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NBI Technical Reports: Basin Cooperation Series

Developing guidance/ procedure in financing transboundary investments through country programming: Analysis of NBI experiences with investment project development

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List of acronyms

CRIDF	Climate Resilient Infrastructure Development Facility
ENTRO	Eastern Nile Technical Regional Office
ICA	Infrastructure Consortium for Africa
IFI	International Finance Institution
GIH	Global Infrastructure Hub
MSIOA	Multi-Sectoral Investment Opportunity Analysis
NBDSS	Nile Basin Decision Support System
NBI	Nile Basin Initiative
NELIP	Nile Equatorial Lake Investment Programme
NELSAP-CU	Nile Equatorial Lakes Subsidiary Action Programme – Coordination Unit
NEPAD-IPPF	New Partnership for Africa’s Development – Infrastructure Project Preparation Facility
PAU	Project Advisory Unit
PIDA	Programme for Infrastructure Development in Africa
RBO	River Basin Organisation
RPSC	Regional Project Steering Committee

1 Background

In 1999, Nile Basin riparian countries (Burundi, DR Congo, Egypt, Ethiopia, Kenya, Rwanda, The Sudan, Tanzania, and Uganda) established the Nile Basin Initiative (NBI), as a platform to facilitate dialogue on cooperative management and development of the Nile Basin water and related resources. The Nile Basin Initiative (NBI) is a partnership of the riparian states of the Nile comprising Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, and Uganda. Eritrea is participating as an observer. The NBI seeks to develop the river Nile in a cooperative manner, share substantial socioeconomic benefits, and promote regional peace and security to achieve its Shared Vision of “sustainable socio-economic development through equitable utilization of, and benefit from, the common Nile Basin water resources”. The NBI operates a regional secretariat in Entebbe, Uganda and two sub-basin (SAPs) offices in Kigali, Rwanda and Addis Ababa, Ethiopia.

NBI is mandated to support countries to identify and prepare investment projects in water resources that have been jointly assessed and agreed. The investment projects are in general regionally coordinated and agreed, but they are owned and implemented by the respective countries. While NBI has facilitated implementation of some regionally agreed investments (interconnection of the regional hydropower grids, multipurpose storage and watershed management); it also has a large pipeline of projects that are ready for implementation or for detailed project preparation. According to a generally held perception amongst countries – the pipeline is not moving fast enough to implementation to deliver tangible benefits. This contributes to the potential mismatch between what member countries expect NBI to deliver and what it actually delivers.

Whilst countries expect NBI to quickly deliver additional funding and investment projects, the substantial investments required in the basin’s development can effectively only be leveraged if the countries include projects in national development plans and funding windows. Hence, Member States are encouraged to anchor their NBI investment agenda in national budgets and mainstream it in the various other regional development agendas that Member States have subscribed to.

It is against this background that Nile-SEC proposed this study to analyse good practices in financing of transboundary investments in other basins around Africa and beyond through country programming. The study will also document the success factors and challenges. Using the information generated and building on the existing NBI procedures, the study will document good practices and prepare a guideline/joint procedure (Member states and NBI) that covers what needs to be done from project identification to preparation, fund mobilization and implementation. This aligns well with the proposed actions under strategy 18 of the NBI resource mobilization action plan; and will complement the work NELSAP is already undertaking that is focusing on exploring how best to support member states to access investment funds through the Public Private Partnership (PPP) and Project Preparation Facilities (PPF).

2 Approach

This report, and the assignment as a whole is based on a combination of intensive desk-top review of documents and in-depth stakeholder consultations. A multitude of applicable documents were reviewed, including relevant NBI Policies and Strategies and Experience Reports, National level documents, as well as international literature, guidelines, toolkits, and the like. This was complemented by consultations with

- Member States government representatives (serving on respective governance structures)
- National government representatives from relevant national ministries, e.g. ministries responsible for water, finance, and planning
- Staff members of the three NBI centres
- Other stakeholders with experience in investment project preparation and programming (e.g. representatives of other RBOs, PIDA, CRIDF etc.)

Some of these stakeholders were interviewed face-to-face during country/ NBI centre visits, while the remainder were consulted online (Skype interviews). A detailed overview of consulted stakeholders is provided in Annex 2.

The findings from the document review and the stakeholder interviews informed the diagnostic analysis presented in this report and the complementary report on international good practice. This diagnostic report documents NBI experience in facilitating identification, preparation, and implementation of regional investment projects and NBI identified projects that have been absorbed in national programming. The report is aimed at providing first-hand, on the ground experience, identifying the main challenges and bottlenecks, as well highlighting approaches and factors that led to success. The report on international experiences provides an overview of relevant international practice that can be of benefit to NBI and its Member States. It highlights factors that are common and generic, and how they have been dealt with in different contexts (and which NBI can adopt in their processes). The report also highlights elements that might be unique to the NBI situation and identifies good practice that NBI has developed and which other organisations can learn and benefit from.

The cumulative findings from these two assessment reports (on NBI experiences and on international experiences and and good practices) were used for an analysis to determine if and where there is room for improvement in the way the NBI operates with regards to investment planning and programming. This translated into a set of recommendations, which are summarised in a brief 'recommendations report' and formed the basis for the Guidelines for transboundary investment planning through country programming.

In summary, the findings of the study are presented in four key documents, namely

- a) this diagnostic report documenting current NBI practice (report 1),

- b) an international good practice report documenting international experiences that could be of use for NBI (report 2),
- c) a recommendations report (report 3), and
- d) a guideline document that provides guidance to NBI and the member countries on the project identification, preparation, and implementation process (report 4).

The draft reports were presented to relevant stakeholders for guidance and validations and benefitted from their valuable comments and contributions.

3 Transboundary investment project preparation stages

This study focuses on regional investment projects, i.e. projects that are either truly transboundary in nature in the sense that they are jointly implemented by two or more Nile basin countries, or national level projects with transboundary benefits and/ or impacts. Typically, the projects discussed in this report therefore involve the NBI (centres), especially NELSAP-CU, as well as national governments throughout the various stages from project selection to operation. The interfaces between NBI structures and national level entities throughout the process are a focus of this report.

In the context of this study, investments are projects for the economic and/ or social development of water resources, as well as for the improved management of water resources. These investments therefore encompass infrastructure projects, as well as various forms of livelihood, catchment management or environmental protection measures. Often, investments are comprised of several or all these components.

Investment projects go through numerous steps from their initial conceptualization to construction and ultimately operation. These steps are commonly structured into stages and the available literature to some degree varies on the number of stages and which steps falls into which stage. The reports produced under this assignment categorize the process into the stages as defined by the Programme for Infrastructure Development in Africa (PIDA). Based on the (creation of the) general enabling environment for infrastructure development (stage zero), the PIDA defines four stages for project development, namely:

Stage 1: Project Definition and Selection

Stage 2: Project Preparation (Feasibility Assessment)

Stage 3: Financial Structuring

Stage 4: Project Implementation (construction and operation)

Several of these stages have several sub-stages (see Annex 3 for full overview), and often the progression from one stage to the next is not strictly linear. There are overlaps in time and content between the different stages, but nevertheless the categorization is useful for conceptual clarity and understanding of the overall progression of project development. The observations in this report are therefore structured into these four stages.

