Q: What is the level of Member States’ commitment to Nile cooperation?

A: Member States are committed to the Nile cooperation. This is attested to by the repeated reiteration from high political leadership that cooperation is the only way to sustainable and equitable utilization of the Nile water resources. Member States have also indicated their commitment through in-kind and cash contributions towards the NBI. The commitments for cash contributions have shown a growing trend since 2006/7 from US $ 540,000 to US $ 1,826,370 in 2013/14. The Sudan resumed participation in NBI activities and South Sudan was admitted into NBI in 2013. This is a demonstration that Member States value the Nile cooperation. It must be recognized that differences arose at the political level regarding the formal arrangements for forging a comprehensive framework agreement on the Nile. This has indeed created some obstacles for the technical work undertaken by the NBI. However, such challenges are not uncommon in the creation of such complex agreements. Despite the setback, all nine members of the Nile-COM continue to meet to seek a solution in goodwill.

Q: How is NBI work being used by the countries?

A: Countries use NBI as a platform for joint planning and resource mobilization for example Burundi, Tanzania and Rwanda used NBI platform to coordinate them lead resource mobilization and now oversee implementation of the Rusumo hydropower project. In addition countries use NBI as a platform for sharing information; information exchange on 9 planned measures has been done through the NBI platform, Member States are able to access data, utilize NBI analytic tools for water resources planning at country level. The Nile Basin DSS, developed under the NBI- Shared Vision Program is currently being used to formulate catchment management plan in Uganda. Eight other NBI countries are using the DSS in case studies.

Countries have requested NBI to support them in preparation of bankable projects. For example ENTRO is providing technical support to Sudan in preparation of watershed projects. Projects identified and prepared by NBI have been integrated in national development planning for example the Gogo falls in Kenya, the Muvumba in Rwanda. Other States are accessing information through the NBI knowledge portals. The NBI policies provide a reference point for best practices in integrated water resources management and countries use them as reference materials in development of their policies.

Q: With the coming to the end of the NBTF, what mechanism has been put in place to ensure financial sustainability of NBI? And sustainability of results?

A: Ensuring financial sustainability post 2014 is a key issue for the NBI. Member States have committed to increase their country contributions to cover the NBI institutional costs and operate its basic programs and sustain the most important capacities, systems and knowledge that have been developed by 2017. Other strategies to raise funds include NBI providing services to clients at a fee - NBI has expertise in technical analysis and preparation of bankable projects that it will aim to sell to clients as part of the fundraising strategy. Further, NBI will charge 10% overhead...
Q: What are some of the benefits of cooperation thus far? What are the largest results of your work to date?

A: The Nile cooperation has helped in transforming the conversation among the Nile riparians more towards upstream - downstream mutuality and basin-wide development. As a result, cooperation has been accepted as the only alternative to sustainable management of the Nile water resources. The NBI has provided a platform for discussion and understanding of the interests, positions and expectations of all riparians in what concerns the utilization (current and future) of the Nile waters resources was established.

Awareness has been raised that the Nile is a shared resource and the continuity and interdependence between the ecosystems, and the need for an integrated approach in order to protect the ‘common goods’ was created.

Largest results so far include:

i. Nurtured inter-riparian cooperation by providing the only Nile basin-wide platform for regional dialogue in trans-boundary water issues; the Nile-COM meetings are attended by all NBI member states.

ii. Facilitated investment projects of regional significance; identified, prepared or facilitated over US$ 1 billion of investment under implementation, with an additional US$ 1 billion under preparation;

iii. Built a strong technical foundation for cooperative water resources management and development, including a comprehensive shared knowledge base on the water and related resources of the Nile as well as tools to enable countries understand the implications of their actions on neighbors and opportunities for managing risks and realizing tangible benefits. Tools such as the Nile Basin Decision Support System (NB-DSS) and the Nile Equatorial Lakes and Eastern Nile Planning Models respectively, have been operationalized to provide the necessary analysis to inform decision-making in water resources planning and management;

iv. Strengthened institutional foundation: Over the last decade NBI has grown into a well-established and successful regional institution; with appropriate organizational structure, strong financial and operational management systems and effective program & project management procedures.
**Q: Why has it taken so long to realize tangible benefits on the ground and what action needs to be taken to speed up the process?**

**A:** Up until 2012, the NBI implemented the first Strategic Action Program, which was an agreed upon program between NBI member states for which funding was obtained from member countries and development partners. The primary focus was to put in place an enabling environment for investment in water resources in the Nile Basin. Building the enabling environment was the primary objective of the Shared Vision Program (completed in 2012) while small scale investment projects were implemented ('low-hanging fruits') through the Subsidiary Action Programs.

