throughout the basin (the Shared Vision Program)
- Pursue, simultaneously, cooperative development opportunities to realize physical investments and tangible results through sub-basin activities (Subsidiary action programs) in the Eastern Nile and the Nile Equatorial Lakes regions⁹ (see Annex 9).

Within this strategic context, the SVP addresses the key regional water-related issues, discussed in section B.2, in the following ways:

- **Integrated, regional approach to water resources management**—The SVP, by virtue of its basinwide nature, portfolio of multisectoral and cross-cutting projects, and implementation approach, lays the groundwork for an integrated approach to water resources management in the Nile Basin. In addition, the Benefit Sharing project will address fragmentation issues through scenario-building and macroeconomic analysis from a basinwide perspective, as well as strategic SVP coordination meetings to exploit synergies among projects.
- **Capacity building and overcoming regional differences**—One of the main purposes of the Shared Vision Program is to address institutional and human capacity issues. Institutional strengthening activities, as well as targeted training, have been designed into all SVP projects.

⁸ Council of Ministers of Water Affairs of the Nile Basin States, *Policy Guidelines for the Nile River Basin Strategic Action Program*, February 1999.

⁹ The subsidiary action programs focus on the development of joint investment opportunities for two or more countries. Two subsidiary action programs have formed: ENSAP, including Egypt, Sudan and Ethiopia, and possibly Eritrea in the future; and NELSAP, including Burundi, Egypt, Kenya, Rwanda, Sudan, Tanzania, and Uganda. Areas of cooperation include irrigation and water use for agriculture, hydropower development and power trade, watershed management, flood management, and sustainable management of lakes and rivers. The subsidiary action programs are engaged in investigating and preparing identified projects for investment.

Longer-term training of a new cadre of water-related professionals will be addressed through the Applied Training project.

- **Framework for environmental management**—The largest project in the Shared Vision Program is the Nile Transboundary Environment project, which will support the development of a basinwide framework to address high-priority transboundary environmental issues in the basin. Most SVP projects address environment issues at some level, and they will complement the Environment project.
- **Power trade**—Power constraints in the basin will be addressed by the Nile Basin Regional Power Trade project, which seeks to promote power trade and create a regional power market through the formation of the Nile Basin Power Forum. The Nile Basin Power Forum provides the NBI with a powerful mechanism for ensuring that power issues are addressed in the context of multipurpose water and environmental resource development.
- **Agriculture and irrigation**—Efficient water use in agriculture is being addressed in the Efficient Water Use for Agricultural Production project, which will support regional dialogue and the exchange of experience in watershed management, community-managed irrigation development, and public irrigation. Furthermore, the Benefit Sharing project takes a strategic approach through scenario-building and macroeconomic analysis, which will necessarily include the role of agriculture in the basin's future.
- **Information and exchange**—The Shared Vision Program as a whole, as well as all individual projects, will contribute to enhancing the information base in the region by supporting networking among professionals, collecting sector data, and sharing information through traditional means, such as newsletters, radio, and reports, as well as through electronic Web-based systems. The Water Resources project will also focus on the development of a decision support system for the basin.
- **Promoting public participation and awareness**—Because stakeholder participation and awareness is such an important part of all SVP projects, they will be addressed comprehensively in the cross-cutting Confidence Building and Stakeholder Involvement project (see Annex 12). The promotion of stakeholder involvement will include an explicit sensitivity to gender issues and promote the realistic and effective participation of women in all SVP projects. Consultation, stakeholder involvement, and public awareness-building also are key components of all SVP projects.

C. PROGRAM DESCRIPTION SUMMARY

1. Summary of Shared Vision Program

SVP project portfolio. The SVP project portfolio includes seven thematic projects and a coordination project. The thematic projects and their components are summarized in Table 2. Annex 2 provides additional information about the projects in the SVP portfolio. Detailed information about the seven projects will be provided in project-specific appraisal documents, which will be based on the project documents that the Nile riparians prepared through a multicountry, participatory process.¹⁰ The project appraisal documents also will reflect extensive consultation on implementation arrangements by the Nile riparians, the Bank, and donors, as well as refinements to the projects made during the current phase of detailed implementation planning and appraisal.

¹⁰ The project documents were approved by the Nile Council of Ministers in March 2001 and presented to the international community at the International Consortium for Cooperation on the Nile held in June 2001 in Geneva.

The SVP Coordination project will strengthen the capacity of the NBI to execute and coordinate the Shared Vision Program, through its executive arm, the NBI Secretariat. This is essential to ensure both strong ownership of the Shared Vision Program by the riparian states and effective program execution. The SVP Coordination project will provide the NBI Secretariat with the necessary human and other resources required to effectively coordinate the program and to put in place generic procedures to ensure quality and fiduciary responsibility. The SVP Coordination project will also strengthen capacity and provide resources to ensure monitoring and evaluation at the program level and to facilitate information sharing within the NBI and with the public. The SVP Coordination project primarily will be financed through the Nile Basin Trust Fund (see section on program financing), based on a pro rata share from each of the thematic SVP projects (approximately 3 percent) as well as additional allocations. Other development partners, such as Germany/GTZ, are also providing direct bilateral support to the project.

Table 2. Overview of the SVP Project Portfolio

Project Title	Major Components	Duration	Estimated Cost ^{a, b} (US\$ million)	% of Total
Nile Transboundary Environmental Action ^c	<ul style="list-style-type: none"> ▪ Institutional strengthening to facilitate regional cooperation ▪ Community-level land and water conservation ▪ Environmental education and public awareness ▪ Wetlands and biodiversity conservation ▪ Basinwide water quality monitoring 	5 years	39 ^d	30
Nile Basin Regional Power Trade	<ul style="list-style-type: none"> ▪ Nile Basin Power Forum ▪ Comprehensive basinwide analysis ▪ Regional coordination and implementation 	4 years ^e	13 ^e	9
Efficient Water Use for Agricultural Production	<ul style="list-style-type: none"> ▪ Institutional strengthening ▪ Water harvesting ▪ Community managed irrigation ▪ Public managed irrigation 	3 years	5	4
Water Resources Planning and Management ^c	<ul style="list-style-type: none"> ▪ Water policy good guides and support ▪ Project planning and management good guides and support ▪ Nile Basin Decision Support System (DSS) 	6 years	28 ^f	22
Confidence Building and Stakeholder Involvement ^c	<ul style="list-style-type: none"> ▪ Regional implementation and facilitation ▪ Public information ▪ Stakeholder involvement ▪ Confidence building 	6 years	15	12
Applied Training	<ul style="list-style-type: none"> ▪ Building capacity: HRD (short-term) ▪ Building capacity: HRD (long-term) ▪ Promoting basin interchange ▪ Regional coordination and facilitation 	5 years	20	15
	<ul style="list-style-type: none"> ▪ Sectoral dialogues and integration to promote SVP coordination ▪ Regional dialogues and scenario building on basin development and benefit sharing ▪ Direct analytical support to other NBI projects, capacity building, workshops and dissemination 	6 years	11	8
TOTAL			\$131	

^a Project components and cost estimates are based on preappraisals to date. Final costs will be determined during appraisal.

^b Foreign costs only. Counterpart contributions towards local costs will be included in project-specific appraisal documents.

^c Project funding and implementation will be phased.

^d The Environment project includes \$2.7 million from the Water Resources project.

^e The Power Trade project, in consultation with riparians and partners, increased to 4 years with associated cost increase (Feb03).

^f The Water Resources project includes \$3.63 million from the Environment project using GEF/World Bank resources.

A summary of the SVP Coordination project is presented in Table 3 and a more detailed description in Annex 14. This project has an overarching function and programmatic focus and so it is described only in the Master PAD. It will not have a project-specific appraisal document.

Table 3. Overview of the SVP Coordination Project

Project Title	Major Components	Duration	Estimated Cost* (\$US Million)
SVP Coordination	<ul style="list-style-type: none"> ▪ Program coordination ▪ Financial management and procurement ▪ Knowledge management and information sharing ▪ Monitoring and evaluation ▪ Training 		\$ 5.4

* Foreign costs only. Counterpart contributions included in Annex 14.

Shared Vision Program and subsidiary action program linkages. The SVP projects form an integrated and coordinated program, and are linked to each other and to the subsidiary action programs in important ways. The Shared Vision Program seeks to build the transboundary institutional, human and technical foundation (ie, *water management*) to underpin the investment-oriented subsidiary action programs (ie, *water development*). For example, the Water Resources project will provide a common platform for communication and information management for technical data for all SVP projects, as well as for subsidiary action programs as needed. Sectoral projects, such as in power and agriculture, will help build a common knowledge base that will facilitate regional and subregional planning and investments. A regional river basin planning model, to be developed under the Water Resources project with partial funding from the Environment project, will provide an integrating tool for the Shared Vision Program to help identify potential projects in the subsidiary action programs. The Benefit Sharing project will generate socioeconomic development scenarios, seek to optimize benefits of cooperative river management and development, and explore possible benefit sharing mechanisms. The Environmental project will develop a strategic framework for environmentally sustainable development, which will provide the foundation for other sectoral activities and investments. This framework, along with experience drawn from community-level microgrant activities, will contribute to the design of projects at the sub-basin level. The Applied Training project will strengthen education and research institutions, thereby strengthening the cadre of water professionals needed for integrated water resources management. Communications and stakeholder involvement, which will be integrated into all SVP projects, will help raise public awareness of and build confidence and trust in the NBI process; while the Confidence Building project will provide direct support to the Eastern Nile and Nile Equatorial Lakes program offices.

Program financing. Total program costs for the Shared Vision Program are estimated at \$131 million. The overall program duration is six years, with individual projects ranging in length from three to six years.

The Shared Vision Program is a grant-funded program, supported by bilateral donors, international financial institutions, the Global Environmental Facility (GEF),¹¹ and other grant mechanisms. At the Nile Council of Ministers' request, the World Bank established a multidonor trust fund, the Nile Basin Trust Fund (NBTF), as the preferred mechanism for funding SVP projects. The Bank will serve initially as the administrator of the trust fund.¹² It is intended that as program implementation progresses and a

¹¹ GEF funds will be administered in parallel to the NBTF because Bank rules do not allow resources from one trust fund (i.e., GEF) to be deposited in another trust fund (i.e., NBTF).

¹² The Nile Council of Ministers' request was recorded in the minutes of the Extraordinary Meeting held March 28–29, 2001, in Khartoum and conveyed to the World Bank.

permanent institutional framework is established, the NBTF will be transferred to an NBI institution following consultation among the donor partners, the Nile riparians, and the World Bank.

Estimated costs and currently pledged financing for the Shared Vision Program are summarized in Tables 4 and 5. Approximately 65 percent of currently pledged funds for the program will be financed through the NBTF. This includes contributions from most of the bilateral donors supporting the Shared Vision Program: Canada, Denmark, the Netherlands, Norway, Sweden, and the United Kingdom. The African Development Bank is also exploring mechanisms for supporting the Shared Vision Program through the NBTF.

Table 4. Status of SVP Financing by Project^a (US\$ million)

Project	Estimated Cost ^{b,c}	Pledges		Financing Needed
		Partner Interest	Total	
Nile Transboundary Environmental Action	39.3	GEF/World Bank GEF/UNDP Canada Netherlands ^e NBTF (Water project)	39.3 ^d	0
Nile Basin Regional Power Trade	13.0	Norway Sweden African Development Bank	8.0	5.0
Efficient Water Use for Agricultural Production	5.0	Netherlands	5.0	0
Water Resources Planning and Management	28.2	Denmark GEF/WB (Environment project) United Kingdom Germany Norway African Development Bank	23.1	5.1
Confidence Building and Stakeholder Involvement	15.0	Canada Norway	5.0	10.0
Applied Training	20.0	Netherlands Sweden Norway	20.0	0
Socioeconomic Development and Benefit Sharing	11.0	United Kingdom World Bank DGF	3.0	8.0
TOTALS	131.5		103.4	27.1

a. Financing as of April 2003.

b. Estimated costs to be finalized during appraisal for each project. Total includes \$6.3 million of internal financing among SVP projects.

c. Foreign costs only. Counterpart contributions towards local costs will be included in project-specific appraisal documents.

d. Includes GEF/UNDP resources for phase 2.

e. Netherlands (phase 2) to be confirmed.

The remainder of currently pledged program financing will be provided from a variety of sources. A \$26.5 million grant from Global Environment Facility (GEF) will contribute to the financing of the Environment project (\$16.8 million for phase 1 and \$9.7 million for phase 2). Germany will provide approximately \$3 million in direct bilateral support to the water policy component of the Water Resources project and to the strengthening of the NBI Secretariat. The World Bank's Development Grant Facility (DGF) Council has committed \$0.7 million for the Benefit Sharing project in Bank fiscal 2003 and the DGF is expected to contribute a total of \$1.5 million over a three-year period. Other donors, such as the European Union (EU), France, Italy, Japan, Switzerland, and the United States have expressed interest in the program and may play a role in the future.

In addition to direct project costs, the World Bank and donor partners will share the costs of NBI facilitation. The World Bank will initially contribute more than \$1.5 million per year to project

supervision and NBI facilitation¹³; however, this contribution is expected to grow as preparatory activities for investment projects advance within the subsidiary action programs. The partners contributing to the NBTF have agreed¹⁴ to a partnership contribution, to support NBI facilitation, at a level of \$200,000 per donor on an annual basis (totaling approximately \$1.5 million per year), unless otherwise determined by the NBTF Committee.

Close to 80 percent of total program costs have been pledged, and it is fully anticipated that the remainder of required program funds will be raised during project implementation on the basis of the program's demonstrated success. Because the appropriations process varies by country and institution, pledges to the Shared Vision Program are at different stages of formal approval and appropriation. The details of financing commitments for each project will be presented in the project-specific appraisal documents.

Table 5. Status of SVP Financing by Source (US\$ million)

Project	Current Pledge					Total
	NBTF	AfDB ^b	Germany/GTZ	GEF		
				GEF/ World Bank	GEF/ UNDP	
Nile Transboundary Environmental Action	12.8 ^a			8.0	18.5	39.3
Nile Basin Regional Power Trade	6.0	2.0				8.0
Efficient Water Use for Agricultural Production	5.0					5.0
Water Resources Planning and Management	13.5	3.0	3.0	3.6 ^a		23.1
Confidence Building and Stakeholder Involvement	5.0					5.0
Applied Training	20.0					20.0
Socioeconomic Development and Benefit Sharing	3.0					3.0
Total^a	65.3	5.0	3.0	11.6	18.5	103.4
Adjusted Total	62.6	5.0	3.0	8.0	18.5	97.1

^a Total includes \$6.3 million internal financing among SVP projects. The Environment project includes \$2.7 million of NBTF financing from the Water Resources project; Water Resources Project includes \$3.6 million financing from the Environment project (GEF/World Bank resources).

^b African Development Bank is exploring use of NBTF.

¹³ The Bank's initial annual contribution cited here does not include the special grants that the Bank administers, such as GEF, DGF, IDF, and PHRD, which also support NBI programs.

¹⁴ Partners Meeting, Oslo, December 2002.

2. Key policy and institutional reforms supported by the program

The Shared Vision Program is a multicountry, multisectoral program, whereas policy and institutional reforms are national responsibilities. The program recognizes the importance of national sovereignty and the national nature of the reform process. However, to lay a solid foundation for regional cooperation, several SVP projects include activities that support a regional dialogue on good-practice elements of policy-related issues and that will promote a common understanding of the interaction between national policies, regional needs, and cooperative development:

- The **Nile Transboundary Environmental Action** project includes a component on macroeconomic and sectoral policies and the environment that will include policy studies on the patterns of economic development and priority transboundary environmental issues.
- The **Nile Basin Power Forum**, established under the Power Trade project, will support dialogue and special studies to explore a range of policy-related issues such as potential institutional and regulatory frameworks to support regional power trade.
- The **Efficient Water Use for Agricultural Production** project will support cross-border dialogue and exchange on policy issues such as options for reform in publicly managed irrigation, as well as national-level consultations on agriculture and irrigation policy at country request.
- The **Water Resources Planning and Management** project includes a component on water policy that seeks to strengthen integrated water resources management policy through the development of good-practice guidelines, training, exchange of experience, and a demand-driven drawdown facility to support policy-related activities at the national level.
- The **Socioeconomic Development and Benefit Sharing** project will promote a broad dialogue on potentials and modalities for cooperative regional development. The networks, workshops, research and information exchange supported by this project will promote policies that support beneficial regional economic integration within the basin, both in the management of Nile waters and beyond.
- The **Confidence Building and Stakeholder Involvement** project will provide advice to countries, as requested, on best practices for incorporating public participation into the process of policy formulation and implementation.

In summary, the Shared Vision Program is expected to contribute to an improved understanding of good practices in policy and institutional reform in several sectors, which will form the basis for more effective cooperation at the regional level and which can serve as a catalyst for change at the national level.

3. Benefits and target populations

The broad benefits envisaged from the Nile Basin Initiative are poverty alleviation through improved, sustainable management and development of the shared Nile waters, and enhanced regional stability through increased cooperation and integration among the Nile states. The Shared Vision Program lays the foundation for achieving these benefits. The Shared Vision Program provides the first basinwide forum for collaborative action on a range of water-related areas. It will build the relationships, the capacity, and the technical foundation needed to enable cooperative development in the region, and it will promote the exploration of opportunities for cooperation and integration in the basin beyond those sectors that generally are considered water-related. Although the benefits of each SVP project will vary, regional benefits of the program as a whole will include:

- At the regional level, laying the foundation for joint investment in the management and development of the Nile, as demonstrated by the several subsidiary action program projects currently under preparation.
- Within and across SVP-related sectors (including water, environment, power, agriculture, training, participation, communications, and socioeconomic planning):
 - Enhanced regional cooperation, to promote an integrated regional approach to water resource development and management
 - Strengthened human and institutional capacity, including shared experience with implementing complex, multisectoral, basinwide projects
 - Increased basinwide dialogue and exchanges of information on issues of common concern and transboundary significance
 - Sustainable networks of professionals
 - Expanded information and knowledge bases
- Beyond the SVP sectors, in a Nile community of interest:
 - Enhanced trust, through increased political and public awareness of the benefits of Nile cooperation and the risks of noncooperation, and increased stakeholder participation in the NBI process
 - Broad intercountry and multi-stakeholder dialogues that will incubate cooperative actions not directly related to the Nile, and enhance economic cooperation and integration.

Target populations and beneficiaries vary according to the SVP project, depending on its nature and focus. In general, important target populations and general beneficiaries at the program level include:

- The NBI institutions as well as the regional offices of the Nile Equatorial Lakes and the Eastern Nile subsidiary action programs, will benefit from an enhanced basis for decisionmaking from a regional perspective and experience with regional coordination and project implementation.
- Local and national governments will benefit from greater opportunities for institutional and human capacity building; expanded opportunities to interact with partners from Nile Basin governments and nongovernmental organizations (NGO); and a sound basis for strategic planning using improved planning tools and information.
- Professional staff in SVP-related fields will benefit from training, regional networking and collaboration, and the overall expansion of knowledge in SVP-related fields.
- National and local decisionmakers, planners, and resource managers will benefit from an improved understanding of regional and transboundary issues, improved planning tools, and an expanded knowledge base in SVP-related fields.
- Civil society, including the private sector, NGOs, and other stakeholders will benefit from participating in extensive national and international dialogues on the benefits of Nile cooperation and, most importantly, from the joint development projects that will build on the foundations laid by the SVP projects. Particular attention will be paid to gender issues, such as the undervalued role of women in water, environment, and agriculture, and efforts will be targeted at ensuring that women are included in project activities.

4. Institutional and implementation arrangements (see Annex 10)

4.1. The Nile Basin Initiative institutional mechanisms

The Nile Basin Initiative. The Council of Ministers of Water Affairs of the Nile Basin states formally established the NBI in the agreed minutes of its meeting at Dar es Salaam on February 22, 1999, in which it set up “new transitional institutional arrangements.” These arrangements provide for an institutional mechanism comprising the Nile Council of Ministers, the NBI Technical Advisory Committee, and the NBI Secretariat, which are located in Entebbe, Uganda. The arrangements are described as transitional because they serve as the basis of cooperation between the Nile Basin countries until a permanent mechanism is established. The establishment of such a permanent mechanism is one of the objects of the Cooperative Framework process that the Nile Basin countries have been working on since 1997 and that is now well advanced.

NBI’s legal and institutional arrangements. At its meeting in Cairo on February 14, 2002,¹⁵ the Ministers of Water Affairs of the Nile Basin Countries formally agreed to the instrument establishing the NBI as an international organization, i.e., with a constitution, common organs, and a legal personality distinct from that of its member states. This instrument (Agreed Minutes No. 7 of February 14, 2002) provides, inter alia, that: the NBI is invested, on a transitional basis, with legal personality to perform all of the functions entrusted to it; NBI shall enjoy legal capacity and privileges and immunities in the territory of each of the Nile Basin states; NBI’s organs are the Nile Council of Ministers, NBI Technical Advisory Committee, and NBI Secretariat; the NBI Secretariat is headed by an executive director who is the principal executive officer of the NBI. Pursuant to the above-mentioned instrument, the Government of Uganda, through NBI Act 2002 granted the NBI legal status in Uganda, the site of the NBI Secretariat, and entered into a Headquarters Agreement with NBI, which was signed on November 4, 2002.

4.2. Shared Vision Program implementation arrangements

The Shared Vision Program comprises seven thematic projects under implementation in 9 countries.¹⁶ Although each project will have its own structure, the integrated nature of the Shared Vision Program requires underlying coordination mechanisms. The institutional and implementation arrangements have therefore received much attention and are necessarily detailed. The general implementation arrangements for the Shared Vision Program are summarized in the following paragraphs and are described in more detail in Annex 10. Because the SVP projects differ in focus, size, and complexity, implementation arrangements for each project will be described in the project-specific appraisal documents.

Project execution. The Shared Vision Program will be executed by the NBI, through its executive arm, the NBI Secretariat. The NBI will manage overall fund flow and disbursement and as support information sharing, coordination, integration, and monitoring and evaluation. To ensure effective program coordination, the SVP Coordination project will be implemented by the NBI Secretariat. Generic procedures, such as for reporting, monitoring, and evaluation, will be defined at the programmatic level and refined to meet the needs of each project. UNOPS (see below) will co-locate key staff at the NBI Secretariat in Entebbe to build capacity and support program execution. To ensure effective project management, and in accordance with the decentralized approach, the NBI will set up separate project management units in the basin for each SVP project.

¹⁵ Nile Council of Ministers, 9th Annual Meeting, Cairo, Egypt, 14 February 2002. (Meeting Minutes, Main Text).

¹⁶ In its current design the SVP will be implemented in 9 of the 10 basin countries (Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda). Efforts to facilitate the participation of Eritrea and extend the program to the entire basin are ongoing.

Project services agency. The Nile Council of Ministers has decided¹⁷ to employ a project services agency to support the NBI in project execution. Support services will be related primarily to financial management and the procurement of goods and services, but also will build the capacities of the NBI, particularly the NBI Secretariat, so that key project service functions can be transferred to the NBI. The Nile Council of Ministers has decided that the NBI will enter into a formal partnership with United Nations Office for Project Services (UNOPS) through a contractual arrangement to support SVP execution. This decision by the Council of Ministers was given a no-objection by the World Bank with the approval of the Bank's Operations Procurement Review Committee (OPRC)¹⁸

Project management at the regional level. Regional project management units (PMUs) will be established for each of the seven thematic SVP projects. The project management units will provide technical and managerial support to the NBI Secretariat in overseeing the implementation of each project. In keeping with the decentralized approach for the Shared Vision Program, the project management units are located in six countries as indicated in Table 6.¹⁹ Each regional project management unit will operate at the basin level and will be responsible for managing and implementing the respective SVP project in all countries participating in that project. Through UNOPS as the NBI's agent, the project management unit will facilitate local contracting, fund management, local procurement, disbursement, program administration, and project-level monitoring. In addition, in support of the overall Shared Vision Program, the PMU will provide necessary support to the national activities of the other regional SVP projects in the country of its location. (see Annex 10).

The staff of each project management unit will vary with the size and complexity of the project, but in general will include a project manager, regional lead specialist(s), a finance and procurement officer, and other support staff. Key PMU staff will be recruited competitively, with preference given to candidates from the region.

A project steering committee will be established for each SVP project to provide strategic guidance, direction, and oversight to project implementation.

Table 6. SVP Regional Project Management Units

Project	PMU Location
Nile Transboundary Environment Action	Sudan
Nile Basin Regional Power Trade	Tanzania
Efficient Water Use for Agricultural Production	Kenya
Water Resources Planning and Management	Ethiopia
Applied Training	Egypt
Confidence Building and Stakeholder Involvement	NBI Secretariat
Socioeconomic Development and Benefit Sharing	Uganda/NBI Secretariat

Project management at the national level. At the national level, each SVP project will have a national project coordinator or the equivalent (the title will vary with the project) who will be responsible for supervising and coordinating the implementation of project activities at the country level. The national coordinator, or equivalent, will provide a critical link between the project management unit and regional activities and national-level organizations and project activities. Depending on the size and complexity of

¹⁷ The concept of a project services agency was adopted by the Nile Council of Ministers at its extraordinary meeting in March 2001 in Khartoum, and general terms of reference outlining the scope of services for the project services agency were endorsed by the Nile Council of Ministers at its ninth annual meeting in February 2002 in Cairo.

¹⁸ The Nile-COM took the decision at its ninth annual meeting in February 2002 in Cairo and communicated the decision to the World Bank in a letter from its chairman dated March 5, 2002. The World Bank Operations Procurement Review Committee reviewed the decision and granted the no-objection on April 25, 2002.

¹⁹ The locations of the regional project management units were selected by the Nile Council of Ministers at the Nile-COM, Extraordinary Meeting, June 2001, Geneva.

the project, the national project coordinator post may be a full-time, project-funded, competitively hired post or a part-time post filled by a government staff member, consultant, or university staff member, as appropriate for the project. National project coordinators, or the equivalent, will remain in the ministries or institutions hosting the projects at the national level (e.g., ministries of water resources, agriculture, environment, or power; training institutes or universities; power utility).

Coordination of national activities. To facilitate in-country coordination of NBI activities, the Ministry of Water Affairs in each Nile Basin country has established a government-funded national NBI focal point institution, also referred to as a National NBI Office.²⁰ The National NBI Office will support the Nile Technical Advisory Committee member in each country and act as a counterpart to the NBI Secretariat at the national operational level. To facilitate coordination among the various ministries and institutions involved in the NBI, the National NBI Office will include interagency and intersectoral committees. In each country, members of SVP steering committees and SVP national project coordinators are likely to be involved in these intersectoral committees. The NBI Technical Advisory Committee members will be responsible for the overall supervision and coordination of the National NBI Office.

D. PROGRAM RATIONALE

1. Program alternatives considered and reasons for rejection

Project design. The Shared Vision Program evolved between February 1999 and March 2001 from four broad thematic areas into a coordinated program of seven basinwide projects, through an extensive, multicountry, multisectoral, consultative process. As described in more detail in Annex 12, the preparation was led by the NBI (the Nile Council of Ministers, NBI Technical Advisory Committee, and NBI Secretariat) and included substantive input from eight national technical experts from each country (more than 70 total) representing the various SVP-related disciplines and ministries. The process was assisted by technical consultants and the multidonor Nile team at the World Bank. The project preparation process thus created a forum—the first for many—for interaction among the technical experts from different water-related sectors across the basin.

The Nile Council of Ministers defined the initial scope of the Shared Vision Program by outlining four thematic pillars that were deemed to include the “essential but effective activities” needed to create a “coordination mechanism and enabling environment” for cooperative investment.²¹ Further consultation and a priority-setting exercise involving the Nile Technical Advisory Committee and sectoral experts from each country²² resulted in the agreed list of the seven priority SVP projects, along with project goals and objectives. The Nile riparians decided that these projects would address the priority water-related sectors and cross-cutting themes that are essential to developing an integrated and comprehensive approach to water resources development and management and would lay a strong foundation for broader socioeconomic development and regional cooperation. The coordination function emerged from the discussions on implementation arrangements and the recognition of the need to have a strong NBI coordination capability at the regional level.

²⁰ Approved by NBI Technical Advisory Committee, Minutes of the 11th NBI Technical Advisory Committee Meeting, October 2001, Entebbe, Uganda, and endorsed by the Nile Council of Ministers, Minutes of the Annual Nile-COM Meeting, February 2002, Cairo, Egypt.

²¹ Council of Ministers of Water Affairs of the Nile Basin States, *Policy Guidelines for the Nile River Basin Strategic Action Program*, February 1999.

²² SVP priority projects were identified at the SVP planning meeting in May 1999 in Sodere, Ethiopia, and subsequently were endorsed by the Nile Council of Ministers at its seventh annual meeting in May 1999 in Addis Ababa.

For each SVP project, as outlined in the project-specific appraisal documents, a number of project design alternatives were considered during the preparation process. The final design of each project represents the consensus arrived at through the participatory preparation process as well as a participatory phase of detailed implementation planning. Each project reflects riparians' perspectives on national and regional needs, includes components that are deemed implementable and that confer real benefits, and takes a design approach that incorporates lessons learned from related projects in the basin. In addition, all SVP projects adhere to the NBI policy guidelines and address issues of transboundary significance.

The alternative to this basinwide cooperative program would be a series of individual national programs and/or projects that would be costly and probably would result in duplication and inconsistencies. Individual national programs could not address the transboundary issues or the need for systematic and coordinated monitoring and assessment for regional management of Nile resources. They also would likely fail to build the relationships and trust essential for sustainability and the common development objective expressed in the Shared Vision.

Implementation arrangements. Implementation arrangements for the Shared Vision Program also have evolved through iterative discussions between the Nile riparians, the World Bank, and the partners supporting the Shared Vision Program. Best practices from other regional programs were considered, and many options for program implementation were explored. Early discussions addressed issues such as approaches to project execution, the use of a project services agency, decentralized versus centralized operations, financing approaches, mechanisms for ensuring the development of Basin human resources, and capacity building of NBI institutions.

Implementation arrangements evolved further during joint meetings of the NBI and donor partners,²³ work of the NBI Secretariat, in-country consultations in the basin, internal review at the World Bank, and review by participating partner agencies. The following key considerations and their implications in the final SVP implementation arrangements include:

- The **importance of riparian ownership and anchoring the Shared Vision Program in the basin** has led to NBI execution, a decentralized approach for project management units, emphasis on capacity building throughout the basin and of the NBI Secretariat, and a preference for hiring SVP staff and consultants from the Nile Basin.
- The **imperative for effective delivery and the need for flexibility** have resulted in the establishment of a multidonor trust fund (the NBTF) with untied aid as the preferred funding mechanism, competitive hiring of full-time staff, and the use of a project services agency to support the NBI in project delivery.
- The importance of **high standards of fiduciary management and quality control** influenced the creation of the SVP Coordination project at the NBI Secretariat to strengthen basinwide coordination, monitoring, and evaluation; the use of a project services agency to support the NBI in financial management and procurement; and initial administration of the NBTF by the World Bank.

2. Major related regional initiatives and projects financed by the Bank and/or other development agencies

The Shared Vision Program is a unique program and among the most comprehensive regional programs in the Nile Basin. Other major regional initiatives and projects in SVP-related sectors are summarized

²³ SVP Implementation Review Meeting, October 2001, Entebbe.

below. Each project-specific appraisal document will document in more detail relevant sectoral projects of regional or subregional significance financed by the Bank or other development agencies.

2.1. Regional initiatives

There are a number of African-led regional initiatives that include various groupings of Nile Basin countries. These are supported by a variety of donors, and each initiative has a unique focus. Relevant regional initiatives and their relationships to the NBI are summarized below.

The New Partnership for Africa's Development. NEPAD, initiated at the Organization of African Unity (OAU) summit in Lome July 10–12, 2000, is a process to build confidence in Africa, accelerate sustainable development, and reduce poverty through multicountry programs. The African Unity/OAU Summit of Heads of States sets the overall policy framework in the following key program areas: (i) capacity building on peace and security, (ii) economic and corporate governance, (iii) infrastructure, (iv) agricultural market access, (v) human development, health, education, poverty alleviation, (vi) capital flows and (vii) capacity building. NEPAD, in its short-term Action Plan for Infrastructure, has endorsed the Nile Basin Initiative as one of its priority projects, and envisages a role in facilitating and/or increasing the political visibility of this initiative.

Common Market for Eastern and Southern Africa. COMESA's agenda is to deepen and broaden the integration process among member states by adopting comprehensive trade liberalization measures, such as the elimination of tariff and nontariff barriers to trade and the elimination of customs duties by 2004. The trade liberalization initiative is supported by the World Bank, the European Union, U.S. Agency for International Development (USAID), U.K. Department for International Development (DFID), and other bilateral donors. Bank support to COMESA includes the Regional Trade Facilitation project and the creation of the African Trade Insurance Agency. Other areas of possible collaboration are being identified and include information sharing on energy generation and cooperation pertaining to the Nile River. Nine of the 10 Nile states are members of COMESA; only the Democratic Republic of Congo is currently not a member.

The East African Cooperation. EAC was established by Kenya, Tanzania, and Uganda in November 1993 to improve living standards and promote equitable and sustainable development through market-oriented regional integration. Preparing the customs union by January 2004 has the highest priority on EAC's agenda. The World Bank provides support to EAC for the development of a regional private sector development strategy, the assessment of the rationale, feasibility, and viability of establishing a regional capital market, the development of a power master plan, and the management of Lake Victoria through the Lake Victoria Environment Management Development project (LVEMP) and the preparation of the follow-on Sustainable Management of the Lake Victoria Basin Program (SMLVBP). The NBI, through the Nile Equatorial Lakes Subsidiary Action Program, maintains a close dialogue with EAC on all aspects of development related to the three EAC countries. Other donors of the organization include the EU, USAID, and the Swedish International Development Authority (SIDA).

The Inter-Governmental Authority on Development. The Inter-Governmental Authority on Development (IGAD) is the new name of the Inter-Governmental Authority on Drought and Development (IGADD), which was established in 1986. IGAD members aim at cooperating on conflict prevention, management, and resolution and humanitarian affairs to preserve peace, security, and stability; infrastructure development, with a focus on harmonizing policies in trade, industry, tourism, telecommunications, and transportation; and food security and environmental protection. IGAD recently has focused on the Sudanese peace process. Progress on economic integration and development projects has moved at a slower pace. Five Nile Basin states—Eritrea, Ethiopia, Sudan, Kenya, and Uganda—with Djibouti and Somalia form IGAD's membership. The United Nations, OAU, and many donor countries provide support to IGAD. The donor countries have organized themselves into the IGAD Partners Forum,

which is steered by a core group consisting of Canada, Italy, the Netherlands, Norway, the United Kingdom, and the United States. Closer coordination between the NBI and IGAD likely will be appropriate as the NBI progresses.

Southern African Development Community. The primary role of the SADC is to help define regional priorities, facilitate integration, assist in mobilizing resources, and maximize the regional impact of projects. The World Bank supports SADC in several areas, including trade dialogue, financial systems, power markets, regional infrastructure, groundwater and drought management, and education. Other supporters of SADC include the Scandinavian countries, DFID, and the EU. Two Nile Basin countries, Democratic Republic of Congo and Tanzania, are SADC members. The other members of SADC are Angola, Malawi, Zambia, Zimbabwe, Mauritius, Seychelles, Namibia, Swaziland, South Africa, Lesotho, Botswana, and Mozambique. The NBI is engaged in an informal learning relationship with SADC through interaction between the SVP Power Trade project and the Southern African Power Pool.

2.2. Regional projects

Several regional projects also are being implemented in the Nile Basin. Relevant projects and their relationships to the NBI are described in the following paragraphs.

Capacity Building for Water Resources Management Project. Since 1996 Italy has supported the basinwide Capacity Building for Water Resources Management project executed by the Food and Agriculture Organization (FAO). Because of the regional nature of the project, it was brought under the NBI umbrella and endorsed by the Nile Council of Ministers in May 1999. Now in its second phase, the objective of the project is to build the capacity of Nile Basin countries for joint water resources management, equitable sharing and utilization, and for joint protection of the environment. The project includes a range of capacity building activities in water resources planning and management, taking into account their transboundary, legal, institutional, socioeconomic, and environmental aspects. The project also has provided support to countries to develop their capabilities for water data capturing and management, including water data monitoring and the development of a prototype decision-support modeling tool. Discussions for a third phase of the project are currently ongoing. The SVP Water Resources project will build on and work in close collaboration with this capacity building project.

Lake Victoria Environment Management Program. The LVEMP is a comprehensive program that covers Lake Victoria and its catchment in Kenya, Tanzania, and Uganda. Its main objective is to rehabilitate 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, algae levels, pollution, and invasive exotic species such as water hyacinth. The ongoing project commenced in 1994 with a tripartite agreement and is funded by GEF, the International Development Agency (IDA), and national contributions. The follow-up project, Sustainable Management of the Lake Victoria Basin Program (SMLVBP), is proposed and its preparation has begun.

The Shared Vision Program, particularly the Environment project, will seek to build on the achievements and lessons learned of the LVEMP, allowing for their replication throughout the 10-country Nile Basin. Activities in Kenya, Tanzania, and Uganda that are part of specific LVEMP components will not receive additional support from the Shared Vision Program; however, these three countries will be included in the basinwide Environment project and other SVP project activities, which will also aid in the 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, they will be integrated into the preparation of the SMLVBP wherever appropriate. In this way, the SMLVBP will be a primary vehicle for Bank support to the NBI Subsidiary Action Program investment in the Lake Victoria Basin. To optimize coordination and complementarity between the SVP Environment project and LVEMP, LVEMP focal points for Kenya, Tanzania, and Uganda will be invited to participate in the annual Environment

project steering committee meetings. In this way, the SVP Environment project will build on and disseminate the transboundary experiences and actions of the LVEMP at the basin level.

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

- At the basin level (10 countries)
- At the sub-basin level (e.g., 6 countries in the Nile Equatorial Lakes)
- At lower levels, in the case of LVEMP and SMLVBP, at the level of Lake Victoria (3 countries).

Lake Victoria Development Strategy and Action Plan for Sustainable Development. As part of a complementary, longer-term process, the governments of Kenya, Tanzania, and Uganda have recently reestablished formal cooperation through 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 necessary investments, EAC has entered into partnership agreements with Sweden (through SIDA), France, and Norway, as well as with the World Bank and the East African Development Bank (April 2001). The partners are committed to supporting the development of the region in the long term in a coordinated manner. An early priority of the LVDP has been to establish close coordination with the LVEMP and the NBI.

EAC Master Power Plan. The World Bank supports the EAC in the development of a regional power master plan for mutually beneficial development of the interconnections the power systems of Uganda, Kenya, and Tanzania. The project aims to establish a regional power market in East Africa through the interconnection of the power systems of the three countries and their integration into the already functioning Southern African Power Pool, to which Tanzania already belongs. There has been an informal information exchange between the SVP Power Trade project working group and participants in the EAC Master Power Plan, and this exchange is likely to deepen as the SVP Power Trade project begins implementation. The Power Trade working group determined that the EAC Master Power Plan and the basinwide study to be conducted under the Power Trade project are complementary, and will differ in geographic scope and time horizon.

Nile Basin Discourse. Since early 2000, a public communication program has been implemented by the Nile Secretariat. In January 2001 at a meeting convened by the World Conservation Union, the World Wildlife Fund, and the Bank, with the support of the Rockefeller Foundation, an international discourse program was launched to seek the wide engagement of concerned environmental and other parties. On the one hand, every effort needs to be made to give voice to the voiceless—essentially the poor—within the basin; and on the other hand, the voice of regional and international groups needs to be given a platform. The Discourse has now been established (hosted by the World Conservation Union and with funding from CIDA-Canada) as an independent initiative of civil society and NGOs concerned with the development of the Nile Basin, primarily through the Nile Basin Initiative (NBI). It has set up a Discourse Desk in Entebbe, Uganda, which will be a coordinating center for civil society, independent of, but in a working relationship with, the NBI. Its objective is to promote open dialogue, discussion and sharing of views on development in the Nile Basin between all stakeholders and affected parties including civil society, academia, NGOs, the private sector, communities and governments at national, regional and international levels in all areas including poverty, conflict, the environment and development.

3. Lessons learned and reflected in program design

Lessons learned during the early stages of the NBI process, from other regional GEF programs, and from Bank work with other international rivers are reflected in program and project design. The process of engaging states sharing international waters is most important; this process often needs to be conducted

on many tracks simultaneously and is likely to be lengthy and costly. Particularly relevant lessons are described in the following paragraphs,

Development of a shared vision. Developing a shared vision is an important process that may start with divergent views but facilitates the convergence of views, through dialogue and relationship building, so that participants can reach a common, overarching goal for cooperation, taking into full account historical, cultural, environmental, and socioeconomic development constraints and opportunities. This process was the initiating step for the Shared Vision Program.

Agreed policy guidelines and the principle of subsidiarity. After a shared vision is adopted, dialogue on a common set of policy guidelines helps to define “rules of the game” within which all agree to operate, facilitating movement forward, even on difficult issues. An important policy in the Nile context is the adoption of the principle of subsidiarity (which underlies European Union cooperation), which provides the opportunity for exploring subsidiary actions at the sub-basin level, within a basinwide framework, and involving the countries potentially affected by the proposed activities.²⁴

Turning the challenge of conflict potential into opportunities for benefit sharing. Long-term conflict over scarce resources creates challenges, but also provides opportunity for cooperation, which often unlocks substantial development potential. Despite a long history of dispute and a future of conflicting water demands in the Nile Basin, the NBI is endeavoring to establish a new environment of cooperation, seeking win-win benefits. This also implies the need for widening the circle from water departments alone to broader sectoral involvement, such as agriculture, environment, education, energy, and planning. Not only is the Shared Vision Program a multisectoral program, but the national NBI focal point institutions will also coordinate collaboration among various sector departments. The program is designed to build the enabling environment that will foster sustainable transboundary cooperation and development among the Nile riparian states.

Trust and ownership. Developing trust and personal relations among riparian delegations from countries that often have been in dispute, sometimes for decades, is a key ingredient to successful cooperation. Trust and confidence among and between riparian parties and between riparians and donor partners must be built, and the sustained involvement of key individuals can be very important. Building trust is a long-term process. The Nile Basin countries have invested significant time, effort, and resources in launching and sustaining the NBI; this investment has built real ownership of the process. SVP implementation arrangements and project activities have been designed to ensure that the program is, and remains, firmly anchored in the basin.

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, not only from the basin states but also from donors. The dialogue process and support for developing trust underpin an environment that enables cooperation, a sense of ownership of a process that may require years to bear fruit, and the commitment of all parties to that process. It is a key requirement for donor agencies to be able to stay with the process and provide long-term support that will not be subject to political and institutional changes. The World Bank has taken over the responsibilities of administering the multidonor NBTF, managing donor coordination, and supporting the Nile countries in their efforts to maintain long-lasting partnerships with donors.