4 NBI approaches, challenges, and experiences

Over the years, the NBI (predominantly through NELSAP-CU) have built up a considerable pipeline of potential projects that are at various stages of development. Some have been successfully implemented, others are in advanced stages of implementation (construction), others again have been prepared but not received funding, and some have not moved beyond initial identification. The reasons for what the NBI countries consider an unfavourable conversion rate from project identification to implementation are manifold and are analysed below. Key challenges, or bottlenecks, are identified and where they exist, solutions that have been found to address these bottlenecks are described.

4.1 Project selection

The first step in getting a project 'off the ground' is selecting the 'right' project, i.e. one that is technically, economically, and environmentally sound, meets bankability criteria, and enjoys political level buy-in and government support. In the context of this study, selecting the right projects is often multi-dimensional process, involving decisions at national and transboundary levels. The following are some of the key challenges observed.

4.1.1 Project screening criteria

What is considered to be the NBI project pipeline is in fact an evolving list of projects that has over time gone through several iterations and refinements. Initially, around 2009, consultants were tasked to develop a list of all possible transboundary projects in the basin. Using identified selection criteria, a long-list of projects was identified and a project ranking developed.

Subsequently, a Multi-Sectoral Investment Opportunity Analysis (MSIOA) was carried out, which modeled a range of development scenarios. Of these Scenario 7 was selected and the projects that formed part of that scenario included in a project portfolio list.

Table 1: NILE MSIOA investment scenarios

No	Label	Components and rationale
N	Natural	Natural situation without man intervention
0	Baseline	Current (2012) development level of each sector.
1	IS	Improved situation (IS), without supplementary storage for abstraction, is based on the Baseline Scenario, but includes the improved situation for potable water supply, hydropower, irrigation, livestock and capture fisheries.
2	IS+stor	Same as Scenario 1 except for the conceptual water storage (stor) that it allows for irrigation demands to be satisfied during low flow periods through intraseasonal storage. The cost of this storage is taken into account in the economic analysis.
3	IS+stor+EF	Same as Scenario 2 except that environmental flows (EF) are now taken into account. These environmental flows are then included in all further scenarios
4	IS+stor+EF	Follows on from Scenario 3 but includes further hydropower (FDH) development,

	+FDH	corresponding to what may be seen as a medium-term future in which considerable hydropower development is required in the region due perhaps to a combination of high demand and the price of alternative energy sources
5	IS+stor+EF +LDI	Like Scenario 4 follows on from Scenario 3, but instead of growth in hydropower, this scenario sees a major but reasonable increase in irrigation (LDI) with growth in hydropower only as in Scenario 3, the improved situation.
6	IS+stor+EF +PI	Follows on from Scenario 5 and aimed at investigating how much of the vast irrigation potential (PI) could in fact be irrigated sustainably and what the impact would be on other sectors, especially hydropower, as well as on the States of the lakes and rivers downstream. The development of hydropower is maintained at the improved situation level.
7	IS+stor+EF +FDH+LDI	Based on the findings of Scenarios 4, 5 and 6, Scenario 7 contains all the significant planned hydropower plants together with the large scale development of irrigation already included in Scenario 5.
8	IS+stor+EF +FDH+PI	Takes the level of development one step further than Scenario 7 looking at the all the significant planned hydropower plants (as in Scenario 7) together with the development of as much potential irrigation as sustainably possible (as was investigated under Scenario 6).
9	IS+stor+EF +CC	Repeats Scenario 3, but includes climate change assumptions. Annex A provides more detail on these scenarios. For more complete explanation

With the portfolio still perceived as being too big, a further reduction from 96-35 projects was recently undertaken. Later again, a further reduced set of projects was identified which together became the Nile Equatorial Lake Investment Programme (NELIP). Presently, a further study is underway that is tasked to identify additional projects for preparation.

In summary, there is not one definitive pipeline of Nile investment projects, instead the total of identified possible projects has been grouped in various configurations over time. Of these, the later configurations such as the NELIP have gone through a much more rigorous screening process than the earlier 'long-list', arguably making them more suitable for financing than other projects on the 'long-list'.

The progressive refinement of the project pipeline is the result of a number of observations made over time, e.g.

- a) that the initial project 'long-list' was driven by the motivation to demonstrate the benefits of cooperation and trust between countries to implement joint project. A result was however that the selection was more supply than demand driven and did not always adequately reflect country priorities, and therefore required a narrower focus, and
- b) screening criteria did not initially live up to the robust requirements of technical feasibility, bankability, and government priorities, leading to several projects in the 'long-list' that are unlikely to ever be prepared for implementation.

This highlights the critical importance of the early application of sound and robust project screening criteria and the following observations deserve a mention in this context.

Both the MSIOA, as well as the preparation of the NELIP, have contributed to the progressive refinement and improvement of regional project screening criteria. The projects included in the initial draft NELIP

were identified using technical criteria for 'regional impact' determined through the application of the NBDSS. This resulted in a prioritization of 21 projects. However, subsequently the Nile countries proposed a different set of screening criteria, including the 'equal distribution of projects across countries'. In essence, this results in political considerations overriding technical screening criteria. While political buy-in into a project, or set of projects is in itself an important factor determining whether or not a project will be successfully implemented, it remains to be seen if the projects selected using the revised criteria stand up to the 'bankability test' of potential financiers.

Another issue related to screening criteria is that some projects that have been successfully screened against the regional screening criteria, have not received the same level of screening vis-à-vis national level project appraisal frameworks. During the stakeholder consultations for this study several national government representatives highlighted that some projects that have been prepared at regional level, do not meet the requirements of national project appraisal frameworks and can thus not be funded with national government funds or as part of the national loan budget. This means that preparation funds were spent on project with little to no chance for uptake at national level. This highlights the need for alignment between regional and national project screening criteria, or at least an early screening of projects against relevant national frameworks.

Finding 1:

The projects identified at regional level have over time undergone an increasingly rigorous screening process, which continues to be refined and improved.

Finding 2:

At time political considerations override technical screening criteria

Finding 3:

There is a degree of disjuncture between regional and national project screening criteria and regionally identified projects are not always screened against national project appraisal criteria.

Finding 4:

The existing 'long-list' still includes projects that are unlikely to pass the test against the refined screening criteria currently in use.

4.1.2 Planning cycles

Countries plan government initiatives and related expenditure in fixed planning cycles, typically comprising 5 years at the macro-level, which subsequently get translated into annual implementation plan (at ministry level). The 5-year plans form the basis for budget and expenditure planning, including a country's loan portfolio. Several of the consulted stakeholders emphasized that it is critical that transboundary projects, especially expensive large-scale projects, are included in these plans and accounted for in mid- to long-term expenditure forecasts. Failing to align with national planning cycles

and including projects in a 5-year plan from the start commonly means that a project cannot be financed from national government in that planning/ funding cycle since it is close to impossible to include sizeable projects once the 5-year plan has been adopted and is being rolled out.