The Shared Vision Program (completed in 2012) while small scale investment projects were implemented ('low-hanging fruits') through the Subsidiary Action Programs.

**The SVP has tangibly delivered benefits along all its key expected outcome indicators (given below):**

- Increased basin-wide 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

*(More than any time in the history of the Nile cooperation, there is a sustained dialogue (through regional working groups, networks, project steering committees, technical committees that involve professionals from NBI member states) and information exchange among riparians on issues related to water, environment, power, and agriculture; some of these networks have been maintained post SVP (like the DSS user community) while others couldn’t be maintained due to lack of funding; the Nile Basin data and information sharing procedures was endorsed by the Nile-COM and providing the basis for information and data sharing)*

- Enhanced skills, expanded information bases, and strengthened institutions in SVP-related fields. *(The SVP has delivered the Nile Basin Decision Support System (NB DSS), build human and institutional capacity in riparian countries and that of NBI centers, developed regional database/knowledgebase; a set of knowledge portals are continuously providing access to NBI knowledge products; the NB DSS is available in 9 NBI countries)*

- Extensive stakeholder participation in the NBI process. *(Extensive stakeholder participation on issues of the Nile cooperation has been achieved, in the form of Nile Basin Development Forum (still maintained), through the media network, through national NBI offices, through project specific consultations, the Nile day, the Nile Basin Discourse and many other foras.)*

- Continued progress in the joint identification and preparation of cooperative investment programs through the Subsidiary Action Programs

*(The NBI has contributed to increased trust among the Nile riparians;)*

At the Subsidiary Action Level, NBI has delivered visible benefits in areas of power interconnections (Ethiopia-Sudan; already implemented through the two countries); enhancing livelihoods of local communities through Watershed Management (Eastern Nile); a number of power transmission interconnection and power generation projects are at advanced level of preparation and/or beginning of implementation.

The above provide evidence of tangible benefits realized through the cooperation. However, it must be recognized as planning of multi-country mega water resources projects is a slow process. NBI processes, by their very nature of being trans-boundary requiring consultation and consensus among countries, taking into consideration all interests, are long-drawn, particularly when it comes to the identification, preparation and implementation of large scale cooperative investment projects. Securing financing for project implementation takes a long time.

**Q: What are some of the key challenges that require joint action by the Member States? How can NBI help address these challenges?**

**A:** *Environmental challenges: environmental degradation (watershed degradation, sedimentation, forest cover reduction, evasive weed, siltation); NBI will continue developing relevant trans-boundary polices and strategies, basin monitoring capacity building for countries.*

*Development challenges= inadequate energy and water storage capacity in the basin to take advantage of the seasonality in river flow, water scarcity, huge untapped hydropower and irrigation potential, extreme events droughts and flooding, climate change, inadequate data to inform decision making,*

*Fragile Nile cooperation, although progress has been made, the Nile cooperation is still fragile and requires further nurturing. Perceptions continue to exist and influence decision making, one member still freezing participation and some stakeholder groups are yet to understand ad commit to the cooperation agenda.*

*NBI works with countries to develop responsive regional investment programs (catchment management, watershed management); promoting water use technologies; promoting regional power development and transmission interconnections and trade and facilitates resource mobilization together with countries for its implementation. Further, NBI continues to provide a platform for dialogue, information and knowledge exchange, joint planning. Build support for the cooperation through communicating benefits*
of cooperation and risks of non-cooperation to NBI multi-
stakeholders, (e.g. power purchase agreements, dam safety,
analytical tools, hydro-diplomacy, dialogues).

**Meeting growing demands for water:** all NBI countries are faced with meeting the growing demand for water, food and energy to address the needs of their growing economy and population – no exception on this. Compared to other large river basins, most sub-basins of the Nile Basin are water deficit, i.e. there is an overall – water balance.

That means, meeting development needs stated above by any country require collaboration with co-riparians. **There will be no major development of water resources in the Nile Basin that doesn't require upstream-downstream collaboration.**

First, cooperation is required for efficient use of water at sub-basin or basin-wide level. Development plans formulated without consideration of basin (or sub-basin)-wide opportunities are sub-optimal.

Second, water resources development without taking into account effects of development elsewhere in the basin can have adverse impacts on the aquatic and riverine ecosystems and the society that depend on the water resources. This can lead to tension and conflict. Nile Basin riparian have come a long way from mistrust and build mutual confidence over the last 15 years.