Partnerships. Building broad partnerships among and within the riparian countries and with key international institutions and development agencies is essential for a coordinated process and effective program implementation, as well as for using the comparative advantage of donor institutions. Public

²⁴ Council of Ministers of Water Affairs of the Nile Basin States, *Policy Guidelines for the Nile River Basin Strategic Action Program*, February 1999.

support within countries is also vital, and strong partnerships with civil society should be encouraged and built early in the process.

Management structures and implementation arrangements. Financial sustainability, close attention to institutional arrangements and selection of staff, and consideration of efficient, transparent, and accountable management structures are all essential. Regional projects often have high overhead costs because of the complexity of their structures and tasks. The Shared Vision Program has been designed with only the essential organizational structures and will draw on consultancy expertise (preferably regional) when required. At the same time, capacity building efforts will focus on ensuring that skills in the basin are strengthened for the effective execution and coordination of basinwide programs.

4. Indication of Nile riparian commitment and ownership

Regional level. At the regional level the commitment of the Nile countries has been unprecedented. Leaders in the Nile Basin countries have made it clear that they see the NBI as a tremendous opportunity to bring further cooperation, economic exchange, and eventually greater integration and interdependence. The strength of the NBI partnership was demonstrated at the June 2001 International Consortium for Cooperation on the Nile (ICCON), at which the countries presented their Shared Vision and their Strategic Action Program to donors and committed themselves to the NBI and the ICCON partnership. The Shared Vision Program is the first cooperative, basinwide program of the Nile riparians and the first common step toward realizing their Shared Vision.

National level. The governments of the region have committed themselves to finding cooperative solutions to implement this basinwide initiative. The decision of the Nile riparian countries to self-finance the recurrent costs of the NBI Secretariat reflects this commitment. Furthermore, six countries will host project management units for the seven technical SVP projects, and all countries will contribute considerable in-kind resources and staff time. These actions are a direct result of country ownership and control of the process.

Another demonstration of national commitment is the establishment of a national NBI focal point institution (or National NBI Office) in each country. These offices, which national governments will fund and staff, will play a key role in coordinating NBI activities at the national level. All Nile countries have formed some type of intersectoral committee to ensure communication and coordination among SVP-related ministries. In addition, the government of each country contributes the staff time of a Nile Technical Advisory Committee member to serve as head of its NBI office and provide a general review of the SVP project portfolio, as well as the staff time of project steering committee members to provide strategic guidance and oversight of each project.

Strong support of the Shared Vision Program has also been demonstrated by the participation of governmental institutions and NGOs in the preparation activities for each SVP project. As outlined in more detail in Annex 12 and the project-specific appraisal documents, technical experts from the SVP-related ministries took a leadership role in project formulation and the development of detailed implementation plans for each project. In addition, in some cases, broader NGO and public participation was garnered during the preparation process through national workshops and briefings. The involvement of civil society is expected to expand as the Shared Vision Program moves into implementation.

5. Value added of Bank and multidonor support of the program

The external support provided to the NBI is critical to the success of the Shared Vision Program as well as the subsidiary action programs. The World Bank, United Nations Development Programme (UNDP), and the Canadian International Development Agency (CIDA) have been strong "cooperating partners" in support of the NBI process since the beginning of the initiative. After ICCON, the circle of partners

supporting the Shared Vision Program widened to include eight additional bilateral donor and international agencies. The World Bank and its partners add value to the program by continuing to facilitate the NBI process, providing technical expertise, mobilizing international funding support, and ensuring quality assurance and fiduciary management.

The World Bank, UNDP, and other development partners have global experience in facilitating dialogue and knowledge sharing on international river basins and transboundary waters. They can provide a wide range of practical experience from a series of jointly implemented regional GEF programs (such as for the Baltic Sea, Black Sea, Danube River Basin, Mediterranean Sea, Mekong River Basin, Lake Victoria, and Red Sea). Without the combined resources of the World Bank, UNDP, and other development partners, implementation of the Shared Vision Program would proceed at a slower pace and would not fully benefit from the experience of other regional programs worldwide.

The success of river basin development programs in which the Bank and its partners have been involved lends additional credibility to projects that are endorsed by this group of donors. Therefore, the Bank, together with its partners, can mobilize broad multilateral and bilateral donor support for regional programs of this kind.

In addition, the World Bank has well established procedures for supervision, quality assurance, and fiduciary management, and a successful record of managing multidonor trust funds. The Bank's technical supervision role, carried out in collaboration with other development partners, can contribute to effective program implementation. The confidence of other donors in the Bank's capacity as trust fund administrator strengthens the financial commitment from multiple donors and thus contributes to the financial viability of the Shared Vision Program.

E. SUMMARY PROGRAM ANALYSIS

Detailed assessments will be provided in project-specific appraisal documents.

1. Economic (see Annex 4)

The Shared Vision Program includes seven technical assistance and capacity building projects and a coordination project that will evolve in response to demand. All will focus largely on capacity building, knowledge sharing, and the establishment of basinwide networks and relationships—activities whose benefits are difficult to quantify. The program as a whole is expected to achieve more than the sum of the individual projects by working across countries, sectors, and projects. For these reasons, the Shared Vision Program does not lend itself well to traditional cost-benefit analysis.

The costs and benefits of specific SVP activities will be discussed in greater detail, and quantified where feasible, in the relevant project-specific appraisal documents. Costs throughout the program will be contained by exploiting economies of scale and synergies among the projects, hiring project staff from the region with judicious use of external experts, and building on existing institutions and networks whenever possible.

The goal of the overall Shared Vision Program is to provide the framework, the relationships, and the information that will underpin and enable the cooperative management and development of Nile waters through the NBI. Although initial projects put forward in the NBI may or may not have high quantifiable rates of return, they will clearly contribute to the removal of longstanding obstacles to riparians' growth and provide opportunities for tremendous benefits. Moreover, the greatest benefits of these projects are likely to be those that are enabled by, rather than delivered by, river-related cooperation. These broader benefits of cooperative Nile management provide the economic rationale for the Shared Vision Program.

The broad benefits of cooperative Nile waters management and development fall into four categories:

- Environmental benefits derived from integrated river basin management
- Direct economic benefits derived from more optimal, basinwide planning and development of water resources
- Regional political benefits, in term of increased stability and diminished tensions over river control issues
- Indirect economic benefits, in apparently unrelated sectors, that are enabled by increased economic productivity and interaction, and decreased regional tensions.

2. Financial (see Annex 5)

The Shared Vision Program is a US\$131 million grant-funded program. Approximately 80 percent of total program costs has been pledged by bilateral donors, the GEF, the African Development Bank, and the World Bank (DGF). Given the strong support of the international community for NBI programs as indicated by the success of the first ICCON (US\$140 million pledged for the Shared Vision Program and the subsidiary action programs), it is fully expected that the remainder of needed SVP funds will be raised on the basis of demonstrated program success.

The administration of program funds is streamlined by the establishment of the multidonor NBTF, which ensures a unified and coherent approach to fund management. Most bilateral donors, and the African Development Bank if possible, will use the NBTF. Germany will provide direct bilateral support to the program through GTZ. The NBI and GTZ have agreed on an implementation framework for the German contribution that aligns with SVP implementation arrangements and corresponds with SVP project services arrangements, thus ensuring effective integration of this support into the overall program.²⁵ GEF resources for the Environment project, which will be financed jointly by the UNDP and the World Bank, will follow established Bank procedures. In line with the overall arrangements for the Shared Vision Program, the Bank portion of the GEF resources will be executed by the NBI through its executive arm, the NBI Secretariat, with UNOPS providing project services. The GEF/UNDP resources will be administered by UNOPS on behalf of the NBI.

For NBTF-financed activities, in general, funds will flow from the NBTF to project activities through UNOPS on the authorization of the NBI. At the launch of each project, NBI will submit a blanket withdrawal application to the Bank authorizing UNOPS to withdraw funds from the NBTF in order to finance project activities. UNOPS will then submit a request for project advance and the Bank will deposit the requested project advance to a deposit account. Funds will be advanced to the projects 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 financial monitoring reports (FMRs) and payment requests. 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 project operations and cover minor expenses, UNOPS will open Imprest accounts for the PMUs and for national project coordinators (or the equivalent) if appropriate to the project. UNOPS will bear full responsibility and all business risks associated with these accounts. A detailed description of the flow of funds for each SVP project will be

²⁵ The Nile Council of Ministers established an approved procedure for Non-Nile Basin Trust Fund Support for the Shared Vision Program at its 9th Annual Meeting, Cairo, Egypt, Feb 2002 (Meeting Minutes, Annex 7). See Master PAD Annex 14.

contained in Annex 6, Procurement and Disbursement Arrangements, in the project-specific appraisal documents.

3. Technical

The SVP projects build on existing technologies and knowledge, and project-related technical issues will be addressed in project-specific appraisal documents. Given the multicountry, multisectoral nature of the program, however, one overarching technical challenge will be communication and the management and exchange of information among the SVP projects and with the public. The Shared Vision Program will use Web-based systems and electronic communication to the extent possible. Each SVP project has allocated sufficient resources (staff and equipment) to ensure that the NBI Secretariat, SVP project management units, national offices and coordinators, and other stakeholders are linked electronically.

At the regional level, an NBI resource center and website will be maintained by the NBI Secretariat in Entebbe. As part of the SVP Coordination function, general guidelines and a framework for the NBI website and for the storage and exchange of information will be established. In turn, each SVP project will maintain a website linked to the NBI website for internal NBI use and for public access. In addition, other forms of communication (such as radio, print, and newsletters), as well as regular national and regional conferences and workshops, are integrated into the projects to ensure networking, communication, and information sharing.

To support the management of more technically related data, such as meteorological and hydrologic information, the Water Resources project will develop a basinwide information management system within the context of the Nile Basin Decision Support System.

4. Institutional (see Annex 10)

The Nile Basin countries, through a series of legal instruments adopted at meetings of the Nile Council of Ministers between 1999 and 2002, have established 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 basinwide framework for cooperation has been established. A cooperative framework is currently under discussion by the Nile Basin countries. Although the establishment of a permanent regional institution will facilitate continuity and the sustainability of NBI activities, the Shared Vision Program will contribute to strengthening cooperation, raising 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.

Effective implementation of the Shared Vision Program presents a challenge. All activities that seek to promote cooperation among the 10 countries of the Nile will be inherently complex. However, cooperation is essential if sustainable development and management of the Nile are to be achieved. The challenge of implementing the Shared Vision Program, an unavoidably large and complex program, must therefore be met.

The preparation of the SVP projects has been a complex, multicountry, multisectoral process involving more than 70 national experts from nine countries in the preparation of seven projects. The NBI structure, supported by the NBI Secretariat, has managed this process effectively, demonstrating the Nile riparians' capacity for basinwide coordination. At the regional level, as the program moves into implementation, the creation of strong project management units and continued attention to strengthening the regional coordination capabilities of the NBI will be critical to the success of the program and individual projects. At the national level, the projects will deal with a variety of institutions. The human and institutional capacities of these organizations vary throughout the basin.

4.1. Executing agencies

The NBI, through its executive arm the NBI Secretariat, will execute the GEF/World Bank and NBTf-financed components of the Shared Vision Program.²⁶ The NBI will act on behalf of the Nile Basin countries and will be responsible to the World Bank for ensuring that applicable rules and procedures are followed. Each SVP project will be managed by a project management unit. These units will be located across the basin and will be designed to function in close liaison with the NBI Secretariat and under its supervision. To ensure that the NBI meets its required fiduciary, procurement, and project management responsibilities, the World Bank and the NBI have agreed on an implementation arrangement through which the NBI will contract UNOPS to support the execution of each project. For the seven thematic projects,²⁷ no funds will transit directly through NBI, and a procurement and financial management assessment of the NBI is not required.

4.2. Project management

Project management challenges in a multicountry regional setting cannot be underestimated. The commitment of all the Nile countries to the Nile Basin Initiative has been and continues to be a key for success. The success of the Nile Basin Initiative so far is due largely to the fact that the countries have been squarely in the driver's seat, and that they have a keen sense of ownership of the initiative. As the program moves into the project implementation phase, close attention must be paid to ensuring that the project management units and the national project coordinators identify with and integrate into NBI structures rather than functioning as separate entities. A detailed project management description is given in Annex 10.

4.3. Procurement issues

Choice of a project services agency. The Shared Vision Program will be executed by the NBI through the NBI Secretariat. The Nile Council of Ministers has decided that the NBI will contract a project services agency to implement the Shared Vision Program. The purpose of the project services agency is to support the NBI in the execution of SVP projects through the provision of project services, particularly related to financial management, procurement of goods and services, and building the NBI's capacity to oversee basinwide projects. Following an extensive evaluation of options, the Bank agreed to the Nile Council of Minister's request that UNOPS be selected as the project services agency. (Annexes 6 and 10 provide further information on the general terms of reference for the project services agency and its selection.)

Procurement of works and goods financed 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 NBTf and GEF Trust Fund will follow the World Bank's Guidelines for Selection and Employment of Consultants by World Bank Borrowers dated January 1997 and revised September 1997, January 1999, and May 2002. The World Bank's latest editions of standard bidding documents and contracts will be used.

For the seven thematic projects, because UNOPS will support project execution, and because NBI will undertake no direct procurement action, a procurement capacity assessment of the NBI is not required.²⁶

²⁶ On behalf of the NBI, the GEF/UNDP financed portion of Environment project will be executed by UNOPS. GTZ will implement the German contribution to the Water Resources project in close coordination with the NBI Secretariat.

²⁷ For the SVP Coordination project, the NBI will directly employ staff and fund local operating expenses, while UNOPS will support other procurement and financial management activities. Arrangements for the SVP Coordination project are described in Annex 6, Part 1, and Annex 14.

During the appraisal process a Bank procurement specialist will meet with UNOPS and the Nile-SEC to discuss project procurement issues.

Consultants' services. It is envisaged that a large percentage of the consultants used in the program will be individual consultants, many of whom will be selected from the Nile Basin countries, who will work on specific aspects of the different components with both national and basinwide teams. Consultant firms will be used primarily for major studies and training exercises. The project-specific appraisal documents will delineate the type and amount of consultants' services required for each project.

4.4. Financial management issues

Because UNOPS will support the project implementation functions for the NBI and because the NBI will undertake no direct financial management actions, a financial management assessment of the NBI is not required.²⁸ During the appraisal process, a Bank financial management specialist will meet with UNOPS and the Nile-SEC to discuss project financial management issues.

4.5. Implementation start-up

It is anticipated that the start-up of each of the SVP projects will occur in a phased manner. Due to the grant nature of the Shared Vision Program, it is difficult to pre-finance preliminary start-up activities, such as hiring of core staff and procurement of furniture and equipment for the project management unit offices, prior to the effectiveness of each project. To address this issue, funds will be included within the SVP Coordination project, which is likely to be the first SVP project to become effective, to support the selection of core staff (such as, project manager and finance/procurement officer) for each of the SVP projects.²⁹ When the individual SVP projects have become effective, including the ability to disburse funds and the conclusion of a management services agreement with UNOPS, staff will be hired and the project management units operationalized. The SVP projects will account for this gradual start-up in their implementation and disbursement schedules.

5. Environment

For development to be sustainable, a strong foundation of awareness of transboundary environmental concerns and the capacity for managing them needs to be created. A holistic approach for development in the Nile Basin will require many points of interaction across sectors and across borders that will build the foundation on which the subsidiary investment programs will be designed. The Shared Vision Program will enhance transboundary cooperation and environmental and natural resources management in the Nile Basin. The largest project in the program is the Nile Transboundary Environmental Action project. The Environment project supports the development of a basinwide framework for actions to address high-priority transboundary environmental issues in the basin. Major project activities include transboundary community action, environmental education, networking of NGOs and professionals, improving the management of ecologically sensitive areas, and supporting dialogue throughout the basin on water resources and natural resources management.

Other SVP projects also will address sustainable development issues at various levels. The basin planning model being developed in the Water Resources project is being funded by the Environment project and will provide a tool to address environmental issues at the planning stage. In the Power Trade project, an

²⁸ For the SVP Coordination project, the NBI will directly employ staff and fund local operating expenses, while UNOPS will support other procurement and financial management activities. Arrangements for the SVP Coordination project are described in Annex 6, Part 1, and Annex 14.

²⁹ The exception is the Environment project, where the establishment of the PMU, including hiring of staff and procurement of equipment, will be supported by GEF/UNDP and executed by UNDP.

assessment of environmental and social impacts will be an essential factor in the dialogue on power trade options. Environmental issues will be incorporated into course development in the Applied Training project. The Agriculture and Environment projects will address watershed management.

The SVP projects are of a technical assistance and capacity building nature and are aimed at enhancing cooperation and raising awareness of good practices for sustainable development and long-term environmental management. None of the SVP projects, therefore, is expected to have negative social or environmental impacts.

6. Social

6.1. Key social issues relevant to program objectives, and program social development outcomes

The development of national policies and investment programs for the use and protection of Nile Basin water has significant social importance in the basin countries. Social and gender issues, for example, are key factors in environmental sustainability and developing investment programs that provide more equitable access to land, water, and their economic benefits. In addition to compliance with the do-no-harm World Bank Safeguards policies, it is important that regional development plans and action reflect societal perspectives concerning equitable growth and poverty reduction. One SVP project—Confidence Building and Stakeholder Involvement (Confidence Building)—will provide support on social and participation issues to all SVP and subsidiary action program projects as needed. The Shared Vision Program intends to initiate and maintain three actions designed to keep social issues in the forefront of activities. They are:

- Improve the availability of information needed to assess social and environmental impacts of NBI and future related projects
- Provide support and technical advice, through the SVP Confidence Building project, on conducting social analysis and establishing effective participation approaches
- Contribute to dialogue and decisions, from a regional perspective, on alternative development paths.

6.2. Participatory approach—key stakeholders' participation in the project

Ownership, trust, and regional confidence are recognized as critical to achieving the objectives of the Shared Vision Program. Therefore, the SVP Confidence Building project has been designed, as described in Annex 13, to increase public awareness, stakeholder involvement, and confidence building throughout the region, with a focus on three categories of key stakeholders: (i) decisionmakers; (ii) opinion makers; and (iii) local riparian users. To achieve trust and ownership objectives, the Shared Vision Program, through the Confidence Building project, is using a robust participatory approach that features dialogue, collective analysis, action, and participatory monitoring for feedback. This four-point approach is designed to scale up existing participation efforts and go beyond simple consultation. By using this more substantive participatory approach with key stakeholders, collaborative social learning is enhanced, and collective agreement on key social, technical, and political issues is made easier. The SVP program intends to initiate and maintain three key activities to expand the participation of these key stakeholders. They are:

- All SVP projects, as well as subsidiary action program investment projects, will incorporate an active program of participation of key stakeholders.

- The Confidence Building project will provide advice and technical support to SVP and subsidiary action program projects, as needed, on how to implement and maintain high-quality participation and stakeholder inclusion programs in these projects
- The Confidence Building project will provide to each of the countries a cross-cutting program of activities designed to reach, inform, and effectively involve key stakeholders in designing and implementing NBI policies and actions

6.3. Consultation and collaboration with NGOs and other civil society organizations

The Shared Vision Program has placed considerable effort in consultative project preparation with key technical stakeholders, and key points are reflected in this Master PAD. It has also defined and committed itself to a strong implementation plan that features substantive participation and collaboration with NGOs and other civil society organizations, as described in the Confidence Building project. Please refer to Annex 12 for details.

6.4. Institutional arrangements to ensure achievement of social development outcomes

The Shared Vision Program will focus on the development and continuation of four institutional mechanisms or arrangements designed to ensure development of social development outcomes. Responsibilities will rest primarily with the Confidence Building project, whose PMU is based at the Nile Secretariat in Entebbe, Uganda. They are:

- Promotion of formal mechanisms of participation between national governments and their civil societies
- Establishment of active stakeholder networks within countries and across collaborating sub-regional countries
- Establishment of formal linkages with the Eastern Nile Technical Regional Office and the Nile Equatorial Lakes Coordination Unit to facilitate the integration of participatory and social approaches into the subsidiary action investment programs.
- Facilitation of regional and national Nile forums (similar to the Nile 2002 conferences), with support of designated SVP projects, as regular events.

Also, the Shared Vision Program in general has provided for a series of meetings every six months among SVP project managers to review progress and challenges. Social development outcomes will be an explicit topic for discussion at each meeting. In addition all SVP projects include regular meetings of the project steering committees, where government representatives, the World Bank, and donor partners can obtain information on these issues.

6.5. Performance monitoring of social development outcomes

Four levels of performance monitoring will contribute to assessment of social development outcomes. The Shared Vision Program and the NBI Secretariat both will monitor broadly defined outcomes. Also each of the projects will designate specific benchmarks for its particular programs, including social and participation arrangements. Finally, the Confidence Building project will establish a baseline assessment across countries concerning civil society and country agency attitudes, knowledge, involvement, and trust in NBI activities. This will be monitored several times across the life of the project.

7. Safeguard policies

An integrated safeguards data sheets (ISDS) will be prepared separately for each SVP project and included in the project-specific appraisal document. The ISDS for the SVP Coordination project, which is described in this SVP Master PAD, is attached in Annex 15. The ISDS for the Nile Transboundary Environmental Action project has been completed and the project has received the environmental category rating C. The ISDS is presented in Annex 19 of the Environment project appraisal document (Report No. 24609-AFR).

F. SUSTAINABILITY AND RISKS

1. Sustainability

The Shared Vision Program is designed to provide the basinwide framework and mechanisms to build trust, capacity, and an enabling environment for investment through collaborative work on joint projects. The duration of the overall program is six years, with the length of individual projects ranging from three to six years. At the project level, some project activities (particularly those of a study-nature) have a fixed duration, while others (such as networks of professionals or stakeholders, information systems, and the power forum) are likely to continue. It is anticipated that study results and project initiatives that have demonstrated value to the region will be used and sustained by the Nile riparian countries and integrated into ongoing national and regional activities. As the NBI process unfolds and investment programs within the subsidiary action programs progress, relevant elements of the Shared Vision Program are likely to be incorporated into these investment programs.

Issues of the sustainability of each project will be addressed in the project-specific appraisal documents, but some general issues relevant to sustainability are discussed below.

Ownership. Ownership of the Shared Vision Program and individual projects is critical to the long-term sustainability of project initiatives. Throughout the design and preparation of SVP projects, every effort has been made to use participatory processes at national and regional levels to ensure that riparian country stakeholders genuinely own the projects. During project implementation, ever-widening circles of stakeholders will participate in the NBI process. Implementation arrangements, including the execution of the program by the NBI, the preference for hiring project staff and consultants from the region, and the focus on stakeholder engagement, all aim at anchoring the NBI firmly in the region. Continued national commitment to supporting the Shared Vision Program and the broader NBI institutional setup also will demonstrate project ownership.

Tangible benefits. The second important concern about sustainability is whether the project outcomes will indeed result in tangible benefits at local, national, and regional levels. It is recognized that the initial beneficiaries of many SVP projects will be government agencies and ministries, educational institutions, selected local communities, NGOs, 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 cooperation being maintained and strengthened among the Nile Basin countries. There is a strong sense among the riparians of “crossing the Rubicon,” the sense that so much has been invested in the NBI that they no longer have the option of abandoning it, but must move forward as they have publicly committed themselves to doing. 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 Nile Basin Initiative (Nile Council of Ministers, Nile Technical Advisory Committee, and the NBI Secretariat) 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

Each SVP project will outline relevant critical risks in the project-specific appraisal document. Key risks relevant to the program are listed below.

Insecurity and conflict. Seven of the 10 countries in the Nile region are or have recently been involved in internal or external conflict. This brings both operational and political risks to a program of this size and process this complex. However, there is an awareness at the highest political levels of the Nile countries of the possibilities of a cooperation and peace dividend. Thus, there is a high-level commitment to maintaining the momentum of the process, in spite of the political landscape and current reality. Leaders in the Nile Basin countries have made it clear that they see the NBI as a tremendous opportunity to foster further cooperation, economic exchange, and eventually greater integration and interdependence. These benefits in turn can yield high returns in terms of growth, food security, sustainable development, and peace.

Commitment of the Nile Basin countries. The NBI process is relatively young and thus still fragile. Its success will depend on the countries' continued commitment to collaborating with other Nile Basin countries and achieving the objectives of the Shared Vision Program. Such commitment is intimately related to political stability in the region. Nile Basin countries are facing political uncertainty, extreme poverty, vulnerability to climatic variations, disease, and other painful challenges. These conditions are not conducive to implementing a complex program aimed at building an enabling environment on a regional basis. However, the Shared Vision Program seeks to build trust among the Nile Basin countries; this trust in turn can encourage further cooperation and reduce conflict. The collaborative efforts made during the preparation of the Shared Vision Program, the visionary leadership that has emerged within the basin, and the regional ownership that is the result thereof are powerful instruments for building long-term trust and commitment to maintaining the momentum of the process.

Lack of institutional and human capacity. Many countries in the basin face institutional and human capacity constraints that affect their capabilities for sustaining national and regional coordination. Many ministries lack the equipment and staff needed for basinwide and integrated national water resources management. Although there is a large pool of qualified professionals in the basin, it is unevenly distributed across countries and needs to be expanded. Leveling the playing field is a key ingredient to long-term cooperation and achieving sustainability in the basin. This requires the constant re-creation and expansion of a human resources base that is endowed with the necessary skills for integrated water resources management.

Human capacity building and targeted training are integrated into all SVP projects, and the Applied Training project addresses long-term educational needs. So far, the institutions of the NBI, supported by the NBI Secretariat, have effectively managed a complex, multicountry, multisectoral process to prepare the seven technical projects of the Shared Vision Program. The implementation of the program will build institutional capacity by strengthening the regional capabilities of the NBI and by creating project management units and national NBI offices. The national NBI offices will ensure coordination and exchange among national institutions; a strong coordination unit at the NBI Secretariat and the project management units will enhance regional coordination capacity; and all will lay the institutional groundwork for continued basinwide cooperation.

In addition, UNOPS, the project services agency supporting the NBI in program implementation, is well represented in the Nile Basin countries and is engaged in managing large programs delivering both

development and humanitarian assistance in all the countries. Moreover, for the regional process, the Bank, UNDP, and CIDA have worked as cooperating partners in the NBI process since 1997.³⁰ More than 10 additional donors and international agencies since have joined in supporting the NBI. They have seen the NBI process move forward despite huge obstacles and are confident of the NBI's ability, with the support of UNOPS, to deliver this program in an efficient and effective manner.

Continued partner support and financial sustainability. The Nile Basin Initiative already has generated considerable political returns—basinwide cooperation and reduced tension among Nile riparians. However, the initiative will produce financial returns only in the long run. Continued and timely partner support, as well as the timely realization of government contributions, are therefore important to successful implementation of the Shared Vision Program.

The meeting of the International Consortium for Cooperation on the Nile, which brought together international donors and the riparian countries in June 2001 in Geneva, was the first step to securing partner commitment. Nine bilateral agencies and international institutions have committed to supporting the Shared Vision Program, yet about 20 percent of the program remains unfunded. The successful startup and implementation of the initial phases of the Shared Vision Program will enhance trust and cooperation in the region, thereby deepening riparian governments' commitment and increasing partner confidence in the Nile basin countries. Demonstrated success is expected to attract needed financial resources and continued donor and riparian governmental support.

Stakeholder support. Water resources management affects all members of society and thus requires the support of all. A regional program of this magnitude will become sustainable only with continued support from its stakeholders. Project preparation has involved a number of stakeholder representatives, but the circle of stakeholders participating in the NBI process needs to be widened. Implementation of the Shared Vision Program will create much wider participation and dialogue among national and regional stakeholders. In addition, because the Nile is a global asset, a wide range of stakeholders within and outside the region have an interest in the management and development of the Nile. An "international discourse" has been established as an independent initiative implemented through the International Union for the Conservation of Nature with initial funding support from CIDA. The purpose of the international discourse is to provide the opportunity and mechanism for national, regional, and international NGOs and civil society to interact with each other and discuss the development process in the Nile Basin.

³⁰ CIDA sponsored the first of 10 conferences in the Nile 2002 series in 1992, followed by support for a regional initiative for technical cooperation; UNDP began supporting the Cooperative Framework project in 1995; and the World Bank became involved in the NBI process at the request of the Nile Council of Ministers in 1997. In 1997, the World Bank, UNDP, and CIDA began to facilitate Nile riparians' dialogue as "cooperating partners."

Risk	Risk Rating	Risk Mitigation Measure
From Outputs to Objective		
Regional cooperation and national commitment towards SVP implementation does not continue.	S	Emphasis on regional cooperation and the involvement of high-level persons to establish regional and country ownership of the process. Project implementation through staff from the region to strengthen ownership and to ensure that projects meet regional and national needs.
Regional level institutional capacities are not adequate to ensure effective basinwide coordination.	S	At the institutional level, strengthening the NBI Secretariat and project management units to coordinate basinwide projects through mentoring, learning by doing, and targeted training. Individual projects will contribute to this effort through regional exchanges, workshops, study tours, and targeted training. The NBI's selection of UNOPS to provide project services and capacity building for the Shared Vision Program will provide the backup necessary to ensure smooth implementation of the SVP projects and, in the process, establish a permanent project implementation capacity with the NBI.
National level institutional capacities are not adequate to ensure effective basinwide coordination.	M	The establishment and operation of national NBI offices in each country will strengthen cross-sectoral coordination at the national level. The NBI's choice of UNOPS to provide project services was made, in part, because of UNOPS ability to work in each of the participating countries and provide support and capacity building for the national NBI offices.
Qualified and motivated staff and/or experts for particular project components are not available in the region.	M	SVP staff will be hired competitively after advertisement of positions in international, regional, and national newspapers in an effort to attract qualified staff. The motivation of staff and career opportunities will be enhanced through exposure to training and exchange.
Riparian countries are unwilling to share information and collaborate on achieving SVP objectives.	M	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.
NBI process does not remain open and conducive to active stakeholder participation and collaboration.	M	The Confidence Building project will facilitate the preparation of a communication and public outreach strategy to increase awareness and understanding, as well as a strategic approach and general guidelines for effective stakeholder participation in the NBI process. Confidence Building project will then provide the tools and technical expertise to assist SVP projects in incorporating these guidelines into project implementation. In addition, numerous regional and national workshops and other for a for consultation are planned at program and project levels.
Partner support and pledged financing, as well as riparian in-kind financing, are not provided at expected levels.	M	Canada, the Netherlands, Norway, Sweden and Germany have confirmed their commitments and made their first installments. Other donors that have pledged support to the Shared Vision Program still are conducting appropriations processes. The GEF Executive Council endorsed the Environment project brief during the GEF Executive Council meeting in December 2001. Donors' participation in project appraisal and supervision will help to maintain their interest and commitment. Most riparian governments have included support for NBI activities in their national budgets. In-kind support for the project management units and national project activities will be confirmed in letters from ministers of Finance (or appropriate line ministry) and appropriate host institutions during the appraisal process.

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

3. Possible controversial aspects

There are a number of controversial issues among and between Nile Basin states due to tensions arising from the management and development of Nile waters. It is likely there will also be controversial issues in the future over the cooperative development of Nile waters, particularly due to the need for hydraulic infrastructure and safeguard issues. However, the Shared Vision Program is not controversial because of the participatory processes used to identify and prepare the program.

G. REQUIREMENTS

The Shared Vision Program is in an inception phase, which involves activities at both the program and project level. At the program level, the NBI Secretariat, as the executive arm of the NBI, is developing general guidelines for implementation and putting in place mechanisms to ensure effective program execution and coordination. At the project level, the NBI Secretariat is overseeing the preparation of detailed implementation plans for each project according to the project documents approved by the Nile Council of Ministers in March 2001, general SVP guidelines, and consultations at national and regional levels. Implementation planning for each of the projects is being conducted in a phased manner to facilitate learning by doing.

In parallel, the World Bank, in collaboration with other donors, is engaged in preappraisal and appraisal activities. During early discussions with the NBI,³¹ it was agreed as a condition for the preappraisal of the projects to be funded by the NBTF that the NBI Secretariat would confirm that:

- The National NBI Office is ready to coordinate and assist with the logistics of preappraisal missions.
- Host ministry or institution for a particular project (e.g., power, agriculture, environment, training institute, water) is prepared to discuss project implementation arrangements
- In the host country for the project management unit, potential PMU facility(ies) have been identified and the host ministry is prepared to discuss project implementation arrangements.
- The NBI identifies a project services agency.

The above conditions have been met.

Requirements for appraisal, negotiations, and project effectiveness for each project are listed in the following paragraphs.

1. Requirements for appraisal

The NBI Secretariat confirms to the Bank for the SVP project being appraised, based on satisfactory evidence, that:

- Regional project management unit (PMU) facility has been identified and acceptable proposals have been made by the host country for its contribution to the PMU.
- Draft project implementation plan has been prepared.
- Acceptable proposal(s) have been made by each government for its contribution at the national level (e.g., office space, staff, etc).

³¹ Nile Council of Ministers, Ninth Annual Meeting, Cairo, February 2002.

2. Preliminary requirements for negotiations

To be refined during appraisal

The NBI Secretariat confirms to the Bank for the SVP project being negotiated, based on satisfactory evidence, that:

- Letter from competent authority (Ministry of Finance and/or appropriate line ministry) confirming host country contribution to supporting the regional project management unit has been submitted.
- A project steering committee has been constituted.
- Updated project implementation plan has been prepared.
- Draft Management Services Agreement for project services support has been prepared.

3. Preliminary requirements for effectiveness for each SVP project

To be refined during appraisal

The NBI Secretariat confirms to the Bank for the SVP project becoming effective, based on satisfactory evidence, that:

- The core staff of the regional project management unit has been selected, and the project management unit offices are ready for occupation.
- Project implementation plan, including a procurement plan for the first year, for use in project implementation has been submitted to the Bank and agreed.
- An adequate financial management system for project monitoring and implementation has been established, including, in particular, the conclusion by the NBI, through its executive arm the NBI Secretariat, a management services agreement for project services execution to the satisfaction of the Bank.

4. Other

To be refined during appraisal.

To be met at all times during project implementation

- Contract with project services agency continues in force.
- Project management unit remains adequately staffed.
- NBI, as the executing agency, is able to operate in accordance with legal Instruments establishing it, provide funds, facilities, services, and other resources required for the project.

H. COMPLIANCE WITH BANK POLICIES

This project complies with all applicable Bank policies.

ANNEX 1. PROGRAM DESIGN SUMMARY

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
<p>NBI Regional Goal The vision of the Nile Basin Initiative (NBI) is to achieve sustainable socioeconomic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.</p>			<ul style="list-style-type: none"> ▪ Continued commitment of riparian countries to pursue cooperative development of the Nile ▪ Political and economic stability of riparian countries
<p>Program Development Objective Build trust, capacity, and an enabling environment for investment in the Nile Basin countries</p>	<p>Outcome/Impact Indicators</p> <ul style="list-style-type: none"> ▪ Increased basinwide dialogue and exchange of information in SVP fields ▪ Functioning networks of professionals in SVP-related fields ▪ Enhanced skills and expanded information bases in SVP-related fields ▪ Informed riparian dialogue on transboundary development opportunities, challenges, and impacts ▪ Enhanced stakeholder participation in the NBI process 	<p>Program-Level Summaries and Consolidated Reports</p> <ul style="list-style-type: none"> ▪ Annual SVP summary report ▪ Annual SVP supervision mission report 	<p>(from Objective to Goal)</p> <ul style="list-style-type: none"> ▪ Continued political and financial commitment to the NBI by the riparian states. ▪ Regional and national level management and institutional capacities are adequate to ensure effective basinwide coordination. ▪ NBI process remains open and conducive to active stakeholder participation and collaboration. ▪ Successful ICCON process and continued donor support.

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
<p>Project Development Objective(s)</p> <p>1. Nile Transboundary Environmental Action Provide a strategic framework for environmentally sustainable action and support basinwide environmental action linked to transboundary issues.</p>	<p>Major Project Outputs Indicators</p> <p>1a. Regional dialogue and cooperation on transboundary environmental and natural resource management issues enhanced.</p> <p>1b. Community-level involvement and action on transboundary environmental issues, particularly land and water conservation, increased through establishment of Microgrants Program.</p> <p>1c. Environmental awareness enhanced through awareness and education initiatives involving public and secondary schools and enhancing university and research networks on environmental education.</p>	<p>Project Reports</p> <ul style="list-style-type: none"> ▪ Semiannual project implementation progress reports ▪ Annual substantive progress reports ▪ Substantive work plans (attached to annual substantive progress report) ▪ Ad hoc substantive reports ▪ Annual steering committee meetings ▪ Annual supervision mission reports ▪ Evaluation reports (midterm and final) ▪ Quarterly Financial Monitoring Reports ▪ Annual audits 	<p>(from Output to Objective)</p> <ul style="list-style-type: none"> ▪ NBI regional cooperation continues, backed by strong commitment at the national level. ▪ Adequate regional level implementation and management capacity to ensure basinwide coordination. ▪ Adequate national-level institutional capacity and cooperation to implement and sustain project. ▪ Qualified and motivated staff available and retained to effectively implement and sustain project. ▪ Riparians willing to share information and collaborate in project activities. ▪ Stakeholders well integrated into SVP projects and activities. ▪ Pledged donor support and riparian in-kind financing provided at expected levels.
<p>2. Nile Basin Regional Power Trade Establish the institutional means to coordinate the development of regional power markets among the Nile Basin countries.</p>	<p>2a. Regional Power Trade Forum established and operating.</p> <p>2b. Basinwide study of long-term power supply, demand and opportunities cooperatively conducted.</p>	<p>See above.</p>	

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
Project Development Objective(s)	Major Project Outputs Indicators	Project Reports	(from Output to Objective)
<p>3. Efficient Water Use for Agriculture Production Provide a sound conceptual and practical basis for Nile riparian countries to increase the availability and efficient use of water for agricultural production.</p>	<p>3a. Regional dialogue on watershed management established, best practices for watershed management explored and disseminated, and national capacity for sustainable watershed management enhanced.</p> <p>3b. Regional consultation on community managed irrigation strengthened, awareness on efficient irrigation water use enhanced, and best practices for community managed irrigation exchanged.</p> <p>3c. Options for reform in public-managed irrigation reviewed and opportunities for irrigation development explored.</p> <p>3d. National level support for agricultural and irrigation policy development provided and national capacity strengthened.</p>	<p>See page 40.</p>	<p>See page 40.</p>
<p>4. Water Resources Planning and Management Enhance analytical capacity for a basinwide perspective to support the development, management, and protection of Nile Basin water resources in an equitable, optimal, integrated, and sustainable manner.</p>	<p>4a. Support for water policy development and implementation provided and national capacities strengthened.</p> <p>4b. Capacity for successful preparation and management for joint projects enhanced.</p> <p>4c. A Nile Basin DSS, coupled with human capacity and institutional support, developed and operating.</p>	<p>See page 40.</p>	<p>See page 40.</p>
<p>5. Confidence Building and Stakeholder Involvement Develop confidence in regional cooperation under the NBI and ensure full stakeholder participation.</p>	<p>5a. Regional confidence building and stakeholder unit and national offices that facilitate dialogue and basinwide cooperation established.</p> <p>5b. Public information about the NBI within participating countries and around the world improved.</p> <p>5c. Sustainable regional confidence building and national stakeholder inclusion activities..</p>	<p>See page 40.</p>	<p>See page 40.</p>

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
Project Development Objective(s)	Major Project Outputs Indicators	Project Reports	(from Output to Objective)
6. Applied Training Strengthen the capacity in selected subject areas of water resources planning and management in the public and private sectors and community groups; strengthen centers with capacity to develop and deliver programs on a continuing basis; and expand the frequency and scope of basin interchange among water professionals.	6a. Nile network of training institutions established and functional 6b. Water professionals' expertise in integrated water resources management upgraded in selected areas. 6c. Basin institutions strengthened to deliver priority training events. 6d. Exchange of basin expertise strengthened.	See page 40.	See page 40.
7. Socioeconomic Development and Benefit Sharing Strengthen Nile River basinwide socioeconomic cooperation and integration.	7a. Dialogues initiated and sustained through workshops and other means. 7b. Basinwide network of economic and policy research institutions established. 7c. Direct support to other SVP projects on economic integration and benefit sharing provided. 7d. Applied research products, papers, proceedings, and capacity building outputs.	See page 40.	See page 40.
8. SVP Coordination Strengthen the capacity of the NBI to execute basinwide programs and to ensure effective oversight and coordination of the NBI's Shared Vision Program.	8a. SVP projects effectively coordinated. 8b. Capacity of NBI to manage basinwide programs strengthened. 8c. Permanent financial management and procurement systems that meet international standards developed. 8d. NBI website and Resource Center enhanced and operating. 8e. Monitoring and evaluation system implemented. 8e. Training program in project management designed and implemented.	See page 40.	See page 40.

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
Project Components	Inputs (budget for each project)^a	Project Reports	From Components to Outputs
<i>Component-level budgets to be presented in project-specific appraisal documents.</i>			
1. Nile Transboundary Environmental Action <ul style="list-style-type: none"> ▪ Institutional strengthening ▪ Community-level land and water conservation ▪ Environmental education and awareness ▪ Wetlands and biodiversity conservation ▪ Water quality monitoring basinwide 	US\$39 million	<i>Vary by project. To be reflected in project-specific appraisal documents.</i>	<i>Vary by project. To be reflected in project-specific appraisal documents.</i>
2. Nile Basin Regional Power Trade <ul style="list-style-type: none"> ▪ Power Forum ▪ Comprehensive basinwide analysis ▪ Regional coordination and implementation 	US\$13 million		
3. Efficient Use for Agriculture Production <ul style="list-style-type: none"> ▪ Institutional strengthening ▪ Water harvesting ▪ Community managed irrigation ▪ Public managed irrigation 	US\$5 million		
4. Water Resources Planning and Management <ul style="list-style-type: none"> ▪ Water policy good practice guides and support ▪ Project planning and management good practice guides and support ▪ Nile Basin Decision Support System (DSS) 	US\$28 million		
5. Confidence Building and Stakeholder Involvement <ul style="list-style-type: none"> ▪ Regional implementation and facilitation ▪ Public Information ▪ Stakeholder involvement ▪ Confidence building at regional and subregional levels 	US\$15 million	<i>Vary by project. To be reflected in project-specific appraisal documents.</i>	<i>Vary by project. To be reflected in project-specific appraisal documents.</i>

HIERARCHY OF OBJECTIVES	KEY PERFORMANCE INDICATORS	MONITORING AND EVALUATION	CRITICAL ASSUMPTIONS
Project Components	Inputs (budget for each project)^a	Project Reports	From Components to Outputs
6. Applied Training <ul style="list-style-type: none"> ▪ Building Capacity: HRD (short term) ▪ Building Capacity: HRD (long term) ▪ Promoting Basin Interchange ▪ Regional coordination and facilitation 	US\$20 million		
7. Socioeconomic Development and Benefit Sharing <ul style="list-style-type: none"> ▪ Sectoral dialogues and integration to promote SVP coordination ▪ Regional dialogues and scenario building on basin development and benefit sharing ▪ Direct analytical support to other NBI programs, capacity building, workshops and dissemination 	US\$11 million		
8. SVP Coordination <ul style="list-style-type: none"> ▪ Program coordination ▪ Financial management and procurement ▪ Knowledge management and information sharing ▪ Monitoring and evaluation ▪ Training 	\$ 5.4 million		

^a Estimated costs will be finalized during appraisal. Costs shown do not include counterpart contributions.