Since transboundary projects need to be aligned with two or more countries' planning cycles this poses a challenge (usually in the form of substantial delays), especially when the respective countries' planning cycles differ from each other.

Finding 5:

The selection (and subsequent preparation) of transboundary projects needs to be closely aligned with national planning cycles.

4.1.3 National level project prioritization

More often than not potential projects fall into the mandate of more than one technical line ministry, e.g. ministries responsible for water, agriculture, energy, and others. Virtually all projects of some size require the involvement of ministries responsible for planning and/ or finance. The determination of which projects are country priorities therefore requires inter-sectoral coordination and joint decision making.

In practice this has led to the challenge that there is not always full clarity if a project that is being prepared is truly a country priority in the sense that the national government is willing to include the project in its budget. There have been cases where projects were presented to NBI as country priorities, included in regional project pipeline, and even preparatory work done, only for the national ministry of finance eventually rejecting the funding (from the national budget) for the implementation of the project.

This brings the question as to how national level prioritization is derived at and how this communicated to the respective NBI centres. The following challenges occur in this regard:

- a) There are competing interests at the national level for limited financial resources. As a result, a clear prioritization of investment projects across the different sectors and commensurate financial resource allocation is required. A concern frequently pointed out during the consultations for this assignment is that national level decision-making regarding projects is inadequately coordinated. Projects are at times communicated to NBI centres as national priorities whereas in reality they are merely the priority of a particular line ministry, with other line ministries not viewing it as a priority, or in some cases even being opposed to it.

There are structures in place in the Nile countries for joint planning and coordination between ministries, but a 2019 review facilitated by NELSAP-CU of the Sector-Wide Approach to Planning (SWAP) structures in the Member States revealed that many of them are de-facto inoperable, barely functioning, or at least ineffective. With respect to the prioritization and selection of transboundary investment projects it is inevitable that inter-sectoral coordination at national

level needs to be significantly improved, including the involvement of all relevant ministries (incl. planning, and finance) from an early stage and then throughout the entire process until completion of implementation. A reason commonly cited for what is acknowledged to be insufficient coordination is the lack of funds for meetings etc. However, with coordination required at national level and among national government officers it appears more likely that inefficient mechanism and the lack of clear organizational and individual responsibilities (coordination champions) is at the core of the problem.

- b) The insufficient coordination at national level described in the preceding paragraph has direct ramification for decision-making at regional level about whether to source and spend money on the preparatory work for a project. The communication to NBI centres of what constitutes a country priority (in terms of investment project selection) does not always follow clear standards and has led to confusion and misperceptions. While it is clear that the respective ministries of water are the NBI focal points and as such communicates national level decisions to the NBI, there needs to be clear agreement as to which national government structure is mandated to formalize what projects are country priorities. Experience shows that there is little continuity among national government delegates in the attendance of meetings with regional structures, leading to inconsistency in what is being communicated. With respect to the allocation of financial resources the last word is with the ministry of finance, and when the NBI focal point ministry communicates decisions in this regard, these decisions should be backed up with official endorsements from the finance ministry.
- c) The content of written 'financial' commitments' also needs to be paid close attention to. Projects have been prepared at regional level based on national finance ministries' letters of 'no objection' to NELSAP-CU securing funding for preparatory work. This was interpreted as a commitment to funding the project once the preparatory work is completed and the project handed over to the national government for implementation. However, granting a 'no objection' to NELSAP-CU securing external funding for preparatory work by no means entails any commitment or guarantee from that government to provide financial resources from its own budget for the implementation of that project. For investment projects that require a contribution from the national budget it is clear that only a written confirmation from a senior official (if not Minister) at the ministry responsible for finance to commit national budget funds to the project can be considered a financial commitment.

This inter-related set of challenges for project prioritization, selection, and making commitments to fund a project is well recognized at both national and regional level. At national level efforts to improve inter-sectoral planning and coordination are being made, but arguably need further strengthening.

Finding 6:

Inter-sectoral coordination about project prioritization and selection is insufficient in most Nile countries.

Finding 7:

It is not always clear who at national level has the authority to express a government's 'financial commitment' for a project.

Finding 8:

The minimum content requirements for national governments expressing 'financial commitment' for project implementation are unclear with risk of projects being prepared at regional level but not implemented at national level.

4.1.4 Project selection process management

The issue of inter-sectoral coordination at national level relates closely to the broader theme of managing the project identification and selection process. The selection of transboundary projects, and even more so the process to getting national level funding approval, is an often long and complex process in an environment where several sectors compete for limited financial resources. The following observations are important in this regard:

- a) Stakeholders noted that there is often an emphasis on the technical aspects of a project and too little effort spend on raising awareness with relevant government role-players about a project through ongoing marketing of and lobbying for the project. National governments have limited financial resources at their disposal and for a project to receive the nods from the ministry of finance requires their engagement from an early stage. Observations are that often the ministry of finance is brought on board very late in the process, thereby reducing the chances of a project to get included in the budget since the ministry (of finance) has already prioritized other projects (e.g. roads, education, health etc.).
- b) When raising awareness and lobbying for a project at national level, the proponents of the project need to make it very clear how the project relates to broader national development objectives as expressed in the national development plan and/ or sector plans of one, or ideally, more ministries. The more a project is strategically tied to national development objectives the likelier it is that it will be included as a funding priority in the national budget. Although this is a key requirement, stakeholders pointed out that this link is at times missing and that water projects are not marketed and lobbied for in the best strategic manner.
- c) Project that include hard infrastructure components are often easier to motivate for since the project results are very tangible and physically visible. The benefits of livelihood projects are

often harder to demonstrate, making these projects harder to promote. Points a) and b) above are therefore even more relevant for livelihoods projects.

- d) A project's chances for receiving funding approval at national level are significantly improved if the project can access additional, regional level funding windows. A project concept note that from the beginning highlights the full range of potential funding windows (including regional ones) that the project can access is therefore more likely to be prioritized at national level.

Finding 9:

Early and ongoing awareness raising of and lobbying for projects with national governments, especially the ministry of finance, is crucial to receive national level funding.

Finding 10:

The likelihood of a project being prioritized increases significantly if it is clearly shown early on how it contributes to achieving national development objectives

Finding 11:

The awareness-raising and lobbying for livelihood projects is more challenging since the results are less immediately tangible than those of infrastructure projects.

Finding 12:

A project is more likely to receive national level funding approval if it can access additional, regional funding windows.

4.2 Project preparation

Once a project has been selected, the necessary preparatory studies (e.g. feasibility studies and engineering designs) need to be carried out. The preparatory work determines the exact location, scope and nature of the project and is therefore an important stepping-stone towards project implementation.