**Joint action by countries is required to realize their development aspirations** in a sustainable and mutually beneficial manner. This requires joint planning, putting in place agreed upon policies (such as on environmental flow, managing impacts, etc), joint monitoring of river basin process to detect changes and building further their shared knowledge base. NBI is delivering along these fronts through its programs and this need to be strengthened.

**Q: Why are some of the biggest water challenges currently facing the countries not being addressed by the NBI? What is NBI doing to help address these challenges?**

A: There is one ‘water challenge’ in the Eastern Nile that is currently being addressed without involvement by NBI but involving key national actors in the Nile Basin cooperation. Due to differences that arose along the CFA track, one riparian country in the Eastern Nile had already reduced its involvement in NBI activities by the time the plan to construct a major water infrastructure was made public by one riparian. Therefore, the three Eastern Nile countries agreed, by the invitation of the riparian country building the infrastructure to engage with each other involving the co-riparian who is not currently active in NBI. This shows that countries are interested to get engaged with each other accommodating the interest of their co-riparians.

One fundamental lesson out of this that major water infrastructure development can be initiated with NBI having no or very little say directly. It is true that Nile cooperation through NBI has never excluded the possibility of unilateral development. However, NBI has identified its niche under current set of conditions to put in place enabling environment for cooperative water resources development; examples are:

- Development of environmental flow guidelines
- Formulation of project information disclosure procedures
- Generation of knowledge products on strategic water issues and making them available to all riparians

**Q: In the absence of the Strategic Dialogue at the end of the NBTF, is there any plan to coordinate NBI donors and ensure information flow? What are the NBI’s plans for donor coordination in the future?**

A: NBI intends to sustain donor coordination building on the broad consultative process with NBI’s development partners that has been developed under the Nile Basin Trust Fund. As a forum for coordination and consultation, this will be open to all contributing and new partners and will continue to be the main annual consultation event between the NBI, the Nile Basin Countries and the NBI Partners what the strategic dialogue mechanism similar to strategic dialogue but this time led by the Nile Basin Initiative secretariat.

**Q: What is the role of NBI in the various investment projects?**

A: NBI’s role is to assist member States to identify, prepare investment projects; mobilize resources for their implementation. In some cases countries may entrust NBI to oversee implementation (Rusumo). Capacity building and technical support including (analysis) for countries during implementation (DSS support in heightening Rossaires dam) as well working with countries to model and compare different scenarios so that the best decision, with least negative impacts is taken.

**Q: How is NBI assisting the countries to better plan and manage the Nile Basin water resources?**

A: NBI is strengthening institutional capacities at national level to apply analytical tools in country water resources planning; NBI provides a knowledge base, data and information necessary to inform decision making, monitors the status of the basin based on agreed criteria, facilitates the identification and preparation of investment projects that are of regional significance, environmentally friendly, socially acceptable and economically viable and provides a platform for sharing information and joint planning.
Q: What is the relevance of NBI in sustaining the Nile cooperation?

A: NBI is the only neutral and all inclusive platform for dialogue on Nile issues for all basin States. It provides a platform for discussion and building a mutual understanding among experts from different countries which has helped fostering mutual trust and confidence. NBI brings on board the basin wide perspective, looking beyond political borders, to ensure optimization of basin development. NBI assists member states in identification of joint interventions and mobilizing resources for their implementation. Through these projects on the ground, NBI continues to demonstrate the multiple benefits of cooperation, thereby generating support for the cooperation agenda. Further, NBI communicates benefits of cooperation and risks of non-cooperation among riparians, implements a series of stakeholder involvement activities aimed at creating a stakeholder base for cooperation.

NBI provides a structured institutional basis, i.e. not adhoc. The cooperation is being institutionalized to give it permanence and durability. NBI’s activities, organized in three core functions, focus on what matters most to the Nile as a shared resource.

Q: With Egypt freezing its participation in NBI activities, are there any efforts aimed at ensuring an all-inclusive Nile Cooperation?

A: Egypt remains part of the NBI, but frozen participation, yet an all-inclusive cooperation is paramount for optimizing basin-wide development. NBI member countries are continuously engaging Egypt both formally and informally to resume participation in the NBI. Member States demonstrated this spirit in appointing an Egyptian Executive Director (from 2010 to 2012) amidst Egypt's freezing and nonpayment of its country contributions. Egyptian water experts are working in NBI. Most recently, ENTRO governance wrote requesting Egypt to fill the ENTRO ED position and there was no response. Egypt has been invited to all NBI meetings.

Q: How will the interests of Egypt be accommodated in making decisions about NBI’s program? What is being done to ensure that the NBI is an inclusive organization for all riparians?