More detailed logical frameworks to be provided for each project in project-specific appraisal documents.

ANNEX 2. PROJECT PORTFOLIO

Nile Transboundary Environmental Action Project Profile	
Objectives	<ul style="list-style-type: none"> ▪ Provide a strategic framework for environmentally sustainable development of the Nile River Basin. ▪ Support basinwide environmental action linked to transboundary issues in the context of the NBI Strategic Action Program.
Context	<p>There is clear recognition in the NBI that development in the Nile Basin must be environmentally sustainable in the long term. This is reinforced by the fact that the Nile is widely perceived as an environmental issue of global concern. Identifying environmental and development synergies and thus sustainable development opportunities will be an important task for the NBI. This project will help build a strategic framework for environmentally sustainable development of the Nile Basin, improve understanding of the relationships of water resources development and the environment in the basin, and provide a forum in which a wide range of stakeholders can discuss development paths for the Nile.</p> <p>The transboundary environmental analysis was carried out by the Nile riparians with support from GEF, UNDP, and the World Bank (it is available upon request to ahillers@worldbank.org or jcollier@worldbank.org.) It synthesizes basinwide environmental trends, threats, and priorities and outlines the elements for the long-term Agenda for Environmental Action for the Nile Basin, which will also be reflected in the capacity building and investment programs of the NBI in key social and economic sectors.</p>
Expected Outputs	<ul style="list-style-type: none"> ▪ Enhanced regional cooperation on transboundary environmental and natural resource management issues, including the development and application of a river basin model as part of a decision support system, knowledge management, and linkage of macroeconomic and sectoral policies and the environment. ▪ Capacity and support for local action on land, forest, and water conservation, and microgrant funding to support community initiatives at pilot sites. ▪ Greater environmental awareness of civil society through environmental education programs and networking of universities and research institutions. ▪ Enhanced regional capacity for sustainable management of wetlands and establishment of wetlands management programs at pilot sites. ▪ Greater awareness and enhanced information on transboundary water quality threats. Standard basinwide analytical methods for water quality measurements and enhanced institutional capacity for water quality management. Increased information exchange and capacity for monitoring efforts.
Major Components	<ol style="list-style-type: none"> 1. Institutional strengthening to facilitate regional cooperation <ul style="list-style-type: none"> ▪ Regional coordination ▪ Knowledge management ▪ River basin model ▪ Macroeconomic and sectoral policies and the environment 2. Community-level land and water conservation <ul style="list-style-type: none"> ▪ Enhancing basinwide capabilities and cooperation ▪ Priority actions for addressing soil erosion ▪ Nile Transboundary Microgrants Program 3. Environmental education and public awareness <ul style="list-style-type: none"> ▪ Public information and awareness ▪ Secondary schools ▪ University networks 4. Wetlands and biodiversity conservation <ul style="list-style-type: none"> ▪ Enhanced regional cooperation and capabilities ▪ Better understanding and broader awareness of the role of wetlands in supporting sustainable development ▪ More effective management of wetlands and transboundary protected areas 5. Basinwide water quality monitoring <ul style="list-style-type: none"> ▪ Enhanced national capacities for water quality monitoring ▪ Awareness raising and information sharing on transboundary water quality
Indicative Cost and Duration	<p>\$26.9 million (Phase 1) \$12.4 million (Phase 2) \$39.3 million (GEF/World Bank, GEF/UNDP, and NBTF) over 5 years Additional local contributions amount to \$4.3 million. The project total is therefore \$43.6 million.</p>
Partner Interest	<p>GEF/World Bank, GEF/UNDP, Canada, Netherlands (<i>to be confirmed</i>)</p>

Nile Basin Regional Power Trade Project Profile	
Objective	<p>The long-term goal of the RPT Project is to improve access to reliable and low-cost power in the Nile Basin in an environmentally sustainable manner.</p> <p>The development objective of the Regional Power Trade (RPT) Project is to establish the institutional means to coordinate the development of regional power markets among the Nile Basin countries.</p>
Context	<p>Adequate and reliable power supply is critical to meeting the social and economic development objectives of the Nile Basin countries. Yet in most of the Nile Basin countries, only about 10 percent of the population has access to electricity. This situation exists despite the presence of vast and as yet untapped hydroelectric and other energy resources in the Nile Basin. The present limited development of national power systems in the basin imposes a constraint on the exploitation of these resources at affordable costs at the national level. These constraints on supplying affordable power could be overcome by expanding the market for these resources by developing power trade among Nile Basin countries.</p> <p>A Scoping Study - <i>Opportunities for Power Trade in the Nile Basin</i> - found that a more focused and coordinated process for discussing ways to expand power trade in the Nile Basin would advance the development of power supply facilities. The study recommended that this objective be realized through the creation of a basinwide forum of national power experts to facilitate continued dialogue in the region. Power forums are proving effective in developing power trade among other regional groups of countries, notably in the Southern African Power Pool, the Mekong Regional Power Market, and the Central American Regional Electricity Market in the Mercosur region. The establishment of regional power markets has generally improved systems reliability and economies of scale in planning, construction, and operation of the generation and transmission facilities, thereby contributing to the development and integration of regional economies.</p>
Expected Outputs	<ol style="list-style-type: none"> 1. An established and operating Power Forum to support continued discourse and promote power trade among Nile Basin countries. 2. A completed basinwide analysis of long-term power supply, demand, and trade opportunities to inform the planning of multipurpose river basin management in the NBI subsidiary action programs.¹
Major Components	<p>The project includes three main components:</p> <ol style="list-style-type: none"> 1. Regional Coordination and Implementation. This component will focus on the overall management arrangements for the project, PMU operations and key staff responsible for project implementation, and regional coordination across other SVP projects and the subsidiary action programs. This component also includes knowledge management activities in order to provide project participants and other key stakeholders across the basin with improved access to relevant information on the activities of the RPT Project. A stakeholder analysis and preparation of a public participation plan will also be undertaken under this component. 2. Establishment of Nile Basin Power Forum. The objective of this component is to establish a Nile Basin Power Forum, define its role and long-term institutional setting, and initiate its activities. The Power Forum will support continued discourse and promote power trade among Nile Basin countries. Important functions, particularly during the formative period, include: <ul style="list-style-type: none"> ▪ Facilitate dialogue and cooperation among power utilities in the region ▪ Commission special studies ▪ Coordinate analytical activities with relevant SVP projects ▪ Assist in developing the strategic framework and agreements for advancing power trade ▪ Prepare a consistent framework for forecasting power demand ▪ Facilitate training programs. 3. Comprehensive Basinwide Study. This component will launch a comprehensive basinwide analysis of long-term power supply, demand, and trade opportunities to inform the planning of multipurpose river basin management in the subsidiary action programs of the NBI. Given the complexity of the comprehensive basinwide study that has to integrate both power development and multi-purpose projects' analysis, this activity will be launched pursuant to an initial assessment study carried out under the supervision of the RPT Project and in collaboration with the Water Resources Planning and Management Project.
Indicative Cost and Duration	\$13 million over 4 years
Partner Interest	Norway, Sweden, African Development Bank

¹ In the overall framework of the NBI, the subsidiary action programs will comprise investment projects that provide mutual benefits to two or more countries. The Nile riparians have formed two subregional groupings: the Eastern Nile, including Egypt, Ethiopia, and Sudan; and the Nile Equatorial Lakes, including Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania, and Uganda in the equatorial lakes region, as well as Egypt and Sudan as downstream riparians.

Efficient Water Use for Agricultural Production Project Profile	
Objective	Provide a sound conceptual and practical basis to increase the availability and efficient use of water for agricultural production.
Context	The Nile Basin riparian countries have identified improving the efficiency of water use for agricultural production as one of the highest priorities for the Shared Vision Program. This reflects the fact that irrigation is the dominant human use of water in the basin and that agriculture is an important element of the economies of all riparian countries in terms of employment, exports, and contribution to GDP. This component will therefore contribute to creating an improved enabling environment for increased regional collaboration and coordination towards increasing the availability and efficient use of water for agricultural production.
Expected Outputs	<ol style="list-style-type: none"> 1. Improved enabling environment for sustainable watershed management and increased productivity by improved watershed management demonstrated. 2. Improved enabling environment for community managed irrigation development and increased agricultural production demonstrated. 3. Options for reforms in public managed irrigation reviewed and best practice demonstrating improved system performance identified. Options for irrigation development explored.
Major Components	<ol style="list-style-type: none"> 1. Institutional Strengthening 2. Water Harvesting <ul style="list-style-type: none"> ▪ Regional consultation and training ▪ Exchange of experience, good practice and basinwide twinning of institutions 3. Community-Managed Irrigation <ul style="list-style-type: none"> ▪ Regional consultation and training ▪ Exchange of experience, good practice and basinwide twinning of institutions 4. Public Managed Irrigation <ul style="list-style-type: none"> ▪ Regional consultation and training ▪ Exchange of experience, good practice and basinwide twinning of institutions
Indicative Cost and Duration	\$5 million (over 3 years)
Partner Interest	Netherlands

Water Resources Planning and Management Project Profile	
Objective	Enhance analytical capacity for a basinwide perspective to support development, management, and protection of Nile Basin water resources in an equitable, optimal, integrated and sustainable manner.
Context	An important element in furthering cooperation among the Nile Basin states is building a technical foundation to facilitate water resources planning and management from a basinwide perspective. Components of such a foundation include effective policies and implementation strategies, project planning and management skills, and communication and decisionmaking tools. Although water policy development is a national responsibility, creating a common understanding of good practices and the process of policy development, coupled with enhanced skills and practical tools in project planning and management, creates an enabling environment for cooperative development and joint investment planning. Tools such as the Decision Support System (DSS), can support informed decisionmaking from a regional perspective by providing a common platform for communication, the exchange of information, and water resources analysis. Together, the components of this project provide the technical infrastructure and basis needed to support the sustainable development, management, and protection of the Nile Basin water resources.
Expected Outputs	<ol style="list-style-type: none"> 1. Support for water policy development and implementation provided and national capacities strengthened. 2. Capacity for successful preparation and management for joint projects enhanced. 3. A Nile Basin DSS, coupled with human capacity and institutional support, developed and facilitates water resources planning and management on regional, sub-regional, and national levels. 4. Nile Basin DSS provides a tool which could be used to operationalize the project goal.
Major Components	<ol style="list-style-type: none"> 1. Water Policy Good Practice Guides and Support —to enable all basin countries to cooperate on an equal footing, based on sound national integrated water resources management policies. <ul style="list-style-type: none"> ▪ Component coordination and implementation ▪ Basic guidelines for policy formulation and implementation ▪ Policy Fund support facility for water policy formulation and implementation 2. Project planning and management good practice guides and support—to strengthen national capacities for multicountry project planning and management. <ul style="list-style-type: none"> ▪ Component coordination and implementation ▪ Good practice guidelines and skills development in project preparation, planning and design ▪ Good practice guidelines and skills development in project management and administration support ▪ Technical guidelines for joint projects developed, reviewed, and disseminated, upon country request ▪ Project planning and management fund support facility 3. Nile Basin Decision Support System (DSS)—to support informed decisionmaking from a regional perspective by providing a common platform for communication, the exchange of information, and water resources analysis <ul style="list-style-type: none"> ▪ Institutional and human capacity strengthening ▪ DSS development and application ▪ Data guidelines and information exchange ▪ DSS consolidation
Indicative Cost and Duration	<p>\$ 3 million Policy development and implementation processes (over 3 years)</p> <p>\$ 4 million Project planning and management² (over 3 years)</p> <p><u>\$21 million</u> DSS (over 6 years)</p> <p>\$28 million Total</p>
Partner Interest³	Denmark, GEF (Nile Environmental Action Project), Germany, Norway, United Kingdom, African Development Bank

² Component start-up likely to be phased, depending on re-assessment of need in light of other ongoing SVP and SAP activities and funding availability.

³ Italy, with FAO as the executing agency, is supporting the Capacity Building for Water Resources Management project, which also operates under the NBI umbrella. The Italy/FAO Capacity Building project includes, inter alia, data monitoring and modeling activities. The SVP Water Resources project will build on and collaborate with the Capacity Building project as appropriate.

Confidence Building and Stakeholder Involvement Project Profile	
Objective	To develop confidence in regional cooperation under the NBI, both at the basinwide and local levels, and to ensure full stakeholder involvement in the NBI and its projects.
Context	The project's development objective, cutting across all SVP projects, relates directly to the overall goal of the NBI, which is to foster sustainable socioeconomic development in riparian countries through the equitable use of, and benefit from, the common Nile Basin water resources. Confidence in regional cooperation and full stakeholder involvement are prerequisites to sustainable socioeconomic development and poverty reduction, the ultimate goals of the NBI.
Expected Outputs	<ol style="list-style-type: none"> 1. The regional Confidence Building and Stakeholder unit that facilitates policy dialogue and basinwide cooperation and 10 national offices to promote effective action on these issues. 2. Improved public information about the NBI in participating countries, throughout the region, and around the world. 3. Effective and sustainable regional confidence building and national stakeholder inclusion activities. 4. Benefits for governments will be increased common purpose, credibility, and legitimacy. Benefits for stakeholders will be increased transparency, accountability, and ability to influence NBI programs.
Major Components	<ol style="list-style-type: none"> 1. Regional implementation and facilitation <ul style="list-style-type: none"> ▪ Project set-up and operations ▪ Implementation of regional and sub-regional activities ▪ Facilitation of national activities. 2. Public information—getting the message out (regional and national) <ul style="list-style-type: none"> ▪ Public relations and outreach ▪ Material production ▪ Advisory and training services. 3. Stakeholder involvement—strengthening partnerships at the national level <ul style="list-style-type: none"> ▪ Interministry dialogue ▪ Stakeholder forums to enhance information flow, consensus building, and ownership ▪ Advisory and training services for effective and consistent stakeholder participation 4. Confidence building at regional and subregional levels <ul style="list-style-type: none"> ▪ Regional conferences and subregional forums ▪ Cultural exchanges (e.g. fine arts, performing arts, music, sports student exchanges) ▪ Drawdown facility for specific, jointly identified activities
Indicative Cost and Duration	\$15 million over 6 years, with two phases of 3 years each
Partner Interest	Canada, Norway

Applied Training Project Profile	
Objectives	<ul style="list-style-type: none"> ▪ Strengthen capacity in selected subject areas of water resources management in the public and private sectors and community groups ▪ Strengthen centers with the capacity to develop and deliver programs on a continuing basis ▪ Expand the frequency and scope of basin interchange among water professionals
Context	<p>Lack of capacity to manage water in an integrated manner. Most of the basin countries are burdened by weak human and institutional capacity to manage water resources in an integrated manner. This situation applies not only to the management of international waters but also to the management of national waters.</p> <p>Uneven distribution of capacity. The water sector in the basin is characterized by widely diverse institutional capacities in the countries. The number of water professionals in a country, for instance, varies from 100 to more than 3,000. Senior managers, trainers, and researchers are even fewer.</p> <p>Little interaction among water professionals in the Nile Basin. Management of transboundary waters is a complex matter. In the case of the Nile, collective or joint development of the Nile waters is made more difficult by the fact that trade and exchange among the riparian countries is limited. The country assessments carried out for the Applied Training Project suggest that, there are only a couple of distinct professional regional relationships between Nile Basin institutions.</p>
Expected Outputs	<ol style="list-style-type: none"> 1. Nile network of training Institutions established and functional. 2. Water professionals' expertise in integrated water resources management upgraded in selected areas. 3. Basin institutions strengthened to deliver priority training events. 4. Exchange of basin experience strengthened.
Major Components	<ol style="list-style-type: none"> 1. Building capacity—human resources development (short term) <ul style="list-style-type: none"> ▪ Appreciation seminars for policy makers ▪ Workshops for practitioners 2. Building capacity—human resources development (long term) <ul style="list-style-type: none"> ▪ Master's program ▪ Ph.D. program ▪ Establishing and operating fellowship funds ▪ Curriculum design and development ▪ Regional review of Master's program and modules ▪ Development of integrated water resources management teaching material ▪ Standardization and certification of integrated water resources management 3. Promoting basin interchange <ul style="list-style-type: none"> ▪ Establishing and Operating the Nile Net ▪ Nile Forum ▪ Staff Researcher Development Fund ▪ Distance learning 4. Regional coordination and facilitation <ul style="list-style-type: none"> ▪ Staff ▪ Vehicles ▪ Office equipment ▪ Operation and maintenance ▪ Other costs
Indicative Cost and Duration	\$20 million (over 5 years)
Partner Interest	Netherlands, Sweden

Socioeconomic Development and Benefit Sharing Project Profile	
Objective	Strengthen Nile River basinwide socioeconomic cooperation and integration.
Context	The water resources of the Nile are increasingly scarce due to growing populations and demand per capita. This resource constraint, and the tensions it evokes, are obstacles to growth in the region. Cooperative management of the resource presents an opportunity to actually increase the total flow of Nile waters, providing potential gains to all riparians. Gains to cooperation go beyond the additional water resources that would be made available as a consequence of coordinated basinwide management by easing historical tensions over Nile waters, releasing the resources diverted by those tensions, and enabling broader cooperation among riparian countries. Broader cooperation could enable enhanced intra-regional trade and promote investment in regional infrastructure, such as road, rail, and telecom links, that could increase the productivity of all countries within the region and allow them to develop more rapidly and trade more effectively both within and beyond the region. This broad cooperation will require strong vision, initiative, and capacity, all of which this project is envisaged to promote.
Expected Outputs	<p>This project will produce a dialogue and a sound body of applied research and analysis that will promote options for maximizing the sustainable benefits from cooperative management and development of the shared Nile waters and the principles and mechanisms that will be needed to share those benefits among riparians. This output can then be used to inform and influence decisionmakers, strengthen the development impacts of ongoing NBI activities, and generate and motivate new activities. Outputs include:</p> <ol style="list-style-type: none"> 1. Background papers and proceedings of sectoral dialogue and regional dialogue workshops 2. The establishment of a basinwide network of autonomous economic and policy research institutions (Participating Institutions) to promote dialogue on regional integration and benefit sharing 3. Direct support to other SVP projects through trainings, workshops, consultancies, and analyses in economic integration and benefit sharing 4. Applied research products, proceedings of ad hoc incubator workshops, and capacity building outputs (curriculum development, training, etc.) supported through the project as agreed by the project steering committee 5. Development of a monitoring and evaluation matrix of activities under the SVP in collaboration with the NBI Secretariat.
Major Components	<ol style="list-style-type: none"> 1. Sectoral dialogues and integration—will focus on promoting coordination and exploiting synergies across the six sectoral Shared Vision projects and will culminate in annual meetings. 2. Regional dialogues and scenario building—will bring together economic and policy analysts from the basin focused on cross-sectoral development planning, and emphasize basinwide perspectives for regional integration and development. The dialogues will culminate in annual meetings. 3. Other activities <ul style="list-style-type: none"> ▪ Direct support to other NBI projects, in terms of research, analysis and training. ▪ Applied research on relevant topics ▪ Incubator workshops to explore promising issues identified by the dialogues or other stakeholders, broaden the range of voices, and deepen the dialogue ▪ Capacity building in applied economic and policy research in the basin focusing on regional development, integration and benefit sharing, through curriculum development, exchanges, training, twinning, and other capacity building opportunities ▪ Dissemination support for innovative dissemination of the project's outputs
Indicative Cost and Duration	\$11 million over 6 years
Partner Interest	United Kingdom, World Bank Development Grant Facility (DGF)

SVP Coordination Project Profile	
Objective	A critical element in achieving the overall objectives of the Shared Vision Program is ensuring both strong ownership of the Shared Vision Program by the riparian states and effective program execution. Towards this end, the need for a basinwide coordinating mechanism was recognized during the detailed implementation planning for the Shared Vision Program. The specific objectives of the SVP Coordination project therefore are to strengthen the capacity of the NBI to execute basinwide programs and to ensure effective oversight and coordination of the NBI's Shared Vision Program.
Context	An overarching strategy of the NBI is to strengthen the capacity within the region to execute complex, multisectoral, regional programs like the Shared Vision Program. The concept for the SVP Coordination project evolved after the International Consortium for Cooperation on the Nile (ICCON) during the detailed design and preparation process of the seven other SVP projects. The NBI realized that in order to fully develop the synergies created through the Shared Vision Program, focused effort and resources would need to be devoted to coordination at the basin level. It was further realized that while the NBI Secretariat is the correct institution to take on this coordination function, the Secretariat is a relative new institution that would need to be strengthened, both in terms of human and institutional capacity, in order to effectively fulfill this role. The strategic vision, put forth by the NBI, is to build the capacity of NBI institutions, including the Secretariat, to manage and oversee regional projects while maintaining a lean central organization.
Expected Outputs	<ol style="list-style-type: none"> 1. Effective coordination of the SVP thematic projects. 2. Strengthened capacity of NBI institutions to manage basinwide programs. 3. Development and implementation of a Monitoring and Evaluation system for the Shared Vision Program. 4. Implementation of a training program in project management for NBI and SVP project staff.
Major Components	<ol style="list-style-type: none"> 1. Program Coordination <ul style="list-style-type: none"> • Strengthen NBI Secretariat • Operationalize SVP projects • Coordinate and integrate SVP projects 2. Financial Management and Procurement <ul style="list-style-type: none"> • Financial Management • Procurement • Auditing 3. Knowledge Management and Information Sharing <ul style="list-style-type: none"> • Develop and establish SVP information management guidelines • Enhance and operate NBI website • Establish and maintain NBI Resource Center 4. Monitoring and Evaluation <ul style="list-style-type: none"> • Establish and Operate SVP monitoring and evaluation system • Facilitate and participate in SVP monitoring and evaluation activities 5. Training <ul style="list-style-type: none"> • Strengthen NBI institutional capacity for project management • Targeted training for suppliers and service providers in Nile Basin countries.
Indicative Cost and Duration	\$5.4 Million (excluding counterpart contribution); \$9.8 million (with counterpart contribution)
Partner Interest	Pro rata share from other SVP project (~ 3%); Canada, Germany

ANNEX 3. ESTIMATED PROGRAM COSTS

Project	Duration (years)	Component*	Estimated Costs** (million USD)
Nile Transboundary Environmental Action***	5 years	1. Institutional strengthening	\$ 14.69
		2. Community level land & water conservation	\$ 11.10
		3. Environmental education and public awareness	\$ 3.43
		4. Wetlands and biodiversity conservation	\$ 7.15
		5. Basin-wide water quality monitoring	\$ 2.93
Project Total			\$ 39.30
Nile Basin Power Trade***	4 years	1. Power Forum	4
		2. Comprehensive basin-wide analysis	4
		3. Regional coordination and implementation	5
Project Total			\$ 13
Efficient Water Use for Agricultural Production	3 years	1. Water harvesting	
		2. Community managed irrigation	
		3. Public managed irrigation	
		4. Institutional strengthening	
Project Total			\$ 5
Water Resources Planning & Management***	6 years	1. Water policy development and good practice guides	
		2. Project planning & management good practice guides	
		3. Nile Basin decision support system	2
Project Total			\$ 28
Confidence Building and Stakeholder Involvement***	6 years	1. Regional implementation and facilitation	
		2. Public information	
		3. Stakeholder involvement	
		4. Confidence building	
Project Total			\$ 15
Applied Training	5 years	1. Building capacity (HRD: short-term)	
		2. Building capacity (HRD: long-term)	
		4. Promoting basin exchange	
		5. Regional coordination and facilitation	
		Project Total			$ 20
Socio-Economic Development and Benefit-Sharing***	6 years	1. Sectoral dialogues and integration	
		2. Regional dialogues and scenario building	
		3. Analytical support to other NBI programs, capacity strengthening, workshops & dissemination	
Project Total			\$ 11
PROGRAM TOTAL			\$ 131.30

* Environment cost estimate by component as shown in the Project Appraisal Document for the Nile Transboundary Environmental Action Project (Report No. 24609-AFR). Component cost estimates for all other projects will be developed and/or verified during

**The Power Trade Project, in consultation with riparians and partners, increased to 4 years with associated cost increase

*** Estimated costs to be finalized during appraisal. Costs do not yet include counterpart contributions.

**** Project funding and implementation will be phased.

ANNEX 4. ANALYSIS OF PROGRAM BENEFITS

This annex¹ presents a broad analysis of the benefits of the Shared Vision Program as a whole. The Shared Vision Program includes eight technical assistance and capacity building projects that, to a greater or lesser extent, will evolve in response to demand as they proceed. All will focus largely on capacity building, knowledge sharing, and establishing basinwide networks and relationships—activities that have benefits that are difficult to quantify. The program is expected to achieve more than the sum of its eight individual projects by leveraging across countries, sectors and projects. For all of these reasons, the Shared Vision Program does not lend itself well to traditional cost-benefit analysis.

The costs and benefits of specific SVP activities will be discussed in greater detail, and quantified where feasible, in the relevant project-specific appraisal documents. Costs throughout the program will be contained by exploiting economies of scale and synergies among the eight projects; by hiring project staff from the region with judicious use of external experts; and by building upon existing institutions and networks wherever possible.

The goal of the Shared Vision Program is to provide the framework, the relationships, and the information that will underpin and enable the cooperative management and development of Nile waters through the NBI. While the returns to initial projects put forward in the NBI may or may not have very high quantifiable rates of return, they will clearly contribute to the removal of longstanding obstacles to riparians' growth, and provide opportunities for tremendous benefits. Moreover, the greatest benefits of these projects are likely to be those that are enabled by, rather than delivered by, river-related cooperation. These broader benefits of cooperative Nile management provide the economic rationale for the Shared Vision Program.

The broad benefits of cooperative Nile waters management and development can be seen as falling into four categories: environmental, direct economic, regional political, and indirect economic.

ENVIRONMENT AND RESOURCE MANAGEMENT BENEFITS

Environmental management is a cornerstone of river basin management and development and can bring benefits to all river uses and users. One of the principle tenets of integrated water resources management is that rivers are best managed holistically. Coordinated or cooperative environmental management by the 10 basin states could clearly achieve greater effectiveness and cost efficiency than unilateral efforts. Cooperative management of the basin's environment and water resources, however, will require strengthened capacity to: manage the environment of the basin; build and sustain appropriate institutions; maintain open, constructive communications; and coordinate investments. The Shared Vision Program seeks to strengthen capacity in all of these areas.

The benefits of improved cooperative management of the basin's environment and water resources will include: protecting watersheds, preserving soil fertility and reducing contaminant and sediment soil transport; conserving wetlands, floodplains and groundwater recharge areas, to maintain their natural capacity to buffer river flow and water quality variations; protecting aquatic and riverine terrestrial biodiversity; and controlling water abstraction and wastewater discharge, to manage river flows and water quality.

¹ This annex draws heavily on "Beyond the River: The Benefits of Cooperation on International Rivers" (Sadoff and Grey 2002).

DIRECT ECONOMIC BENEFITS

Managing a river basin from a system-wide perspective can increase the quality (as discussed above,) the available quantity, and the economic productivity of river flows. River basin development seeks to promote this integrated, system-wide perspective, where the full range of water use opportunities and the various inter-relationships of individual water uses can be considered.

River flows and water uses can be optimized to yield greater economic benefits, inter alia, more food, more power, and more navigational opportunities, while sustaining environmental integrity. While physical water resources are, indeed, finite, the quantity of *available* water resources can be influenced by management actions. This is particularly true where rainfall is low and highly variable. Good water management practices can effectively increase the available water resources in a system by, for example, protecting watersheds to minimize erosion, maximize infiltration and extend the period of runoff; providing over-year storage to buffer rainfall variability and reserve water in abundant years that would otherwise be lost; and by locating storage in areas of the basin that minimize evaporation and environmental disruption.

There are also many non-consumptive uses of water, such as hydropower generation, navigation and tourism. The 'use' of water for these purposes will not necessarily diminish the water available in the system for other uses. Basinwide configurations of consumptive and non-consumptive water uses can be explored to optimize economic benefits derived from the river.

There will often be difficult tradeoffs to be assessed between environmental conservation and river development, with these assessments best made at the basin scale. In international river basins, this system-wide perspective is difficult to obtain, and can only be achieved through cooperation.

The direct economic benefits that result from a shift to a basinwide planning perspective are the most obvious gains to be made from the cooperative management of shared waters.

REGIONAL POLITICAL BENEFITS

Tensions over the control of Nile flows are—and long have been—obstacles to development in the basin, coloring political relationships between states and constraining economic integration. Support for Nile Basin cooperation, and financing of the cooperative investment opportunities that will arise from this dialogue and institutionalize cooperation, are an important contribution to conflict prevention in the region. While it is difficult to determine clear causality, much less to perform cost-benefit analyses on, the complex interactions that lead to conflict, in the case of the Nile Basin it is clear that the diminution of tensions over Nile waters would greatly strengthen regional stability and the potential for the riparians to pursue their development objectives.

Even where tensions do not give rise to conflict, the perception that conflict is a real and constant threat diverts resources and energies from the development challenge. Strained international relations tend to inhibit regional integration and manifest themselves in the fragmentation of markets, infrastructure, telecommunications, transport connections, labor flows, financial systems, etc. This fragmentation compromises all of the affected economies by denying them the benefits of regional integration that are potentially extremely important, particularly for small, landlocked, and/or developing economies.

The benefits of easing tensions over shared waters are the savings that can be achieved or the costs of noncooperation or dispute that can be averted. In addition, the easing of tensions can enable or even catalyze broader integration and cooperation, as discussed below.

INDIRECT ECONOMIC COSTS AND BENEFITS

Cooperation in the management and development of international rivers may contribute to, or even result in, political processes and institutional capacities that themselves open the door to other collective actions, enabling cross-border cooperation in apparently unrelated areas. Improved river basin management can increase the productivity of a river system, which may then generate additional opportunities in other sectors through forward linkages in the economy. The easing of tensions among riparian states may enable cooperative ventures unrelated to water, that would not have been feasible under strained relations. Thus cooperation on shared river management can enable and catalyze indirect benefits through forward linkages in the economy, and through diminished tensions and improved relationships.

The indirect benefits of cooperation with regard to river systems may manifest in, for example, increased trade, labor flows, and infrastructure connections. Enabling this broader development and integration can make each individual economy more competitive, and more easily integrated into the global economy. These broader benefits, though they may not in the end be associated with the Nile Basin Initiative at all, are the benefits the Nile riparians aspire to in this program.

ANNEX 5. FINANCIAL SUMMARY

Table A5a. Status of SVP Financing by Project

Project	Est Cost (million USD)*	Partner Interest			Funding Status (Pledge-Cost) (million USD)
		Partner	Pledge (million USD)	Mode	
Nile Transboundary Environmental Action		<u>Phase 1:</u>			
		GEF/WB	\$ 8.0	GEF TF	
		GEF/UNDP	\$ 8.8	GEF TF	
		Canada	\$ 7.4	NBTF	
		NBTF	\$ 2.7	NBTF (Water project)	
		Phase 1:	\$ 26.9		
		<u>Phase 2:</u>			
		GEF/UNDP	\$ 9.7	GEF TF	
		Netherlands	\$ 2.7	NBTF	
		Phase 2:	\$ 12.4		
	\$ 39.3	Total \$ 39.3		\$ -	
Nile Basin Regional Power Trade		Norway	\$ 4.0	NBTF	
		Sweden	\$ 2.0	NBTF	
		AfDB	\$ 2.0	tbv (NBTF)**	
	\$ 13.0	\$ 8.0		\$ (5.0)	
Efficient Water Use for Agricultural Production		Netherlands	\$ 5.0	NBTF	
	\$ 5.0	\$ 5.0		\$ -	
Water Resources Planning and Management		Denmark	\$ 7.5	NBTF [†]	
		GEF/World Bank	\$ 3.6	GEF TF (Environment project)	
		United Kingdom	\$ 3.0	NBTF	
		Germany	\$ 3.0	NBI/GTZ	
		Norway	\$ 3.0	NBTF	
		AfDB	\$ 3.0	tbv (NBTF)**	
			\$ 28.2	\$ 23.1			$ (5.1)
Confidence Building and Stakeholder Involvement		Canada	\$ 3.0	NBTF	
		Norway	\$ 2.0	NBTF	
	\$ 15.0	\$ 5.0		\$ (10.0)	
Applied Training		Netherlands	\$ 15.0	NBTF	
		Norway	\$ 3.00	NBTF	
		Sweden	\$ 2.00	NBTF	
	\$ 20.0	\$ 20.00		\$ -	
Socioeconomic Development and Benefit Sharing		United Kingdom	\$ 1.5	NBTF	
		World Bank - DGF	\$ 1.5	NBTF	
	\$ 11.0	\$ 3.00		\$ (8.0)	
Totals***	\$ 131.5	\$ 103.4		\$ (28.1)	

* Estimated costs to be finalized during appraisal. Costs do not yet include counterpart contributions.

** tbv=to be verified. African Development Bank exploring use of NBTF.

*** Totals include \$6.3 of internal financing among projects. Environment project includes \$2.7 NBTF financing from Water Resources project and Water Resources project includes \$3.6 million financing from Environment project (GEF/World Bank Resources)

Table A5b. Status of SVP Financing by Donor Partner

Donor Partner		Pledge Amt* (million USD)	Mode
Bi-lateral Donors			
Country	Contact		
Canada	CIDA	\$ 10.4	NBTF
Denmark	Danida	\$ 7.5	NBTF
Germany	BMZ via GTZ	\$ 3.0	NBI/GTZ
Netherlands	Ministry of Foreign Affairs	\$ 22.7	NBTF
Norway	NORAD	\$ 12.0	NBTF
Sweden	SIDA	\$ 4.0	NBTF
United Kingdom	DIFD	\$ 4.5	NBTF
Sub-Total		\$ 64.1	
Multi-Lateral Institutions			
African Development Bank		\$ 5.0	tbd (NBTF)**
Global Environmental Facility (GEF)		\$ 26.5	GEF/WB & GEF/UNDP TF
World Bank - Development Grant Facility		\$ 1.5	NBTF
Sub-Total		\$ 33.00	
TOTAL		\$ 97.10	

* Discrepancy with Financing by Project due to internal funding between Water Resources and Environment Projects

** tbd=to be verified. African Development Bank exploring use of NBTF.

ANNEX 6. PROCUREMENT AND DISBURSEMENT ARRANGEMENTS

This annex is divided into two parts. The first details the procurement and disbursement arrangements for the SVP Coordination project and the second is an example taken from the NBI Nile Transboundary Environmental Action Project Appraisal Document, Report No. 24609-AFR, Annex 6, which was approved by the Board of Directors of the World Bank on April 8, 2003. The procurement and disbursement arrangements for the other SVP projects will be refined according to project needs and will be included in the project-specific appraisal documents.

PART 1 PROCUREMENT AND DISBURSEMENT ARRANGEMENTS FOR THE SVP COORDINATION PROJECT

A. PROCUREMENT

1. Procurement Arrangements

The Nile Basin Initiative Shared Vision Program Coordination project is financed primarily through the Bank-managed Nile Basin Trust Fund (NBTF) in the amount of US\$5.13 million, with a first phase totaling US\$2.87 million and second phase US\$2.26 million. Procurement of works and goods financed by 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 NBTF will follow the World Bank's Guidelines for Selection and Employment of Consultants by World Bank Borrowers dated January 1997 and 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 one of close cooperation with the NBI to maintain and enhance 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 Council of Ministers 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 Council of Ministers further recognized that this approach would open participation to all eligible consulting firms in the various consulting opportunities under the proposed project (rather than restrict, due to possible conflict of interest issues). The decision of 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).

Because the NBI Secretariat maintains overall responsibility for day-to-day coordination and oversight among the SVP projects, the NBI Secretariat will directly hire all staff and cover local operating expenses for project activities in Entebbe. This arrangement is being made to avoid any possible conflict of interest.

The NBI will sign a management services agreement (MSA) with UNOPS for the procurement of other goods and services required by the project. The NBI Secretariat will be directly responsible for overseeing the execution of this MSA. All procurement of goods and consultants' services (with the aforementioned exception of project staff) will therefore be undertaken by UNOPS on behalf of the NBI. While the specific arrangements will be further detailed in the MSA negotiated between the NBI and UNOPS, it is anticipated that UNOPS will outpost a senior staff member to the NBI Secretariat in Entebbe. This senior staff member will support NBI Secretariat operations and will draw on UNOPS services (procurement, finance, logistics, etc.). Overall management from UNOPS's side will be from UNOPS/New York.

2. Advertising of procurement opportunities

Because the project contains no procurement where international competitive bidding (ICB) would be used and there are no major international consultancies foreseen, a general procurement notice is not required.

Expressions of Interest for Consultants' Services estimated to cost the equivalent of US\$200,000 and above would also be published in United Nations Development Business¹ 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 SVP Coordination project, 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 has been made available in draft form at negotiations. The detailed procurement plans 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. The NBI will review and finalize the PIP with UNOPS.

¹ The NBI Secretariat may additionally advertise through the newly established "Development Gateway" Internet portal at www.dgmarket.com.

4. Goods and equipment (US\$0.11 million)

For goods in the range between US\$80,000–US\$150,000, contracts may be awarded on the basis of national competitive bidding (NCB). 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 by comparison of quotations obtained from three domestic suppliers from the riparian countries.

5. Consultants’ services (US\$1.22 million)

The project will establish and strengthen the staff of the NBI Secretariat in Entebbe, Uganda. NBI staff funded through the project will be employed directly by the NBI Secretariat. Those staff employed under NBTf financing will be contracted in accordance with section 5 of the World Bank’s Guidelines for Selection and Employment of Consultants by World Bank Borrowers. Procedures for competitively contracting all of the above positions are detailed in the OPP and PIP, and they will be advertised accordingly (either regionally or nationally). Individual contracts will be prepared in accordance with annex 4 of the Bank’s standard request for proposals (any specific contractual provisions between NBI and project staff could be added).

Because 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 NBI Secretariat will maintain and update a list of consultants that will be used to establish shortlists. The shortlists will be established based on expressions of interest received through specific advertisements placed in *United Nations Development Business* and/or regional newspapers, depending on 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 NBI Secretariat will prepare and submit to the Bank for no-objection before implementation. More specifically, the following selection procedures will be used for consultants’ services:

(a) *QCBS*. All consulting service contracts valued at more than US\$200,000 equivalent will be awarded through the QCBS method. QCBS can also be used for contracts awarded to consulting firms between US\$50,000 and US\$200,000 equivalent, as QCBS is normally the default method for selection of consultants. To ensure that priority is given to the identification of suitable and qualified national consulting firms, shortlists for QCBS contracts estimated at less than US\$200,000 equivalent may comprise entirely national consultants from the Nile riparian countries with no more than two firms on the shortlist 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 individuals or firms (at least three) is available. However, if foreign firms have expressed interest, they will not be excluded from consideration.

(b) *CQ*. CQ selection 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 will be recruited.

(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 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 NBI Secretariat. Civil servants from the riparian countries cannot be hired as consultants under the project.

(d) *Sole Source Selection.* Sole-source selection will be used for initially filling the position of senior program officer at the NBI Secretariat based on the fact that the senior program officer was selected through a competitive process with the no-objection of the Bank during the preparation of this project (in accordance with Section V, paragraph 5.4 (a) of the Consultant Guidelines).

6. Training, workshops, and conferences (US\$0.27 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, and workshops, the number of participants, and cost estimates (see OPP and PIP). 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) is 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 country are shortlisted and a sufficient number of qualified individuals or firms (at least three) is available. Training facilitators will be contracted on a competitive basis (e.g., using CQ) assuming contracts are below US\$75,000. For contracts greater than US\$75,000, QCBS should be the default method of selection.

7. Operational expenses (US\$1.27 million)

Operational costs, such as travel related to SVP Coordination, local administrative staff, utilities, fuel, and office supplies, will be purchased according to standard NBI procedures.

8. 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\$100,000 will be submitted for prior review, while the first contract with firms below US\$100,000 will be reviewed. All individual consultant contracts above US\$50,000 will be subject to prior review. Terms of reference will be written by the appropriate NBI Secretariat staff 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 review only the first terms of reference for consultants' services that fall into the following broad categories:

- Workshop facilitation (national workshop)
- Training workshop facilitation (national workshop)
- Training workshop facilitation (regional workshop)
- Interpretation/translation
- IT technical support to NBI Secretariat

In all other cases, the Bank's no-objection to the terms of reference shall be obtained.

(c) *Consultants' services (senior project staff)*. All individual long-term contracts (greater than six months) for professional project staff will be subject to prior review.

(d) The contracts that will not be subject to prior review will be subject to ex-post review.

9. Procurement processing

All procurement packages will be prepared either by UNOPS directly or by the financial management and procurement specialist at the NBI Secretariat. All procurement will be carried out in accordance with the procurement plan and as agreed with the Bank. The NBI Secretariat/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 UNOPS have been elaborated (see "11. Summary terms of reference for the PSA" below).

10. Selection of a PSA

The NBI will execute the project. The Nile Council of Ministers decided to contract a PSA for the implementation of the Shared Vision Program. The purpose of the PSA is to support the NBI, acting on behalf of the Nile Council of Ministers, 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 basinwide 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 Council of Ministers 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 Shared Vision Program. The Nile Council of Ministers 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 10 Nile countries, which will greatly facilitate the implementation of this regional project.

11. Summary of terms of reference for the PSA

Objective. The objective of the assignment is to support the efficient and effective implementation of the Shared Vision Program and build the capacity of the NBI to manage and implement similar basinwide technical assistance projects. In order to accomplish this, the PSA will support NBI in the effective execution and coordination of the Shared Vision Program, particularly for general administration, financial management, and procurement; build NBI capacity to execute and oversee basinwide 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, enhancing cooperation and trust among the Nile countries while building capacity within the basin to manage and implement basinwide projects, and applying the highest quality and fiduciary standards to the Shared Vision Program.

Scope of services. The PSA will support the NBI and each of the SVP projects 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 NBI Secretariat 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 an Imprest account for the NBI Secretariat. The PSA will bear full responsibility and all business risks associated with those accounts.

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

	ICB	NCB	Other ^a
Goods	0	0	0.11
Services (including senior project staff)	0	0	1.22
Training and Workshops	0	0	0.27
Operational Expenses	0	0	1.27
Total	0	0	2.87

^aIncludes 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 managing the project.

Table B: Thresholds for Procurement Methods and Prior Review

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

Overall Procurement Risk Assessment: Average

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

B. DISBURSEMENT

1. Allocation of NBTF proceeds

The allocation of the grant proceeds is shown in Table C.

The project will be implemented over a period of six years, in a phased manner with the first four-year phase closing on June 30, 2007. Disbursements will be against the four main expenditure categories: goods and equipment; consultants' services, including senior project staff and audit fees; training and workshops; and operating costs.