4.2.1 Scope of preparatory studies

There are many guidelines and standards for the scope and requirements of feasibility and other preparatory studies. In practice the challenge lies in how these guidelines are interpreted, especially the emphasis placed on different elements of the analysis.

A challenge that several stakeholders at national and regional level have pointed out is that at times the feasibility studies focus on technical, economic, and financial aspects of the project. At the same time, the institutional aspects, important for project implementation and subsequent operation, are sometimes insufficiently assessed. The result is that once project implementation starts there are delays because the institutional arrangements for project oversight are not adequately designed and

appropriate structures established. Likewise, it was noted that social aspects are not always adequately addressed in the studies, for example related to engaging with local communities in the project area. The result is often that implementation is significantly delayed, and additional costs are incurred, especially with regards to construction projects where elements of compensation etc. come into play.

Furthermore, especially in countries with challenging political and social environments it needs to be ensured that the broader political and economic landscape in which a project is set is adequately taken into consideration during the study. This might include a more macro-level political economy analysis that looks at issues broader than a mere project specific assessment, as the following case example illustrates.

Case example 1: Limur/ Nyimur stakeholder consultations

An Environmental and Social impact study was conducted for the Limu/ Nyimur Multipurpose Water Resources Project and during the course of the studies local stakeholders were consulted. However, a subsequent meeting between NELSAP-CU officials and high-ranking South Sudan government officials it was noted that the people originally residing in the project area have been displaced and thus the right people were not consulted. Moreover, the predominantly farming communities in the project area had been displaced by pastoralists who are neither the local people from the area nor the landowners. It was therefore decided that the project should wait for the displaced persons to return so that the actual project affected persons are consulted. The political situation also has potential effects for the project design because the multipurpose use for the project should consider water for irrigation and not for animals, since the people owning the land in the project areas are pre-dominantly farmers,

Finding 13:

Institutional, social and political aspects of project implementation and subsequent operation are not always adequately assessed in the feasibility studies conducted.

4.2.2 Quality of preparatory studies

Another aspect that stakeholders have mentioned is that have been examples, albeit only few, where the feasibility studies carried out under the auspices of the NBI (NELSAP-CU) and then handed over to the national governments did not meet the quality standards expected from the international financing institutions approached to fund the project. It should be cautioned in this regard, however, that there are cases where there is a significant delay between the completion of the feasibility studies and the project's uptake for implementation at national level. In these cases, the issue is rather a concern of the studies requiring an update than them not meeting quality standards altogether. The assurance of quality control for preparatory studies is discussed separately in the following section.

Finding 14:

There have been isolated incidences where preparatory studies did not meet the quality requirements expected by the international finance institutions.

4.2.3 Study oversight and management

The predominant model for preparatory studies carried out under the auspices of the NBI was to appoint a team of international consultants to carry out the work, overseen by the NBI centre (commonly NELSAP-CU). A weakness identified by both national and regional stakeholders is that previously often the national governments were not adequately involved in i) the selection of the consultants, ii) the oversight of the consultants, and iii) the quality control of the work. The result is that there is little involvement of national government throughout the preparatory phase, effectively resulting in a 'break' in national government involvement between selecting the project for preparation and receiving the results of the completed feasibility studies. As a consequence, there is a risk that national government 'lost sight' of the project and it does not feature highly on the priority list when actual financing decisions are to be made. Likewise, potential project design changes resulting from changing priorities at national level might not be taken into account due to the disconnect between the consultants and national governments.

The need for countries to take on a stronger role in overseeing and guiding the preparatory work for projects is well recognized by the NBI and the Nile countries and has been addressed in the context of more recent studies. This follows a realization that the uptake and implementation of projects at national level is enhanced if there is an ongoing joint involvement and coordination by national and regional actors. Very regular meetings of government officials of participating countries were identified as being essential to provide adequate oversight. The Angololo case example below provides an illustrative example of how the identified weakness has been addressed in practice.

Finding 15:

The lack of involvement of national governments in the oversight and management of preparatory studies has been identified as a weakness, but the issue has been addressed for more recent preparatory studies.

Case example 2: Angololo RPSC

The grant agreement between the NEPAD IPPF and NELSAP-CU for the preparation of the Angololo Water Resources Development project (between Kenya and Uganda) includes a clause (3.03) that requires the establishment of a Regional Project Steering Committee (RPSC). The RPSC is to comprise high-ranking (Principal or Permanent Secretary) officials from the participating countries (Kenya, Uganda), respectively from the ministries responsible for water, irrigation, agriculture and finance. It shall meet twice a year and is tasked to provide (feasibility study) project oversight and coordination of implementation, incl. approval of work plans, facilitating agreements, ensuring counterpart support to the project, providing a link to the relevant national institutions and facilitating the prioritization of the project in national development plans. Clause 3.04 requires the

The creation of the RPSC responds directly to a number of the challenges highlighted in this report in that it aims at a) ensuring ongoing national government involvement, b) improving inter-sectoral coordination at national level, as well as c) build-in project awareness raising and national level prioritization, and d) early involvement of the respective ministries of finance.

4.2.4 Study management capacity

Effective oversight over preparatory studies requires an adequate level of technical and managerial (process management) capacity. With the increased involvement of national governments in study oversight this capacity is not only required at regional, but also at national level. Clause 3.04 of the Angololo agreement for example requires the establishment of an inter-sectoral peer review mechanism comprising staff from the participating countries' relevant ministries. The peer reviewers are required to have the 'expertise, qualification, and experience' acceptable to the financing institution.

Some observations made in this regard are:

- a) While technical skills (such as engineering skills) and capacity seems to be more available, there is a perception that the so-called 'soft skills' such as process management, dispute prevention and conflict resolutions, communication etc. are at times lacking, leading to complications during the execution of the feasibility studies such as delays, inadequate communication and insufficient management oversight and quality control.
- b) At present the capacity for the management and oversight of preparatory studies is largely concentrated at regional level (NELSAP-CU; ENTRO) with limited capacity at national level. With the national government engagement in these processes increasing there is likely a welcome side-effect of skills transfers from the regional centres to national governments through 'learning by doing'. However, more targeted efforts for skills transfer and capacity building may need to be made.

- c) There is a perception that the outsourcing of project preparation work to international consultants fails to empower local capacity in that it is not sufficiently allowing local professionals and/or consultants to be engaged and thus misses an opportunity to build local capacity.

Finding 16:

While technical skills seem to be adequate, the shortage of 'soft skills' poses challenges for the effective execution, management, and oversight of preparatory studies.

Finding 17:

Skills for the management of preparatory studies are at present largely concentrated at the regional level and in short supply in most national governments.

Finding 18:

There is a perception that the heavy reliance on international consultants for the carrying out of preparatory studies impedes the building of adequate capacity at regional, and even more so, national level.