A: NBI endeavors to take Egypt’s interests into consideration informally through engaging with Egyptians from civil society, academia, interns, media and NBI staff. Although they don’t speak on behalf of the government, they bring the Egyptian perspective to the discussion. NBI continues to engage Egypt to come back to the cooperation and Egypt is always invited to participate in the discussions. NBI member states are bound by the principles of international law where cooperation on a shared resource is a must not a choice.

Q: What is the relevance of a basket funding mechanism for NBI?

A: The NBI Basket Fund is envisaged as an NBI managed pooled funding mechanism from Development Partners for the NBI. It is intended to be a flexible, short term funding arrangement (3-5years) to be utilized by the three NBI Centres in line with the NBI priorities as outlined in its Strategic Plan and program of work 2012-2017, fully owned by the Member States and aligned to the programmatic decision making process of the NBI governance mechanism. The objective of the planned NBI basket fund is to provide flexible funding support NBI to enable it achieve its targets and improve its effectiveness. The value addition of the NBI basket fund thus mainly consists in providing a framework for harmonized support specifically for the Nile Basin Initiative, no additional costs associated with fund manager, hence reduced transaction costs. It will also contribute to further NBI institutional capacity in managing trust funds. In addition development and institutional strengthening through policy dialogue with Development Partners.

Q: What are the advantages to NBI and difference with the CIWA Trust Fund?

A: From NBI’s perspective, the advantages of establishing a basket fund mechanism for the post NBTF era - besides providing resources for the implementation of the program essentially are: (a) increased predictability of available funding for medium-term planning; (b) increased flexibility of use of available funding for addressing NBI’s programmatic priorities; (c) reduction of resource requirements for managing development partners’ contributions through increased development partner alignment with NBI’s procedures and harmonization based on the global aid – effectiveness agenda; (d) continuation of strengthening NBI’ as an institution and management capacities by moving from a donor managed approach to a recipient managed approach.

On the difference with the CIWA Trust Fund; while the Cooperation on International Waters of Africa (CIWA) administered by the World Bank offers a window of opportunity for continuity, it differs from the NBTF in a number of ways including scope, focus and implementing modalities. The CIWA Trust Fund is increasingly focusing on investment preparation, an area that is of great importance also the NBI. However, NBI in a politically difficult context of Nile Basin cooperation, also needs to sustain its investments in the platform for riparian dialogue that NBI has become. This NBI Basket fund is envisaged to place due emphasis on sustaining the less tangible, soft elements of sustaining the Nile cooperation including knowledge management, facilitating platform for dialogue cooperation and technical analysis, as well as facilitating identification and preparation of bankable investment projects. Furthermore, NBI desires
to provide a complementary funding mechanism to the CIWA Trust Fund to access support of those development partners that have a preference to work directly with NBI and not through the CIWA Trust Fund. With the basket fund, NBI seeks to provide a regular consultation and partnership mechanism. In the same regard, CIWA doesn’t support institutional strengthening, yet this is still a key priority area for the NBI. NBI is currently at a critical phase of delivering further results and consolidating the gains made over the years of its existence; with investment projects moving into implementation stages and additional project identification in the NEL and EN sub basins ongoing. The period is critical and requires a strong institution to leverage and facilitate the Process. As such, the NBI is in urgent need to secure continued funding for implementing its programs and projects so that gains so far made can be sustained and the ongoing program of work is not interrupted by the closure.

**Q: How will the basket be implemented?**

**A:** The basket will be based on a Joint Financing Agreement (JFA) with interested development partners. The basked will be managed and implemented through NBI’s centers. There will be a foreign exchange holding account and an NBI operational account. Disbursements from the holding account will be made on the basis of decisions of a “basket fund steering committee.” A draft of a JFA based on the “Nordic plus” groups recommendation has been drafted as a basis for negotiation with development partners and is available as an additional document.

**Q: To whom will NBI be accountable on the use of the funds?**

**A:** NBI Centers are accountable for the implementation of the NBI Strategic Action Program to the member states through NBI’s governance. NBI will be accountable to the governance and development partners on the use of basket fund funds through the “basket fund steering group”, details of which will be further detailed in the JFA.

**Q: How does NBI monitor the impact of its programs?**

**A:** Based on both NBI’s high level impact monitoring framework (impact indicators) and on the basis of the program implementation monitoring (outcome and output monitoring). It will seek to provide a single, consolidated annual progress and monitoring report in a format to be elaborated and agreed between all development partners. NBI’s monitoring framework will still have to be revised to adjust to the reduced staff capacities available at NBI centers.