Table C: Disbursement Allocation of NBTF Grant Proceeds

	Expenditure Category	Amount (US\$ million)	Financing Percentage
1.	Goods	0.14	100
2.a	Consultants' Services (senior project staff)	1.00	100
2.b	Consultants' Services (including audit fees)	0.21	100
3.	Training and Workshops	0.24	100
4.a	Operating Costs (special account*)	0.30	100
4.b	Operating Costs (deposit account*)	0.77	100
5.	Unallocated	0.21	
	Total Project Costs	2.87	

*Operating costs under category 4.a will be those disbursed under component 1.1 through the NBI special account while operating costs under category 4.b will be those for all other components through the UNOPS deposit account (see paragraph below).

2. Disbursement

MSA and blanket application for withdrawal. Following the signing of the grant agreement between the NBI and the Bank, the NBI will establish an MSA with UNOPS for the provision of project services including procurement of goods and services, with the exception of project staff. 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 covering the total estimated cost of the services to be handled by UNOPS, 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.

As a condition of effectiveness, the Bank financial management specialist will certify that the accounting and financial management systems, both at the NBI Secretariat and UNOPS, used for the purpose of the implementation of the project are operational and able to produce the agreed-upon financial monitoring reports (FMR).

Funds disbursed through NBI directly

A special account denominated in U.S. dollars will be established by NBI in a commercial bank acceptable to the World Bank under terms and conditions satisfactory to the Bank. The special account will be replenished and administered in accordance with Bank guidelines. Replenishment will be on the basis of receipt by the Bank of quarterly FMRs and replenishment request, as outlined below. Details of the disbursement procedures will be included in the initial disbursement letters to be issued by the Bank.

Funds disbursed through UNOPS

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. 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 accounts (NBI special account and UNOPS deposit account) will be on a quarterly basis. The NBI will submit quarterly replenishment requests to the Bank 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:

- An introductory narrative discussing developments and progress
- Project account reconciliation statement
- Financial reports
 - Sources and uses of funds (period and cumulative)
 - Use of funds by project component (budgeted, actual period, and cumulative)
- Physical progress report (narrative may complement or substitute tabular information)
 - Linkage of financial information with output indicators or contract status of key activities
 - Outcome indicators
- For contracts above the prior review threshold:
 - The contractor/consultant's name, nationality, and (where applicable) the postal 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
- Forecast of expenditures for the next two FMR reporting periods (two quarters).

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

Deposit account. Advances from the grant accounts will be deposited into the UNOPS U.S. dollar-denominated bank account with the J.P. Morgan Chase Bank, New York. UNOPS will maintain separate ledger accounts for the NBTF.

Bank guidelines. Advances to UNOPS from the grant accounts will be managed by UNOPS in accordance with Bank guidelines set forth in the MSA between UNOPS and the NBI and the disbursement letters to be issued by the Bank.

3. Financial management

The financial management arrangements for the SVP Coordination project are unique among the SVP projects. As in the other SVP projects, UNOPS will provide support to the NBI in the execution of the SVP Coordination project, through the provision of project services, in particular financial management,

procurement of goods and services, and capacity building. However, to avoid any possible conflict of interest, UNOPS support will not extend to the contracting of project staff. Instead, the NBI has requested that funds for employing project staff be disbursed directly to the NBI because those staff will be charged with the oversight of the overall Shared Vision Program; thus they will be overseeing UNOPS in its role as PSA. Through the establishment of the special account and financial controls to be detailed in the project implementation manual, the NBI Secretariat will ensure that funds provided under the SVP Coordination project are managed separately from other NBI Secretariat resources.

Because the NBI Secretariat will be responsible for directly employing staff and funding local operating expenses incurred under the SVP Coordination project, the Bank has begun the process of assessing the NBI Secretariat's financial management capabilities. In December 2002, a mission from headquarters and the country office in Kampala visited the NBI Secretariat and began this process. The evaluation has been completed, and the NBI is in the process of completing the agreed-upon actions necessary for grant effectiveness and the format for the quarterly FMRs. The project will not be considered effective until the Bank financial management specialist certifies that the accounting and financial management systems, at both NBI and UNOPS, used for the purpose of the implementation of the project are operational and able to produce the agreed-upon FMRs.

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 financial management systems and procedures at NBI Secretariat 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 NBI and UNOPS and will satisfy itself that those are operational and able to produce the agreed-upon FMRs.

Financial monitoring reports. The NBI will report on the financial progress of the project using the quarterly FMR and the Bank will reimburse the NBI and UNOPS for project expenses based on those FMRs, the content of which has been discussed between the Bank, NBI, and UNOPS. 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 NBI.

The NBI Secretariat will be responsible for preparing quarterly and annual budgets and project monitoring reports, including consolidated FMRs for the NBI Secretariat and UNOPS disbursement funds, 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. 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.

Flow of funds

UNOPS-disbursed 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. 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 in the recipient countries. Thereafter, the Bank shall reimburse UNOPS for project expenses based on the quarterly FMRs and payment requests. Separate subledger accounts will be maintained for NBTF funds. UNOPS in turn, on the basis of agreed-upon work plans and acting on behalf of the NBI, will be responsible for contracting goods and services to achieve project objectives. Major expenses (ICB contracts, QCB contracts, etc.) shall be paid directly by UNOPS. In order to facilitate smooth project operations and cover minor expenses, UNOPS may open an Imprest account for the project. UNOPS will bear full responsibility and all business risks associated with those accounts.

Deposit account. UNOPS maintains a bank account at the J.P. Morgan Chase Bank to receive funds, including funds for NBI projects from UNDP and the World Bank. This account is maintained in U.S. dollars. Therefore, UNOPS will be required to maintain separate ledger accounts for the various funding streams for the project (NBTF/World Bank). It should be noted that UNOPS serves only 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. Funds will be disbursed to the UNOPS deposit account only to cover expenses incurred under the goods, consultants' services, and training and workshops expenditure categories.

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.

PART 2 EXAMPLE OF PROJECT PROCUREMENT AND DISBURSEMENT ARRANGEMENTS—NILE TRANSBOUNDARY ENVIRONMENTAL ACTION PROJECT

A. PROCUREMENT

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. Procurement for both the GEF- and NBTF-funded activities is outlined below. 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 and 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 one of 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 Council of Ministers 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 Council of Ministers further recognized that this approach would open to participation all eligible consulting firms in the various consulting opportunities under the proposed project (rather than restrict, due to possible conflict of interest issues). The decision 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).

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 member to the NBI at the Nile Secretariat in Entebbe. This senior staff member 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.

2. Advertising of procurement opportunities

A general procurement notice (GPN) was published in *United Nations Development Business* online and the 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 when 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) will 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 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 will also be published in *United Nations Development Business* 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 *United Nations Development Business*. 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 has been made available in draft form at negotiations. The detailed procurement plans 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/WB US\$0.84 million and NBTf US\$0.16 million)

Technical equipment and other goods costing US\$150,000 or 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). 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 and NBTf US\$5.82 million)

Because 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 *United Nations Development Business* and/or regional newspapers, depending on 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 no-objection before implementation. More specifically, the following selection procedures will be used for consultants' services:

(a) *QCBS Selection.* All consulting service contracts valued at more than US\$200,000 equivalent will be awarded through the 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, shortlists for QCBS contracts estimated at or less than US\$200,000 equivalent may comprise entirely national consultants from the Nile riparian countries, with no more than two firms on the shortlist 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) is available. However, if foreign firms have expressed interest, they will not be excluded from consideration.

(b) *CQ 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 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 that 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.

6. Training, workshops, and conferences (GEF/WB US\$1.82 million and 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, and 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) is 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 a special focus on wetlands; and (e) environmental education.

Because 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 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 employ national microgrant coordinators, through NBTf financing, in the participating riparian countries. The national microgrant coordinators will be nationals of the countries 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, and office supplies, will be purchased based on standard UNOPS procedures. All the above positions will be advertised in specific procurement notices.

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 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 review only the first terms of reference for consultants' services that fall into the following 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 other cases, 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 will be subject to ex-post review.

11. 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 under paragraph 13 below.

12. Selection of a PSA

The NBI will execute the World Bank GEF- and NBTF-financed portion of the project. The Nile Council of Ministers decided to contract a PSA for the implementation of the Shared Vision Program. The purpose of the PSA is to support the NBI, acting on behalf of the Nile Council of Ministers, 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 basinwide projects.

In an effort to identify suitable candidates to serve as PSA, the NBI undertook a market survey, and based on expressions of interest, the Nile Council of Ministers 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 Shared Vision Program. The Nile Council of Ministers 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 10 Nile countries, which will greatly facilitate the implementation of this regional project.

Because UNOPS is already implementing the GEF Small Grants Program (which is operational in Egypt, Kenya, Tanzania, and Uganda) and 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.

Because the project will be executed by UNOPS and no procurement actions will be undertaken directly by the NBI, a procurement capacity assessment of NBI is not required. (See the summary of the terms of references for the PSA).

13. Summary of terms of reference for the PSA

Objective. The objective of the assignment is to support the efficient and effective implementation of the Shared Vision Program and build the capacity of the NBI to manage and implement similar basinwide technical assistance projects. In order to accomplish this, the PSA will support NBI in the effective execution and coordination of the Shared Vision Program, particularly for general administration, financial management, and procurement; build NBI capacity to execute and oversee basinwide 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 basinwide projects and applying the highest quality and fiduciary standards to the Shared Vision Program.

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.

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

Expenditure Category	Procurement Method ^a			NBF	Total Cost
	ICB	NCB	Other ^b		
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. Microgrants 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)

NBF—Not Bank-financed.

a. Figures in parenthesis are the amounts to be financed by the Bank Grant. All costs include contingencies.

b. 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)

Consultants' services Expenditure Category	Selection Method						N.B.F.	Total Cost ^a
	QCBS	QBS	SFB	LCS	CQ	Other		
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)

a. Including contingencies

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

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

Table B: Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value Threshold (US\$ thousand)	Procurement Method	Contracts Subject to Prior Review (US\$ million)
1. Works	>150	ICB	All
2. Goods	80–150	NCB	Post review
	<80	Shopping	Post review
3. Services—Firms	>200	QCBS	All
	100–200	QCBS, QBS, LCS	First contract (each type)
	<100	CQ	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).

B. DISBURSEMENT

1. Allocation of GEF and NBTf proceeds

The allocation of the grant proceeds is shown in tables C and C I.

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

MSA and blanket application for withdrawal. Following the signing of the grant agreement between the NBI and the Bank, the NBI will establish an 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 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 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 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)

For 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 grant accounts will be deposited into the UNOPS U.S. dollar-denominated bank account with the J.P. Morgan Chase Bank, New York. UNOPS will maintain separate ledger accounts for the GEF and NBTF.

Bank guidelines. Advances to UNOPS from the grant 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 will be retained by NBI under the MSA (see 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 financial management systems and procedures at the NBI Secretariat 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 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 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 U.N. 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 subledger 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 J.P. Morgan Chase Bank to receive funds, including funds for NBI projects from UNDP and the World Bank. This account is maintained in U.S. 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 summarizes the allocation of GEF grant proceeds (US\$8.0 million) for the Bank-implemented parts of the overall project, which total US\$20.81 million (GEF, US\$8.0 million, and NBTF, US\$12.81 million).

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	

Table C1 provides an additional breakdown for the GEF/WB and the NBTf/WB funds.

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

Table C1. Allocation of Grant Proceeds—GEF/World Bank and NBTf/World Bank (US\$ million)

Expenditure Category	GEF/World Bank	NBTf/World Bank
Goods	0.84	0.00
Consultant 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 ^{*a}	2.33	2.39
(a) Project Activities		2.22
(b) SVP Coordination		0.17
Unallocated ^{*b}	0.53	0.15
Total Project Costs		12.81
(a) Project Activities		12.43
(b) SVP Coordination		0.38
Total	8.00	12.81

^{*a} Operational expenses include office rental, fuel and maintenance for vehicles, equipment operation and maintenance, and miscellaneous office expenses (communication, office supplies and utilities).

^{*b} Unallocated: total of contingency amounts.

ANNEX 7. APPROVAL PROCESS AND SCHEDULE

I. PREPARATION ASSISTANCE

Nile Team Working on the Shared Vision Program and the SVP Master PAD

SVP TASK TEAM		
Project	Name	Specialty
SVP Coordination	Barbara Miller, CTL	SVP Coordinator and Sr. Water Resources Specialist, AFTNL
	David Grey	Nile Program Manager and Sr. Water Resources Adviser, AFTNL
	John Bryant Collier	Operations Officer, MNSRE
	Arne Hoel	Partnerships Officer, AFTPX
	Leita Jones	Program Assistant, AFTNL
	Ekaterina Kan	Cofinancing Officer, AFTNL
	Christina Leb	Operations Analyst, AFTNL
	Allison Berland	Operations Analyst, Consultant, AFTNL
Nile Transboundary Environmental Action	Inger Andersen, TTL	Sector Manager, AFTU2
	John Bryant Collier	Operations Officer, MNSRE
	Astrid Hillers	Water and Environment Specialist, AFTES
Nile Basin Regional Power Trade	Mangesh Hoskote, TTL	Sr. Power Sector Specialists, AFTEG
	Alexandra Planas	Power and Environmental Analyst, Consultant, AFTEG
	Ijsbrand de Jong, TTL	Sr. Water Resources Specialist, AFTR1
Efficient Water Use for Agricultural Production		
Water Resources Planning and Management	Barbara Miller, TTL	Sr. Water Resources Specialist, AFTNL
Confidence Building and Stakeholder Involvement	Paula Donnelly Roark, TTL	Sr. Social Scientist, AFTES
Applied Training	Ashok Subramanian, TTL	Lead Water Institutions Development Specialist, MNSRE
Socioeconomic Development and Benefit Sharing	Claudia Sadoff, TTL	Nile Program Coordinator and Sr. Economist, AFTNL

Note: CTL=Cluster Team Leader; TTL=Task Team Leader

SVP ADVISERS AND QUALITY ASSURANCE TEAM		
Role	Name	Specialty
D'soursement	Modupe A. Adebowale	Sr. Financial Management Specialist, LOAG2
Financial Management	Iraj Talahi	Lead Financial Management Specialist, AFTFM
Legal	Hassane Cisse	Sr. Counsel, LEGAF
Peer Review	John Briscoe	Sr. Water Adviser, ARD
Procurement	Oliver Blake/Claire Barrington	Dept for International Development (DFID), UK
	Rogati Kayani	Lead Procurement Specialist, AFTPC
	V.S. Krishnakumar	Lead Procurement Specialist, AFTPC
Project Budgeting and Procurement Planning	Ohn Myint	Sr. Irrigation Engineer, SASRD
Resource Management	Pauline McPherson	Resource Management Officer, AFTRM
Quality Adviser	Willem Zijp	Operations Adviser, AFTOS
Safeguards	Serigne Omar Fye	Sr. Environmental Specialist, ASPEN
	Astrid Hillers	Water and Environmental Specialist, AFTES

People Outside the Bank Who Worked on the SVP Master PAD

NBI Secretariat
 Nile Technical Advisory Committee, review
 Andrea Heggen, production and editing, consultant

II. TARGETED SCHEDULE FOR PREPARING SVP PROJECTS

Project	Preappraisal Mission(s)	Appraisal Mission	Project Start-up	
			Preliminary Start-up*	Full Effectiveness
SVP Coordination	Dec 2002	Mar 2003	Feb 2003	Aug 2003
Nile Transboundary Environmental Action	Nov – Dec 2001	May 2002	Apr 2003	Jul 2003
Confidence Building and Stakeholder Involvement	Mar 2002	May 2003	Jul 2003	Nov 2003
	Dec 2002			
Nile Basin Regional Power Trade	Apr 2002	May 2003	Aug 2003	Nov 2003
	Feb 2003			
Applied Training	Jun 2002 Dec 2002	Jun 2003	Sep 2003	Dec 2003
Water Resources Planning and Management	Jul 2002	Aug 2003	Oct 2003	Jan 2004
	May 2003			
Efficient Water Use for Agricultural Production	Mar 2002	Oct 2003	Jan 2004	Mar 2004
	Sep 2003			
Socioeconomic Development and Benefit Sharing	Sept 2002	Dec 2003	Feb 2004	May 2004
	Mar and Oct 2003			

* Preliminary start-up activities include advertisement and selection of core PMU staff (through the SVP Coordination project) and completion by PMU host country of agreed PMU upgrades.

III. PROCESS FOR PREPARING AND SUPERVISING THE SHARED VISION PROGRAM¹

OBJECTIVE

The objective of the adopted approach for appraising and supervising (“projectizing”) the Shared Vision Program (SVP) is to delineate World Bank procedures for providing quality control and fiduciary responsibility in the supervision of the program while ensuring the implementation flexibility and riparian ownership essential for SVP success.

BACKGROUND

The Nile Basin Initiative is a regional partnership among the Nile riparian countries² that provides a forum for cooperative development of the water resources of the Nile River. The Shared Vision Program, one of three major programs in the NBI, is a basinwide \$130 million grant-funded program of collaborative action, exchange of information, and training. The Shared Vision Program includes seven thematic projects related to environment, power trade, agriculture, water resources planning and

¹ Approach cleared by vice presidents for Africa and the Middle East and North Africa with input from directors for Quality Operations and Legal Department (May 2002).

² The NBI currently includes nine Nile riparian countries: Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. Eritrea has participated in the Nile Basin Initiative as an observer since August 2000 and has stated its intention to formally join soon

management, applied training, communications and stakeholder involvement, and macro-economics, and an eight project which will establish a small coordination unit at the NBI Secretariat to provide general oversight and coordination of the program.

During the early preparation of the seven SVP projects (a complex, participatory, multicountry process), the Shared Vision Program and its projects have been considered to be technical assistance projects in the World Bank context. Thus, Bank standards for the preparation, review and documentation of technical assistance projects were used as guidelines, modified to suit the needs of the Nile Basin Initiative. At an SVP implementation review meeting³ of the Nile riparians and donors supporting the Shared Vision Program, it was proposed that given the size, complexity, and visibility of the program, the Shared Vision Program be brought into the World Bank's formal project cycle process. The approach adopted for treating the Shared Vision Program as a lending operation is outlined below.

WORLD BANK ROLE

The Nile Basin Trust Fund (NBTF) has been established as the preferred mechanism for funding the Shared Vision Program and other Nile Basin Initiative programs. The NBTF will be administered by the Bank until such time as it can be transferred to an appropriate riparian institution. Approximately \$80 million in grant funds (close to \$70 million for the Shared Vision Program) have been pledged to the NBTF from approximately 11 bilateral and multilateral agencies. The World Bank's role in supporting the Nile Basin Initiative is to manage the trust fund, provide advice and facilitation in support of the NBI process, and provide technical supervision of projects.

ADOPTED APPROACH

Overview. The Shared Vision Program and its projects will be treated as investment operations using the Nile Basin Trust Fund as the source of funds rather than IDA credits or GEF grants. Based on the concept of a horizontal adaptable program loan and using the HIV/AIDS MAP program as a model, the general approach has been to develop agreed procedures for processing and approving the program and individual projects, prepare a Master Project Appraisal Document (Master PAD) for the Shared Vision program as a whole, and then spin off project-specific appraisal documents for individual projects. The procedures and approvals will be similar to those of an adaptable program loan going to the Board, but will not require Board approval due to the grant nature of the program.

The approved approach takes advantage of the World Bank's standard processes, as well as tracking systems and quality assurance procedures, for appraising and supervising projects, adapted to the unique character of the Nile Basin Initiative and its Shared Vision Program. The process will also build upon the significant participatory work conducted by the Nile riparians over the past two and a half years in the preparation of project documents for each of the seven projects, their approval by the Nile Council of Ministers (March 2001), and their submission to the international community at the International Consortium for Cooperation on the Nile (June 2001).

Approval and sign-off process (see Attachments 1 and 2). The SVP Master PAD will provide a description of the program as a whole and will address generic issues related to implementation arrangements, procurement, financial management, and monitoring and evaluation. The Master PAD will also include a detailed description of an eighth SVP "project" to strengthen NBI capacity to execute and coordinate the Shared Vision Program.

The regional vice presidents for Africa and the Middle East-North Africa will sign off on the overall program following this process:

³ SVP Implementation Review Meeting, Entebbe, Uganda, Oct 2001.

- Joint Africa and Middle East-North Africa Regional Operations Committees SVP Meeting, chaired by the regional vice presidents
- Appraisal mission
- Approval and sign-off of Master PAD by the regional vice presidents (through sector directors; with copies to country directors and sector managers)
- Transmittal to the Board for information⁴

Building on the Master PAD, the individual SVP projects, which address specific sectors or themes across all 10 Nile countries, will go through a limited additional appraisal-like process. This will include preparation of draft project-specific appraisal documents, preappraisal missions as needed, decision meetings, appraisal missions, and completion of project appraisal documents. To the extent possible, the appraisal of the individual SVP projects will be coordinated and integrated to ensure efficient and timely processing. Donor partners supporting specific projects will be invited to participate in the appraisal process as interested.

To ensure consistent management oversight of the seven thematic SVP projects, the Africa sector director for Finance, Private Sector and Infrastructure (AFTPI) will sign off on the project-specific appraisal documents using the following process (except for the GEF-funded portions of the Environment project, which will follow standard GEF procedures):

- Preappraisal, as needed
- Decision meeting, chaired by AFTPI sector director, attended by relevant managers and country department staff (country team equivalent)
- Appraisal mission
- Approval and sign-off of project-specific appraisal document by AFTPI sector director (with copy to relevant managers)
- Transmittal to regional vice presidents for information.

Quality assurance. To ensure quality at entry, Operational Quality and Knowledge Services will appoint focal points for operations, financial management, and procurement who will sign off on the Master PAD and be available for consultation on the project-specific appraisal documents. Appropriate consultation will also be held with the loan, trust fund, and legal departments.

To ensure fiduciary compliance and timely fulfillment of donor reporting requirements, a dedicated Bank staff will provide full time financial management support to the Nile Team, while a seconded staff from a donor partner will help to maintain strong donor relations.

Supervision. To enhance implementation and managerial oversight, the SVP project portfolio is to be reviewed on an annual basis at a meeting chaired by a MNA sector director.

Each SVP project, as well as the overall program (which will include SVP Coordination), will follow normal procedures for Bank supervision, including annual supervision missions conducted in conjunction with annual project steering committee meetings. Independent midterm evaluations for each project will also be conducted. Because of the multicountry, multisectoral nature of the program, combined with the complex political sensitivities in the region, supervision will be resource intensive. Donor partners will be invited to participate in supervision missions.

⁴ The SVP Master PAD was discussed with the Board during an oral briefing on the Nile Basin Initiative held on March 4, 2003, and subsequently distributed for information.

Monitoring and reporting on the use of donor funds placed in the Nile Basin Trust Fund will be conducted in accordance with guidelines (to be developed) and approved by the NBTF Committee. Aggregated progress and financial reports for the Shared Vision Program will be prepared by the Nile Basin Secretariat (or on its behalf by its contracted agent) on an annual basis for review by the Nile Council of Ministers for the Nile Basin states; the World Bank as the administrator of trust fund resources on behalf of donor governments; and by the NBTF Committee as the joint body of contributors and recipients of funds.

Documentation. In line with Bank procedures, the Master PAD and project-specific appraisal documents will be accompanied by project information documents. Quality assurance plans and integrated safeguard data sheets will be prepared for each project. The Nile riparians will prepare project implementation plans for each project.

During supervision, project status reports will be prepared, as will implementation completion reports at the completion of each project, in line with Bank procedures.

The Bank's SAP system, including a modified template for technical assistance, will be used to track and document deliverables. The Bank's SVP coordinator will be responsible for ensuring consistency and quality of documentation.

BENEFITS AND RISKS

The primary benefits of projectizing the Shared Vision Program will be improved overall SVP effectiveness and impact through the use of the Bank's quality standards in project implementation and supervision, as well effectiveness in ensuring that the Bank meets its fiduciary responsibilities in administering the NBTF. The primary risks of the process are the potential loss of riparian ownership if Bank procedures begin to dominate the process; the potential slowing down of showing results on the ground; the potential loss of flexibility and the entrepreneurial nature of the Shared Vision Program; and the challenge of fitting the intended 'trust building' nature of the Shared Vision Program into Bank standard approaches to appraisal and supervision.

The primary means of mitigating these potential risks is to streamline the projectizing process to meet the needs of the NBI and the Bank, utilizing only those procedures, which enhance quality and fiduciary responsibility. The process must be kept efficient and focused on yielding intended benefits and implementation in the field, so that the dynamism of the program and the riparians' ownership of the process will not be adversely impacted.

ATTACHMENT 1

Processing Schedule for the NBI Shared Vision Program Master Project Appraisal Document (Master PAD)*

	Steps/Actions	Recommended Elapsed Time	Dates
1.	SVP Project Documents (PCD* equivalent) reviewed by Nile riparians and (Bank) peer reviewers, approved by Nile-COM, and submitted to ICCON	Completed March 2001; June 2001	
2.	Select Quality Reviewers	before #3	
3.	Draft Master PAD, based on approved SVP docs	before #5	
4.	Issue draft Master PAD	8 days before #5	
5.	ROCs Meeting, chaired by RVPs (AFR & MNA)	at least 10 days before # 8	
6.	Minutes of ROC Meeting	3 days after #5	
7.	Send PID & ISDS to PIC	3 days after #5	
8.	(Pre-) Appraisal Mission	10 days after #5 (send SMOs 2 weeks before departure)	
9.	(Pre-) Appraisal Aide-Memoire	upon completion of #8	
10.	Review & revise Master PAD		
11.	Negotiation of Grant Agreement(s)**	Upon legal clearance to negotiate	
12.	SVP Master PAD to RVPs for signoff through SDs for approval (cc: relevant Managers)	7 days before #14	
13.	SVP Master PAD to Printshop	5 days before #14	
14.	RVP sends to Board for information		

days = working days

* Donor partners will be encouraged to participate as interested in appraisal process

** First grant agreement(s) between the NBI and the Bank with the SVP Master PAD; additional project-specific agreements with PADs

ATTACHMENT 2

Processing Schedule for the NBI Shared Vision Program Guideline for Project-Specific Project Appraisal Document (PAD) *

Steps/Actions	Recommended Elapsed Time	Dates
1. SVP Project Documents (PCD* equivalent) reviewed by Nile riparians and (Bank) peer reviewers, approved by Nile-COM, and submitted to ICCON	Completed March 2001; June 2001	
2. Select Quality Reviewers	before #4	
3. Pre-appraisal Mission/ regional meetings, as needed	send SMOs two weeks before departure	
4. Draft PAD	upon return from mission	
5. Send PID and Integrated Safeguards Data Sheet to PIC		
6. Issue draft project-specific PAD	5 days before #7	
7. Decision Meeting, Chaired by AFRPI SD, attended by relevant Managers & Country dept staff (Country Team equivalent)	at least 10 days before #10	
8. Minutes of Decision Meeting	3 days after #7	
9. Send updated PID to PIC, if necessary	3 days after #7	
10. Appraisal Mission	10 days after #7	
11. Appraisal Aide-Memoire	upon completion of #10	
12. Review & revise PAD		
13. Negotiate project-specific grant agreement, through exchange of written communication where appropriate***	Upon legal clearance to negotiate	
14. PAD to AFTPI SD for signoff and RVPs for information (cc: relevant Managers)	Annual portfolio review, chaired by MNA SD	

days = working days

* Process will vary with size and complexity of SVP project. To the extent possible, the appraisal of individual projects will be coordinated/integrated to ensure efficient and timely processing. Donor partners will be encouraged to participate in the process as interested.

** First grant agreement(s) between the NBI and the Bank with the SVP Master PAD; additional project-specific agreements with PADs

ANNEX 8. DOCUMENTS IN THE PROJECT FILE AND REFERENCE DOCUMENTS

REFERENCE DOCUMENTS FOR THE MASTER PAD

- **World Bank Documents**
 - World Bank Policy Paper (1993), Water Resources Management
 - World Bank Technical Paper (1996), African Water Resources—Challenges and Opportunities for Sustainable Development, Africa Technical Department Series, WTP 331
 - Burundi—CAS 14442-BU, May 2, 1995
 - Democratic Republic of Congo—Transitional Support Strategy Report no. 2499-ZR, July 9, 2001
 - Egypt—CAS 22163-EGT, June 5, 2001
 - Eritrea—Interim Support Strategy 21152-ER, October 23, 2000
 - Eritrea—CAS 15324-ER, February 5, 1996
 - Ethiopia—Interim Support Strategy 21189-ET, November 9, 2000
 - Ethiopia—CAS 17009-ET, August 19, 1997
 - Kenya—CAS 18391-KY, September 2, 1998
 - Rwanda—CAS 17478-RW, March 17, 1998
 - Tanzania—CAS 20728-TA, June 30, 2000
 - Uganda—CAS 20886-UG, December 18, 2000
- **websites consulted**
 - Inter-Governmental Authority on Development. [www.igadregion.org]
 - Eastern African Co-operation. [www.eachq.org]
 - Common Market for Eastern and Southern Africa. [www.comesa.int]
 - Southern African Development Community. [www.sadc.int]

BANK SVP PROJECT APPRAISAL DOCUMENTS

- The World Bank (October 2002). Project Appraisal Document, Nile Transboundary Environmental Action Project, P070073
- The World Bank (January 2003). Master Project Appraisal Document, the Nile Basin Initiative (NBI) Shared Vision Program, P0

All other project appraisal documents are in progress.

PROJECT IMPLEMENTATION PLANS

- Nile Basin Initiative, Transboundary Environmental Action Project Environment, Draft Project Implementation Plan

All other project implementation plans are in progress.

NBI PROJECT DOCUMENTS

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. Leita Jones at ljones@worldbank.org. An asterisk (*) indicates that the document is also available in French.

- **SVP Project Documents**—The SVP documents 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). Policy Guidelines for the Nile River Basin Strategic Action Program
 - 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 (May 2001). Nile Basin Regional Power Trade Project Document*
 - Nile Basin Initiative (May 2001). Efficient Water Use for Agricultural Production Project Document*
 - Nile Basin Initiative (May 2001). Confidence Building and Stakeholder Involvement (Communications) Project Document*
 - Nile Basin Initiative (May 2001). Applied Training Project Document*
 - Nile Basin Initiative (May 2001). Socio-Economic Development and Benefit-Sharing Project Document*
 - Nile Basin Initiative (May 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 subregions 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 (ENSAP) Project Identification Document*
 - Nile Basin Initiative (May 2001). Nile Equatorial Lakes Subsidiary Action Program (NELSAP) Project Identification Document*

SVP BACKGROUND AND COUNTRY REPORTS

- **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 included national environmental action plans, national biodiversity strategies and action plans, national action plans to combat desertification, national communications to climate change framework convention, and tropical forestry action plans.
 - Hakizimana, Gabriel (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Republic of Burundi
 - Kilala, Katsuva (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Democratic Republic of Congo
 - El Badry, Hesham (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Arab Republic of Egypt
 - Mekiso, Mateos (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Federal Democratic Republic of Ethiopia
 - Kiai, Sylvester P.M. (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Republic of Kenya
 - Urayenaza, Tharcisse (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Republic of Rwanda
 - Ibrahim, Babiker (2000.) Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the Republic of Sudan
 - Gumbo, Francis J. (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for the United Republic of Tanzania
 - Ecaat, Justin (2000). Environmental Analysis and Management Component of the Nile Basin Shared Vision Program: Country Report for Uganda
- **Regional Power Trade Report**—Norconsult/Statnett (September 2000). Opportunities for Power Trade in the Nile Basin, Final Scoping Study,* including the following country data reports:
 - Draft Data Report, Burundi
 - Draft Data Report, Democratic Republic of Congo
 - Draft Data Report Egypt
 - Draft Data Report Eritrea
 - Draft Data Report Ethiopia
 - Draft Data Report Kenya
 - Draft Data Report Rwanda
 - Draft Data Report Sudan
 - Draft Data Report Tanzania

- Draft Data Report Uganda.
- **Efficient Water Use for Agricultural Production Country Reports**
 - Dismas, Nimubona (April 2000). National Situation Analysis—Burundi
 - Bosco, Muruhuka Ntako Jean (May 2000). Rapport national en vue de l’elaboration d’un projet pour l’ensemble du bassin lié a l’utilisation de l’eau pour la production agricole—Democratic Republic of Congo
 - Nasr, Mohamed Lofty Youssef (June 2000). Country Level Analysis for Project Preparation—Egypt Country Report
 - Loulseged, Makonnon (Ethiopia, July 2000). Country Level Analysis for Project Preparation—Ethiopia
 - Mbara, Charles J. (Kenya, April 2000). Country Level Analysis for Project Preparation—Kenya
 - Murenzi, Jean-Pierre (Rwanda). National Document (Rwanda) On Efficient Water Use for Agricultural Production
 - El Awad, Dr. Omer (Sudan, May 2000). Country Level Analysis for Project Preparation—Sudan
 - Masenza, Idris E. (Tanzania, June 2000). National Level Analysis Report—Tanzania
 - Kalule-Sewali, John B. (Uganda, June 2000). Country Level Analysis for Project Preparation—Uganda Country Report.
- **Confidence Building and Stakeholder Involvement Report**
 - Agriteam Canada Consulting LTD. (October 2001). Nile Basin Short-Term Communications Project, Final Report (summary of communications with stakeholder involvement experts from the 10 basin countries)
- **Applied Training Reports**
 - Frank Jaspers (September 2000). Regional Assessment of Training Needs (summary of reports submitted by training experts from the 10 basin countries)
- **Water Resources Planning and Management National Report – Technical Guidelines**
 - Abdalla. Abbas Hidaytalla (2000). Technical Guidelines. National Report, Sudan
 - Abdel-ghany, Hesmam El-Sayed (2000). Technical Guidelines. National Report, Egypt
 - Augustin, Mugenzi (2000). Principes Directeurs Techniques. National Report, Rwanda
 - Dribidu, Enoch M. (2000). Technical Guidelines. National Report, Uganda
 - Kagari, Joachim (2000). Planification et Gestion des Ressources en Eau du Nile, Principes Directeurs Techniques. National Report, Burundi
 - Kibaki, Timothy Wakaru (2000). Technical Guidelines. National Report, Kenya

- Casimir, Koffi Mulumb (2000). Principes Directeurs Techniques. National Report, Democratic Republic of Congo
- Mekonen, Abera (2000). Country Paper for Technical Guidelines, National Report, Ethiopia
- Mkhandi, Simon H. (2000). Technical Guidelines. National Report, Tanzania
- **Water Resources Planning and Management National Report—Decision Support Systems**
 - Bigagaza, Jean (2000). Rwanda Outils d'Aide a la Decision pour la Gestion et la Planification des Ressources en Eau du Bassin du Nil, Rapport National
 - Evariste, Sinarinzi Ir. (2000). Etudes des Besoins, des Options et des Strategies pour le Developpement d'un Systeme d'Aides a la Decision pour le Bassin du Nil, Rapport du Burundi
 - Fahmy, Hussam (2000). Mathematical Modelling and Decision Support Systems Development, Egyptian Experience
 - Idris, M. Idris (2000). Water Resources Management Project DSS Component. National Report, Sudan
 - Kimaite, Fred (2000). Water Resources Management. Decision Support System Component, National Report, Uganda
 - Koffi Mulumba, Casimir (2000). National Report on Decision Support System, Congo
 - Mekonen, Abera (2000). National Report, Ethiopia
 - Mngodo, Raymond J. (2000). National Report on Decision Support System, Tanzania
 - Shem, Willis (2000). A Scoping Study of the Needs, Options and Strategies to develop a Decision Support System, A National Perspective (Kenya).

ANNEX 9. DESCRIPTION OF THE NILE BASIN INITIATIVE

1. THE NILE BASIN INITIATIVE: AN OVERVIEW

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 10 countries: Burundi, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. It is 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 in the 10 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 10 poorest, with per capita incomes of US\$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 subgroups within the Nile Basin have engaged in cooperative activities over the past 30 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 Programme (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 10 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 the 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 (the Nile Council of Ministers, or Nile-COM) to lead and coordinate donor support for their activities. Thus, the World Bank, 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.

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 produced the draft text of the Cooperative Framework in early 2000. This encompasses general principles, rights and obligations, and institutional structure. 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. 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 Council of Ministers. 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 Council of Ministers, at its Extraordinary Meeting in February 1999, adopted a shared vision and policy guidelines² for the NBI (see Annex 1). The shared vision is:

To achieve sustainable socioeconomic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.

The policy guidelines, which provide a basinwide 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
- To ensure that the program results in a move from planning to action.

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*, Council of Ministers of Water Affairs of the Nile Basin States, February 1999.

Pursuing cooperative development. The initiative provides a unique forum for the countries of the Nile to move toward a cooperative process to realize tangible benefits in the basin and build a solid foundation of trust and confidence. The Nile Council of Ministers serves as the highest decision-making body of the NBI. Chairmanship of the Nile Council of Ministers is rotated annually. The Nile Council of Ministers is supported by the Nile Technical Advisory Committee, which is composed of two senior officials from each member country. The NBI maintains a secretariat (sometimes referred to as the Nile-SEC) in Entebbe, Uganda. The NBI 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 basinwide 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.

The Shared Vision Program. The primary purpose of the Shared Vision Program (SVP) is to create an enabling environment for cooperative management and development in the Nile Basin through a limited but effective set of basinwide activities and projects. The SVP project portfolio includes the seven thematic projects listed below and summarized in Table 1. These projects address the major water-related sectors and crosscutting 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 socioeconomic development. An eighth “project,” the SVP Coordination project, will strengthen the capacity of the NBI institutions to execute and coordinate cooperative, basinwide projects.

- 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
- Applied Training
- Socioeconomic Development and Benefit Sharing.

Although 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 basinwide 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

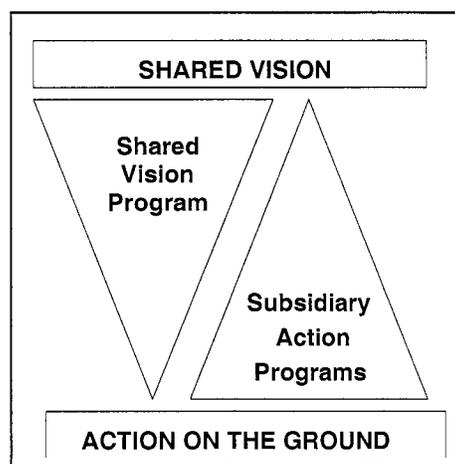


Figure 1. Strategic Action Program for the Nile Basin

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.

The detailed preparation of the Shared Vision Program was accomplished through a unique, multicountry, multisectoral, and participatory process led by the Nile Council of Ministers and NBI Technical Advisory Committee and executed by the NBI Secretariat. More than 70 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 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.

Table 1. Overview of SVP Project Portfolio

Function	Project	Objectives	Indicative Cost* (US\$ million)
Creating an enabling environment for cooperative development: <ul style="list-style-type: none"> ▪ Basinwide engagement and dialogue ▪ Common strategic and analytical frameworks ▪ Practical tools and demonstrations ▪ Institutional and human capacity building 	Nile Transboundary Environmental Action	Provide a strategic framework for environmentally sustainable development of the Nile River Basin. Support basinwide environmental action linked to transboundary issues in the context of the Nile Basin Initiative Strategic Action Program.	39
	Nile Basin Regional Power Trade	Establish the institutional means to coordinate the development of regional power markets among the Nile Basin countries.	13
	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
	Water Resources Planning and Management	Enhance the analytical capacity for basinwide perspective to support the development, management, and protection of Nile Basin waters.	28
	Confidence Building and Stakeholder Involvement	Develop confidence in regional cooperation under the NBI, both at basin and local levels, and ensure full stakeholder involvement in the NBI and its projects.	15
	Applied Training	Strengthen capacity in selected subject areas of water resources planning and management in public and private sectors and community groups. Strengthen centers with capacity to develop and deliver programs on a continuing basis. Expand the frequency and scope of basin interchange among water professionals.	20
	Socioeconomic Development and Benefit Sharing	Strengthen Nile River basinwide socioeconomic cooperation and integration.	11
	Total			131

* Estimated project costs to be finalized during the appraisal process for each project. Estimated costs shown are based on preappraisals as of September 2002 and do not include counterpart contributions.

The objective of the eighth SVP project, referred to as the SVP Coordination project and located at the NBI Secretariat, is to strengthen the capacity of the NBI institutions to execute basinwide programs and to ensure the effective oversight and coordination of the NBI's Shared Vision Program.

The Shared Vision Program and project documents for each of the seven projects were approved by the Nile Council of Ministers at its Extraordinary Meeting held in Khartoum, Sudan, in March 2001 and

presented to the international community to raise support for implementation in June 2001. The SVP projects are currently undergoing detailed implementation planning, with project startup to occur in a phased manner beginning in early 2003.

Subsidiary action programs. In parallel to the Shared Vision Program, groups of countries have initiated subsidiary action programs 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 basinwide framework. Potential types of projects identified by the riparians³ for bundling into subsidiary action programs 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
<ul style="list-style-type: none"> ▪ Water supply and sanitation ▪ Irrigation and drainage development ▪ Fisheries development ▪ Hydropower development and pooling ▪ Watershed management ▪ Sustainable management of wetlands and biodiversity conservation ▪ Sustainable management of lakes and linked wetland systems ▪ River regulation ▪ Flood management ▪ Desertification control ▪ Water hyacinth and weeds control ▪ Pollution control and water quality management ▪ Water use efficiency improvements. 	<p data-bbox="803 642 933 667"><i>Infrastructure</i></p> <ul style="list-style-type: none"> ▪ Regional energy networks, including power interconnection and gas pipelines ▪ Telecommunication development ▪ Regional transport, including: railway and road networks; river and marine navigation; and aviation. <p data-bbox="803 806 982 831"><i>Trade and Industry</i></p> <ul style="list-style-type: none"> ▪ 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 <p data-bbox="803 1003 1047 1029"><i>Health, environment, other</i></p> <ul style="list-style-type: none"> ▪ Malaria and other endemic diseases control ▪ Protection of wildlife ▪ Environmental management ▪ Disaster forecasting and management

To date, the Nile riparians have formed two subsidiary action programs—one in the Eastern Nile region and the other in the Nile Equatorial Lakes region (see below). Based on wide consultation at the political and technical levels, both programs have developed a strategic approach to cooperative management and development at the sub-basin level, as well as a list of priorities and criteria for projects. Both subsidiary action programs have identified the first set of cooperative projects to be prepared, and project identification documents for donor consideration were made available in early June 2001. Initial support for project preparation activities and the implementation of fast-track projects was raised in June 2001 at a meeting of the international community held in June 2001 in Geneva, Switzerland (section 2 of this annex has more information about this meeting). Over the next few years, preparatory activities will include detailed social, environmental, and economic analyses; prefeasibility and feasibility studies; and other design-related activities. Selected preparatory activities have begun in each of the subsidiary action programs.

