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MULTI-SECTORAL INVESTMENT ANALYSIS FOR SHARED PROSPERITY IN CUBANGO-OKAVANGO RIVER BASIN

The Cubango-Okavango River Basin (CORB) holds one of the world's most unique, near pristine free-flowing rivers, and is central to sustainable economic development within the arid landscapes of southern Africa. The complex flood pulse cycle provides important services for local communities while supporting a rich and unique biodiversity that makes it a wetland of international importance and World Heritage site.

Risks associated with persistent poverty present the single biggest threat to the long-term sustainability of the river basin. However, the commitments to peace and prosperity among the three countries – Angola, Botswana, and Namibia – and the broader efforts of the Southern African Development Community to facilitate greater regional integration provide prospects for increasing and improving development.

The Multi-Sector Investment Opportunities Analysis (MSIOA) is part of a systematic strategy by the Permanent Okavango River Basin Water Commission (OKACOM), a body established in 1994 by Angola, Botswana, and Namibia, to promote coordinated and sustainable water resources management, while addressing the legitimate social and economic needs of the member states.

CONTEXT

The environmental integrity and long-term protection of the basin depends on addressing the underlying drivers of poverty. Accelerated environmental changes in the basin are largely driven by four factors – population dynamics, land use change, poverty, and climate change – leading to deterioration in water quality, changes in the flood pulse and diminishing biota. The near pristine nature of the basin is a product of the relatively low level of economic development within the basin – the result of a complex geo-political history and the fact that the basin populations are remote relative to the countries' capital cities and main centers of economic activity. This asymmetry is further reflected by income inequality in each of the member states as well as low social development indicators in the basin as compared to national figures.



REGION:

Cubango-Okavango River Basin



COUNTRIES:

Angola, Botswana, Namibia



FOCUS:

Informing development decision making, ensuring long-term sustainability, and promoting regionally-shared prosperity.

RESULTS

CIWA facilitated a consultative approach to develop the tools needed to identify sustainable, regional investment opportunities in the Cubango-Okavango River Basin, an area of global environmental significance threatened by deep, persistent poverty within three strong Middle-Income Countries.

- The MSIOA identified development scenarios within the basin based on economic, social, environmental, and climate resilient trajectories to the year 2040. These scenarios were analyzed within the framework of the OKACOM Shared Vision, national development objectives, and investment plans to outline a set of illustrative joint actions that inform the desired “development space.”
- The joint actions identified through the MSIOA inform the Sustainable and Equitable Climate Resilient Investment Program and are structured around the following three key areas: climate-resilient livelihoods enhancement, enhancing eco-tourism, and joint infrastructure development.
- Implementation of the proposed joint actions require an estimated US\$900 million, a review of the existing institutional arrangements, and would support the establishment of a dedicated endowment fund. A range of financing options have been identified, including the mobilization of global funds, a framework for facilitating private sector investments, and a roadmap for joint development of large scale infrastructure.

In these areas of high poverty, many people rely on slash and burn agriculture, charcoal production, or other unsustainable subsistence practices, creating pressure on the basin's natural resources. As a result, the risks associated with persistent poverty threaten the long-term sustainability of the basin.

APPROACH

With support from the multi-donor trust fund for Cooperation in International Waters in Africa (CIWA), the World Bank worked with OKACOM to carry out the MSIOA in order to explore development opportunities through applied modelling of the economics, hydrology, and the environmental impacts of a range of different development options. These models build on research conducted over the past 20 years under various cooperative endeavors, including the Transboundary Diagnostic Analysis and the Strategic Action Plan. National investments were assessed within a cooperative context informed by the Shared Vision for the basin that included information from existing strategy plans and research.

The MSIOA was an iterative process during which a range of different stakeholders from various ministries in each of the member states were consulted about potential opportunities, sector plans, and the distribution of derived benefits. In addition, the three member states and various partners held substantive discussions around the required institutional arrangements to realize the basin's Shared Vision.



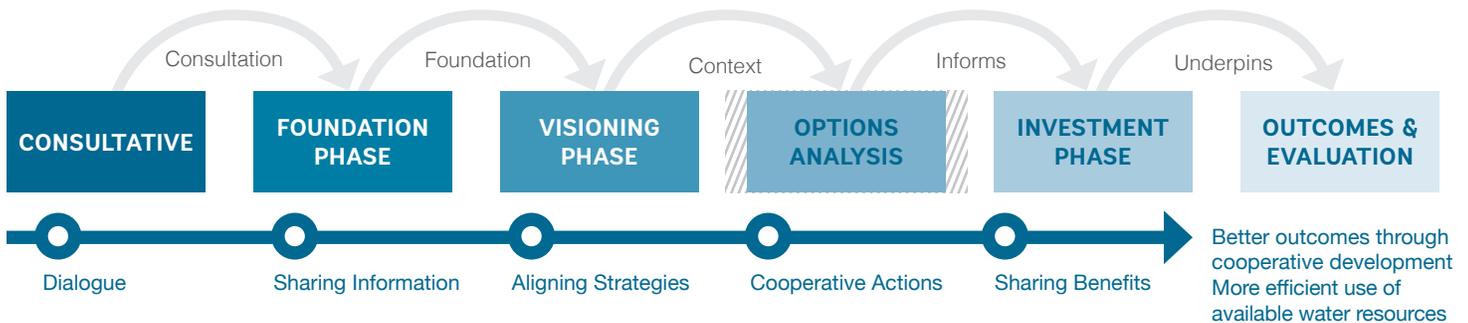
The MSIOA identified a series of illustrative joint actions to inform the formulation of a Sustainable and Equitable Climate Resilient Investment Program. These joint actions aim to consolidate the cooperative framework among the member states and address the underlying drivers that threaten the long-term sustainable development of the basin.

Substantial resources and sustained political commitment will be required to carry forward the recommendations. The foundation of the Sustainable and Equitable Climate Resilient Investment Program is estimated at nearly US\$1 billion. Such investments are essential to secure the sustainable development of the basin within limits of hydrologically acceptable change.

NEXT STEPS

The tools developed through the MSIOA provide OKACOM with the requisite framework to address the underlying drivers of poverty in the basin. They provide a mechanism to facilitate a negotiated process that can inform decision making within a robust framework. This allows the member states to identify the distribution of benefits and potential negative impacts associated with different investment options through a consultative negotiated process.

CONCEPTUAL FRAMEWORK OF THE SUSTAINABLE AND EQUITABLE CLIMATE RESILIENT INVESTMENT PROGRAM FOR THE CUBANGO-OKAVANGO RIVER BASIN



ABOUT CIWA

CIWA, the Cooperation in International Waters in Africa program, is a multi-donor trust fund representing a partnership between the World Bank and the governments of Denmark, the European Union, Norway, Sweden, the Netherlands, and the United Kingdom. CIWA supports the governments in Sub-Saharan Africa in unlocking the potential for sustainable and inclusive growth, climate resilience, and poverty reduction through cooperative transboundary water management and development. Since 2011, CIWA has supported improving the social, environmental, and economic sustainability of transboundary investments worth US\$8.9 billion across Sub-Saharan Africa.