4.2.5 Funding for preparatory studies

A key concern in terms of project preparation is the almost full reliance on external (i.e. non-national budget) sources for the funding of preparatory studies. There is generally an absence of dedicated budget lines in the relevant ministries budgets to sponsor studies and project preparation. This requires at times lengthy process to secure funding for project preparation studies in an environment of limited resources available for such studies. The consequence are frequent delays in carrying out the preparatory works and very long overall time periods that pass between project identification/ selection and the start of preparatory work. These delays in turn increase the risks of projects no longer being prioritized in national budget (or loan portfolio) allocations. At the same time there is a risk that once external funding has been secured and project preparation work has been carried out, there is no financial commitment from national governments for the actual implementation of the project (see also section 4.1.3).

This issue is one of the main strategic risks that is meant to be addressed through the PAU model recently developed for NELSAP-CU.

Finding 19:

The absence of dedicated budgets in national ministries for project preparation studies delays projects and increases the risk of projects not materializing.

Case example 3: NELSAP Project Preparation Facility

Preparing projects at regional level with the preparatory studies funded by external financial partners, and then not having these project taken up at national level (i.e. no national funds allocated for project implementation) is a serious concern in that significant amounts of time, effort and money are spend on projects that end up in a cul-de-sac and do not move towards implementation. A recently designed concept for a new NELSAP Project Preparation Facility is geared towards addressing this issue. It is proposed that a new Project Preparation Facility is established under the auspices of NELSAP with a capitalization of 40m USD from financial partners (35m) and co-funding from NELSAP countries (5m).

The facility would be managed by NELSAP-CU and provide funding for project preparation studies and what is called 'initial implementation' (comprising project financial & legal structuring). The concept foresees that the facility is (at least partially) conceptualized as revolving fund. This means that the funds drawn from the facility for preparatory work are recouped from the project funding when the project goes into implementation. In other words, the funding for the preparatory facility is effectively advanced to the country/ countries for whom the project is being prepared but needs to be included as a project cost in the total cost calculation for the implementation of the project.

Importantly, before countries can draw the preparatory funds from the facility, they need to commit in a legally binding form that they will implement the project (subject to the project being found feasible). This concept removes two of the main barriers described in this report, namely:

1. There is a designated regional pool of funding for preparatory studies available to the NELSAP countries, despite most countries not maintaining designated budget lines for preparatory work.
2. Countries need to prioritize and legally commit to funding a project **before** using the regional preparation funds. This addresses the issue (described in section 4.1.3) of countries agreeing to the use of regional funds without making any commitment about going-ahead with the project and including it in their national budget/ loan portfolio.

4.3 Project financial structuring

The financial structuring, also called transactional support, for a project involves defining the appropriate commercial and technical structure for the project to attract finance in general and for attracting the right mix of finance through the development of tailored financing options. This is an area where the specific experience in preparing and structuring transboundary projects adds considerable value to what national governments could achieve on their own. The NBI (predominantly through NELSAP-CU) maintains relations with several major lending agencies and project preparation funds. Further, the preparation of transboundary projects can unlock funding windows for regional funds for which national projects are not eligible. In financially structuring projects, some important observations have been made in the Nile context.

4.3.1. Assessment of funding criteria

To attract funding, projects need to attract potential financiers' funding criteria. For loan funded projects (whether financed by private sector commercial lenders or international development banks) the commercial viability of projects is a key factor (in addition to other economic, social, and environmental criteria). Likewise, grant funded projects, or project components, need to meet the eligibility criteria for the specific grant facility the project wants are meant to be drawn from. These could be specific developmental, social or environmental criteria, or grants specifically designed for least developing countries, or for 'fragile states'.

It is therefore important when financially structuring a project that the 'right' financial partner (or partners) is found, to whose funding criteria the project is then tailored. In other words, a careful analysis of the nature of the project and its alignment (or the lack of it) with numerous potential financiers' funding policies needs to be carried out to find the 'right' financier.

Finding 20:

It is crucial to identify the 'right' financing partners for a project since funding criteria between differ considerably between potential financiers.

The following case example is illustrative of how different funding priorities can determine the suitability a project for different potential financiers, and vice versa.

Case example 4: Limur/ Nyimur project finance

NELSAP-CU consulted with the World Bank and the African Development regarding the possibility of financing the Limur/ Nyimur Multipurpose Water Resources Project. Initially the WB expressed a potential interest in funding the Uganda component of the project, and the AfDB expressed the same for the South Sudan portion of the project. Subsequently the WB eventually withdrew from the project because the commercial viability (internal rate of return) was not adequate to meet WB (loan) funding requirements. The AfDB at the same time remains interested in funding the project from designated grant funds available for states in transition, with the aim of increasing political stability and socio-economic development in fragile states. In essence, the financiers' funding criteria, or the respective facility the funds are made available from, can vastly differ, making the same project attractive to some financiers, and unattractive to others.

4.3.2 Engagement with financial partners

Finding the right financial partner requires that project proponents have a good understanding of the current 'funding landscape', i.e. are familiar with the funding criteria of a wide range of potential project financiers. Furthermore, regular an ongoing engagement with potential financiers is important, especially since commonly a considerable time period passes between first project conceptualization and financial structuring. Throughout this time frame many factors affecting finance could change, e.g. the political environment in one or more project countries, or the financing criteria of financiers, or

simply their financing preferences. All these, and many other factors could affect the availability of finance for a particular project both positively and negatively. Ongoing engagement is therefore necessary to be able to adapt where necessary and financially structure a project in the manner that ensures it can be financed.

Ongoing engagement with financiers is also a key factor to build understanding and trust between them and project proponents (be they regional or national actors), understand each other's objectives, requirements and challenges and thus create an environment of cooperative action. The NBI, especially NELSAP-CU, has organized donor conferences (round tables) and beyond that maintains regular communication and engagement with potential financial partners.

Finding 21:

Regular engagement with potential financial partners and ongoing monitoring of the 'funding landscape' is critical to maximize the potential to receive project funding.

4.3.3 Project size

An important factor for attracting project finance is 'packaging' the project in a manner that aligns with the respective funding interests of financiers. It is common that different elements of a project are funded by different financiers (e.g. IFIs and private sector lenders) and using different financing tools (e.g. loans, concessional loans, grants).

Another important element is preparing projects to the 'right size'. This often means to 'go bigger' to make a project worthwhile for a major lending/ funding agency. Especially livelihood projects with no or little hard infrastructure construction are often too small to even reach the minimum thresholds of financing agencies. Therefore, to give some examples, bundling several small-scale irrigation projects into a larger programme to be funded as one, or developing a water and sanitation project for two or three instead of one small town, is at times more likely to attract funding than approaching financiers with each small project individually.

In the Nile basin this is well recognized by NELSAP-CU and lately there is an approach to package projects into consolidated investment programmes with the aim to promote and get them financed as a whole. The recently prepared NELIP is a case in point. Another example is the recently concluded Lake Edward and Albert Integrated Basin Management and Investment Plan, which contains several sub-programmes on a thematic basis. However, even at sub-programme level the financial volume required is so big that to attract financing a further breaking down of themes into smaller investment programmes might be required.