The Eastern Nile Subsidiary Action Program. The Eastern Nile Subsidiary Action Program (ENSAP) currently includes the countries of Egypt, Ethiopia, and Sudan.⁴ As set out in a jointly developed strategy adopted by the Eastern Nile Council of Ministers, the primary objectives of ENSAP are to: ensure efficient water management and optimal use of resources through equitable utilization and causing no

³ *Policy Guidelines for the Nile River Basin Strategic Action Program*, Council of Ministers of Water Affairs of the Nile Basin States, February 1999.

⁴ 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 ENSAP in the future.

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 ENSAP 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 multipurpose context. Consequently, consensus was reached that the objective of a first ENSAP project, referred to as the Integrated Development of the Eastern Nile (IDEN) Project, will be to “initiate a regional, integrated, multipurpose 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 practices, and prioritization of subprojects within an overall regional, integrated framework.

IDEN, the first ENSAP project, will comprise the following seven major subprojects:

- Eastern Nile Planning Model subproject*
- Baro-Akobo Multipurpose Water Resources Development subproject
- Flood Preparedness and Early Warning subproject*
- Ethiopia-Sudan Transmission Interconnection subproject*
- Eastern Nile Power Trade Investment Program
- Irrigation and Drainage subproject
- Watershed Management subproject. *

Each of the subprojects will be prepared and implemented in a phased manner, and the subprojects will be more fully defined during the preparation process. Four sub-projects, which have been clearly identified as contributing to an integrated, regional program 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 subprojects 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 has been established in Addis Ababa, Ethiopia, to facilitate the process of cooperative development and assist the Eastern Nile Council of Ministers and technical team in the joint and coordinated preparation of IDEN.

The Eastern Nile Technical Regional Office, ENTRO, has been established as an international organization in June 2002 in Addis Ababa, Ethiopia. ENTRO facilitates the process of cooperative development and assists the Eastern Nile Council of Ministers and the ENSAP Technical Advisory Committee in developing, implementing and managing the Eastern Nile Subsidiary Action Program, and the coordinated preparation of the IDEN project.

Nile Equatorial Lakes Region Subsidiary Action Program. The Nile Equatorial Lakes region includes the six countries in the southern portion of the Nile Basin—Burundi, Democratic Republic of Congo, 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 the Nile Equatorial Lakes Region Subsidiary Action Program (NELSAP), as defined by the Nile Equatorial Lakes Council of Ministers, are to contribute to the eradication of poverty, promote economic growth, and reverse environmental degradation. NELSAP is expected to be a long-term

* ENSAP subprojects identified for fast-track preparation and implementation.

program with multiplier effects in broader economic integration as the program shows results on the ground. Continued cooperation between NEL-SAP riparian countries and their project steering mechanisms is an important to create synergies between different regional development efforts in the Nile Equatorial Lakes Region. This includes programs such as the Lake Victoria Development Program (LVDP) and the Lake Victoria Visioning Exercise of the East African Community (EAC), the Lake Victoria Management Program (LVEMP), and the Lake Victoria Fisheries Development Program.

Twelve NELSAP projects have been identified by the Nile Equatorial Lakes riparians in a consultative manner, targeting investments in Water Resources Management of shared-sub-basins, Hydropower Development and Transmission Interconnection, Fisheries Development and Lakes Management, Water Resources Management, Agriculture Development, and Water Hyacinth Control.

Depending on the scale and scope of the project, preparation will take between one and three years. Projects will be prepared and implemented by the countries involved and will be guided by regional project steering committees or another suitable regional steering mechanism agreed upon by the participating riparian countries. A Coordination Unit, NEL-CU, has been established in Entebbe, Uganda, in December 2001 to facilitate project preparation and implementation.

The following 12 projects have been identified:

- **Natural Resources Management**
 - Enhanced Agriculture Productivity through Rainwater Harvesting, Small Scale Irrigation and Livestock Management
 - Fisheries Project for Lake Albert and Lake Edward
 - Development of a Framework for Cooperative Management of the Water Resources of the Mara River Basin
 - Kagera River Basin Integrated Water Resources Management
 - Development of a Framework for Cooperative Management of the Water Resources of the Sio-Malaba-Malakisi River Basins
 - Water Hyacinth Abatement in the Kagera River Basin.
- **Hydropower Development and Power Trade**
 - Rusumo Falls Hydroelectric Power Development
 - Ranking and Feasibility Study of Hydroelectric Power in the NEL Region
 - Interconnection between Kenya and Uganda
 - Interconnection between Burundi, Democratic Republic of Congo, and Rwanda
 - Interconnection between Burundi and Rwanda
 - Interconnection between Rwanda and Uganda.

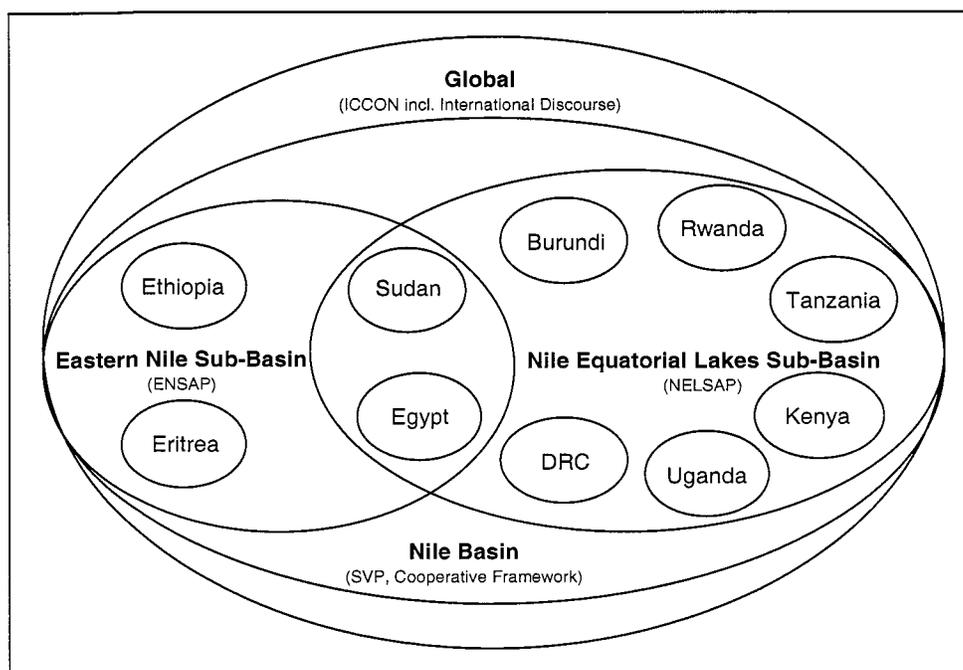
Detailed preparation has begun for the river basin management project in the Kagera, Mara and Sio-Malaba-Malakisi River Basins, including the establishment of two Regional Project Steering Committees. Preparation steps have also been taken for the Fisheries and Lake Management Project targeting Lake

Albert and Lake Edward, as well as for the Power Development and Transmission Program with the upcoming launch of a Strategic/Social and Environmental Assessment (SSEA) of Power Development Options in the Nile Equatorial Lakes Region.

Riparian consultative process. The NBI facilitates riparian dialogue and cooperative action at multiple political and technical levels. The Nile Council of Ministers provides the main policy direction for Nile Basin cooperation, including the Strategic Action Program. The NBI Technical Advisory Committee, which coordinates joint activities, is responsible to the council for preparing and implementing the basinwide Shared Vision Program. While the Nile Council of Ministers and the NBI Technical Advisory Committee 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 basinwide 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. Figures 2 and 3 illustrate how country activities will take place within sub-basin frameworks, which will occur within the broader context of the basinwide framework.

The basinwide framework also includes an “international discourse” to promote broad-based discussion on the sustainable development and management of Nile waters. The international discourse, which was initiated in cooperation between the World Wildlife Fund, the World Conservation Union, and the World Bank, is now being implemented by the World Conservation Union with initial support from CIDA. The International Discourse Desk is being established in Kampala, Uganda.

Figure 2. Levels of Cooperation within the Nile Basin Initiative



Supporting an historic process

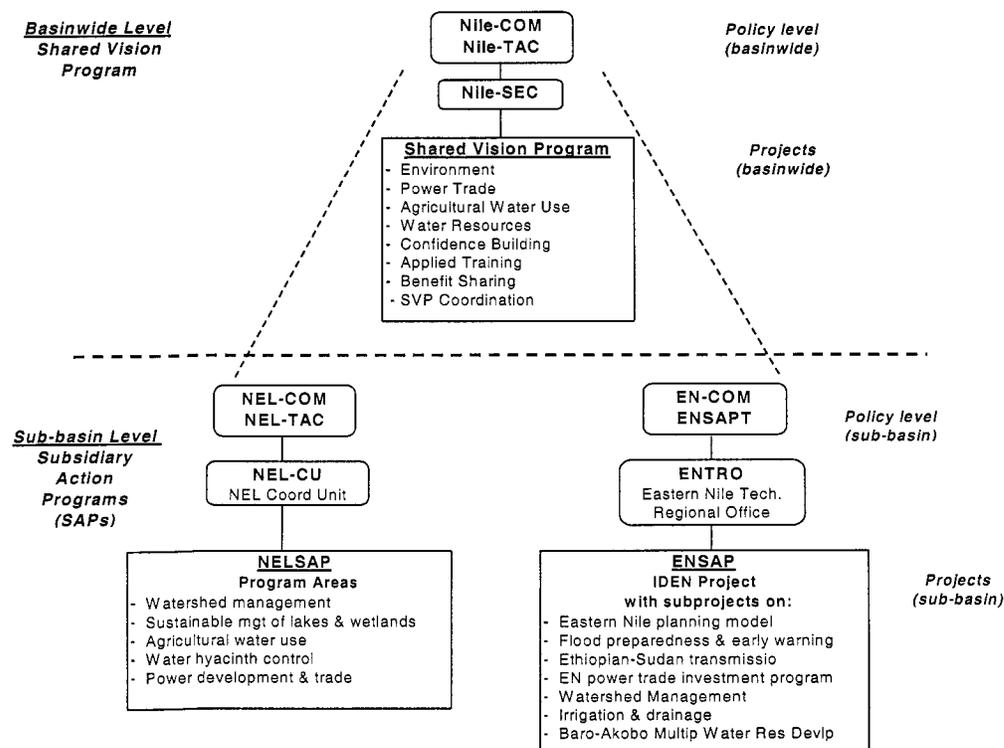
International Consortium for Cooperation on the Nile. The International Consortium for Cooperation on the Nile (ICCON) has been established to support the NBI’s Strategic Action Program. Its first meeting was held in Geneva in June 2001. The ICCON is a unique forum, envisioned as a long-term partnership of the riparian states and the international community. The first meeting of the ICCON raised

funding for the portfolio of basinwide 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. More detailed information on ICCON is provided in Section 2.

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 initial 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), supported the initiative, directly or through World Bank trust funds. With the first ICCON, the circle of partners 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 basinwide 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.

Figure 3: Overview of the NBI and its Strategic Action Programs



Although various subgroups of Nile riparians have engaged in cooperative activities over the past 30 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 10 Nile riparians holds the promise of meaningful, comprehensive cooperation in the basin.⁵

2. INTERNATIONAL CONSORTIUM FOR COOPERATION ON THE NILE

Introduction

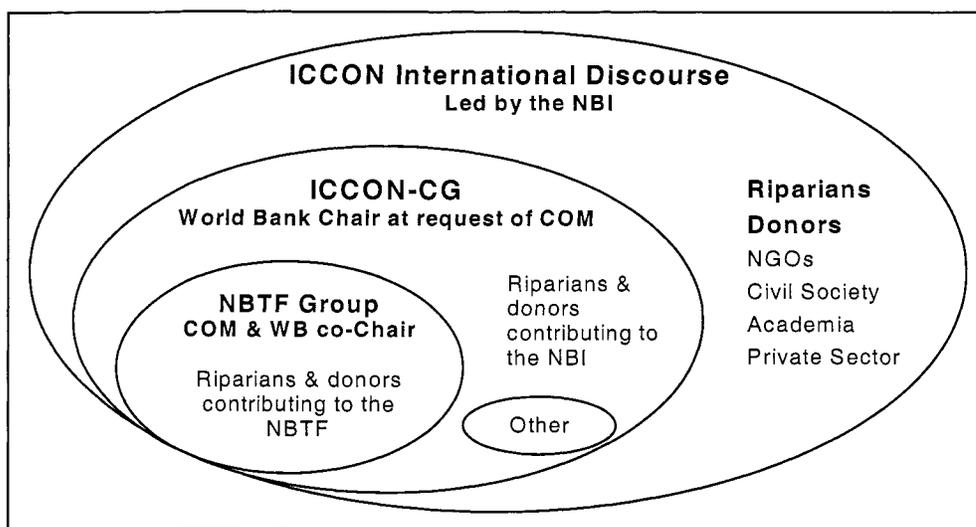
Mandate. Following a request by the Council of Ministers of Water Affairs of the Nile Basin states, the Bank agreed in 1997 to coordinate donor support for an action plan and to convene a consultative group meeting. This consultative group is now within the broader framework of the ICCON. In accordance with confirmation by the Nile Council of Ministers at its meeting in Khartoum, Sudan, in March 2001, the first ICCON meeting was held June 26–28, 2001, in Geneva, Switzerland. Subsequent meetings will be held when needed, probably about every two to three years

ICCON objective. ICCON is conceived as a partnership between and among the Nile riparian countries and the international community. ICCON will seek to raise and coordinate funding from bilateral, multilateral, and possibly private funding entities, in support of cooperative water resources management and development projects and other related projects in the Nile Basin. ICCON will also provide a forum for discourse that will bring together riparians and donors, and, increasingly, civil society, nongovernmental organizations (NGOs), and the private sector.

ICCON structure

The ICCON structure, which is based on discussions by the Nile Council of Ministers and input from consultations with the donor community, consists of two interrelated elements, one a subset of the other, working in close collaboration under the guidance of the Nile Council of Ministers. A schematic of the ICCON partnership structure is presented in Figure 4.

Figure 4. The ICCON Partnership Structure



⁵ Eritrea is participating as an observer and has stated its intention to participate fully soon.

ICCON is a broad partnership, led by the NBI, encompassing the riparian countries of the Nile, the international donor community, public and private lenders, and investors, as well as other interested parties such as civil society, professional organizations, and NGOs, who wish to work together to support achievement of the riparians' Shared Vision. ICCON will inform and foster a growing international dialogue on the opportunities and options for cooperative development in the Nile Basin.

ICCON Consultative Group. The ICCON Consultative Group, established at the request of the Nile Council of Ministers, is a subgroup of the ICCON. The ICCON Consultative Group is chaired and coordinated by the World Bank according to Consultative Group practice and custom, in collaboration with cooperating partners. The ICCON Consultative Group comprises those donors/lenders that are financially contributing to, or anticipating contribution to, support of the NBI. Additionally the ICCON Consultative Group includes donors providing official development assistance to individual riparian countries, to promote linkages between country development programs and the NBI. Meetings of the ICCON Consultative Group will provide the forum for building and maintaining donor commitment to, and raising funds for, NBI programs, and for detailed reporting to donors on the progress, coordination, and work plans of the NBI.

Funding mechanisms

The financial mechanisms proposed in support of the NBI are designed with several objectives in mind: to maximize riparian ownership and control of the process; to meet donor requirements for fiduciary accountability; and to provide timely and efficient administration of funds. Given the nascent nature of the cooperative Nile institutions, the magnitude of financial resources involved, the imperative for early implementation of projects, and following extensive consultation with potential donors, a World Bank–managed, multidonor trust fund was proposed by the Nile Council of Ministers as the preferred initial funding mechanism (although alternative funding mechanisms may also be used). This would allow funds to be transferred according to established disbursement and procurement procedures. An objective would be the eventual transfer of the trust fund to a Nile Basin institution as program implementation progresses and a permanent institutional framework is established.

NBTF Committee. The NBTF Committee⁶ will be responsible for overseeing the operation of the Nile Basin Trust Fund and the use of its resources to meet the objectives of the NBI programs. The NBTF Committee will foster both close partnership between the Nile Basin Countries, Development Partners and the World Bank, and at the same time, strong ownership of the NBI by the Nile countries. To achieve this, the NBTF Committee will be both consultative and advisory. The NBTF Committee will be co-chaired by the Nile Council of Ministers (or its representative) and the World Bank, and will develop its own procedures. The NBTF may be convened at the request of the World Bank; however, it is proposed that the Committee normally meet annually.

Alternative arrangements for donor financing. Some donors may be unwilling or unable to provide their support through the NBTF. In such cases, support to individual projects or to the NBI's executive arm, the NBI Secretariat, will be arranged through mutually agreed channels, for example, bilaterally to the NBI.⁷ Donors whose contributions are not channeled through the NBTF would not be members of the NBTF Committee, but would be members of the ICCON Consultative Group and receive regular progress and coordination briefings in that forum. Every effort needs to be made to minimize the proliferation of

⁶ Terms of reference for the NBTF Committee are currently under joint discussion by the Nile Council of Ministers, the Development Partners, and the World Bank.

⁷ Nile Council of Ministers approved general procedures for supporting the Shared Vision Program through financing mechanisms other than the NBTF at its ninth annual meeting in Cairo in February 2002 (see Annex 14 of the SVP Master PAD).

alternative administrative arrangements due to different donor requirements. As preparation of the subsidiary action programs progresses, innovative financing mechanisms, beyond the NBTF, for preparation and implementation of large-scale investments will be needed.

Riparian contributions. The core costs of the Nile Council of Ministers, NBI Technical Advisory Committee, and NBI Secretariat will be supported by the Nile Basin countries through their continued payment of annual dues. Riparians will be expected to provide counterpart funds for all projects, and may also choose to contribute additional funds to the NBI Secretariat. Sponsorship of SVP project management units, whose local costs are to be financed by the host countries, will be another avenue of riparian support to the NBI.

The first meeting of ICCON

Launching of ICCON. The first ICCON meeting was held June 26–28, 2001, in Geneva. This meeting consisted of two components. The first day, June 26, was an ICCON event hosted by the NBI and attended by more than 70 ministers and other representatives from the Nile Basin countries, as well as a broad spectrum of invited parties from the international community, including representatives from more than 35 bilateral donors, multinational financing agencies, international agencies, and the NGO community (see Table 3). This event was designed to launch the consortium, to celebrate cooperation in the Nile River Basin, and to further the discourse on Nile development. The chairman of the Nile Council of Ministers launched the meeting and was followed by an invited keynote address by James D. Wolfensohn, president of the World Bank, and statements of support from UNDP, CIDA, the European Union, GEF, and a coalition of interested NGOs. Poems and stories by children of the Nile, followed by presentations on the challenges in the basin and opportunities afforded by cooperation, underscored the importance of this initiative in launching a new, unprecedented era of cooperation on the Nile.

Table 3. Participation of the International Community at the First ICCON Meeting

▪ Belgium	▪ Abu Dhabi Fund for Development	▪ Kuwait Fund for Arab Economic Development
▪ Canada	▪ African Center for Technology Studies	▪ Sudanese Environment Conservation Society
▪ Denmark	▪ African Development Bank	▪ Third World Water Forum
▪ Finland	▪ Arab Bank for Economic Development in Africa	▪ Uganda Wildlife Society
▪ France	▪ East African Community	▪ United Nations Development Programme (UNDP)
▪ Germany	▪ European Commission	▪ U.N. Economic Commission for Africa (UNECA)
▪ Italy	▪ Food and Agricultural Organization	▪ UNESCO Chair in Water Resources (UCWR)
▪ Japan	▪ Global Environmental Facility	▪ World Bank
▪ Netherlands	▪ InterAfrica Group	▪ World Meteorological Organization
▪ Norway	▪ International Monetary Fund	
▪ Sweden	▪ World Conservation Union	
▪ Switzerland	▪ Islamic Development Bank	
▪ United Kingdom		
▪ United States		

Consultative Group meeting. On the second and third days, June 27–28, a meeting of the ICCON Consultative Group, chaired by the World Bank in fulfillment of the request of the Nile Council of Ministers, took place. The purpose of this part of the meeting was to present the details of the NBI's Strategic Action Program to interested donors, raise financing for the current NBI programs, and lay the foundations for financing future investments. The delegates expressed strong support for the initiative, acknowledged the leadership shown by the Nile Council of Ministers, and welcomed the contribution of NGOs. The initiative was praised as a new paradigm of regional cooperation that could address many of the challenges in the basin and serve as an example to other international waters. As a demonstration of their support of the initiative, development partners expressed initial financial support of at least US\$140 million towards financing the implementation of the Shared Vision Program and preparatory

activities for the subsidiary action programs. Strong support was also expressed to underwrite the first phase of the investment programs in the sub-basins, estimated at US\$3 billion, when ready for funding. The donor partners committed to working with the Nile states to secure financing for this initial phase of investment, as well as for further phases.

Partner interest and post-ICCON activities

Partner interest. Ten bilateral and multilateral partner donors pledged support at ICCON to finance the implementation of the basinwide Shared Vision Program. This includes Canada, Denmark, Germany, the Netherlands, Norway, Sweden, and the United Kingdom, as well as the African Development Bank, GEF (World Bank and UNDP), and the World Bank Development Grant Facility. In addition, Italy, working with FAO as an executing agency, supports the Capacity Building for Water Resources Management Project, which also operates within the NBI umbrella. It is expected that full financing will be obtained for the Shared Vision Program, although it is likely that some donors will pledge support on a rolling basis or in tranches, based upon agreed milestones and demonstrated results.

In support of the sub-basin level investment programs, in addition to the World Bank, the African Development Bank, Canada, Finland, and the United Kingdom pledged support for ENSAP; while the African Development Bank, Canada, Norway, Sweden and the United States pledged support for the preparatory activities of NELSAP. Other donors, such as the European Union, France, Japan, Italy, and Switzerland have expressed interest in the NBI's Strategic Action Program and may play a role in the future.

Growing partner involvement. A number of partners expressed interest in undertaking a joint SVP appraisal following the June ICCON meeting, which would include the participation of all donors contributing funds for SVP implementation. This would provide a constructive opportunity to resolve details and any outstanding implementation issues, and enable donors to pledge funds at ICCON contingent upon meeting their appraisal requirements or resolving details of project design or execution. An SVP implementation review meeting, attended by representatives from the NBI and more than 14 partners interested in the Shared Vision Program, was held in Entebbe in October 2001. Since that time, the SVP donor partners have been fully involved in the appraisal process and detailed implementation planning for each of the projects.

Similarly, donor partners have been involved with the early preparatory activities of the subsidiary action programs. A planning meeting for ENSAP was held in February 2002 attended by several donors, and the African Development Bank has undertaken identification missions for three ENSAP projects. A NELSAP implementation review meeting was held in Entebbe in September 2002. Key donor partners participated in the meeting, where they re-confirmed their support to NELSAP. Subsequently, they have remained active partners in the project preparation process.

Moving towards implementation. Since 1997, the NBI has progressed from a phase of dialogue and political engagement to a phase of preparation of the Strategic Action Program. Each phase has had unique and complex challenges. Now, since ICCON, a new phase of partnership with a broader circle of the international community has begun. There are many details regarding the implementation of the Strategic Action Program related to financing mechanisms, program management and coordination, and implementation arrangements, which have been under discussion. The Nile riparians have welcomed the active and constructive engagement with the donor community in addressing these issues in ways that have promoted strong partnership yet ensured riparian ownership and direction of the process of Nile cooperation.

ANNEX 10. INSTITUTIONAL ARRANGEMENTS

1. INTRODUCTION

This annex outlines the institutional arrangements for implementing the Shared Vision Program (SVP) of the Nile Basin Initiative (NBI). These arrangements have evolved through intensive dialogue within the NBI as well as with donor partners. They also draw on experience and best practice from other regional programs. However, the nature of the NBI requires innovative strategies to ensure early action on the ground, maintain trust and commitment, foster broad ownership by the riparian states, and develop a multitrack approach.

2. PROJECT MANAGEMENT

2.1 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 Council of Ministers 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 indicated in Table 1.

Table 1 Shared Vision Program Projects and Project Management Unit Locations

Project	PMU Location
Confidence Building and Stakeholder Involvement	NBI Secretariat
Nile Basin Regional Power Trade	Tanzania
Efficient Water Use for Agricultural Production	Kenya
Nile Transboundary Environmental Action	Sudan
Water Resources Planning and Management	Ethiopia
Applied Training	Egypt
Socioeconomic Development and Benefit Sharing	Uganda /NBI Secretariat

In view of the central functions that the Confidence Building and Stakeholder Involvement project will be playing, this project will be physically located at the NBI Secretariat, in Entebbe. To ensure that the synergies among SVP projects are captured, the Socioeconomic Development and Benefit Sharing project, whose PMU is located in Uganda, will work closely with the NBI Secretariat to plan the regular

meetings of all SVP project managers and will contribute to developing a useful monitoring and evaluation system.

2.2 Management at the regional level

Project management units. PMUs will be established by the NBI for each of the seven thematic SVP projects. The PMUs will operate at the basinwide level. In support of the NBI, the PMUs' primary responsibility will be for managing and implementing a given SVP project in all countries participating in that project. In addition, in support of the overall Shared Vision Program, the PMU will provide necessary support to the national activities of the other regional SVP projects in the country of its location.

In order to facilitate smooth operations, maintain and enhance dialogue between the Nile riparians, and further the Shared Vision Program'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 PMUs in order to facilitate local contracting, fund management, local procurement, disbursement, program administration, and project-level monitoring (see section 3.3 of this annex).

The staff of each PMU will vary with the size and complexity of the project, but in general will include: a **regional project manager**; the **regional lead specialist(s)** for the project; a **finance and procurement officer**; other specialist staff, such as for information technology and knowledge management, monitoring and evaluation; and support staff.

Each PMU will be governed by a **project steering committee**, which will provide strategic guidance, direction and oversight to ensure that the project objectives are achieved, within the overall framework of the NBI and its shared vision, and that the project remains within budget and on schedule. 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 a sector focal point for the relevant SVP project from each participating country (e.g., the heads of environment agencies or departments for the Environment project); 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. 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 at the PMU location. The steering committee member from the PMU host country will chair the committee, while the PMU will provide secretariat support to the committee.

To facilitate needs as determined by each 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 for the Environment project.

To ensure overall program coordination, strengthen the capacity of the NBI to execute basinwide programs, and reinforce strong riparian ownership of the SVP, the eighth SVP project will strengthen the NBI Secretariat in Entebbe. The SVP Coordination project¹ will provide the NBI Secretariat with the necessary human and other resources required to facilitate coordination among the SVP projects and to ensure that synergies are captured among the projects and that projects operate within the NBI framework. The NBI Secretariat, through the Coordination project, will be responsible for developing generic procedures to ensure quality control and fiduciary responsibility, conducting monitoring and evaluation at the program level, and facilitating information sharing within the NBI as well as with the

¹ Concept Note for the SVP Coordination project approved by the NBI Technical Advisory Committee at the 12th NBI Technical Advisory Committee meeting, Cairo, Egypt, February 2002 and endorsed by the Nile Council of Ministers at its Ninth Annual Meeting in Cairo, Egypt, February 2002.

public. The SVP Coordination project primarily will be financed through the Nile Basin Trust Fund, based on a pro rata share from each of the thematic SVP projects (approximately 3 percent) as well as additional allocations. Other development partners, such as Germany/GTZ, are also providing direct bilateral support to the project.

Illustrations of the Shared Vision Program from a programmatic perspective and of a typical SVP project are presented in Figures 1 and 2, respectively.

2.3 Management at the national level

Project management at the national level. Given the difference in the size, complexity, and organization of the SVP projects, management at the national level will vary in accordance with the specific needs of each project. In general, SVP projects will have a **national project coordinator, or the equivalent** (the title will vary with the project), who will be responsible for supervising and coordinating the implementation of project activities at the country level. This national coordinator, or equivalent, will provide a critical link between the PMU and regional activities and national-level organizations and project activities. Depending on the needs of the project, the national project coordinator post may be a full-time position that is project-funded and competitively hired. In other cases, particularly for the smaller SVP projects, the national coordinator post may be a part-time position filled by a government staff, consultant, or university staff. National project coordinators, or the equivalent, will be housed in the ministries or institutions hosting that particular project at the national level (e.g., ministries of water resources, agriculture, environment, power; training institutes or universities; power utility).

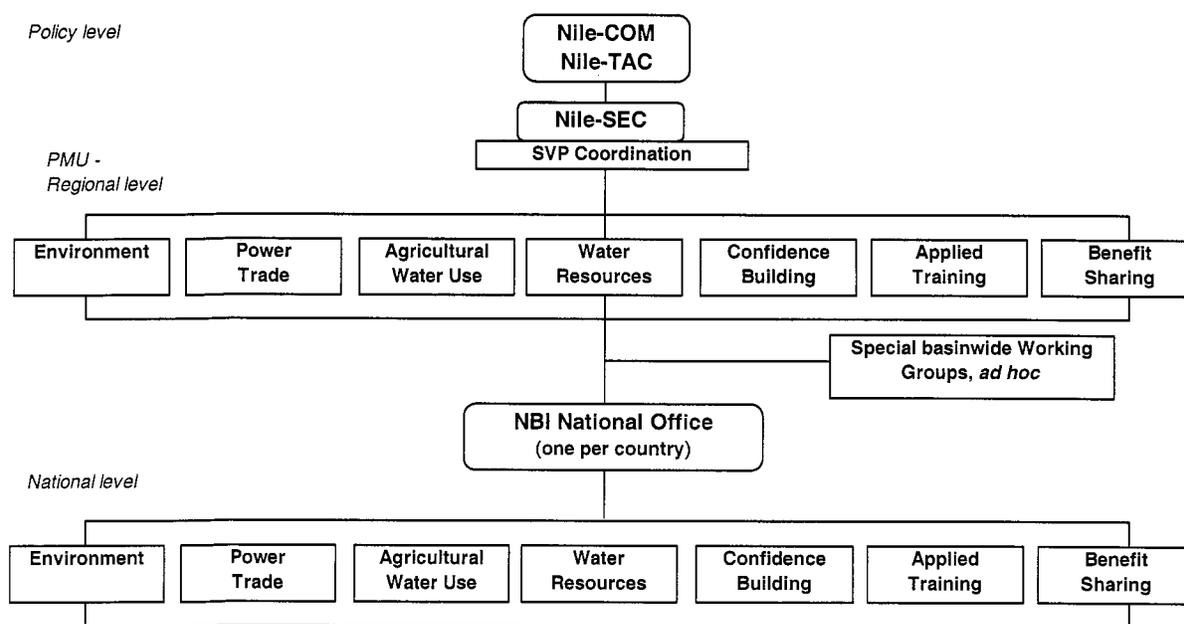


Figure 1. The Shared Vision Program from a Programmatic Perspective

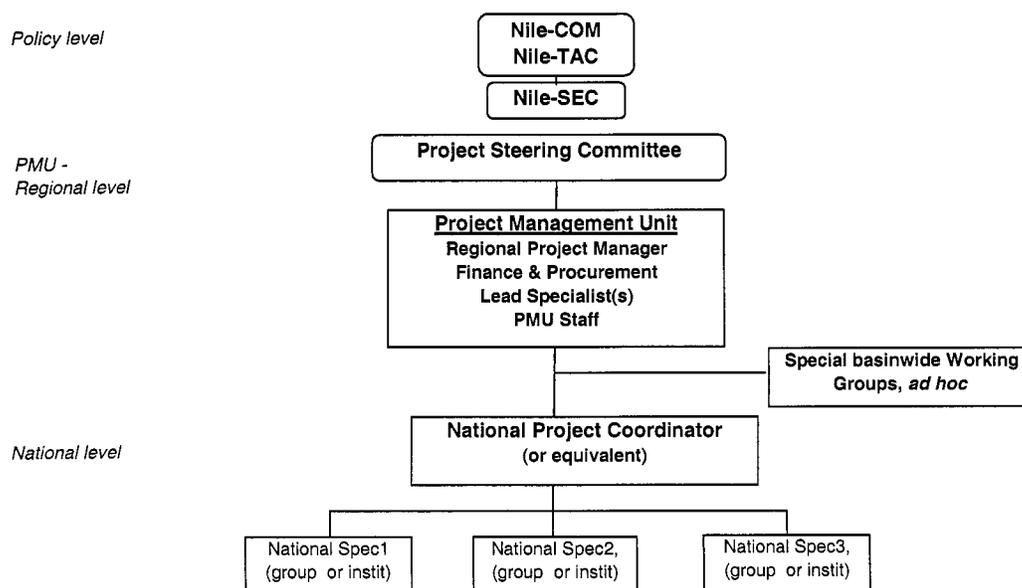


Figure 2. The Shared Vision Program: A Typical SVP Project

Coordination of national activities. As indicated above, the seven SVP projects will likely be hosted by different sectoral ministries. Thus, to facilitate in-country coordination of NBI activities, the Ministry of Water Affairs in each Nile Basin country has established a government-funded **national NBI focal point institution** (also referred to as a **national NBI office**). The national NBI office will support the NBI Technical Advisory Committee member in each country and act as a counterpart to the NBI Secretariat at the national operational level. To facilitate effective interaction among the various ministries and institutions involved in the NBI, the office will include interagency and intersectoral committees. In each country, members of SVP steering committees and SVP national project coordinators (or equivalent) are likely to be involved in these intersectoral committees. The NBI Technical Advisory Committee members will be responsible for the overall supervision and coordination of the National NBI Office.

An illustration of the implementation and coordination of the Shared Vision Program from a national perspective is presented in Figure 3.

3. SVP EXECUTION

3.1 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 decisionmaking 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.

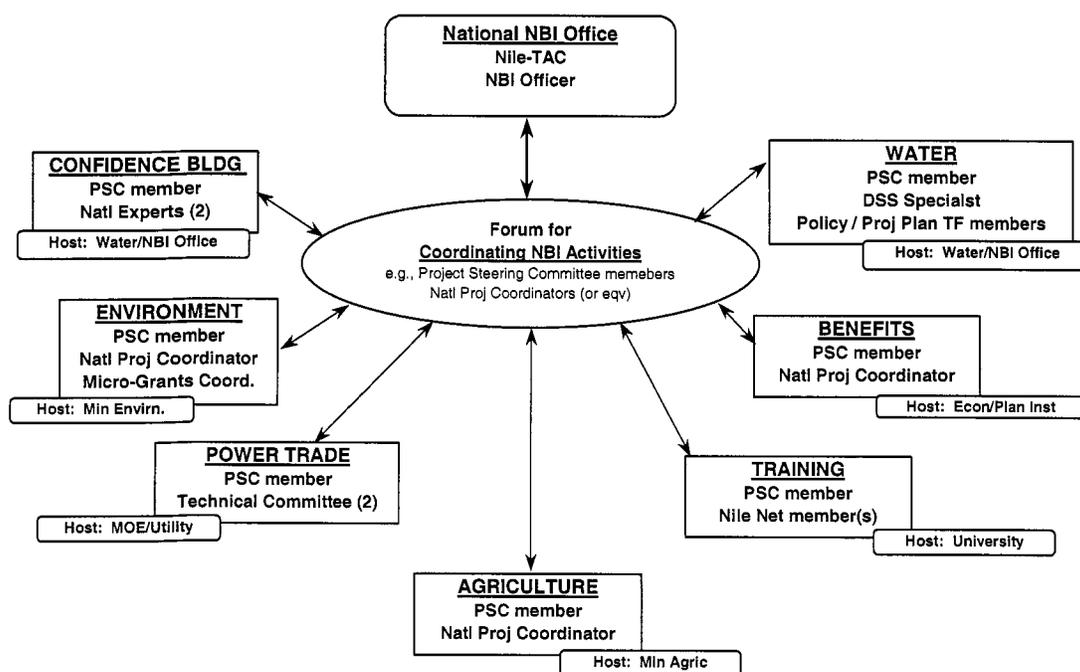


Figure 3: Coordination of the SVP from a National Perspective

3.2 NBI SVP executing agency

The NBI, through its executive arm the NBI Secretariat, will be the **executing agency** for the GEF/World Bank and Nile Basin Trust Fund (NBTF)² financed components of the Shared Vision Program and each of its projects. As such, the NBI will sign a grant agreement with the World Bank (on behalf of the Nile Basin Trust Fund) for the execution of the Shared Vision Program. A separate grant agreement will be signed for each project as it is ready for implementation.

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 Shared Vision Program, the NBI will define generic procedures for issues such as reporting, monitoring and evaluation, and knowledge management, which will in turn be refined for each project. In addition, the NBI Secretariat will collaborate with the Socioeconomic Development and Benefit Sharing project to ensure that the impact and benefits from the NBI is maximized throughout the Nile Basin.

3.3 Project services agency

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 Shared Vision Program 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

² 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 when adequate institutional capacity is developed.

was not so much to provide a 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 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 sent a letter of intent to UNOPS that indicates NBI's plans to enter into a management services agreement (MSA) with UNOPS for each of the SVP projects, based on demonstrated performance. Separate MSAs will be negotiated for each project based on the specific requirements of the project.

The NBI will staff each PMU with technical and managerial staff. Details of the exact makeup of the PMUs will be spelt out in the individual MSAs between the NBI and UNOPS. The PMUs will provide technical and managerial support to the NBI, in particular its Secretariat, in overseeing the implementation of each of the SVP projects. 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 basinwide projects and apply high-quality and fiduciary standards to the Shared Vision Program.

The individual MSAs between the NBI and UNOPS will outline the specific services to be provided for each project, in the general framework of the generic terms of reference for a PSA adopted for the Shared Vision Program¹. Although specific arrangements will be detailed in the MSAs, it is anticipated that UNOPS will post a senior staff to the NBI at the NBI Secretariat in Entebbe to support the program as a whole. Professional staff in each PMU (or other appropriate location for those NBI countries which do not have PMUs) will support country-level activities for all SVP projects, particularly as related to procurement, finance, logistics, etc. Overall management from UNOPS will be from UNOPS in New York, drawing upon its extended network of offices around the world.

3.4 Flow of funds

For SVP projects in general, funds will flow from the NBTF to project activities through UNOPS on the authorization of the NBI. At the launch of each project, NBI will submit a blanket withdrawal application to the Bank authorizing UNOPS to withdraw funds from the NBTF in order to finance project activities.

¹ Nile Council of Ministers, Ninth Annual Meeting, Cairo, February 2002.

UNOPS will then submit a request for project advance and the Bank will deposit the requested project advance to a deposit account. Funds will be advanced to the projects 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 financial monitoring reports (FMRs) and payment requests. 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 project operations and cover minor expenses, UNOPS will open Imprest accounts for the PMUs and the national project coordinators. UNOPS will bear full responsibility and all business risks associated with those accounts. A detailed description of the flow of funds for each SVP project is contained in Annex 6, Procurement and Disbursement Arrangements, in the individual SVP project appraisal documents.

4. REPORTING AND SUPERVISION

4.1 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. FMRs are to be submitted to the Bank no later than 45 days after the end of each fiscal year quarter. The NBI Secretariat 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 Office for Audit and Performance 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. Audits must be provided to the World Bank as soon as available, but not later than six months after the end of each fiscal year.

4.2 Project implementation review

The implementation of each of the SVP projects will be reviewed on an ongoing basis in accordance with World Bank supervision rules adapted to the unique character of the NBI Shared Vision Program. The following activities will support the implementation review process:

- **Annual implementation review missions**—Implementation review missions³ will be fielded to review project progress at least once a year, including review of project accomplishments, financial management, and procurement activities. These review missions will be joint undertakings consisting of the World Bank, the donors to the specific project, and NBI Secretariat representation.
- **Annual project steering committee meetings**—In conjunction with the annual implementation review, an annual steering committee meeting of the specific SVP project will be held. This meeting will be held at the PMU, and will be attended by steering committee members implementation review 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 for each of the SVP projects. It is expected that the midterm review will take place

³ Also referred to as supervision missions within the World Bank.

approximately halfway through the implementation of the project, after the completion of the independent midterm evaluation (see 4.3 below).

4.3 Program reports

The NBI Secretariat is responsible for overall coordination of the Shared Vision Program. As such, the Secretariat will monitor the progress of each of the SVP projects and report on that progress to NBI, Riparian Countries, donors, and other interested parties.

- **Annual SVP summary report**—The executive director will complete an annual SVP summary report, based on information provided by the individual project managers. The report will clearly describe and assess each SVP project's progress against their overall objectives as well as provide an aggregate view of the Shared Vision Program as a whole. The report will include an overall summary of the financial status of the Shared Vision Program and each of the SVP projects.

Timing—Annual reports will be submitted no later four months after the close of each fiscal year

Minimum Distribution—Nile Council of Ministers, NBI Technical Advisory Committee, NBTF Committee, National NBI offices, PMUs, PSA, other development partners.

4.4 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), World Bank, and PSA. 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.⁴

Distribution—NBI Secretariat, World Bank, and PSA.

- **Semiannual project implementation progress reports**—At mid-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.

⁴ For NBTF-financed projects, FMRs must be submitted to the World Bank not later than 45 days after the end of each calendar quarter.

The most recent FMR also will be attached.

Timing—Mid-year of each fiscal year of project effectiveness

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

- **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, procurement plan, project documents, and the overall objectives of the project. The report will include an overall summary of the financial status of the project as well as revised work and procurement plans for the coming year. When multiple donors/agencies are supporting a project, every effort will be made to simplify and unify reporting arrangements. The project manager will therefore review the annual reporting requirements of the World Bank and 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—Annual reports will be submitted no later than two months after the close of each fiscal year

Distribution—NBI Secretariat, National Project Coordinators (or equivalents), all Steering Committee members, including observers, NBTf Committee, and PSA.

- **Substantive work plan**—will include an updated procurement plan and be attached to the annual substantive project progress report.
- **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—NBI Secretariat, all Steering Committee members, World Bank, NBTf Committee, and PSA. This report may be shared with other parties, upon their request in accordance with established policy.

- **Ad hoc reporting and substantive reports**—Each SVP 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, including observers, and PSA.

- **Implementation Completion Report (ICR)**—The NBI and Bank Nile Team will prepare an ICR for each SVP project after project close.

Distribution—Nile Council of Ministers, NBI Technical Advisory Committee, NBTf committee, and Steering Committee members.

5. RECRUITMENT OF PROJECT MANAGEMENT UNIT STAFF

5.1 Competitive and transparent selection

The PMUs will be staffed by personnel who have been recruited competitively. Qualified applicants will be shortlisted by UNOPS in cooperation with the NBI Secretariat. Shortlists for regionally recruited staff will not contain more than two candidates from any one country. Women will be encouraged to apply. Evaluation criteria and procedure, short list of candidates and final selection will be subject to prior review by the Bank.

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 the PMU host country, the NBI Secretariat, UNOPS, international or regional technical expert, donor representatives as observers, and, for PMU staff, the project manager. Selection will be recommend 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. In particular, for each SVP PMU:

- 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 Shared Vision Program.
- The lead specialists and finance and procurement officer⁵ 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.

5.2 PMU staff appointments

After selected by the interview panel, long-term staff will be appointed by UNOPS.