Finding 22:

Packaging projects to the 'right' scale is important to attract funding, especially for livelihood projects.

Finding 23:

Promoting several projects to be funded as one investment programme is increasingly being attempted in the Nile basin.

4.4 Project implementation

The project implementation phase involves the tendering for goods and works, construction (where infrastructure is involved) or other implementation measures, as well as the oversight and management of these activities. Stakeholders have pointed out a number of challenges in this regard.

4.4.1 Preparation gaps

Oversights and gaps during the project preparation stage can have significant ripple effects during project implementation. The insufficient consideration of legal, institutional, and social issues especially (see also section 4.2.1) has resulted in problems during project implementation.

Case example 5: Rusumo Falls Hydropower project

The Rusumo Falls Hydropower project is constructed on a site in Rwanda, immediately adjacent to the border with Tanzania. Many of the construction materials are brought in from Tanzania. During implementation it became evident that under Tanzanian law sand is designated as a mineral for which a mineral export license needs to be obtained. This had not been considered in the preparatory studies, leading to delays during construction until the necessary licenses were in place.

This showcases how the different phases of project development are inter-related and that during the preparatory phase as much consideration needs to be given to legal, institutional, and social issues as it is for engineering and other technical issues.

Finding 24:

Implementation of projects is being delayed if institutional, legal, and social aspects are not sufficiently addressed during the project preparation stage.

4.4.2 Merit-based employment

Project implementation requires complex technical and managerial skills and failure to have adequately qualified personnel running the operations is important to reduce delays, ensure quality of work and efficient operations. In this regard stakeholders have pointed out employed on major projects (e.g.

Rusumo Falls) has not always been guided by merit only, and that there was political pressure from participating governments to ensure country quotas are met when hiring. This has resulted in inadequately qualified personnel being employed, causing major challenges in the form of delays, additional costs, and disagreement. It is evident that these effects are not in the interest of the project proponents and the additional costs incurred therefrom far outweigh any perceived benefits from country quotas.

Finding 25:

Merit-based employment only is important to ensure that project implementation is not hampered by inadequate skills.

4.4.3 NBI role

The role of NBI centres during project implementation needs clarification. The current mandate of the NBI ends after project preparation and/ or financial structuring when the project is handed over to national governments for implementation. At the same time there is consensus among stakeholders that the NBI centres should not simply stop tracking the project once it is handed over. This makes sense given the inter-related nature of the four phases and the fact that much of the project development capacity in the region is currently concentrated within the NBI. Some countries would in fact prefer that NBI is also tasked with implementation at national level. Other countries do not perceive this option as feasible and it is also viewed with skepticism among most financiers.

It is therefore necessary to clearly define the roles of the NBI versus the roles of national governments during project implementation, both in general as well as on an individual project basis. If implementation is overseen by national government(s) the institutional mechanisms for project oversight and management should make adequate provision for the capacity and institutional memory of the NBI to be at the disposal of the national government (implementing agencies).

Finding 26:

The role of the NBI during project implementation needs to be clearly defined and mechanisms established that ensure the capacity and institutional memory of the NBI benefits project implementation.

5 Crosscutting issues

The aspects discussed in the following sections are cross-cutting and apply, to a smaller or larger extent, to all four phases of project development. Some of them have already been pointed at in the phase-specific section above. They nevertheless need highlighting given their importance and to illustrate that

they are ongoing efforts that ought to be maintained from the development of the first project concept note to completion of project implementation.

5.1 Project promotion & communication

Ongoing project promotion and communication ought to be an integral part of successfully planning, preparing, financially structuring and implementing projects. This involves engagement with a wide range of stakeholders such as government ministries, regional bodies, financiers, communities in the project area and others. A clear and robust communication policy and strategy targeting these diverse categories of stakeholders is therefore essential. Overall, projects that are promoted strongly from the start are more likely to attract the necessary finance. Clear communication during all stages also helps in minimizing project risks and obstacles. This starts with clear communication during the prioritization/project selection process (see related issue of coordination in section 5.2 below) to ascertain country priorities and get project anchored in national planning and budgeting frameworks. It continues during the project preparation stage where clear communication between study consultants and government steering structures on the one hand, and between consultants and stakeholders in the project areas improves the quality of studies, reduces the time period on which studies are conducted, and contributes to more buy-in from local and government stakeholders alike. Prior to and during the financial structuring project promotion and communication with potential financiers is essential to attract the necessary finance and financially structure the project in the best possible way. Last but not least, clear communication about project implementation activities with local communities and other relevant stakeholder will provide clarity on expectations (of the different role-players) and contributes to reducing potential friction and delays.

Finding 27:

Ongoing project promotion and a clear communication strategy from the start increase the chances of realizing projects and contribute to reducing obstacles in all phases of project development.

5.2 Coordination

Like communication, the coordination between the various relevant actors throughout the different phases of project development is crucial. This applies from the early days of project conceptualization since it is then when different national government ministries need to reach consensus on national priority projects and include them in their national development plan, sector-ministry plans and, eventually, national budgets. While inter-sectoral coordination at national level does take place, it is often not sufficient and has led to many challenges, such as i) projects being prepared and subsequently not implemented as there was no consensus at national level of them being priority projects, ii) projects preparation being delayed due to disagreements between national ministries or due to unclear responsibilities and the absence of clear project oversight and coordination structures.

Coordination is even more complex for transboundary projects given the added layers of actors, i.e. national governments of at least two countries, regional actors such as NELSAP-CU and others. There are

encouraging efforts to improve coordination mechanisms at the transboundary level (see Angololo RPSC case example), but especially at national level there is need for improved inter-sectoral coordination.

While the above paragraphs all dealt with coordination for a project, it is also important to bear in mind the coordination between projects. With that is meant the prioritization and sequencing from a regional pool of projects for preparation. As previously mentioned in this report there is a large pipeline of regional projects – with different degrees of likelihood of implementation – available at regional level. Given an environment of limited availability of financial resources and human capacity it is evident that some selection and prioritization needs to take place as to which potential projects from the different regional pipelines (i.e. long-list, NELIP, etc.) should be prepared. The development of the NELIP is a clear attempt at undertaking such prioritization. A jointly agreed basin plan with mutually agreed priority projects would arguably strengthen these efforts further in that it would provide unambiguous guidance to the regional centres as to what regional priorities are and could contribute to speeding up the update and delivery of the (then re-defined) regional project pipeline.

Finding 28:

Inadequate coordination remains a major challenge for effective project development, especially inter-sectoral coordination at national level.

Finding 29:

Coordination and clear priority setting for projects at both national and regional levels is crucial for speeding up pipeline delivery.

5.3 Capacity

Throughout the four phases of the project development cycle, a considerable degree of capacity is required, including technical skills in numerous fields (e.g. engineering, hydrology, agriculture and many more), legal and financial management skills, as well as communication and project management skills. Observations from the stakeholder consultations are that currently technical skills are more available than managerial skills, especially at country level.

Specific skills with respect to project development are largely concentrated at regional level in the NBI centres and there are efforts on the way to strengthen these further through the envisaged establishment of a Project Advisory Unit within NELSAP-CU.

Efforts to strengthen regional level capacity are no doubt likely to contribute to increased pipeline delivery, but this needs to be mirrored by adequate capacity at the national level. It is important that regional actors such as NELSAP-CU and ENTRO continue to assist (and arguably increase) the strengthening of institutional and human resource capacity in the Nile countries. Only if national counterpart capacity is adequate will the regional capacity be used in the most effective way. It is therefore crucial for the NBI countries to ensure that national government capacity, especially institutional capacity related to coordination and communication is strengthened and progressively build up.

5.4 Visibility and value addition of regional actors

The very reason for this study being conducted is the underlying perception that the implementation of the regional project pipeline is not moving fast enough, creating a mismatch between what member countries expect NBI to deliver and what it (the NBI) actually delivers. At the same time there is a sentiment among NBI centre staff that their important role in getting projects prepared and in securing project finance is not adequately acknowledged. There is a feeling that after projects have been prepared and get handed over for implementation to national governments 'the contribution of the regional centre is lost'. Meanwhile various national level stakeholders voiced a concern that once a project is handed over to the national level, the regional centre stops 'tracking progress'.

Finding 30:

Project development capacity is currently largely concentrated at regional level and there are efforts to strengthen these further.

Finding 31:

It is important that national level project development capacity is strengthened to make more effective use of available regional capacity.

In terms of mandate it is clear that the NBI centres do not have per se have the authority to implement projects in-country. The primary task of the regional centres is to prepare projects and assist in securing financing, and this is what their performance ought to be judged against. Project implementation in-country is the responsibility of the national government, or in case of multi-country projects, two or more governments. The reality is that the responsibilities are not as clear cut as this sounds. The four project development phases have overlaps, and so have the roles of national and regional actors, respectively. It is key that there is a clear and realistic understanding of what each actor can and has to contribute to joint success.

For the NBI this might need more concerted efforts to demonstrate the success of their work. For example, when projects get handed over to national governments for implementation the role of the NBI in preparing the project and securing finance ought to be adequately acknowledged in the reports to showcase to national governments the value that the NBI has added in the process. Likewise, clearer reporting on annual progress on a defined project pipeline would increase awareness of the contributions to regional project development made by the NBI. Needless to say that this implies that one jointly defined regional project pipeline exists, as opposed to the current pipeline that has various long and short configurations, as described earlier in this report. Furthermore, akin to the existing report on regional benefits delivered by the NBI, such reports could be produced on an annual basis – ideally in the form of an annual 'State of Investment Pipeline report' – as well as specifically for each country. The

Finding 32:

Successful delivery of the investment regional investment pipeline requires joint efforts and contributions from NBI centres and national governments alike.

Finding 33:

The value-addition provided by the NBI is not sufficiently documented and communicated to national governments.

country specific reports should also clearly state how the work at regional level contributes to the respective national development plan and ministerial plan objectives and targets.

5.5 Political environment

Perhaps soberingly there remains an element of risk and uncertainty in project development that cannot be fully controlled. Various aspects of the political and economic landscape provide challenges for project development, materializing for example in political upheaval (open conflict, government instability) or simply changing political priorities (newly elected government with different development priorities). Changing political and economic priorities can also affect the preferences of financiers, making projects that seemed to be attractive for financiers losing their interest.

While these risks are not fully controllable, they can be mitigated against. The risks increase with the time span a project takes from conceptualization and selection for actual financial structuring and

Finding 34:

There are macro-level political risks for project development that cannot be fully controlled, but these can be mitigated against by accelerating project development.

implementation. Accelerating project development is therefore a major factor in mitigating against such macro-level risks. Reducing delivery time spans in turn is aided by clear regional priority setting for projects (i.e. jointly agreed basin- and/ or investment plans), effective coordination at national and between national and regional level, clear procedures for project selection (based on robust screening criteria) and making financial commitments (e.g. as foreseen by the proposed NELSAP PPF), and strong project promotion and marketing with the 'right' financial partners.

6 Conclusion

The delivery of the investment project pipeline(s) for the Nile region takes place in a landscape of limited financial resources and suboptimal human and institutional capacity. This requires making optimal use of the capacity that is available and put the necessary structures and mechanisms in place for accelerated and smoother implementation of pipeline projects. Whereas the NBI is mandated to provide support to identifying, selecting, and preparing suitable projects for implementation, it is clear that accelerated pipeline delivery depends as much on national governments as it does on the NBI. Countries need to create an enabling environment for NBI activities to bear fruit. Past experiences show that in many cases this requires improved coordination between national line ministries, between different national governments, as well as between national governments and regional actors (NBI centres). Several improvements in this regard have already been put into place or have been conceptualized and will be put in place in the near future. It is noteworthy that most of these improvements are geared at addressing identified weaknesses at regional level, or in the coordination between countries. It is critical that these efforts are matched with improvements at national level.

Annex 1: List of consulted documents

1. Acholi Community Greater Magwi County Torit State – The Republic of South Sudan/ Position Paper on the Limur/Nyimur Multipurpose Water Project
2. Aide-Memoire of the Consultative Meeting of Key Stakeholders – Limur/ Nyimur Multipurpose Water Resources Project
3. African Water Facility Evaluation Synthesis Report (Draft)
4. CRIDF: Concept Note Guide: Useful Steps & Tools for Livelihood Portfolios & Projects
5. Global Infrastructure Hub - Leading Practices in Governmental Processes Facilitating Infrastructure Project Preparation
6. ICA – Effective Project Preparation for Africa’s Infrastructure Development (2014)
7. Lake Edward and Albert Integrated Basin Management and Investment Plan
8. Letter of Agreement between NEPAD-IPPF & NBI/ NELSAP-CU on the Preparation of the Angololo Water Resources Development Project
9. NBI – Building on Shared Benefits – Transforming Lives in the Nile Basin
10. NBI Financing Strategy
11. NBI Resource Mobilization Action Plan
12. NBI Strategy 2017-2027
13. NBI Basin-wide Program (2017 – 2022)
14. NBI/ NELSAP-CU Project Advisory Unit and Project Preparation Fund – Concept Paper
15. NEL MSIOA – Indicative Investment Strategy and Action Plan
16. NELIP Projects Strategic Analysis
17. NELIP – agreed project screening criteria
18. PIDA PAP Progress Monitoring Indicator Protocol
19. PIDA Progress Report 2019
20. The PIDA Quality Label: a vehicle of the Service Delivery Mechanism to enhance project preparation