6. SUMMARY OF ROLES AND RESPONSIBILITIES

The NBI is the executing agency for the World Bank and NBTF-financed portions of SVP projects. With respect to SVP implementation, the roles and responsibilities of the NBI committees and councils are as follows:

- **Nile Council of Ministers**—will have overall oversight of the combined project portfolio and will provide policy advice and guidance.
- **NBI Technical Advisory Committee**—will review the project portfolio and provide technical advice and guidance to the Nile Council of Ministers.
- **Project Steering Committee**—will provide programmatic and strategic guidance, direction, and oversight to ensure that project objectives are achieved, within the framework of the NBI; review and approve annual work plans; and, receive and review annual substantive and financial reports on project activities.

⁵ The finance and procurement officer may be recruited nationally. If a suitable candidate is not found, then the position will be recruited regionally.

- **NBI Secretariat**—The NBI, through its executive arm, the NBI Secretariat, will sign grant agreements with the Bank for the implementation of the SVP projects. The NBI, who will retain overall responsibility for the implementation of SVP projects, will sign MSAs with UNOPS for management support of those projects.
- **UNOPS**—who will be subcontracted by the NBI, will be responsible to make available UNOPS services with due diligence and efficiency, and in the best interest of the NBI, to deliver the SVP projects.

ANNEX 11. MONITORING AND EVALUATION

A. INTRODUCTION

Purpose. The monitoring and evaluation process is an integral element of each of the projects under the Nile Basin Initiative (NBI) Shared Vision Program (SVP). This process will provide information on whether the projects' interventions are successful in achieving their development objectives and whether implementation is proceeding in accordance with plans. The process integrates the measurement and monitoring of *both development and performance indicators*. Monitoring is a continual process and provides necessary information that facilitates an assessment of the progress of project implementation. Moreover, monitoring ensures that progress is maintained according to schedule and measures the quality and effect of the processes and procedures.

Audience for monitoring efforts. The monitoring efforts provide the project management units (PMUs), project steering committees, NBI Secretariat, Nile Council of Ministers, and NBI Technical Advisory Committee, as well as the World Bank and SVP donor partners with the information needed to analyze the current project situation and identify solutions to keep the schedule and achieve the desired objectives.

Project evaluation. In addition to the ongoing monitoring efforts, two project evaluations will be carried out for each SVP project during implementation—the first at midterm and the second at project completion. These two evaluations will provide a perspective on project implementation and corrective measures required (midterm evaluation) in addition to providing information on which effects and impacts have been achieved during the project implementation period.

Monitoring and Evaluation Plan. This Monitoring and Evaluation Plan is designed to provide a framework that can be adapted to the specific SVP project logical frameworks.

Methodology. At the SVP level, the monitoring and evaluation process will provide a mechanism for the NBI riparian countries and SVP donor partners to keep abreast of developments in the SVP projects through an aggregate view of the program as a whole. The NBI Secretariat will manage the program-level monitoring and evaluation process and will work in collaboration with the Socioeconomic and Benefits Sharing project to ensure that synergies between the various projects are captured and built upon.

At the project level, the monitoring and evaluation process promotes a collaborative team approach drawing on all project actors under the lead of the project manager. The monitoring and evaluation process will use both conventional and participatory strategies and will engage a range of stakeholders. Monitoring is based mainly on quantitative and objective indicators and objective assessments. Only when it is not possible to get objective assessment does the plan resort to subjective assessment.

Ongoing learning. Project monitoring results will be presented to all project stakeholders including the Steering Committee members and invited guests and other stakeholders. The findings and results will be used by the project staff (regional project manager, lead specialists, national project coordinator, etc.) to improve performance and to take corrective action throughout the project implementation period.

B. MONITORING AND EVALUATION STRATEGY AND ACTION PLAN

Approach. At the SVP level, the NBI Secretariat, with the assistance of an monitoring and evaluation consultant and in consultation with the regional project managers for the SVP projects, will develop a

standard monitoring and evaluation Plan and monitoring matrix for the Shared Vision Program as a whole. This activity will be initiated as soon as possible, but will not be completed until two or three SVP projects are underway to ensure the involvement of project managers. The SVP monitoring matrix will be applicable to each SVP project to ensure standardized reporting from the projects and the ability to add projects to the matrix as they become effective. The matrix will also include indicators that monitor the progress and success of the Shared Vision Program as a whole.

At the project level, at the start of each project, the project manager (with the assistance of a competitively hired monitoring and evaluation lead specialist in some projects or of consultant(s) in other projects) will develop a detailed monitoring and evaluation Plan based on the information already provided in the project documents. The first activity in the plan will be to review the project with the lead specialists and develop detailed performance indicators against which project performance can be measured. These indicators will conform to the logical framework developed for each SVP project (but in greater detail).

Establishing the baseline situation. In collaboration with the lead specialists, the project monitoring and evaluation Plan will contain component-specific baseline situations. The baseline situation may be developed on the basis of literature review, sampling surveys, rapid assessments, or other accepted methodologies.

Developing the monitoring and evaluation Strategy and Action Plan and the tracking matrix. With the clearly defined baseline situation, and with more detailed performance indicators, the monitoring and evaluation Strategy will be developed. The strategy will outline benchmarks and timelines for achieving the various outcomes. Attached to the monitoring and evaluation Strategy will be an Action Plan, which will spell out clearly the steps, activities, and actions that are required from the lead specialists and the national project coordinators. A relatively simple overview monitoring matrix compatible with the SVP monitoring matrix will also be established to monitor the performance of each project. This monitoring matrix will be updated regularly (at least once every two months). The monitoring matrix will form an important input to reporting to the Steering Committee, NBI Secretariat, the Bank, and NBTf Donors. It will also be a useful base from which to write the semiannual and annual reports.

Implementation of monitoring and evaluation Strategy and Action Plan. In accordance with the monitoring and evaluation Plan, each lead specialist will monitor the progress of the specific project component with reference to the established baseline situation and in accordance with the agreed plan.

C. KEY SECTOR INDICATORS

The goal of the Shared Vision Program is to “attain sustainable socioeconomic development through the equitable utilization of, and benefits from the common Nile Basin water and resources.” An indicator of achieving this is an improved livelihood and quality of life of the population of the riparian states. The Shared Vision Program aims to support establishing an enabling environment for investment and development. An indicator of the success of the individual sectoral SVP projects is measured by their ability to establish basinwide cooperation in their particular sector that will support collaborative actions and lay a sustainable foundation to support the investments under the subsidiary action programs.

D. KEY PERFORMANCE INDICATORS

The key outcome/impact indicators listed in the monitoring and evaluation Plan will come directly from the individual SVP project logical frameworks.

E. MONITORING ARRANGEMENTS

Each of the SVP projects 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 implementation review mission**—Implementation review missions will be fielded, at least once a year, to review SVP and individual project progress. The supervision missions will be joint undertakings consisting of the World Bank, the donors to the specific project, and NBI Secretariat representation.
- **Annual steering committee meetings**—In conjunction with the annual project supervision mission, an annual steering committee meeting of the specific SVP project will be held. This meeting will be held at the PMU 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 for each of the SVP projects. 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.

F. EVALUATION ARRANGEMENTS

Evaluation of the project is a continual process and particularly at midterm and at the completion of the project:

- **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 normally will be independent and thus carried out by consultants not previously associated with the project.
- **Implementation Completion Report (ICR)**—The NBI and the Bank Nile Team will prepare an ICR for each SVP project after project close.

ANNEX 12. STAKEHOLDER PARTICIPATION

This Annex describes the approach and activities of the Shared Vision Program (SVP) relevant to stakeholder participation during two key phases of the program: preparation and implementation. The preparation of the Shared Vision Program, directed by the institutions of the NBI, involved the active participation of technical experts from across the basin and demonstrates commitment to stakeholder participation as a key element. The definition of an SVP project strategy to substantially expand riparian participation across the basin indicates that this same commitment will be sustained through project implementation.

1. PREPARATION OF THE SHARED VISION PROGRAM

A riparian-driven process. The Shared Vision Program evolved, over the period February 1999 and March 2001, from four thematic areas (or pillars) as described in the NBI policy guidelines¹ to a coordinated program of seven basinwide projects. The process, as summarized in Table 2.1, was executed and coordinated by the NBI Secretariat (also called Nile-SEC), and involved active participation of and guidance from the NBI Technical Advisory Committee. It received formal endorsement by the Nile Council of Ministers (also referred to as Nile-COM) at critical milestones.

Project design. The detailed design of the individual projects in the Shared Vision Program was a complex, multicountry, multisectoral process led by the Nile Council of Ministers and NBI Technical Advisory Committee, and executed by the Nile-SEC. The process was participatory to the extent possible, given that the preparation of the Shared Vision Program was the first cooperative effort of the newly established NBI to jointly prepare seven projects, with different thematic/sectoral focuses, across nine countries. Initially, it was based primarily on substantive involvement by national technical experts. Eight national experts participated from each country, representing expertise in environment, power trade (ministry and utility perspectives), agriculture, irrigation, water resources (technical guidelines and DSS experts), training, and communications. At the national level, the technical experts consulted with stakeholders in their own countries as to critical issues and the potential focus of each project. For some projects, such as Environment, this included conducting national workshops that were attended by a broad range of stakeholders. The results of the work at the national level were summarized in National Reports for each of the SVP related sectors, which served as important input into the individual projects (see Annex 8 for listing of reference documents). Preparation of each project was also supported by a lead consultant and a focal point' from the multidonor Nile team.

The project preparation process thus created a forum for interaction among the technical experts from different water-related sectors across the basin. It is worthwhile to note that for many experts it was the first time that they were able to discuss common concerns with their colleagues from co-riparian countries. The end-product of this phase of preparation was a project document for each SVP project approved by the Nile Council of Ministers² and presented to the international community for financing at the first meeting of the International Consortium for Cooperation on the Nile (ICCON), held in Geneva, Switzerland in June 2001. Table 1 presents key meetings and outcomes during the design phase.

¹ Council of Ministers of Water Affairs of the Nile Basin States, *Policy Guidelines for the Nile River Basin Strategic Action Program*, February 1999.

² Nile Council of Ministers, Extraordinary Meeting, Khartoum, Sudan, March 2001.

Appraisal and detailed implementation planning. Following ICCON, where donors pledged to support specific SVP projects, the program entered a phase of detailed implementation planning and appraisal. This phase was initiated by an SVP Implementation Review Meeting held in Entebbe in October 2001 and attended by the NBI Technical Advisory Committee, representatives from 14 bilateral and multilateral agencies committed to or interested in supporting the Shared Vision Program, and the World Bank. This meeting significantly advanced the dialogue on implementation arrangements, ensuring that they met the needs of the Nile riparians and addressed issues relevant to the donor partners.

Table 1. Design of the Shared Vision Program

Date	Meeting Type	Location	Key Outcomes
July 1998	Nile-TAC	Dar es Salaam, Tanzania	Drafting of policy guidelines that define the Shared Vision Program 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 Council of Ministers 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 NBI Technical Advisory Committee members and two 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
Sept 1999	Nile-TAC	Entebbe, Uganda	Based on output from Sodere planning meeting, development of project concept notes for seven priority projects and approval of a detailed project preparation process and schedule for each project
Dec 1999	Project Preparation 1	Entebbe, Uganda	Review and further development of draft project concept notes/documents by working groups. For each project, the working groups included a NBI Technical Advisory Committee member and national expert(s) from each country. Eight national experts were involved from each country. Each project was assisted by a lead consultant.
Dec 1999 – Nov 2000	National Analysis and Consultations	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
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 Preparation 2	Addis Ababa, Ethiopia	Review and further development of detailed draft project documents by working group members for each project and NBI Technical Advisory Committee members
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 draft final project documents
Dec 2000	Distribution of draft final project documents	Via express mail and electronic mail	Distribution of all English draft final project documents to all NBI Technical Advisory Committee members (French versions sent February 2001)
Mar 2001	Nile-COM	Khartoum, Sudan	Final approval of SVP project portfolio and project documents
Jun 2001	ICCON	Geneva, Switzerland	Presentation on the NBI Strategic Action Program to the international community

Following the review meeting, detailed implementation planning progressed on multiple tracks. As part of this implementation planning and appraisal process, three projects—Environment, Confidence Building and Stakeholder Involvement, and Water Resources—conducted extensive country visits that included consultation with a range of stakeholders on project design and proposed implementation approaches in a

country context. The other SVP projects held regional meetings with representatives from each country to consult on project implementation.

Riparian ownership. The project preparation process for the Shared Vision Program has laid the foundation for broad support and stakeholder participation during project implementation. The projects were identified, conceptualized, and formulated by Nile riparians themselves. These projects reflect riparian perspective on national and regional needs and include project components that they deem to be implementable with the potential to confer real benefits. At the same time, the project design and implementation plans are based on riparian experience and lessons learned from related projects. Table 2 shows participation and information outreach undertaken for each SVP project during preparation.

Table 2. Detailed Implementation Planning for SVP Projects

Project	Dates	Approach
Nile Transboundary Environmental Action	November 7– December 7, 2001	<ul style="list-style-type: none"> ▪ Country visits to nine countries, including consultations with: Nile Council of Ministers and NBI Technical Advisory Committee members; Nile-SEC; ministries responsible for environment, water, education, information, etc; university and other educational and research institutions; NGOs and civil society representatives. ▪ Mission Team: World Bank, UNDP and Canada
Confidence Building and Stakeholder Involvement	March 10–April 4, 2002	<ul style="list-style-type: none"> ▪ Joint SVP and Confidence Building country visits to six countries, including consultations with: Nile Council of Ministers and NBI Technical Advisory Committee members; ministries responsible for water, information, environment, power, agriculture, planning, economic development, education; journalists, media and public information representatives; NGOs and civil society representatives; donor and embassy representatives. ▪ Mission Team: Nile-SEC, World Bank, Canada
Nile Basin Regional Power Trade	April 8-10, 2002 Feb 2003 May 2003	<ul style="list-style-type: none"> ▪ Regional Meeting of Power Trade Working Group, Arusha, Tanzania, to discuss implementation plans. ▪ Regional Meeting of Power Officials (Ministry PSs and Utility CEOs) and Power Trade Working Group to further implementation plans and prepare for meeting of Ministers of Energy ▪ Regional Ministers of Energy Meeting ▪ Mission Team: Nile-SEC, World Bank, Norway, Sweden
Applied Training	January 13, 2002 June 30–July 1, 2002	<ul style="list-style-type: none"> ▪ Regional Meeting with NBI Technical Advisory Committee members to discuss formation of Advisory Group to assist with implementation planning, Cairo, Egypt ▪ Regional Meeting with Applied Training Advisory Group, composed of country-appointed representatives from universities and training institute, to discuss implementation plans, Cairo, Egypt ▪ Mission Team: Nile-SEC, World Bank (<i>note: donor consultations in Europe with Netherlands and Sweden prior to regional meetings</i>)
Water Resources Planning and Management)	July 14–August 5, 2002 26-30 May 2003	<ul style="list-style-type: none"> ▪ Country visits to six countries, including consultations with: Nile Council of Ministers and NBI Technical Advisory Committee members; Nile-SEC; ministries responsible for water, environment, planning, foreign affairs, information, education, power, agriculture, etc; meteorology, mapping and GIS agencies; universities and other educational and research institutions; NGOs, civil society, and private sector representatives; and partner representatives. ▪ Mission to Addis Ababa to discuss PMU arrangements and review draft PAD with Nile-SEC, Nile-TAC representatives and partners ▪ Mission Team: Nile-SEC, World Bank, Denmark, Germany/GTZ, AfDB, United Kingdom

Project	Dates	Approach
Efficient Water Use for Agricultural Production	March 10–April 4, 2002	<ul style="list-style-type: none"> ▪ Meetings with ministers responsible for agriculture and/or irrigation, to brief on NBI and SVP Agriculture project and discuss appointment of Advisory Group Meeting (as part of SVP-Confidence Building Mission to six countries)
	Sept2003 (planned)	<ul style="list-style-type: none"> ▪ Regional Meeting of Advisory Group, composed of country-selected agricultural representatives, to discuss implementation plans ▪ Mission Team: Nile-SEC, World Bank
Socioeconomic Development and Benefit Sharing	March 10–15, 2002	<ul style="list-style-type: none"> ▪ Meeting with PMU host country and PMU host Institution to discuss project and approach to developing implementation plans
	September 16–21, 2002	
	March 12–13, 2003	<ul style="list-style-type: none"> ▪ Regional meeting with advisory group
	October 2003	<ul style="list-style-type: none"> ▪ Mission Team: Nile-SEC, World Bank, United Kingdom

2. STRATEGY FOR STAKEHOLDER PARTICIPATION DURING SVP IMPLEMENTATION

Participatory planning. The Shared Vision Program is placing intensive focus on the development of a robust and participatory approach designed to scale-up and widen the circle of participants that are directly involved in Shared Vision Program, and those that benefit from NBI investments more indirectly. This type of substantive participatory approach is recognized as essential if the SVP objectives of ownership, trust, and regional confidence are to be achieved.

All of the SVP projects have made provisions for consultation and collaboration with civil society, as well as government agencies. For example, the Environment project features a microgrant facility, which specifically targets local communities in the Nile Basin countries, while the Environmental Education and Awareness component, is designed to be largely implemented by NGO's of a particular region. Other projects such as 'Socio-Economic Benefits' will be sponsoring and fostering widespread and collaborative analysis, while the Training Project will featuring social and participation components to curriculum formats.

However, if the systemized broad participatory approach required for substantive stakeholder involvement, is to become a reality across projects and across the basin, the NBI recognized that a simple project approach was insufficient. Therefore it included in the SVP roster of eight projects the Confidence Building and Stakeholder Involvement Project (Confidence Building) to specifically ensure expanded information, stakeholder involvement, and confidence in the NBI and its projects. The SVP strategy is to combine the project-by-project focus on participation with the crosscutting resources of the Confidence Building project for greater impact. It intends to utilize the participation approach and implementation process outlined below to attain this high impact.

Selected participation approach. The necessity of using a participatory format as a base for all SVP programs is clear if the goal of long-term regional cooperation is to be achieved. The benefits that can be accrued are:

- For governments, common purpose expands, and the credibility as well as legitimacy of government policy and programs is enhanced.
- For civil society, transparency and accountability of government policies/programs increase,
- Allows stakeholders to influence government policies and programs.

For effective and sustainable results, participation at both the macro and micro level requires a four-point iterative approach—dialogue; collective analysis; action; and monitoring for feedback and learning. This differs from the popular two-point process of one-time dialogue for joint needs assessment often used by countries and donor organizations. Because this more substantive approach directs itself toward mutual analysis, learning, and understanding, it will help develop the required expansion of solidarity and consensus necessary to developing mutually agreed strategies and within the Shared Vision Program.

Participation implementation process. The SVP participation strategy is meant to ensure broad and sustained stakeholder involvement in NBI planning, investment implementation, and benefit use. To achieve its goals, the Shared Vision Program intends to assist the expansion of sustained stakeholder involvement through the promotion of a systemized process of participation in both the Shared Vision Program and the subsidiary action programs. It intends to do so through specific and long-term support to projects and governments, using the crosscutting Confidence Building and Stakeholder Involvement project as a particular resource. Three key actions, using the participation approach outlined above to involve key stakeholders, will be initiated and maintained by the Shared Vision Program through the Confidence Building project. These actions are as follows.

- **Project planning.** Advice and support will be provided to SVP projects and subsidiary action program projects as requested for the development of project participation guidelines. There is agreement that real ownership, even in high-tech initiatives, requires congruency with the political, cultural, and social institutional base of a particular region. Guidelines support the design and implementation of necessary participation actions in a culturally congruent manner. Without this cultural congruency, long-term sustainability objectives are difficult to achieve.
- **Project implementation.** Advice and support will be provided to SVP projects for the implementation of an effective participation process. For effectiveness, the participation process will be based on the guidelines, and consistent with project objectives. Explicit use of substantive participatory approaches, along with social assessments as needed, are expected to better clarify technical options and poverty reduction implications for the differing groups involved.
- **National scaling-up.** Advice and support will be provided, as requested, to Nile basin governments as they formalize and systemize participation mechanisms within ministries and agencies. This movement from an ad hoc, sporadic participation process to a recognized set of mechanisms that gives voice to civil society is expected to have demonstrable impacts. In particular, it is expected to expand and widen regional cooperation between and among government decision-makers, societal and political opinion leaders, and local riparian users, both rural and urban.

In sum, though the SVP projects are different in focus and scope, they are designed to build upon each other to form a coordinated program. To be successful, each must contribute to building a strong program that is based upon regional coordination. This coordination will in turn require extensive collaboration and participation. The Confidence Building project will play an important role in building in-basin expertise and supporting participatory processes. Therefore effective implementation of this participation strategy is a key Shared Vision Program objective.

ANNEX 13. PROCEDURE FOR NON-NILE BASIN TRUST FUND SUPPORT

This annex is taken from the Minutes of the Ninth Annual Meeting of the Nile Council of Ministers (Annex 7), Cairo, Egypt, February, 2002.

BACKGROUND

The basic principle underlining the Shared Vision Program projects is to create a coordination mechanism and an enabling environment for cooperative development within a basinwide framework.

In this regard, the Nile Council of Ministers (Nile-COM), during its extraordinary meeting held in Khartoum in March 2002, requested the World Bank to establish the Nile Basin Trust Fund (NBTF) as the preferred initial funding mechanism to administer donor support pledged through the International Consortium for Cooperation on the Nile Consultative Group.

It was recognized, however, that the establishment of the NBTF would not preclude alternative mechanisms of bilateral and multilateral financing.

GUIDING PRINCIPLE

In accordance with the spirit and guiding principles of the NBI's Shared Vision Program, support to the program using alternative financing mechanisms must provide basinwide benefits, either by supporting activities in all NBI countries or by directly supporting the NBI Secretariat in the execution and coordination of the program. Support intended for specific groups of countries within the NBI framework can be channeled through the respective subsidiary action programs.

PROCESS

The general procedure for supporting the Shared Vision Program through financing mechanisms other than the NBTF are as follows:

- The interested donor is requested to communicate its intention to the Chair of the Nile Council of Ministers.
- The Chair of the Nile Council of Ministers will ask the NBI Secretariat to liaise with that particular donor and, in consultation with the Chair of the Nile Technical Advisory Committee, prepare a formal proposal on the nature of the support and implementation arrangements.
- Agreed procedures will be used for approval of the proposal and receipt and management of funds. (See attached minutes of the eighth meeting of the Nile Council of Ministers, Annex 7, March 2000, Khartoum, Sudan).

**EXCERPTS FROM THE MINUTES OF THE EIGHTH MEETING OF THE NILE COUNCIL OF
MINISTERS, KHARTOUM, SUDAN, AUGUST 4-5, 2000**

ANNEX 7*

**Transitional arrangements investing Nile-SEC with legal capacity to
receive and administer grant funding**

1. The Nile-SEC shall have the power to enter into agreements, under the authority of the Nile-COM as specified in paragraph 2, to receive and administer grant funds on behalf of the riparian States of the Nile River Basin, to implement SVP projects, and to execute any other project related tasks as may be requested by the Nile-COM.
2. In the case of grants of less than US \$ 1 million, the Nile-SEC shall act with the approval of the Nile-COM Chair, in consultation with the other COM members. In the case of grants of US \$ 1 million or more, the additional approval of the Nile-COM shall be required. Approval by riparian states shall be given within 60 days of receiving the request. The Chair of Nile-COM shall report to COM members every six months on the matters dealt with in paragraphs 1 and 2 of this item.
3. Requests by Nile-COM for grant funding of SVP projects in the context of the NBI shall be made in full consultation with the riparian governments.
4. In order to ensure transparency and engagement of all riparian states, all members of the Nile-COM shall be informed of the receipt of any grant and shall be kept apprised of the administration of such grants and the status of implementation of related projects. Specific financial reports shall be provided on the request of Nile-COM members.
5. The Nile-TAC shall closely monitor the disbursement and utilization of funds and shall receive and review reports from the Nile-SEC on the matters dealt with in the foregoing paragraphs.
6. The Nile-SEC shall follow procurement, auditing and financial management practices that conform with international practice, with the addition of any specific requirements of individual funding institutions.
7. The Executive Director shall establish such bank accounts as may be necessary for the administration of grant funds, the implementation of the Shared Vision Program and other basinwide projects, and the fulfillment of the other functions of the Nile-SEC.

The foregoing institutional arrangements for the execution of the NBI Shared Vision Program are of a transitional nature, pending the formal establishment of a Nile River Basin Cooperative Framework.

ANNEX 14. DETAILED DESCRIPTION OF SVP COORDINATION PROJECT

A. PROJECT DEVELOPMENT OBJECTIVE

Program development objective. The long-term goal of the Shared Vision Program is to create the enabling environment for the Nile riparians to realize their vision to “achieve sustainable socioeconomic development through the equitable utilization of, and benefit from, the common Nile Basin water resources.” The specific development objective of the Shared Vision Program is to build trust, capacity, and an enabling environment for investment in Nile Basin countries. This objective will be achieved through the implementation of the projects in the SVP portfolio and the successful coordination and management of the program throughout the basin.

The achievements of the SVP Coordination project will be judged by the following outcome indicators:

- Effective coordination of the SVP thematic projects.
- Strengthened capacity of NBI institutions to manage basinwide programs.
- Development, within the NBI institutions, of permanent financial management and procurement systems that meet international standards.
- Enhancement and continued operation of the NBI Resource Center and website to ensure sound knowledge management and ongoing information sharing among NBI activities and with the public.
- The development and implementation of a monitoring and evaluation system for the Shared Vision Program.
- Design and implementation of a training program in project management, including financial management and procurement, for NBI and SVP project staff, as well as other key stakeholders.

B. STRATEGIC CONTEXT

An overarching strategy of the NBI is to strengthen the capacity within the region to execute complex, multisectoral, regional programs like the Shared Vision Program. The concept for the SVP Coordination project evolved after the International Consortium for Cooperation on the Nile (ICCON) during the detailed design and preparation process of the seven other SVP projects. The NBI realized that in order to fully develop the synergies created through the Shared Vision Program, significant effort and resources would need to be devoted to coordination at the basin level. It was further realized that while the NBI Secretariat is the correct institution to take on this coordination function, the Secretariat is a relative new institution that would need to be strengthened, both in terms of human and institutional capacity, in order to effectively fulfill this role. The strategic vision, put forth by the NBI, is to build the capacity of NBI institutions, including the Secretariat, to manage and oversee regional projects while maintaining a lean central organization. The SVP Coordination project helps achieve this vision by expanding the Secretariat in a targeted manner to meet the needs of the SVP and by ensuring that all staff, both those funded through the Secretariat’s core budget as well as through the project, are integrated into one team.

C. PROJECT DESCRIPTION SUMMARY

A coordinated basinwide program. The SVP projects form an integrated and coordinated program and are linked to each other and to the subsidiary action programs in important ways. The Nile-COM feels that a concerted effort to ensure the SVP projects are well coordinated at both the basin and national levels is key to the overall success of the Shared Vision Program and the long-term sustainability of the NBI. In order to support and facilitate coordination among the SVP projects, the NBI will strengthen the staff of the NBI Secretariat through the resources provided by this project. This will enhance will enhance the ability of the Secretariat to ensure that the SVP projects are well coordinated, synergies among projects are captured, projects operate within the NBI framework, and generic procedures are put in place to ensure quality control and fiduciary responsibility.

The total cost of the SVP Coordination project is estimated to be US\$9.8 million, including in-kind contributions from the NBI and riparian states estimated to equal US\$4.4 million¹ and partner support estimated at US\$5.4 million. The NBI recognizes that the current funds available do not allow for full implementation of the proposed project. As a consequence, project activities will be phased. An initial grant of US\$2.87 million will be financed by the NBTF through a grant agreement between the NBI and the Bank. This first phase NBTF grant, as described below, is expected to run from July 1, 2003 through December 31, 2006. Additional support for the project in the amount of US\$250,000 is being provided directly to the NBI through German/GTZ. The German/GTZ support is available through December 2003.

When the project is operational, NBI will seek additional financing to meet full project costs and it is anticipated that the NBTF grant will be subsequently amended to reflect additional funds available for the second three year phase. Table 1 details the project cost, by component and phase, as well as by the source of funds.

The SVP Coordination project will provide the NBI with the necessary human resources and physical capitol to facilitate basinwide coordination, oversee the other seven SVP projects, and build the NBI's institutional capacity to execute and manage complex, multisectoral, basinwide projects. The individual components are summarized below and outlined in Table 2 (at the end of this annex).

The broad benefits envisaged from the Nile Basin Initiative are poverty alleviation through improved, sustainable management and development of the shared Nile waters and enhanced regional stability through increased cooperation and integration among the Nile states. These benefits are discussed extensively in the main text of the SVP Project Appraisal Document. The SVP Coordination project will serve as a catalyst for the achievement of those broader benefits; however, the projects immediate benefits will be in facilitating the execution and coordination of the other SVP projects. Specifically the project will:

- Strengthen human and institutional capacity within the NBI institutions for the implementation of complex, multisectoral, basinwide projects.
- Establish generic guidelines and institutional frameworks for managing basinwide projects.
- Increase technical capabilities within the basin to conduct dialogue and exchanges of information on issues of common concern and transboundary significance,
- Expand access to information and knowledge bases.

¹ The estimated in-kind contributions from the NBI countries includes the annual contributions to the NBI (NBI Secretariat and office space, etc.) as well as the cost of the national NBI offices in each country.

Table 1. SVP Coordination Project Cost and Financing (US\$ million)

Components	Riparian (in kind)	German/ GTZ Direct Support	NBTF Phase 1	NBTF Phase 2	NBTF Total	Grand Total ^a
1. Program Coordination						
1.1 Strengthen NBI Secretariat			1.33	1.02	2.35	2.35
1.2 Operationalize SVP projects			0.51	0.04	0.55	0.55
1.3 Coordinate and integrate SVP projects			0.51	0.62	1.13	1.13
Component 1 Subtotal	4.428		2.35	1.68	4.03	8.458
2. Financial Management and Procurement						
2.1 Financial management			0.04	0.02	0.06	0.06
2.2 Procurement			0.02	0.01	0.03	0.03
2.3 Auditing			0.03	0.03	0.06	0.06
Component 2 Subtotal			0.09	0.06	0.15	0.15
3. Knowledge Management and Information Sharing						
3.1 Develop and establish SVP information management guidelines		0.06	0.04	0.05	0.15	0.15
3.2 Establish and maintain NBI Resource Center		0.11	0.01	0.01	0.13	0.13
3.3 Enhance and operate NBI website		0.08	0.08	0.07	0.23	0.23
Component 3 Subtotal		0.25	0.13	0.13	0.51	0.51
4. Monitoring and Evaluation						
4.1 Establish and operate SVP monitoring and evaluation system			0.09	0.06	0.15	0.15
4.2 Facilitate and participate in monitoring and evaluation activities			0.14	0.18	0.32	0.32
Component 4 Subtotal			0.23	0.24	0.47	0.47
5. Training						
5.1 Strengthen NBI institutional capacity for project management			0.04	0.07	0.11	0.11
5.2 Targeted training for suppliers and service providers in NBI countries			0.03	0.08	0.11	0.11
Component 5 Subtotal			0.07	0.15	0.22	0.22
Total	4.428	0.25	2.87	2.26	5.13	9.808

^a Total partner support (NBTF + German/GTZ) = US\$5.4 million

Target populations and beneficiaries for the SVP Coordination project include:

- NBI institutions and Staff, including core NBI staff, SVP project staff, and National NBI Offices will benefit from regional coordination and project implementation.
- Professionals in SVP-related fields (water, environment, power, agriculture, education, participation, communications, and socioeconomic policy and planning) will benefit from training and regional networking provided by regional and national conferences as well as professional working groups.
- Civil society and NGOs will benefit from improved access to information and technology through the NBI website and Resource Center.
- Private sector stakeholders will benefit through targeted training programs.

Project execution. The SVP Coordination project will be executed by the NBI, through its executive arm, the NBI Secretariat. The NBI will manage overall fund flow and disbursement, as well as support

information sharing, coordination, integration, and monitoring and evaluation. Through this project, the NBI will strengthen the Secretariat's capacity to manage and coordinate basinwide programs. Through the project, the NBI Secretariat will oversee the establishment of generic procedures, which will be defined at the programmatic level and refined to meet the needs of each of the other SVP projects, to ensure quality control and fiduciary responsibility. The Secretariat, through the project, will also be responsible for monitoring and evaluation at the program level and for facilitating knowledge management and information sharing within the NBI and with the public. As part of their support to this project as well as the overall SVP, UNOPS (see below) will co-locate key staff within the Secretariat in Entebbe to build capacity and support overall program execution.

The strengthened NBI Secretariat will function as an integrated unit for the overall management of the Shared Vision Program and other NBI activities; however, it should be noted that internal controls will be established at the Secretariat to ensure clear distinction between expenditures for core NBI functions and those activities funded under the SVP Coordination project. Through the establishment of a special account and financial controls to be detailed in the Project Implementation Manual, the NBI Secretariat will ensure that funds provided under the SVP Coordination are managed separately from other NBI Secretariat resources and expended against only the project activities described herein.

Project services agency. The Nile Council of Ministers has decided² to employ a project services agency to support the NBI in project execution. Support services will be related primarily to financial management and the procurement of goods and services, but also will build the capacities of the NBI, particularly the NBI Secretariat, so that key project service functions can be transferred to the NBI. The Nile Council of Ministers has decided that the NBI will enter into a formal partnership with United Nations Office for Project Services (UNOPS) through a contractual arrangement to support SVP execution. This decision by the Council of Ministers was given a no-objection by the World Bank with the approval of the Bank's Operations Procurement Review Committee (OPRC).³

Project management. The SVP Coordination project will be executed directly by the NBI. The NBI Secretariat will directly hire all project staff and cover local operating expenses for project activities in Entebbe. The SVP Coordination staff will be completely integrated into the NBI Secretariat structure. An organizational chart illustrating the primary functions of the secretariat is provided in Figure 1.

Professional staff hired by the SVP Coordination project include:

- Senior program officer
- Finance/procurement officer
- Program officer
- Information management specialist.

Other support staff, such as a bilingual secretary/administrative assistant and a driver, will be hired as needed.

The senior program officer, who heads the Basinwide Program section at the NBI Secretariat, will provide the leadership for and management of the SVP Coordination project. The finance/procurement officer will be responsible for day-to-day financial management and procurement activities of the project through the Finance and Administration section of the secretariat. The program officer will provide

² The concept of a project services agency was adopted by the Nile Council of Ministers at its extraordinary meeting in March 2001 in Khartoum, and general terms of reference outlining the scope of services for the project services agency were endorsed by the Nile Council of Ministers at its ninth annual meeting in February 2002 in Cairo.

³ The Nile Council of Ministers took the decision at its ninth annual meeting in February 2002 in Cairo and communicated the decision to the World Bank in a letter from its chairman dated March 5, 2002. The World Bank Operations Procurement Review Committee reviewed the decision and granted the no-objection on April 25, 2002.

general support to the project, including responsibility for monitoring and evaluation and training activities. The information management specialist will support the knowledge management activities of the project through the NBI Resource Center, working in collaboration with the information technology specialist at the secretariat.

For project services for activities other than the direct employment of staff, the NBI will sign a management services agreement (MSA) with UNOPS for the procurement of other goods and services. The secretariat, through the project, will be directly responsible for overseeing the execution of this MSA.

Additionally, the German government through GTZ is providing direct support to the NBI Secretariat for the establishment of the NBI Resource Center and website. Equipment procured and consultants contracted through this support will be done directly by GTZ in coordination with the secretariat.

Steering committee. The NBI Technical Advisory Committee will serve as the project steering committee for the SVP Coordination project.

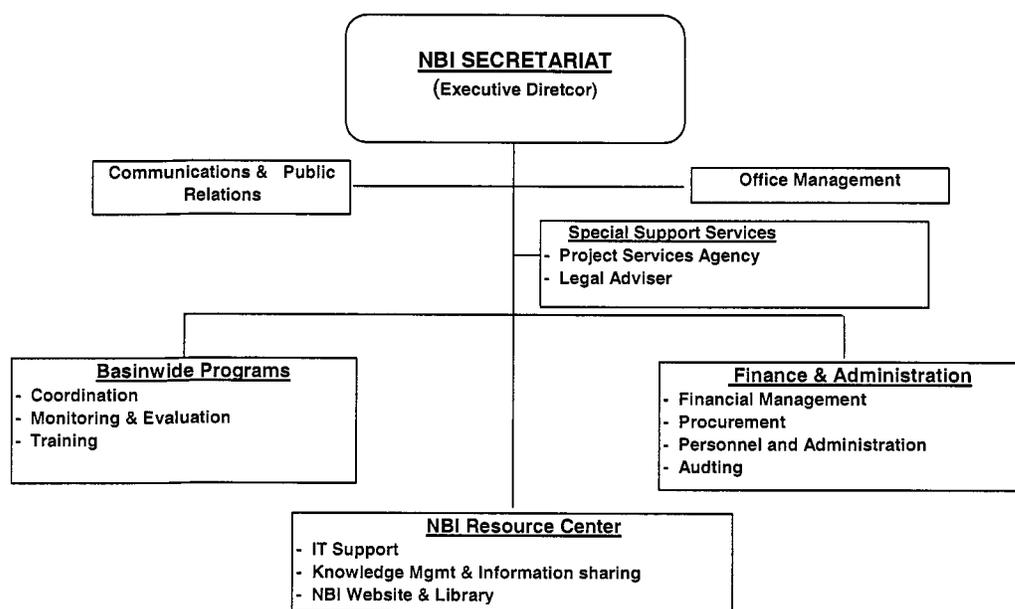


Figure 1. Organizational Structure of the NBI Secretariat

The financial management arrangements for the SVP Coordination project are unique among the SVP projects. As in the other SVP projects, UNOPS will provide support to the NBI in the execution of the SVP Coordination project, through the provision of project services, in particular financial management, procurement of goods and services, and capacity building. However, in order to avoid any possible conflict of interest, UNOPS support will not extend to the contracting of staff hired under this project. Instead, the NBI has requested that funds for employing project staff be disbursed directly to the NBI since those staff will assist the Secretariat in providing oversight of the overall Shared Vision Program; thus they will be overseeing UNOPS in its role as project services agency.

As the NBI Secretariat will be responsible for directly employing staff and funding local operating expenses incurred under the SVP Coordination project, the Bank has assessed the NBI Secretariat's financial management capabilities. In December 2003, a mission from Bank headquarters and the country office in Kampala visited the NBI Secretariat to assess the Secretariat's financial management capabilities and developed an action plan to upgrade capabilities as required. A consultant has been recruited and is

currently working with the Nile-SEC to implement the action plan. An evaluation is expected to be completed prior to negotiations, at which time the NBI and the Bank will agree on actions necessary for grant effectiveness and the format for the quarterly FMRs. Disbursement will not commence until the Bank financial management specialist certifies that the accounting and financial management systems, at both NBI and UNOPS, used for the purpose of the implementation of the Project are operational and able to produce the agreed upon FMRs. A detailed discussion of the Financial Management and Disbursement arrangements for the SVP Coordination project is found in Annex 6 of the SVP Master PAD.

D. PROJECT RATIONALE

Implementation arrangements for the Shared Vision Program have evolved through iterative discussions between the Nile riparians, the World Bank, and the partners supporting the Shared Vision Program. Those discussions have resulted in the SVP Coordination project, which was not originally envisaged as part of the overall Shared Vision Program. In designing this eighth SVP project, best practices from other regional programs were considered, and many options for program implementation were explored. The result is a project that strengthens the overall NBI, allows for the central coordination and decentralized control of the other SVP projects, and maintains the Nile riparians desire for a lean and efficient permanent secretariat. The following key considerations and their implications in the final design of the SVP Coordination project include:

- The **importance of riparian ownership and anchoring the Shared Vision Program in the basin** has led to NBI execution, a decentralized approach for project management units, emphasis on capacity building throughout the basin and of the NBI Secretariat, and a preference for hiring SVP staff and consultants from the Nile Basin.
- The **imperative for effective delivery and the need for flexibility** have resulted in the establishment of a multidonor trust fund (the NBTF) with untied aid as the preferred funding mechanism, competitive hiring of full-time staff, and the use of a project services agency to support the NBI in project delivery.
- The importance of **high standards of fiduciary management and quality control** influenced the creation of the project at the NBI Secretariat to strengthen basinwide coordination, monitoring, and evaluation; the use of a project services agency to support the NBI in financial management and procurement; and initial administration of the NBTF by the World Bank.

E. SUSTAINABILITY AND RISKS

Developing a Nile perspective. The effectiveness demonstrated by the NBI institutions during the preparation of the SVP projects has evolved over time due, in a large part, to the mutual trust and common sense of purpose around the Nile that has developed among professionals charged by the riparian governments with joint responsibility of developing the NBI. This Nile perspective did not develop overnight and there is an inherent risk, particularly during the launch phase, that it will not fully develop among all of the various steering committees and regional PMUs being created for the management of the Shared Vision Program. Beginning at an early stage and lasting throughout the life of the Shared Vision Program, the SVP Coordination project seek to mitigate this risk by exposing the newly appointed Steering Committees and PMU Staffs to the NBI and its philosophy of regional ownership and consensus for program development.

Retaining capacity. The ultimate success of the SVP Coordination project lies in the development of a permanent capacity within the NBI institutions for the management complex, multisectoral, basinwide programs. This capacity requires significant investment in both physical and human capital. Significant planning and forethought on behalf of the NBI is required in order to ensure the cadre of professionals

trained remain engaged in NBI related activities and that the systems purchased are robust enough to evolve with technology and at

Integrated team at the Nile SEC. This project will strengthen the NBI Secretariat. As a consequence, some staff at the Secretariat will continue to be supported by NBI core funds, contributed by the Nile riparian states; while others will be hired by project funds. While financial controls will ensure that the funding streams remain separate, the ultimate success of the project and the Shared Vision Program as a whole will depend upon the degree to which all staff at the Secretariat operate as an integrated team to deliver the Shared Vision Program and provide overall support to NBI activities. Maintaining an integrated team and collaborative spirit at the Secretariat will require strong leadership from the Executive Director and Sr. Program Officer.

F. REQUIREMENTS

Requirements for negotiations, and project effectiveness for the SVP Coordination project include:

The NBI Secretariat confirms to the Bank, based on satisfactory evidence, that:

- Project implementation plan, including a procurement plan for the first year, for use in project implementation has been submitted to the Bank and agreed.
- An adequate financial management system for project monitoring and implementation has been established, including, in particular, the conclusion by the NBI, through its executive arm the NBI Secretariat, a management services agreement for project services execution to the satisfaction of the Bank.

To be met at all times during project implementation

- Contract with project services agency continues in force.
- NBI Secretariat remains adequately staffed.
- NBI, as the executing agency, is able to operate in accordance with legal instruments establishing it, provide funds, facilities, services, and other resources required for the project.