Annex 2: List of consulted stakeholders

Name	Organisation	Position	Contact details	Method of consultation	Date consulted
NBI centres					
Dr. Abdulkarim Seid	NBI (Nile-SEC)	Deputy Executive Director	aseid@nilebasin.org	Meeting	continuous
Tom Waako	NBI (Nile-SEC)	Programme Officer	twako@nilebasin.org	Meeting	continuous
Dr. Maro Andy Tola	NBI (NELSAP-CU)	Programme Officer – Water Resources Management and Development	matola@nilebasin.org	Meeting	5-Mar
Polycarp Onyango	NBI (NELSAP-CU)	Communications Officer	ponyango@nilebasin.org	Meeting	5-Mar
Eng. Sammy Osman	NBI (NELSAP-CU)	Water Resources Engineer	sosman@nilebasin.org	Meeting	5-Mar
Alphonse Kizihira	NBI (NELSAP-CU)	Finance and Administration Manager	akizihira@nilebasin.org	Meeting	5-Mar
Daniel Chonza	NBI (NELSAP-CU)	Senior Economist M and E Specialist	edchonza@nilebasin.org	Meeting	5-Mar
Teshome Atnafie	NBI (ENTRO)	Senior Regional Project Coordinator	tatnafie@nilebasin.org ; teshomeatnafie@gmail.com	Meeting	12-Mar
Awoke Kassa	NBI (ENTRO)	M&E Officer		Meeting	12-Mar
Member States Governments					
Dr Florence Grace Adongo	Ministry of Water & Environment (Uganda)	Director - Water Resources Management; TAC Member	florence.adongo@mwe.go.ug	Meeting	2-Mar
Sowed Sewagudde	Ministry of Water & Environment (Uganda)	Principal Water Officer		Meeting	2-Mar
Wycliff Tumwebaze	Ministry of Water & Environment (Uganda)	Principal Water Officer & National NBI Desk Officer		Meeting	2-Mar
Eng. Disan Ssozi	Ministry of Water and Environment (Uganda)	Commissioner - Water and Environment Liaison		Meeting	2-Mar
Dr. Tom Okurut	National Environment Management Authority (Uganda)			Meeting	2-Mar
Eng. Gilbert Kimanzi	Ministry of Water and Environment (Uganda)	Commissioner - Water for Production	gilbert.kimanzi@mwe.go.ug ; gjkimanzi@gmail.com	Meeting	3-Mar

Jackson Twinomujuni	Ministry of Water and Environment (Uganda)	Commissioner - International and Transboundary Water Affairs	jackson.twinomujuni@mwe.go.ug ; jk.twinomujuni@gmail.com	Meeting	3-Mar
Eng. Edward Baleke Ssekulima	Ministry of Energy and Mineral Development (Uganda)	Principal Energy Officer - Energy Supply	ebaleke@energy.go.ug ; balekessekulima@gmail.com	Meeting	3-Mar
Ashaba Hannington	Ministry of Finance, Planning & Economic Development (Uganda)	Commissioner	hannington.ashaba@finance.go.ug ; ashabakh@yahoo.co.uk	Meeting	3-Mar
Sylvester Timbissimirwa	Ministry of Finance, Planning & Economic Development (Uganda)	Water Focal Point		Meeting	3-Mar
Jacqueline Nyirakamana	Ministry of Environment (Rwanda)	Transboundary Water Resources Cooperation Specialist	jnyirakamana@environment.gov.rw ; nyirjacqueline@yahoo.fr	Meeting	6-Mar
Francois Xavier Tetero	Ministry of Environment (Rwanda)	Head of Water Department & Nile TAC Member		Phone call	6-Mar
Marc Manyifika	Ministry of Environment (Rwanda)	Director General of Land, Water and Forestry, Directorate General		Meeting	6-Mar
Francis Wajo	Ministry of Water Resources and Irrigation (South Sudan)	Director for Policy, Sector Coordination and Regulation	franciswajo@yahoo.com	Phone call	6-May
Other Stakeholders					
Andrew Takawira	GWP & CRIDF		andrew.takawira@gwp.org	Skype call	11-Feb
Dr. Malte Grossmann	GIZ	Head of Project - Transboundary Water Cooperation in the Nile Basin	malte.grossmann@giz.de	Meeting	3-Mar
Dr. Lovisoa Razanamahandry	AUDA		Lovasoar@nepad.onmicrosoft.com	Skype call	9-Mar
Dr. Arumugam (Morgan) Pillay	GIZ	Senior Infrastructure Technical Financial Advisor (PIDA)	arumugam.pillay@giz.de	Skype call	9-Mar

Annex 3: PIDA Project Stages and Key Milestones

Code	Name	Description	Key Milestone(s)
S0	Enabling Environment and Needs Assessment	Development of relevant policies, laws, regulations and institutions and capacity and consensus building that allow and support the development of projects.	
S1	Project Definition	This phase includes part of the early stage concept design work needed before the pre-feasibility phase encompassing concept note development, ToRs for Pre-feasibility study, finalizing project grant agreement, setting up a project coordination mechanism and finalizing a project information brief.	Concept Note
S2A	Pre-Feasibility	This stage encompasses successful completion of activities focused on acquiring support for basic and technical financial modeling; conducting of due diligence and finalizing of the pre-feasibility studies	Pre-Feasibility Study
S2B	Feasibility	This phase encompasses activities focused on completing the feasibility study which covers organizational, financial, technical, social, environmental and other aspects of the project, securing its approval; drafting and finalizing ToRs for technical advisory services; conducting detailed project engineering designs and conducting detailed financial modeling for the project.	Feasibility Study
S3A	Project Structuring	This phase involves creating the appropriate commercial and technical structure for the project crucial not only	Financial Structuring Plan

Code	Name	Description	Key Milestone(s)
		for attracting finance, but also for attracting the right mix of finance, development of financing options and development of an overall commercial structure and preliminary legal structuring.	
S3B	Transaction Support & Financial Close	This phase involves creating the appropriate commercial and technical structure for the project crucial not only for attracting finance, but also for attracting the right mix of finance, development of financing options and development of an overall commercial structure and preliminary legal structuring.	Project Funding Approved; Credit Enhancing Mechanisms in place
S4A	Tendering	This phase encompasses activities on preparation of tender documents, identification of construction financing methodology and the tender opening and bid evaluation processes and the awarding of the tender.	Tender Documents Prepared and Approved
S4B	Construction	Construction and physical implementation on the infrastructure project commences	Consulting Engineer Contracted; Construction Contracts signed
S4C	Operation	The infrastructure is operational at this stage.	To be defined per sector and per project during Evaluations

Document Sheet

This Technical Report series publishes results of work that has been commissioned by the member states through the three NBI Centers (Secretariat based in Entebbe- Uganda, the Eastern Nile Technical Regional Office based in Addis Ababa - Ethiopia and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit based in Kigali - Rwanda. The content there-in has been reviewed and validated by the Member States through the Technical Advisory Committee and/or regional expert working groups appointed by the respective Technical Advisory Committees. The purpose of the technical report series is to support informed stakeholder dialogue and decision making in order to achieve sustainable socio-economic development through equitable utilization of, and benefit from, the shared Nile Basin water resources.

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