Table 2. Summary of SVP Coordination Project Components and Tasks

Component	Tasks	Activities
1.1	Strengthen the NBI Secretariat	<ul style="list-style-type: none"> 1.1.1 Engage project services agency 1.1.2 Operationalize office procure staff, equipment and vehicles) 1.1.3 Maintain and operate project
1.2	Operationalize SVP projects	<ul style="list-style-type: none"> 1.2.1. Establish generic implementation arrangements 1.2.2 Coordinate implementation planning for SVP projects 1.2.3 Support start-up for each SVP project (regional PMU and national level)
1.3	Coordinate and integrate SVP projects	<ul style="list-style-type: none"> 1.3.1 Establish generic SVP operating procedures 1.3.2 Coordinate and support annual work planning process 1.3.3 General coordination and management 1.3.4 Facilitate SVP conferences (e.g. Nile 2002), including evaluation of Nile 2002 1.3.5 Manage contractual relations with UNOPS and other service agents 1.3.6 Prepare and disseminate consolidated SVP reports, including progress reports
2.1	Financial management	<ul style="list-style-type: none"> 2.1.1 Establish generic SVP financial management systems and procedures for the project 2.1.2 Establish and carry out financial management functions for the project 2.1.3 Support and coordinate financial management system operations at PMUs, including disbursement monitoring 2.1.4 Prepare and disseminate aggregated SVP financial monitoring reports and financial statements
2.2	Procurement	<ul style="list-style-type: none"> 2.2.1 Establish generic SVP procurement systems and procedures (see 1.3.1) 2.2.2 Establish and carry out procurement planning and processing at PMUs 2.2.3 Support and coordinate procurement planning and processing at PMUs 2.2.4 Prepare and disseminate aggregated SVP procurement reports (see 2.1.4)
2.3	Auditing	<ul style="list-style-type: none"> 2.3.1 Facilitate the work of independent auditors
3.1	Develop and establish SVP information management guidelines	<ul style="list-style-type: none"> 3.1.1 Assess SVP information needs 3.1.2 Establish SVP guidelines for information management and knowledge sharing 3.1.3 Assess NBI website capabilities against NBI needs
3.2	Enhance and operate NBI website	<ul style="list-style-type: none"> 3.2.1 Upgrade website to meet needs of NBI activities and stakeholders 3.2.2 Upgrade website for maintaining multi-media information in electronic form as well as hard copy
3.3	Establish and maintain NBI Resource Center	<ul style="list-style-type: none"> 3.3.1 Establish NBI Resource Center for expanding the NBI Resource Center 3.3.2 Develop and implement acquisition plan for expanding the NBI Resource Center 3.3.3 Develop and implement acquisition plan for expanding the NBI Resource Center collection
4.1	Establish and operate SVP monitoring and evaluation system	<ul style="list-style-type: none"> 4.1.1 Develop generic SVP monitoring and evaluation procedures 4.1.2 Design and operate SVP computerized monitoring and integration matrix 4.1.3 Prepare monitoring reports
4.2	Facilitate and participate in monitoring and evaluation activities	<ul style="list-style-type: none"> 4.2.1 Participate in Steering Committee meetings 4.2.2 Host annual Nile-TAC SVP meeting 4.2.3 Support implementation review missions and midterm reviews 4.2.4 Independent midterm evaluation
5.1	Strengthen NBI institutional capacity for project management	<ul style="list-style-type: none"> 5.1.1 Conduct periodic capacity assessment(s) 5.1.2 Develop and implement training plans in adherence to specified benchmarks
5.2	Targeted training for suppliers and service providers in Nile Basin countries	<ul style="list-style-type: none"> 5.2.1 Assess existing capacity 5.2.2 Develop and implement training plan to enhance capacity
5. Training		

ANNEX 15. INTEGRATED DATA SAFEGUARDS SHEET FOR THE SVP COORDINATION PROJECT

Integrated Safeguards Data Sheet	
Section I – Basic Information	
Date ISDS Prepared: January 2003	
A. Basic Project Data	
COUNTRY: Burundi, Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, Uganda	PROJECT ID: Nile Basin Initiative (Shared Vision Program) – Master PAD
PROJECT: Nile Basin Initiative (Shared Vision Program) – Master PAD: SVP Coordination Facilitation Project	TTL: Barbara Miller
APPRAISAL DATE: February 2003	IBRD AMOUNT (\$m): \$US 4 million
ROC DATE: 27 January 2003	IDA AMOUNT (\$m): n/a
MANAGING UNIT: AFTU1	SECTOR: Water Resources Management; Environmental Policies and Institutions; Other Environment and Resources Management; Civic Engagement, Participation and Community driven Development
LENDING INSTRUMENTS: Nile Basin Trust Fund - Grant	STATUS: PAD
Project Objectives	
<ul style="list-style-type: none"> –Strengthen the capacity of the NBI institutions to execute basinwide programs –Ensure effective oversight and coordination of the NBI's Shared Vision Program 	
Project Description	
<p>The NBI, through its executive arm the NBI Secretariat (Nile-SEC), is the executing agency for the Shared Vision Program, which includes seven multisectoral, technical assistance type projects to be implemented in the Nile Basin countries. Recognizing the need to strengthen NBI institutions to effectively oversee and coordinate this complex, basinwide program, it was agreed at the 9th Annual Nile Council of Ministers Meeting (February 2002, Cairo) to establish an eighth SVP 'project' to be referred to as the SVP Coordination Project.</p> <p>The present ISDS will describe the activities within the SVP Coordination project, which is attached to the present Shared Vision Program Master PAD. Separate PADs and ISDSs are being prepared for the seven basinwide projects¹:</p> <ul style="list-style-type: none"> –Nile Transboundary Environmental Action – P0700073 –Nile Basin Regional Power Trade – P075945 –Efficient Water Use for Agricultural Production - P075946 –Water Resources Planning and Management – P075947 –Confidence-Building and Stakeholder Involvement - P075948 –Applied Training - P075949 –Socioeconomic Development and Benefit-Sharing - P075949 	

¹ The cited project identification numbers may change upon NBTF activation and project effectiveness.

The **SVP Coordination project** is to establish, train and support a small coordination unit at the NBI Secretariat in Entebbe to coordinate the program and put in place generic procedures to ensure quality control and fiduciary responsibility. The SVP coordination unit will also be responsible for monitoring and evaluation at the program level and for facilitating information sharing within the NBI and with the public.

Project components

Component 1 – Program Coordination – This component will establish and operate, within the existing Nile Basin Initiative Secretariat at Entebbe, Uganda, the Shared Vision Program Coordination Unit. Project activities will facilitate the start-up of and coordination among the seven SVP projects as well as monitoring and oversight of the execution of those projects.

Component 2 – Financial Management and Procurement – This component will finance the consultants and software necessary to strengthen the NBI Institutions' capacity to manage and oversee the financial management and procurement activities required of a basinwide project. It will also fund the annual audit of the SVP Coordination and Facilitation project.

Component 3 – Knowledge Management and Information Sharing – This component will finance the software and consultants necessary to provide key SVP stakeholders with improved access to relevant information as well as enhanced abilities to communicate with one another. Project activities will facilitate the establishment of basinwide SVP communication email/internet, establish and maintain an electronic knowledge base, an SVP website, and a repository for resources and documents at the NBI Secretariat.

Component 4 – Monitoring and Evaluation – This component will finance the establishment and operation of a Monitoring and Evaluation matrix for the overall Shared Vision Program.

Component 5 – Training – This component will coordinate and implement a basinwide training program to strengthen the capacity of the NBI Institutions to manage and oversee regional projects and to provide basic knowledge to regional suppliers and service providers to facilitate their participation in such regional projects.

Expected Outputs

- Effective coordination of the overall of SVP projects and improved capacity of the NBI Institutions to manage basinwide programs.
- Development, within the NBI Institutions, of permanent financial management and procurement system that meet international standards.
- Establishment of an SVP website and ongoing information sharing and knowledge management for NBI activities.
- The development and implementation of a monitoring and evaluation matrix for the overall Shared Vision Program.
- Training in the management requirements for regional projects for NBI officials and staff, as well as other key public and private sector stakeholders.

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 project is building capacity at the Nile Basin Secretariat in Entebbe, Uganda, to coordinate and execute the Shared Vision Program activities. There will be no physical interventions in the project.

B. Check Environmental Classification A [], B [], C [X], FI [], TBD []

Comments: The Nile Basin Initiative Master-PAD is an overarching document describing the basinwide Shared Vision Program. It has attached to it a small project component, the SVP Coordination Facilitation Project. The objective of this Project is to strengthen the Nile Basin Initiative and in particular its Secretariat to coordinate and execute the Shared Vision Program (separate PADs and ISDSs for each SVP project are being prepared and will be reviewed by the Bank's Africa Safeguards team). The Shared Vision Program is designed to enhance capacity, build trust and provide an enabling environment for cooperation between the Nile Basin countries. The Shared Vision Program is anticipated to significantly strengthen the ability of the Nile Basin countries to cooperatively manage their resources in a sustainable way according to their Shared Vision "to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources".

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 Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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 safeguards 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 There are no safeguard issues associated with the project. The Nile Basin countries are committed to demonstrate excellence in implementing the identified cooperative projects within the Nile Basin Initiative Strategic Action Program. Intensive EA training has taken place in most of the basin countries in the past and funded by a variety of donors. Enhancing capacity on all aspects of integrated water resources management, also including project cycle management in a transboundary context is additionally addressed within other basinwide SVP projects, the Applied Training and 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. N/R			
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.			
<input type="checkbox"/> S ₁ . – Significant, cumulative and/or irreversible impacts; or significant technical and institutional risks in management of one or more safeguard areas			
<input type="checkbox"/> S ₂ . – One or more safeguard policies are triggered, but effects are limited in their impact and are technically and institutionally manageable			
<input checked="" type="checkbox"/> S ₃ . – No safeguard issues			
<input type="checkbox"/> S _F – Financial intermediary projects, social development funds, community driven development or similar projects which require a safeguard framework or programmatic approach to address safeguard issues.			

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

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
<i>Resettlement Action Plan/Framework:</i>		
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
<i>Indigenous Peoples Development Plan/Framework:</i>		
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
<i>Pest Management Plan:</i>		
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
<i>Dam Safety Management Plan:</i>		
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.		
<i>Signed and submitted by:</i>		
Task Team Leader:	<i>B.A. Miller</i>	Barbara Miller Date 1/15/03
Project Safeguards Specialist 1:	<i>A. Hillers</i>	Astrid Hillers Date: 1/10/03
Project Safeguards Specialist 2:	Name	Date:
Project Safeguards Specialist 3:	Name	Date:
<i>Approved by:</i>		
Regional Safeguards Coordinator	<i>S. Omar Fye</i>	Serigne Omar Fye Date 1/15/03
Sector Manager	<i>J. Bideman</i>	Jaime Bideman Date 1/15/03

ANNEX 16. NILE BASIN COUNTRIES AT A GLANCE

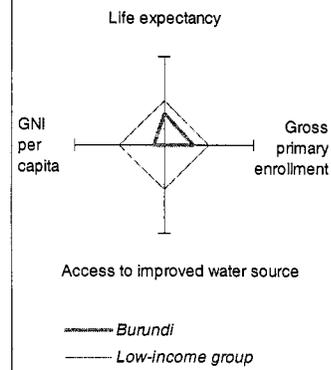
Burundi at a glance

9/20/02

POVERTY and SOCIAL

	Burundi	Sub-Saharan Africa	Low-income
2001			
Population, mid-year (millions)	6.9	674	2,511
GNI per capita (Atlas method, US\$)	100	470	430
GNI (Atlas method, US\$ billions)	0.69	317	1,069
Average annual growth, 1995-01			
Population (%)	2.0	2.5	1.9
Labor force (%)	2.5	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	9	32	31
Life expectancy at birth (years)	42	47	59
Infant mortality (per 1,000 live births)	102	91	76
Child malnutrition (% of children under 5)	..	..	..
Access to an improved water source (% of population)	..	55	76
Illiteracy (% of population age 15+)	51	37	37
Gross primary enrollment (% of school-age population)	62	78	96
Male	69	85	103
Female	56	72	88

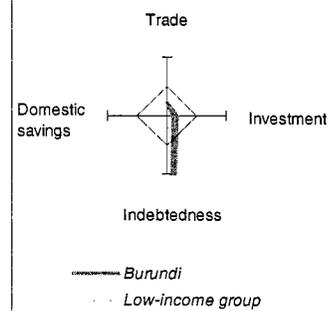
Development diamond*



KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1981	1991	2000	2001
GDP (US\$ billions)	0.97	1.2	0.68	0.69
Gross domestic investment/GDP	17.0	14.4	9.1	6.9
Exports of goods and services/GDP	9.1	9.9	9.2	7.5
Gross domestic savings/GDP	4.1	-4.2	-5.7	-3.8
Gross national savings/GDP	..	..	13.7	23.1
Current account balance/GDP	-6.8	-8.2	-4.5	-1.5
Interest payments/GDP	0.2	1.0	0.6	0.7
Total debt/GDP	18.4	82.5	162.1	154.5
Total debt service/exports	8.1	30.6	38.8	36.0
Present value of debt/GDP	..	..	94.9	..
Present value of debt/exports	..	..	1168.2	..
	1981-91	1991-01	2000	2001
(average annual growth)				
GDP	4.2	-2.4	-0.9	3.2
GDP per capita	1.3	-4.4	-2.8	1.3
Exports of goods and services	2.5	9.7	31.7	19.9

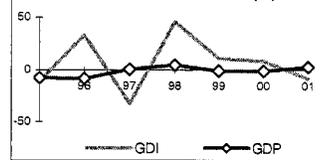
Economic ratios*



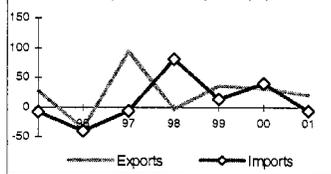
STRUCTURE of the ECONOMY

	1981	1991	2000	2001
(% of GDP)				
Agriculture	61.3	54.3	50.7	50.0
Industry	13.4	19.6	18.5	18.7
Manufacturing	7.7	14.2	..	..
Services	25.3	26.1	30.8	31.3
Private consumption	86.8	93.4	91.0	90.3
General government consumption	9.1	10.8	14.7	13.5
Imports of goods and services	22.0	28.5	23.9	18.2
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	2.9	-1.1	3.8	3.8
Industry	4.4	-4.4	4.1	16.1
Manufacturing	5.6	-8.7	..	..
Services	5.2	-1.6	3.5	3.5
Private consumption	3.5	-4.7	3.0	-7.3
General government consumption	4.4	-2.2	-22.7	14.7
Gross domestic investment	4.3	-0.1	8.5	-8.6
Imports of goods and services	0.9	2.7	40.3	-5.7

Growth of Investment and GDP (%)



Growth of exports and imports (%)



Note: 2001 data are preliminary estimates.

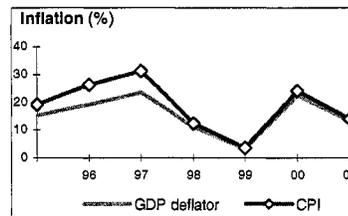
This table was produced from the Development Economics central database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Burundi

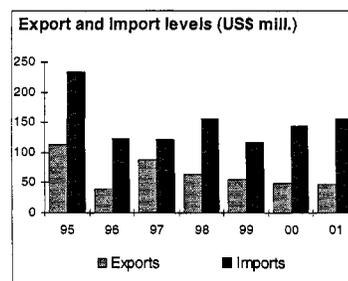
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices				
<i>(% change)</i>				
Consumer prices	12.2	9.0	24.2	14.0
Implicit GDP deflator	-6.1	4.1	22.6	13.4
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	14.7	20.0	20.1	21.4
Current budget balance	2.7	5.5	0.7	3.8
Overall surplus/deficit	6.7	-5.8	-4.1	-3.0



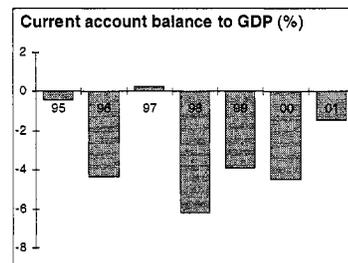
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	76	90	49	48
Coffee	66	73	47	52
Tea	2	8	14	14
Manufactures	2	4	1	1
Total imports (cif)	161	239	144	157
Food	19	15	11	12
Fuel and energy	32	29	20	21
Capital goods	32	91	59	66
Export price index (1995=100)	..	..	..	..
Import price index (1995=100)	..	..	..	..
Terms of trade (1995=100)	..	..	..	..



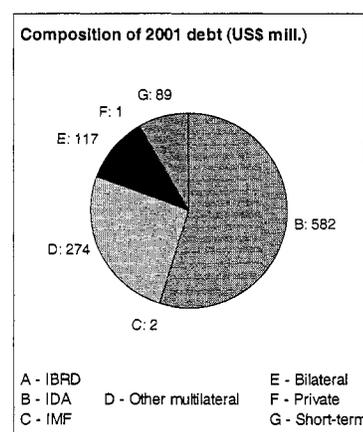
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	89	116	54	60
Imports of goods and services	214	333	145	160
Resource balance	-125	-217	-91	-100
Net income	-3	-11	-15	-12
Net current transfers	..	..	146	196
Current account balance	-66	-95	-30	-10
Financing items (net)	36	121	13	17
Changes in net reserves	30	-26	17	-7
Memo:				
Reserves including gold (US\$ millions)	..	..	..	..
Conversion rate (DEC, local/US\$)	90.0	181.5	720.7	830.4



EXTERNAL DEBT and RESOURCE FLOWS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	179	964	1,100	1,065
IBRD	0	0	0	0
IDA	47	440	601	582
Total debt service	8	38	21	23
IBRD	0	0	0	0
IDA	0	4	13	14
Composition of net resource flows				
Official grants	59	117	59	..
Official creditors	29	63	27	0
Private creditors	-2	-3	0	0
Foreign direct investment	11	1	12	..
Portfolio equity	0	0	0	..
World Bank program				
Commitments	0	55	35	48
Disbursements	10	40	36	12
Principal repayments	0	1	9	10
Net flows	10	38	28	2
Interest payments	0	3	4	4
Net transfers	10	35	23	-2



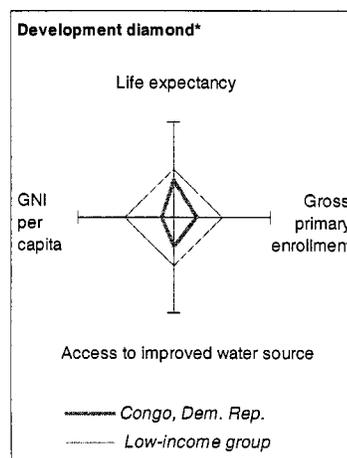
Note: This table was produced from the Development Economics central database.

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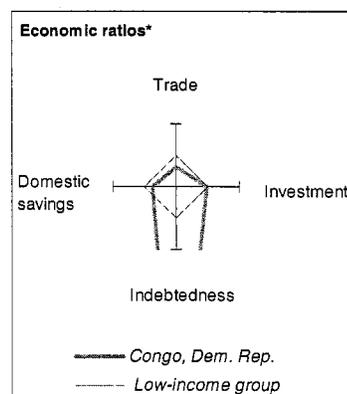
Congo, Dem. Rep. at a glance

9/24/02

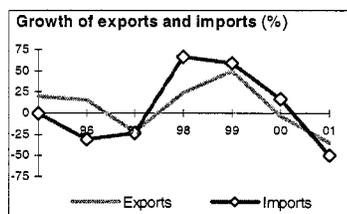
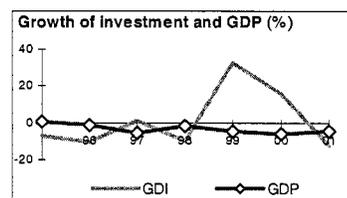
POVERTY and SOCIAL	Congo, Dem. Rep.	Sub- Saharan Africa	Low- Income
2001			
Population, mid-year (millions)	52.4	674	2,511
GNI per capita (Atlas method, US\$)	107	470	430
GNI (Atlas method, US\$ billions)	6.7	317	1,069
Average annual growth, 1995-01			
Population (%)	3.0	2.5	1.9
Labor force (%)	2.6	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	30	32	31
Life expectancy at birth (years)	46	47	59
Infant mortality (per 1,000 live births)	127	91	76
Child malnutrition (% of children under 5)	34	..	..
Access to an improved water source (% of population)	45	55	76
Illiteracy (% of population age 15+)	37	37	37
Gross primary enrollment (% of school-age population)	46	78	96
Male	50	85	103
Female	32	72	88



KEY ECONOMIC RATIOS and LONG-TERM TRENDS	1981	1991	2000	2001
GDP (US\$ billions)	12.5	9.1	6.7	5.0
Gross domestic investment/GDP	10.5	5.6	19.8	..
Exports of goods and services/GDP	14.1	20.4	19.9	17.8
Gross domestic savings/GDP	7.5	1.8	14.9	..
Gross national savings/GDP	5.7	-7.1	16.9	..
Current account balance/GDP	-3.8	-11.4	-2.9	-2.5
Interest payments/GDP	1.0	0.6	0.0	2.7
Total debt/GDP	40.6	119.3	192.0	258.2
Total debt service/exports	21.9	9.5	73.7	73.3
Present value of debt/GDP	..	..	163.4	..
Present value of debt/exports	..	..	1,117.0	..
	1981-91	1991-01	2000	2001
(average annual growth)				
GDP	0.7	-4.3	-6.0	-4.5
GDP per capita	-2.5	-7.2	-8.5	-7.1
Exports of goods and services	7.7	1.7	-3.7	-34.8



STRUCTURE of the ECONOMY	1981	1991	2000	2001
(% of GDP)				
Agriculture	24.7	41.3	55.5	56.3
Industry	32.1	17.4	17.8	18.8
Manufacturing	14.9	7.3	4.2	3.9
Services	43.2	41.2	26.7	24.9
Private consumption	82.5	84.9	78.9	..
General government consumption	10.0	13.3	6.2	..
Imports of goods and services	17.1	24.1	18.7	16.7
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	2.6	0.3	-2.8	-5.4
Industry	-1.2	-6.3	-1.7	3.8
Manufacturing	-0.5	..	..	..
Services	0.3	-10.3	-14.9	-8.7
Private consumption	2.6	-5.0	3.7	-28.3
General government consumption	-1.9	0.8	-11.8	-5.2
Gross domestic investment	-8.6	0.9	15.6	-12.1
Imports of goods and services	-1.6	-6.6	17.2	-50.0



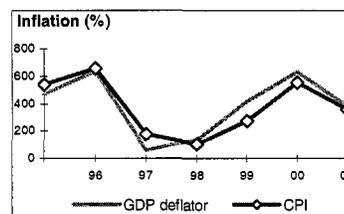
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Congo, Dem. Rep.

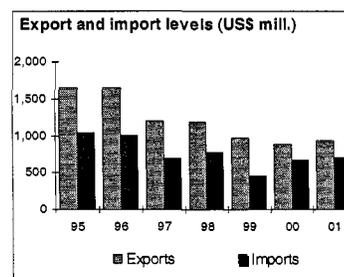
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices (% change)				
Consumer prices	554.0	357.0
Implicit GDP deflator	33.2	2,202.3	630.1	386.6
Government finance (% of GDP, includes current grants)				
Current revenue	4.5	5.9
Current budget balance	-5.3	-0.8
Overall surplus/deficit	-3.6	0.5



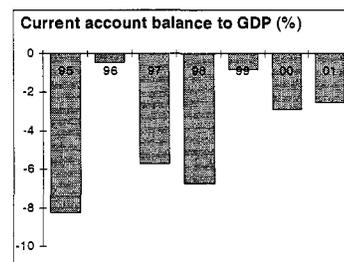
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	..	1,649	892	940
Copper	444	489
Coffee	..	590	207	206
Manufactures	..	297	97	129
Total imports (cif)	669	702
Food
Fuel and energy	49	43
Capital goods
Export price index (1995=100)
Import price index (1995=100)
Terms of trade (1995=100)



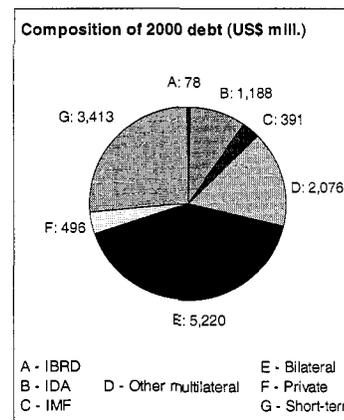
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	1,772	1,841	963	1,015
Imports of goods and services	2,148	2,086	905	953
Resource balance	-376	-224	58	62
Net income	-346	-756	-388	-416
Net current transfers	244	-57	136	228
Current account balance	-478	-1,037	-194	-126
Financing items (net)	243	994	107	137
Changes in net reserves	236	43	87	-11
Memo:				
Reserves including gold (US\$ millions)	..	..	..	..
Conversion rate (DEC, local/US\$)	1.46E-11	5.20E-8	50.0	312.0



EXTERNAL DEBT and RESOURCE FLOWS

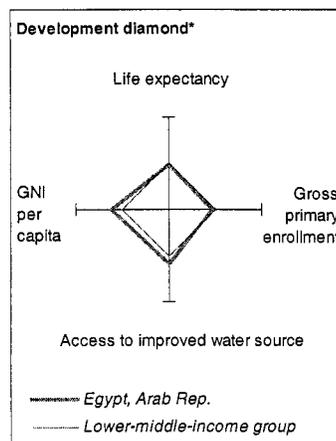
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	5,092	10,840	12,862	12,880
IBRD	80	87	78	78
IDA	176	1,183	1,188	1,151
Total debt service	401	177	722	756
IBRD	14	20	0	0
IDA	1	11	0	0
Composition of net resource flows				
Official grants	..	..	199	256
Official creditors	220	276	0	0
Private creditors	77	-13	0	0
Foreign direct investment	..	..	74	83
Portfolio equity	..	..	0	0
World Bank program				
Commitments	27	78	0	50
Disbursements	17	114	0	0
Principal repayments	7	17	0	0
Net flows	10	97	0	0
Interest payments	8	14	0	0
Net transfers	2	82	0	0



Egypt, Arab Rep. at a glance

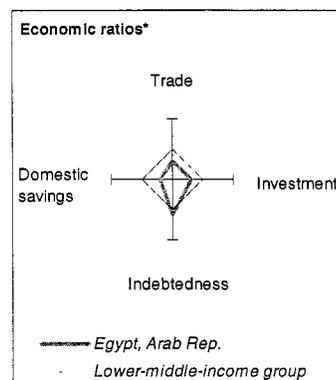
9/13/02

	Egypt	M. East & North Africa	Lower-middle-income
POVERTY and SOCIAL			
2001			
Population, mid-year (millions)	65.2	301	2,164
GNI per capita (Atlas method, US\$)	1,530	2,000	1,240
GNI (Atlas method, US\$ billions)	99.9	601	2,677
Average annual growth, 1995-01			
Population (%)	1.9	2.0	1.0
Labor force (%)	2.9	2.9	1.2
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	23	..	..
Urban population (% of total population)	43	58	46
Life expectancy at birth (years)	67	68	69
Infant mortality (per 1,000 live births)	42	43	33
Child malnutrition (% of children under 5)	4	15	11
Access to an improved water source (% of population)	95	89	80
Illiteracy (% of population age 15+)	44	34	15
Gross primary enrollment (% of school-age population)	100	97	107
Male	104	103	107
Female	96	90	107



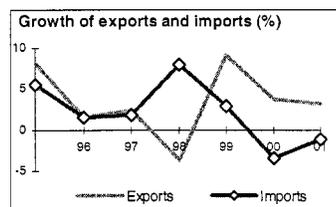
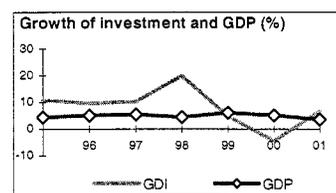
KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1981	1991	2000	2001	
GDP (US\$ billions)	23.4	37.0	99.3	98.5	
Gross domestic investment/GDP	29.5	21.2	18.3	16.9	
Exports of goods and services/GDP	33.4	27.8	16.3	17.4	
Gross domestic savings/GDP	14.1	13.2	11.7	12.2	
Gross national savings/GDP	..	32.3	17.4	17.1	
Current account balance/GDP	-9.1	10.3	-1.2	0.0	
Interest payments/GDP	2.5	2.5	0.7	0.7	
Total debt/GDP	94.3	67.3	29.2	28.6	
Total debt service/exports	17.0	48.3	8.3	8.4	
Present value of debt/GDP	..	..	23.1	..
Present value of debt/exports	..	..	106.5	..
(average annual growth)					
GDP	5.0	4.7	5.1	3.5	4.5
GDP per capita	2.4	2.7	3.1	1.6	3.1
Exports of goods and services	6.3	3.1	3.8	3.3	4.1



STRUCTURE of the ECONOMY

	1981	1991	2000	2001
(% of GDP)				
Agriculture	20.1	17.6	16.7	16.9
Industry	37.7	33.2	33.1	33.2
Manufacturing	13.0	16.6	19.3	19.3
Services	42.2	49.2	50.2	50.0
Private consumption	66.9	75.6	78.6	77.7
General government consumption	19.0	11.2	9.7	10.1
Imports of goods and services	48.8	35.8	22.9	22.1
(average annual growth)				
Agriculture	2.7	3.2	3.4	3.3
Industry	3.9	4.4	12.1	3.6
Manufacturing	..	6.8	7.9	4.5
Services	6.6	5.1	1.6	3.1
Private consumption	3.9	3.8	5.8	1.1
General government consumption	1.6	2.6	0.4	5.7
Gross domestic investment	-2.3	7.4	-4.6	6.8
Imports of goods and services	-1.9	2.8	-3.4	-1.1



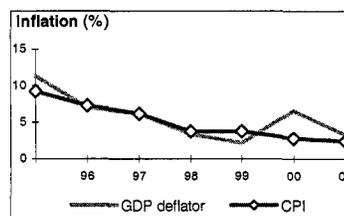
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Egypt, Arab Rep.

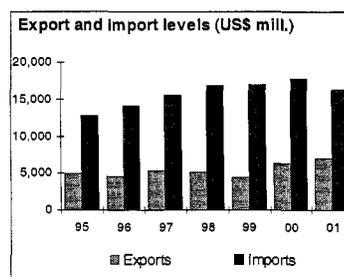
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices (% change)				
Consumer prices	..	14.7	2.8	2.4
Implicit GDP deflator	1.2	14.5	6.6	3.2
Government finance (% of GDP, includes current grants)				
Current revenue	..	23.0	21.7	20.3
Current budget balance	..	-3.7	1.1	-2.1
Overall surplus/deficit	..	-15.2	-3.9	-5.5



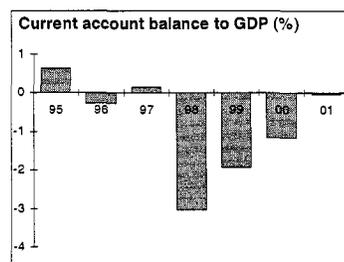
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	..	4,250	6,388	7,078
Cotton	..	2,334	2,273	2,650
Other agriculture	..	83	167	145
Manufactures	..	1,163	2,844	3,108
Total imports (cif)	..	11,425	17,860	16,432
Food	..	1,802	1,395	1,473
Fuel and energy	..	1,062	2,451	3,233
Capital goods	..	3,340	5,639	3,696
Export price index (1995=100)	..	105	101	104
Import price index (1995=100)	..	91	87	79
Terms of trade (1995=100)	..	115	116	132



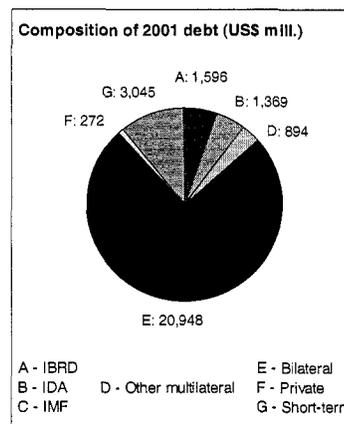
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	6,536	10,236	15,981	16,925
Imports of goods and services	10,405	13,472	22,755	21,772
Resource balance	-3,869	-3,236	-6,774	-4,847
Net income	-497	-363	932	1,072
Net current transfers	2,230	7,419	4,679	3,742
Current account balance	-2,136	3,820	-1,163	-33
Financing items (net)	2,606	23	-1,862	-832
Changes in net reserves	-470	-3,843	3,025	865
Memo:				
Reserves including gold (US\$ millions)	..	4,763	15,795	14,927
Conversion rate (DEC, local/US\$)	0.7	3.0	3.4	3.7



EXTERNAL DEBT and RESOURCE FLOWS

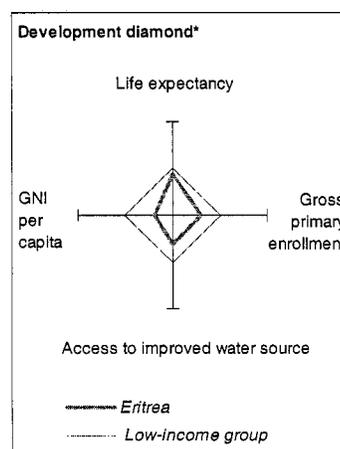
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	22,078	24,869	28,988	28,124
IBRD	540	1,887	1,686	1,596
IDA	393	902	1,334	1,369
Total debt service	1,551	6,748	1,793	1,827
IBRD	48	339	189	201
IDA	3	15	29	35
Composition of net resource flows				
Official grants	201	0	0	..
Official creditors	1,518	135	-587	-774
Private creditors	617	-202	-201	-90
Foreign direct investment	753	0	0	..
Portfolio equity	0	0	0	..
World Bank program				
Commitments	235	31	0	0
Disbursements	217	105	107	264
Principal repayments	12	203	153	138
Net flows	205	-98	-46	125
Interest payments	39	151	65	98
Net transfers	166	-249	-111	27



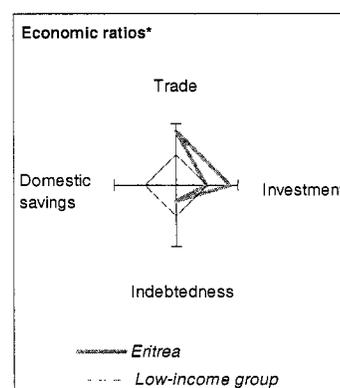
Eritrea at a glance

9/23/02

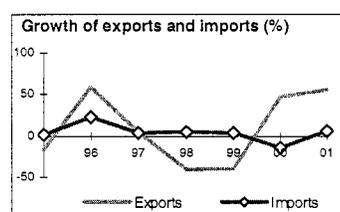
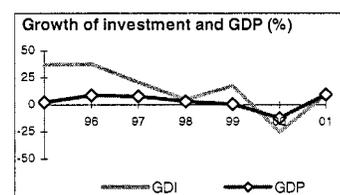
POVERTY and SOCIAL	Eritrea	Sub-	Low-
		Saharan Africa		income
2001			
Population, mid-year (millions)	4.2	674	2,511
GNI per capita (Atlas method, US\$)	160	470	430
GNI (Atlas method, US\$ billions)	0.68	317	1,069
Average annual growth, 1995-01			
Population (%)	2.7	2.5	1.9
Labor force (%)	2.8	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	19	32	31
Life expectancy at birth (years)	52	47	59
Infant mortality (per 1,000 live births)	60	91	76
Child malnutrition (% of children under 5)	44	..	..
Access to an improved water source (% of population)	46	55	76
Illiteracy (% of population age 15+)	43	37	37
Gross primary enrollment (% of school-age population)	57	78	96
Male	..	85	103
Female	..	72	88



KEY ECONOMIC RATIOS and LONG-TERM TRENDS	1981	1991	2000	2001
GDP (US\$ billions)	0.63	0.69
Gross domestic investment/GDP	35.7	35.3
Exports of goods and services/GDP	15.6	21.4
Gross domestic savings/GDP	-28.4	-19.2
Gross national savings/GDP	19.1	22.7
Current account balance/GDP	-16.7	-12.7
Interest payments/GDP	0.4	0.7
Total debt/GDP	49.7	60.2
Total debt service/exports	1.1	1.5
Present value of debt/GDP	30.0	..
Present value of debt/exports	61.2	..
	1981-91	1991-01	2000	2001
(average annual growth)				
GDP	..	5.5	-12.1	9.7
GDP per capita	..	2.7	-14.3	6.9
Exports of goods and services	..	-5.4	47.7	55.3



STRUCTURE of the ECONOMY	1981	1991	2000	2001
(% of GDP)				
Agriculture	15.2	18.7
Industry	23.0	22.3
Manufacturing	11.2	10.7
Services	61.9	59.0
Private consumption	74.6	79.4
General government consumption	53.8	39.8
Imports of goods and services	79.6	75.9
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	..	1.4	-43.2	35.7
Industry	..	9.7	-6.4	6.4
Manufacturing	..	6.1	3.5	5.5
Services	..	6.1	-0.7	4.6
Private consumption	..	-1.8	-12.6	30.9
General government consumption	..	14.6	-12.1	-13.9
Gross domestic investment	..	22.4	-25.0	9.3
Imports of goods and services	..	4.1	-14.1	6.4



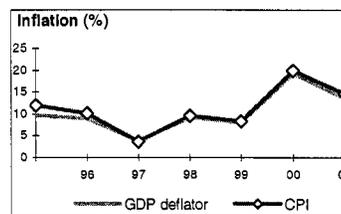
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Eritrea

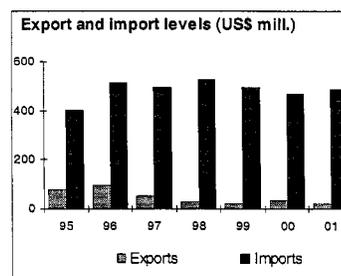
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices				
<i>(% change)</i>				
Consumer prices	19.9	14.6
Implicit GDP deflator	19.3	13.7
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	53.0	44.8
Current budget balance	-1.8	3.0
Overall surplus/deficit	-47.8	-51.9



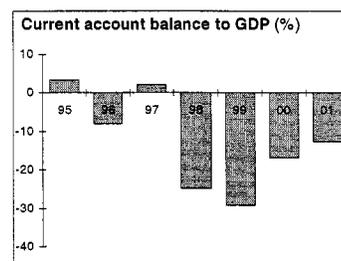
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	37	20
Food and live animals	11	4
Beverages and tobacco	0	0
Manufactures	4	9
Total imports (cif)	470	490
Food	117	154
Fuel and energy	5	3
Capital goods	80	91
Export price index (1995=100)	92	90
Import price index (1995=100)	98	97
Terms of trade (1995=100)	94	93



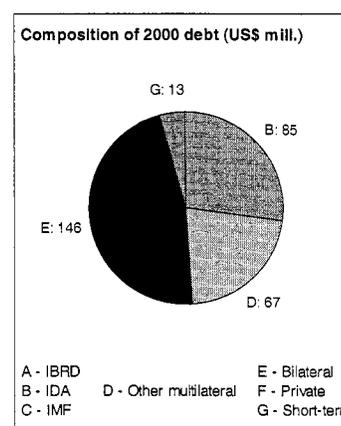
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	98	147
Imports of goods and services	499	523
Resource balance	-401	-376
Net income	-1	-4
Net current transfers	298	292
Current account balance	-105	-87
Financing items (net)	86	..
Changes in net reserves	19	..
Memo:				
Reserves including gold (US\$ millions)	37	51
Conversion rate (DEC, local/US\$)	9.6	10.9



EXTERNAL DEBT and RESOURCE FLOWS

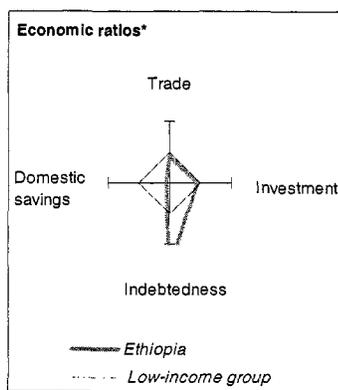
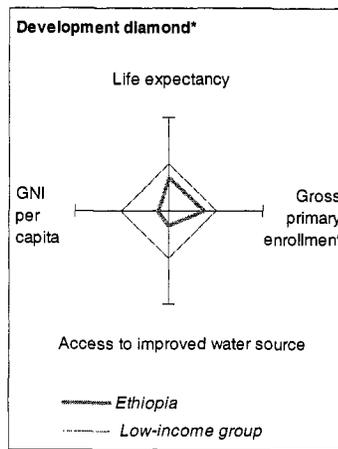
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	311	415
IBRD	0	0
IDA	85	141
Total debt service	3	6
IBRD	0	0
IDA	0	0
Composition of net resource flows				
Official grants	120	132
Official creditors	49	101
Private creditors	0	0
Foreign direct investment	28	12
Portfolio equity	0	0
World Bank program				
Commitments	170	5
Disbursements	15	75
Principal repayments	0	0
Net flows	15	75
Interest payments	0	0
Net transfers	14	75



Ethiopia at a glance

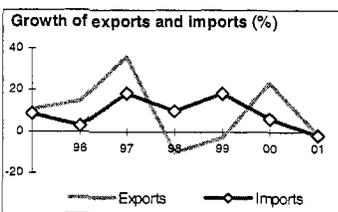
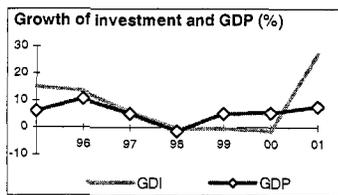
9/24/02

POVERTY and SOCIAL	Ethiopia	Sub-Saharan Africa	Low-income		
2001					
Population, mid-year (millions)	65.8	674	2,511		
GNI per capita (Atlas method, US\$)	100	470	430		
GNI (Atlas method, US\$ billions)	6.7	317	1,069		
Average annual growth, 1995-01					
Population (%)	2.5	2.5	1.9		
Labor force (%)	2.2	2.6	2.3		
Most recent estimate (latest year available, 1995-01)					
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	16	32	31		
Life expectancy at birth (years)	42	47	59		
Infant mortality (per 1,000 live births)	98	91	76		
Child malnutrition (% of children under 5)	47	..	..
Access to an improved water source (% of population)	24	55	76		
Illiteracy (% of population age 15+)	60	37	37		
Gross primary enrollment (% of school-age population)	71	78	96		
Male	85	85	103		
Female	57	72	88		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1981	1991	2000	2001	
GDP (US\$ billions)	5.2	9.5	6.4	6.2	
Gross domestic investment/GDP	13.3	9.9	15.3	18.0	
Exports of goods and services/GDP	10.7	5.7	15.5	15.4	
Gross domestic savings/GDP	7.3	2.7	-0.1	2.2	
Gross national savings/GDP	8.1	4.4	10.0	13.7	
Current account balance/GDP	-4.8	-5.5	-5.3	-4.4	
Interest payments/GDP	0.3	0.4	0.8	1.0	
Total debt/GDP	35.6	95.9	86.2	91.4	
Total debt service/exports	10.3	25.2	13.8	18.9	
Present value of debt/GDP	51.3	..	
Present value of debt/exports	326.5	..	
	1981-91	1991-01	2000	2001	2001-05
(average annual growth)					
GDP	1.0	5.3	5.4	7.7	6.3
GDP per capita	-2.1	2.9	2.9	5.2	3.5
Exports of goods and services	0.8	11.9	23.6	-1.6	6.7



STRUCTURE of the ECONOMY

	1981	1991	2000	2001
(% of GDP)				
Agriculture	56.1	59.1	52.3	52.3
Industry	12.3	10.1	11.1	11.1
Manufacturing	7.9	5.4	7.0	7.0
Services	31.6	30.8	36.5	36.5
Private consumption	79.0	81.8	76.8	80.3
General government consumption	13.7	15.5	23.2	17.5
Imports of goods and services	16.7	12.9	30.8	31.2
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	0.7	2.3	2.2	11.5
Industry	-1.0	6.4	1.8	5.8
Manufacturing	-2.5	7.6	2.1	21.7
Services	2.5	8.2	9.5	4.6
Private consumption	0.8	2.7	-1.9	11.4
General government consumption	3.0	13.0	29.3	-18.5
Gross domestic investment	0.2	10.9	-1.2	27.4
Imports of goods and services	1.2	7.1	6.3	-1.8



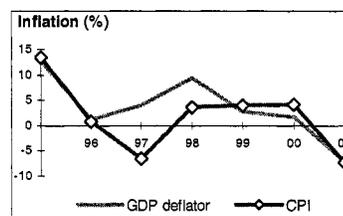
Note: 2001 data are preliminary estimates.

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Ethiopia

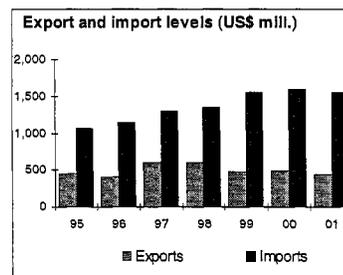
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices				
<i>(% change)</i>				
Consumer prices	6.1	20.9	4.2	-7.2
Implicit GDP deflator	..	16.1	1.7	-7.0
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	16.4	13.7	18.3	19.6
Current budget balance	-0.2	-4.7	-8.2	-0.4
Overall surplus/deficit	-4.9	-10.9	-14.8	-10.0



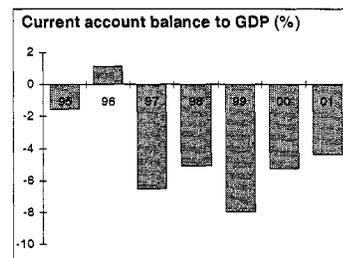
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	411	276	486	441
Coffee	..	130	262	175
Leather and leather products	..	45	35	38
Manufactures	..	..	..	..
Total imports (cif)	744	1,029	1,611	1,558
Food	..	152	116	241
Fuel and energy	..	102	213	265
Capital goods	..	466	755	589
Export price index (1995=100)	82	77	64	59
Import price index (1995=100)	112	99	116	117
Terms of trade (1995=100)	73	78	55	50



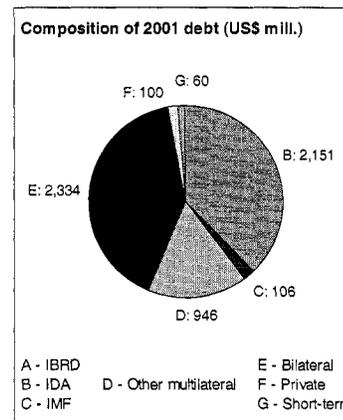
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	554	543	984	957
Imports of goods and services	845	1,226	1,960	1,945
Resource balance	-291	-683	-976	-987
Net income	-7	-73	-60	-59
Net current transfers	50	229	701	774
Current account balance	-249	-528	-335	-272
Financing items (net)	190	681	110	259
Changes in net reserves	59	-153	225	13
Memo:				
Reserves including gold (US\$ millions)	370	106	..	..
Conversion rate (DEC, local/US\$)	2.1	2.1	8.2	8.3



EXTERNAL DEBT and RESOURCE FLOWS

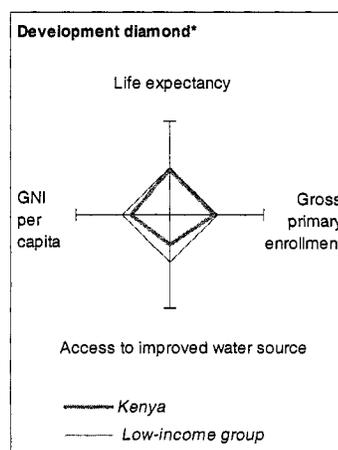
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	1,842	9,119	5,483	5,697
IBRD	52	20	0	0
IDA	276	883	1,779	2,151
Total debt service	58	138	138	183
IBRD	7	9	0	0
IDA	2	11	34	36
Composition of net resource flows				
Official grants	135	781	..	..
Official creditors	894	145	122	435
Private creditors	63	212	-8	-10
Foreign direct investment	0	6	50	0
Portfolio equity	0	0	0	0
World Bank program				
Commitments	76	0	465	202
Disbursements	28	59	137	455
Principal repayments	4	12	21	22
Net flows	23	46	116	433
Interest payments	5	8	13	14
Net transfers	18	38	103	419



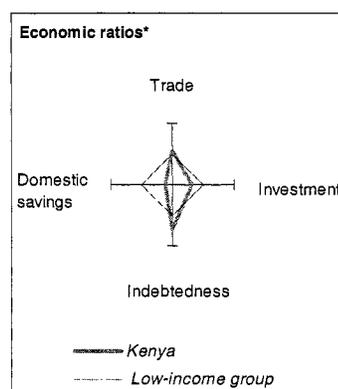
Kenya at a glance

9/24/02

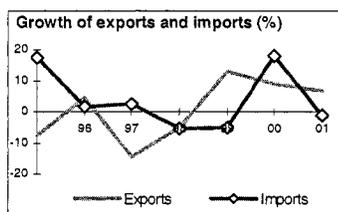
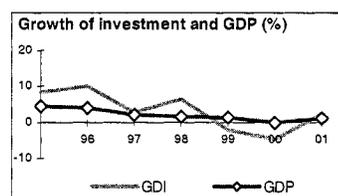
POVERTY and SOCIAL	Sub-Saharan Africa		
	Kenya	Low-income	Low-income
2001			
Population, mid-year (millions)	30.8	674	2,511
GNI per capita (Atlas method, US\$)	350	470	430
GNI (Atlas method, US\$ billions)	10.7	317	1,069
Average annual growth, 1995-01			
Population (%)	2.4	2.5	1.9
Labor force (%)	2.7	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	31	32	31
Life expectancy at birth (years)	57	47	59
Infant mortality (per 1,000 live births)	78	91	76
Child malnutrition (% of children under 5)	22	..	..
Access to an improved water source (% of population)	48	55	76
Illiteracy (% of population age 15+)	17	37	37
Gross primary enrollment (% of school-age population)	89	78	96
Male	..	85	103
Female	..	72	88



KEY ECONOMIC RATIOS and LONG-TERM TRENDS	1981	1991	2000	2001
GDP (US\$ billions)	6.9	8.0	10.4	11.4
Gross domestic investment/GDP	22.9	20.0	13.7	12.8
Exports of goods and services/GDP	30.5	27.7	26.3	26.0
Gross domestic savings/GDP	19.6	19.0	3.8	4.2
Gross national savings/GDP	17.9	15.1	10.6	9.6
Current account balance/GDP	-11.5	-3.8	-3.1	-3.2
Interest payments/GDP	2.3	3.2	1.5	0.9
Total debt/GDP	47.0	92.7	60.7	52.9
Total debt service/exports	25.1	33.2	24.3	19.9
Present value of debt/GDP	..	..	44.8	..
Present value of debt/exports	..	..	167.9	..
	1981-91	1991-01	2000	2001
(average annual growth)				
GDP	4.4	2.1	-0.2	1.1
GDP per capita	1.0	-0.5	-2.5	-0.9
Exports of goods and services	5.5	1.2	8.9	6.8



STRUCTURE of the ECONOMY	1981	1991	2000	2001
(% of GDP)				
Agriculture	32.5	27.0	19.7	19.0
Industry	20.3	20.0	18.5	18.2
Manufacturing	12.3	12.2	12.9	12.5
Services	47.2	53.0	61.8	62.9
Private consumption	61.9	64.0	78.7	79.0
General government consumption	18.6	17.0	17.5	16.8
Imports of goods and services	33.8	28.7	36.1	34.6
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	3.1	1.5	-2.0	1.2
Industry	4.2	1.6	-1.2	0.7
Manufacturing	5.1	1.9	-1.4	0.8
Services	4.9	3.1	1.0	1.3
Private consumption	5.7	2.4	5.4	-6.8
General government consumption	3.2	7.6	4.3	4.3
Gross domestic investment	1.5	4.3	-4.8	2.3
Imports of goods and services	4.5	6.9	18.1	-1.2



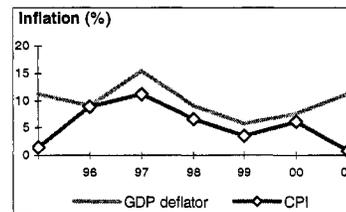
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Kenya

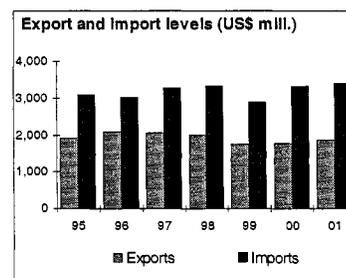
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices (% change)				
Consumer prices	12.9	19.6	6.2	0.8
Implicit GDP deflator	10.9	11.5	7.7	11.3
Government finance (% of GDP, includes current grants)				
Current revenue	26.6	26.4	25.0	23.3
Current budget balance	-0.4	-0.3	2.6	0.9
Overall surplus/deficit (excl. capital grants)	-9.8	-5.7	-3.9	-4.5



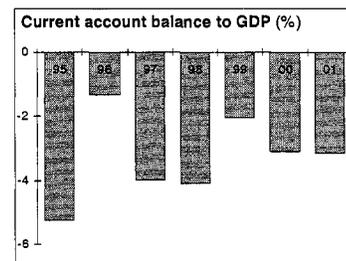
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	1,044	1,056	1,774	1,879
Fuel	306	76	127	175
Coffee	214	159	154	94
Manufactures	145	171	252	274
Total imports (cif)	1,812	1,956	3,318	3,393
Food	86	149	278	326
Fuel and energy	669	385	850	721
Capital goods	321	527	730	604
Export price index (1995=100)	75	75	80	74
Import price index (1995=100)	120	95	102	100
Terms of trade (1995=100)	62	79	78	74



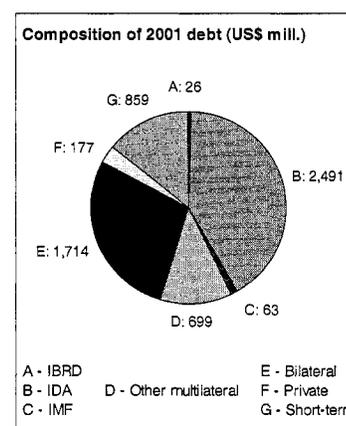
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	1,876	2,227	2,743	2,966
Imports of goods and services	2,545	2,307	3,769	3,939
Resource balance	-669	-81	-1,026	-973
Net income	-215	-372	-133	-147
Net current transfers	99	144	837	761
Current account balance	-785	-309	-323	-359
Financing items (net)	614	219	417	550
Changes in net reserves	171	91	-94	-191
Memo:				
Reserves including gold (US\$ millions)	263	184	925	1,097
Conversion rate (DEC, local/US\$)	9.0	27.5	76.2	78.6



EXTERNAL DEBT and RESOURCE FLOWS

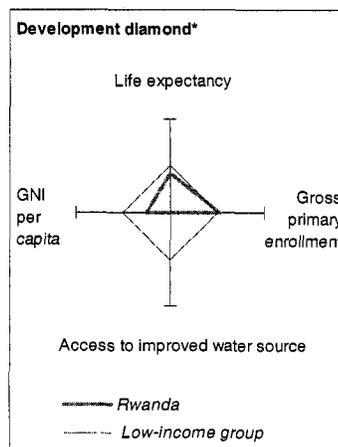
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	3,224	7,453	6,343	6,029
IBRD	351	783	50	26
IDA	234	1,370	2,439	2,491
Total debt service	485	741	677	598
IBRD	42	165	47	28
IDA	2	16	52	56
Composition of net resource flows				
Official grants	171	418	..	..
Official creditors	203	347	-74	7
Private creditors	-32	317	-109	-266
Foreign direct investment	14	19	111	..
Portfolio equity	0	0	..	..
World Bank program				
Commitments	130	287	150	45
Disbursements	76	178	149	103
Principal repayments	12	101	70	61
Net flows	64	77	79	42
Interest payments	32	80	29	23
Net transfers	32	-2	50	19



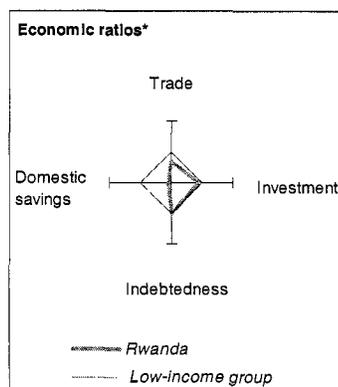
Rwanda at a glance

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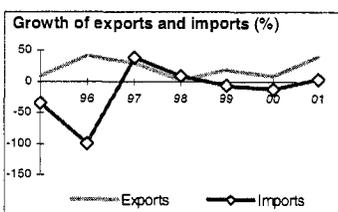
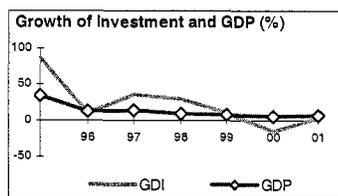
POVERTY and SOCIAL	Sub-Saharan Africa		
	Rwanda	Africa	Low-income
2001			
Population, mid-year (millions)	8.7	674	2,511
GNI per capita (Atlas method, US\$)	220	470	430
GNI (Atlas method, US\$ billions)	1.8	317	1,069
Average annual growth, 1995-01			
Population (%)	5.2	2.5	1.9
Labor force (%)	5.5	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	60	..	..
Urban population (% of total population)	10	32	31
Life expectancy at birth (years)	49	47	59
Infant mortality (per 1,000 live births)	107	91	76
Child malnutrition (% of children under 5)	29	..	..
Access to an improved water source (% of population)	..	55	76
Illiteracy (% of population age 15+)	31	37	37
Gross primary enrollment (% of school-age population)	100	78	96
Male	..	85	103
Female	..	72	88



KEY ECONOMIC RATIOS and LONG-TERM TRENDS	1981 1991 2000 2001				
	GDP (US\$ billions)	1.3	1.9	1.8	1.7
Gross domestic investment/GDP	13.3	14.0	17.5	18.4	
Exports of goods and services/GDP	9.8	7.3	8.3	9.3	
Gross domestic savings/GDP	1.4	3.3	1.4	1.9	
Gross national savings/GDP	9.8	12.3	12.5	11.9	
Current account balance/GDP	-5.1	-1.7	-5.0	-6.5	
Interest payments/GDP	0.2	0.3	12.8	12.2	
Total debt/GDP	14.9	42.4	72.1	77.3	
Total debt service/exports	4.7	16.0	28.1	24.9	
Present value of debt/GDP	..	..	12.1	14.0	
Present value of debt/exports	..	..	176.4	180.2	
	1981-91	1991-01	2000	2001	2001-05
(average annual growth)					
GDP	1.6	1.9	6.0	6.7	6.4
GDP per capita	-1.3	-0.5	3.5	4.1	3.8
Exports of goods and services	2.3	1.5	9.4	39.9	1.8



STRUCTURE of the ECONOMY	1981 1991 2000 2001				
	(% of GDP)				
Agriculture	43.5	33.0	41.4	40.5	
Industry	22.2	21.5	20.5	21.6	
Manufacturing	16.8	16.6	9.7	9.8	
Services	34.3	45.5	38.1	37.9	
Private consumption	78.6	84.7	88.0	86.4	
General government consumption	20.0	12.1	10.5	11.7	
Imports of goods and services	21.8	18.1	24.4	25.8	
	1981-91	1991-01	2000	2001	
(average annual growth)					
Agriculture	0.4	4.2	9.1	8.3	
Industry	0.9	-0.2	3.4	7.6	
Manufacturing	1.2	-1.7	-4.1	9.5	
Services	4.2	2.1	3.6	4.4	
Private consumption	1.7	1.9	4.6	2.0	
General government consumption	4.7	-0.8	1.1	18.2	
Gross domestic investment	0.2	4.9	-15.1	3.0	
Imports of goods and services	3.2	..	-11.4	4.0	



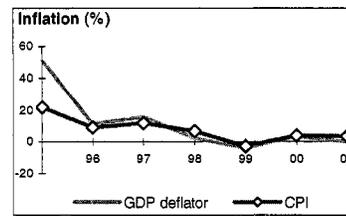
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Rwanda

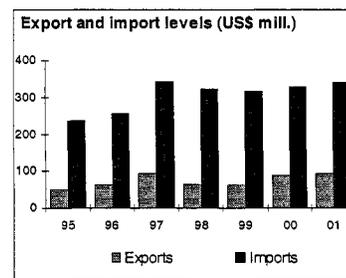
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices (% change)				
Consumer prices	6.5	19.6	3.9	3.4
Implicit GDP deflator	7.7	15.0	3.2	0.2
Government finance (% of GDP, includes current grants)				
Current revenue	12.2	15.1	18.7	19.8
Current budget balance	1.2	-1.1	6.1	5.6
Overall surplus/deficit	..	-8.2	0.1	-1.1



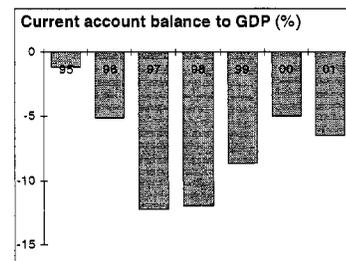
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	113	96	90	93
Coffee	..	58	23	19
Tea	..	22	24	23
Manufactures	..	2	42	48
Total imports (cif)	..	302	328	340
Food	..	35	47	52
Fuel and energy	..	39	94	73
Capital goods	..	54	53	51
Export price index (1995=100)	..	71	107	108
Import price index (1995=100)	..	89	105	108
Terms of trade (1995=100)	..	79	102	100



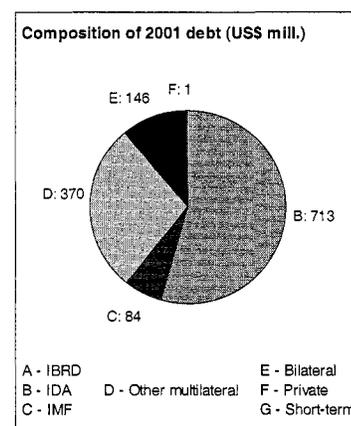
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	151	140	150	159
Imports of goods and services	329	345	441	440
Resource balance	-178	-205	-291	-281
Net income	9	-11	-15	-20
Net current transfers	103	183	217	191
Current account balance	-67	-33	-90	-110
Financing items (net)	46	99	100	121
Changes in net reserves	21	-66	-10	-11
Memo:				
Reserves including gold (US\$ millions)	173	110	191	212
Conversion rate (DEC, local/US\$)	92.8	125.1	390.0	443.0



EXTERNAL DEBT and RESOURCE FLOWS

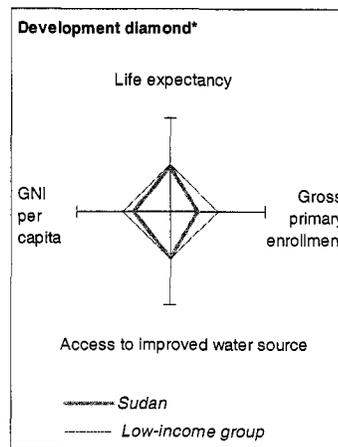
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	197	810	1,305	1,316
IBRD	0	0	0	0
IDA	65	390	692	713
Total debt service	8	23	42	40
IBRD	0	0	0	0
IDA	1	4	11	14
Composition of net resource flows				
Official grants	..	..	267	234
Official creditors	25	78	32	51
Private creditors	0	-1	4	13
Foreign direct investment	..	..	8	4
Portfolio equity	..	..	..	..
World Bank program				
Commitments	14	147	77	96
Disbursements	7	48	37	53
Principal repayments	0	2	6	8
Net flows	7	47	31	45
Interest payments	1	2	5	5
Net transfers	7	44	26	40



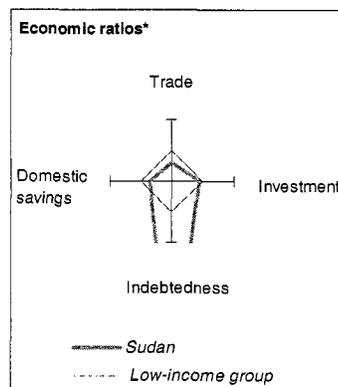
Sudan at a glance

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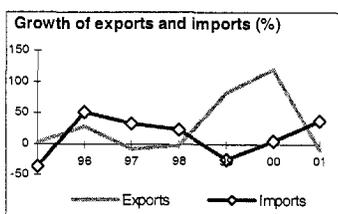
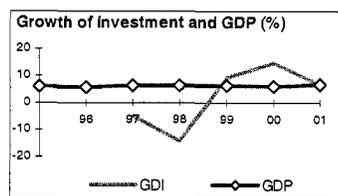
POVERTY and SOCIAL	Sub-Saharan Africa		
	Sudan	Africa	Low-income
2001			
Population, mid-year (millions)	31.7	674	2,511
GNI per capita (Atlas method, US\$)	340	470	430
GNI (Atlas method, US\$ billions)	10.7	317	1,069
Average annual growth, 1995-01			
Population (%)	2.1	2.5	1.9
Labor force (%)	2.7	2.6	2.3
Most recent estimate (latest year available, 1995-01)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	37	32	31
Life expectancy at birth (years)	56	47	59
Infant mortality (per 1,000 live births)	81	91	76
Child malnutrition (% of children under 5)	..	..	..
Access to an improved water source (% of population)	75	55	76
Illiteracy (% of population age 15+)	41	37	37
Gross primary enrollment (% of school-age population)	56	78	96
Male	60	85	103
Female	51	72	88



KEY ECONOMIC RATIOS and LONG-TERM TRENDS	1981-2001				
	1981	1991	2000	2001	
GDP (US\$ billions)	9.5	11.4	11.2	12.5	
Gross domestic investment/GDP	19.3	..	17.7	17.7	
Exports of goods and services/GDP	9.6	5.1	16.0	13.5	
Gross domestic savings/GDP	5.3	..	20.0	13.9	
Gross national savings/GDP	4.9	..	6.0	6.7	
Current account balance/GDP	..	-13.5	-14.2	-10.2	
Interest payments/GDP	1.0	0.1	0.0	0.0	
Total debt/GDP	64.9	133.4	139.9	122.5	
Total debt service/exports	28.9	4.2	3.2	3.3	
Present value of debt/GDP	..	..	131.8	..	
Present value of debt/exports	..	..	781.5	..	
	1981-91	1991-01	2000	2001	2001-05
(average annual growth)					
GDP	1.0	5.5	6.1	6.9	7.2
GDP per capita	-1.3	3.1	4.2	4.9	4.7
Exports of goods and services	-7.5	19.2	121.0	-9.8	-2.4



STRUCTURE of the ECONOMY	1981-2001			
	1981	1991	2000	2001
(% of GDP)				
Agriculture	36.4	41.4	41.4	39.1
Industry	14.3	11.4	18.0	18.3
Manufacturing	7.4	5.5	9.9	10.1
Services	49.3	47.2	40.6	42.6
Private consumption	81.8	73.5	74.1	..
General government consumption	12.9	10.1	5.9	..
Imports of goods and services	23.7	9.7	13.7	19.5
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	-1.4	9.7	5.4	8.4
Industry	2.2	8.3	5.6	9.8
Manufacturing	3.2	9.5	5.2	8.6
Services	1.8	6.9	6.7	4.3
Private consumption	-0.9	..	-1.1	..
General government consumption	0.7	..	29.0	..
Gross domestic investment	-2.2	10.0	14.9	6.9
Imports of goods and services	-7.7	9.6	4.7	37.5



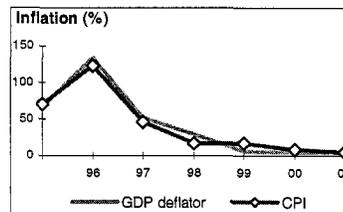
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Sudan

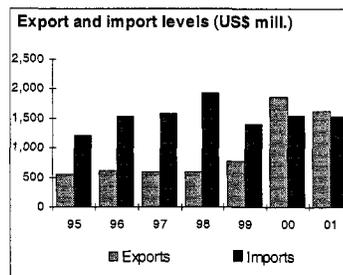
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices (% change)				
Consumer prices	22.4	119.0	7.9	5.0
Implicit GDP deflator	25.0	55.7	4.8	4.8
Government finance (% of GDP, includes current grants)				
Current revenue	..	7.2	11.3	11.4
Current budget balance	..	-12.2	1.8	1.5
Overall surplus/deficit	..	-15.3	-0.8	-1.0



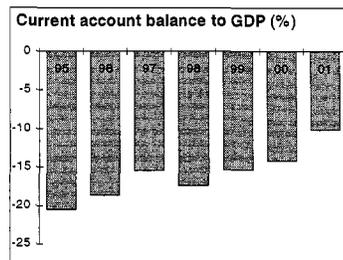
TRADE

	1981	1991	2000	2001
(US\$ millions)				
Total exports (fob)	..	329	1,864	1,635
Sesame	..	124	146	149
Cotton	..	257	53	65
Manufactures	108	..
Total imports (cif)	..	1,433	1,553	1,543
Food	..	275	340	311
Fuel and energy	..	356	137	99
Capital goods	..	348	492	520
Export price index (1995=100)	..	35	80	82
Import price index (1995=100)	82	84
Terms of trade (1995=100)	98	98



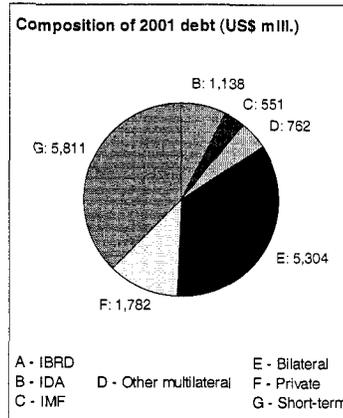
BALANCE of PAYMENTS

	1981	1991	2000	2001
(US\$ millions)				
Exports of goods and services	708	400	1,892	1,649
Imports of goods and services	1,907	1,480	1,921	2,023
Resource balance	-1,199	-1,080	-29	-374
Net income	-254	-819	-1,887	-1,363
Net current transfers	328	361	319	461
Current account balance	..	-1,538	-1,598	-1,276
Financing items (net)	..	1,560	1,688	1,367
Changes in net reserves	270	-23	-90	-91
Memo:				
Reserves including gold (US\$ millions)	19	18	116	176
Conversion rate (DEC, local/US\$)	6.30E-2	2.7	257.1	258.7



EXTERNAL DEBT and RESOURCE FLOWS

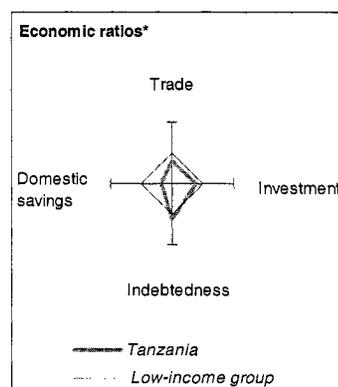
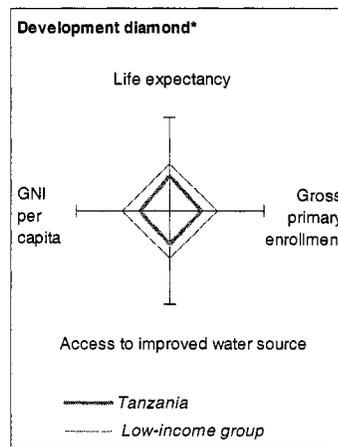
	1981	1991	2000	2001
(US\$ millions)				
Total debt outstanding and disbursed	6,194	15,227	15,741	15,348
IBRD	48	15	1	0
IDA	254	1,105	1,167	1,138
Total debt service	303	22	61	56
IBRD	7	6	3	2
IDA	7	14	5	5
Composition of net resource flows				
Official grants	253	549	..	..
Official creditors	393	116	-4	-2
Private creditors	180	0	0	0
Foreign direct investment	0	0	392	..
Portfolio equity	0	0	0	0
World Bank program				
Commitments	0	16	0	0
Disbursements	76	100	0	0
Principal repayments	9	11	5	4
Net flows	67	89	-5	-4
Interest payments	5	9	2	3
Net transfers	62	80	-8	-7



Tanzania at a glance

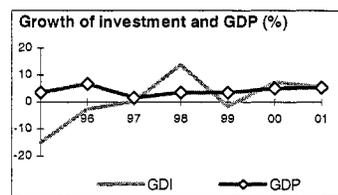
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POVERTY and SOCIAL	Tanzania	Sub-Saharan Africa	Low-income		
	2001				
Population, mid-year (millions)	34.5	674	2,511		
GNI per capita (Atlas method, US\$)	270	470	430		
GNI (Atlas method, US\$ billions)	9.4	317	1,069		
Average annual growth, 1995-01					
Population (%)	2.5	2.5	1.9		
Labor force (%)	2.5	2.6	2.3		
Most recent estimate (latest year available, 1995-01)					
Poverty (% of population below national poverty line)	35	..	..
Urban population (% of total population)	29	32	31		
Life expectancy at birth (years)	44	47	59		
Infant mortality (per 1,000 live births)	93	91	76		
Child malnutrition (% of children under 5)	29	..	..
Access to an improved water source (% of population)	54	55	76		
Illiteracy (% of population age 15+)	24	37	37		
Gross primary enrollment (% of school-age population)	65	78	96		
Male	65	85	103		
Female	65	72	88		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1981	1991	2000	2001	
GDP (US\$ billions)	5.5	5.0	9.1	9.3	
Gross domestic investment/GDP	..	26.3	17.6	15.8	
Exports of goods and services/GDP	14.0	10.3	14.6	15.9	
Gross domestic savings/GDP	13.5	3.0	9.2	7.0	
Gross national savings/GDP	22.7	3.9	8.5	6.7	
Current account balance/GDP	0.0	-16.5	-9.1	-9.2	
Interest payments/GDP	0.9	1.1	0.5	1.1	
Total debt/GDP	0.0	132.3	81.9	66.2	
Total debt service/exports	31.2	38.7	14.2	21.1	
Present value of debt/GDP	28.9	43.2	
Present value of debt/exports	189.1	137.0	
	1981-91	1991-01	2000	2001	2001-05
(average annual growth)					
GDP	..	3.4	5.2	5.6	5.8
GDP per capita	..	0.6	3.0	2.9	3.6
Exports of goods and services	..	9.6	18.4	17.8	2.7

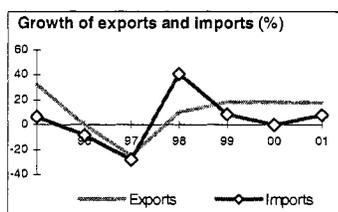


STRUCTURE of the ECONOMY

	1981	1991	2000	2001
(% of GDP)				
Agriculture	45.4	48.1	45.0	44.8
Industry	16.2	16.9	15.7	15.8
Manufacturing	10.6	9.0	7.5	7.4
Services	38.3	35.0	39.2	39.4
Private consumption	73.8	78.1	84.3	83.4
General government consumption	12.7	18.9	6.5	9.6
Imports of goods and services	24.4	33.6	23.1	24.8



	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	..	3.4	3.4	5.4
Industry	..	4.1	7.3	6.5
Manufacturing	..	3.4	4.8	5.0
Services	..	3.2	6.0	5.5
Private consumption	..	2.4	-0.9	3.1
General government consumption	..	3.6	5.0	6.6
Gross domestic investment	..	-0.9	7.5	5.8
Imports of goods and services	..	1.3	0.1	8.1



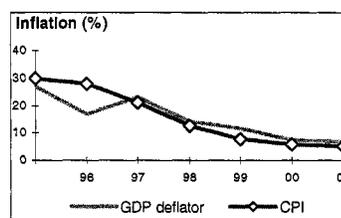
Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

Tanzania

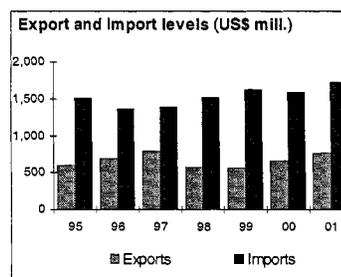
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices				
<i>(% change)</i>				
Consumer prices	25.6	28.7	5.9	5.2
Implicit GDP deflator	..	28.1	7.4	6.7
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	19.2	12.3	10.6	11.4
Current budget balance	-3.3	-0.2	-0.5	-0.7
Overall surplus/deficit	-13.7	-1.7	-5.4	-4.2



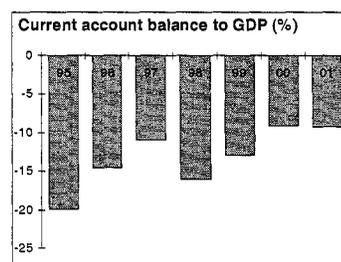
TRADE

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total exports (fob)	562	394	663	772
Coffee	165	77	84	57
Cotton	78	63	38	33
Manufactures	60	70	34	56
Total imports (cif)	1,111	1,276	1,592	1,726
Food	104	32	176	169
Fuel and energy	261	189	95	106
Capital goods	563	579	638	755
Export price index (1995=100)	103	75	130	136
Import price index (1995=100)	93	98	90	100
Terms of trade (1995=100)	112	77	143	136



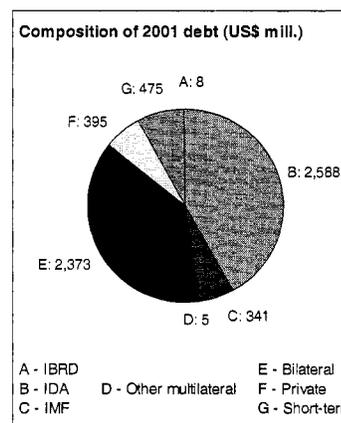
BALANCE of PAYMENTS

	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Exports of goods and services	572	529	1,330	1,487
Imports of goods and services	1,192	1,569	2,094	2,316
Resource balance	-619	-1,040	-765	-829
Net income	0	-185	-83	-44
Net current transfers	510	408	18	15
Current account balance	-110	-818	-830	-858
Financing items (net)	94	825	1,179	1,058
Changes in net reserves	16	-8	-348	-201
Memo:				
Reserves including gold (US\$ millions)	..	209	974	1,157
Conversion rate (DEC, local/US\$)	8.2	219.2	800.4	876.3



EXTERNAL DEBT and RESOURCE FLOWS

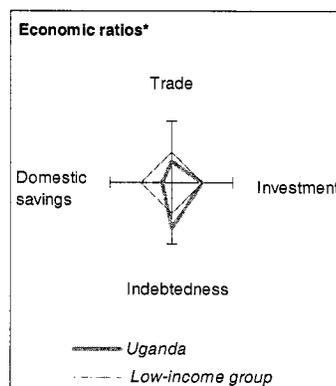
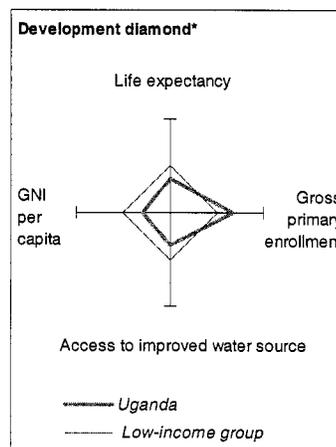
	1981	1991	2000	2001
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	5,822	6,558	7,440	6,185
IBRD	210	208	11	8
IDA	319	1,434	2,593	2,588
Total debt service	179	207	198	331
IBRD	23	56	5	4
IDA	3	17	52	57
Composition of net resource flows				
Official grants	..	67	685	709
Official creditors	524	170	111	125
Private creditors	59	-9	..	..
Foreign direct investment	..	..	193	203
Portfolio equity	..	..	..	..
World Bank program				
Commitments	91	334	329	360
Disbursements	98	181	131	75
Principal repayments	8	43	37	40
Net flows	89	137	94	35
Interest payments	17	29	20	21
Net transfers	72	108	74	14



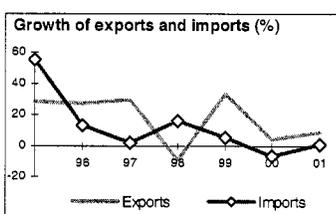
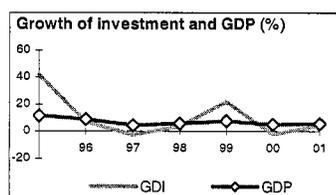
Uganda at a glance

9/23/02

POVERTY and SOCIAL	Uganda	Sub-Saharan Africa	Low-income		
	2001				
Population, mid-year (millions)	22.8	674	2,511		
GNI per capita (Atlas method, US\$)	260	470	430		
GNI (Atlas method, US\$ billions)	6.0	317	1,069		
Average annual growth, 1995-01					
Population (%)	2.9	2.5	1.9		
Labor force (%)	2.7	2.6	2.3		
Most recent estimate (latest year available, 1995-01)					
Poverty (% of population below national poverty line)	35	..	..
Urban population (% of total population)	13	32	31		
Life expectancy at birth (years)	42	47	59		
Infant mortality (per 1,000 live births)	88	91	76		
Child malnutrition (% of children under 5)	38	..	..
Access to an improved water source (% of population)	52	55	76		
Illiteracy (% of population age 15+)	38	37	37		
Gross primary enrollment (% of school-age population)	128	78	96		
Male	132	85	103		
Female	124	72	88		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1981	1991	2000	2001	
GDP (US\$ billions)	..	3.3	5.9	5.7	
Gross domestic investment/GDP	..	15.2	19.9	20.4	
Exports of goods and services/GDP	..	7.5	11.1	11.1	
Gross domestic savings/GDP	..	0.7	6.7	5.9	
Gross national savings/GDP	..	1.4	11.7	12.7	
Current account balance/GDP	..	-13.5	-12.3	-14.5	
Interest payments/GDP	..	1.6	0.8	0.4	
Total debt/GDP	..	78.0	61.3	55.0	
Total debt service/exports	..	94.3	10.4	10.5	
Present value of debt/GDP	..	39.0	16.8	20.4	
Present value of debt/exports	..	641.1	142.1	171.4	
	1981-91	1991-01	2000	2001	2001-05
(average annual growth)					
GDP	4.5	7.1	5.0	5.6	6.5
GDP per capita	1.6	3.9	2.2	2.9	4.0
Exports of goods and services	1.6	17.3	4.1	9.0	7.5



STRUCTURE of the ECONOMY	1981	1991	2000	2001
(% of GDP)				
Agriculture	..	52.8	37.7	36.6
Industry	..	12.4	20.4	21.0
Manufacturing	..	5.8	9.8	9.9
Services	..	34.8	41.9	42.3
Private consumption	..	90.5	81.0	81.7
General government consumption	..	8.8	12.0	12.5
Imports of goods and services	..	21.9	24.0	25.7
	1981-91	1991-01	2000	2001
(average annual growth)				
Agriculture	3.5	3.9	5.6	4.6
Industry	7.0	12.0	3.1	6.5
Manufacturing	5.5	13.6	3.5	8.8
Services	4.5	7.8	6.5	7.2
Private consumption	4.2	6.5	3.9	4.5
General government consumption	2.2	6.0	5.0	12.3
Gross domestic investment	9.7	9.3	-2.1	4.4
Imports of goods and services	4.5	10.9	-6.6	1.1



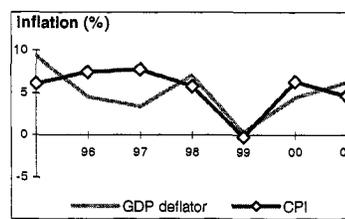
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Uganda

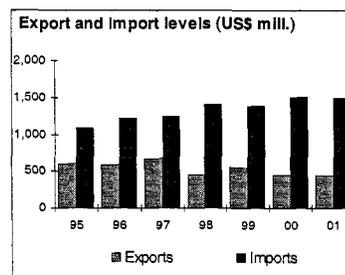
PRICES and GOVERNMENT FINANCE

	1981	1991	2000	2001
Domestic prices				
(% change)				
Consumer prices	..	24.5	6.3	4.6
Implicit GDP deflator	..	26.0	4.4	6.3
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	7.5	11.4	10.9
Current budget balance	..	0.0	0.4	-0.6
Overall surplus/deficit	..	-7.6	-12.9	-9.3



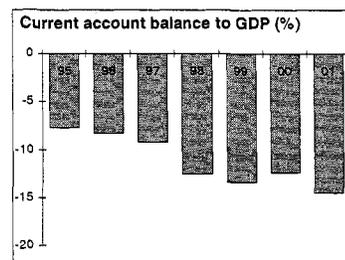
TRADE

	1981	1991	2000	2001
(US\$ millions)				
Total exports (fob)	..	175	454	442
Coffee	..	127	187	110
Cotton	..	8	23	14
Manufactures
Total imports (cif)	..	545	1,513	1,501
Food
Fuel and energy	..	83	143	170
Capital goods
Export price index (1995=100)	..	56	58	51
Import price index (1995=100)	..	87	104	102
Terms of trade (1995=100)	..	64	56	50



BALANCE of PAYMENTS

	1981	1991	2000	2001
(US\$ millions)				
Exports of goods and services	..	199	651	630
Imports of goods and services	..	671	1,410	1,454
Resource balance	..	-472	-759	-825
Net income	..	-58	-60	-119
Net current transfers	..	81	95	124
Current account balance	..	-449	-724	-819
Financing items (net)	..	412	710	860
Changes in net reserves	..	37	15	-41
Memo:				
Reserves including gold (US\$ millions)	..	50	719	739
Conversion rate (DEC, local/US\$)	..	550.9	1,511.4	1,762.9



EXTERNAL DEBT and RESOURCE FLOWS

	1981	1991	2000	2001
(US\$ millions)				
Total debt outstanding and disbursed	..	2,592	3,602	3,107
IBRD	0	18	0	0
IDA	119	957	2,098	2,101
Total debt service	..	191	68	71
IBRD	0	8	0	0
IDA	0	9	31	37
Composition of net resource flows				
Official grants	..	262	312	405
Official creditors	..	203	151	151
Private creditors	0	-18	2	11
Foreign direct investment	..	1	194	169
Portfolio equity	..	0	0	0
World Bank program				
Commitments	17	277	107	575
Disbursements	0	169	139	151
Principal repayments	0	7	16	22
Net flows	0	162	123	129
Interest payments	0	9	15	15
Net transfers	0	152	108	114

