

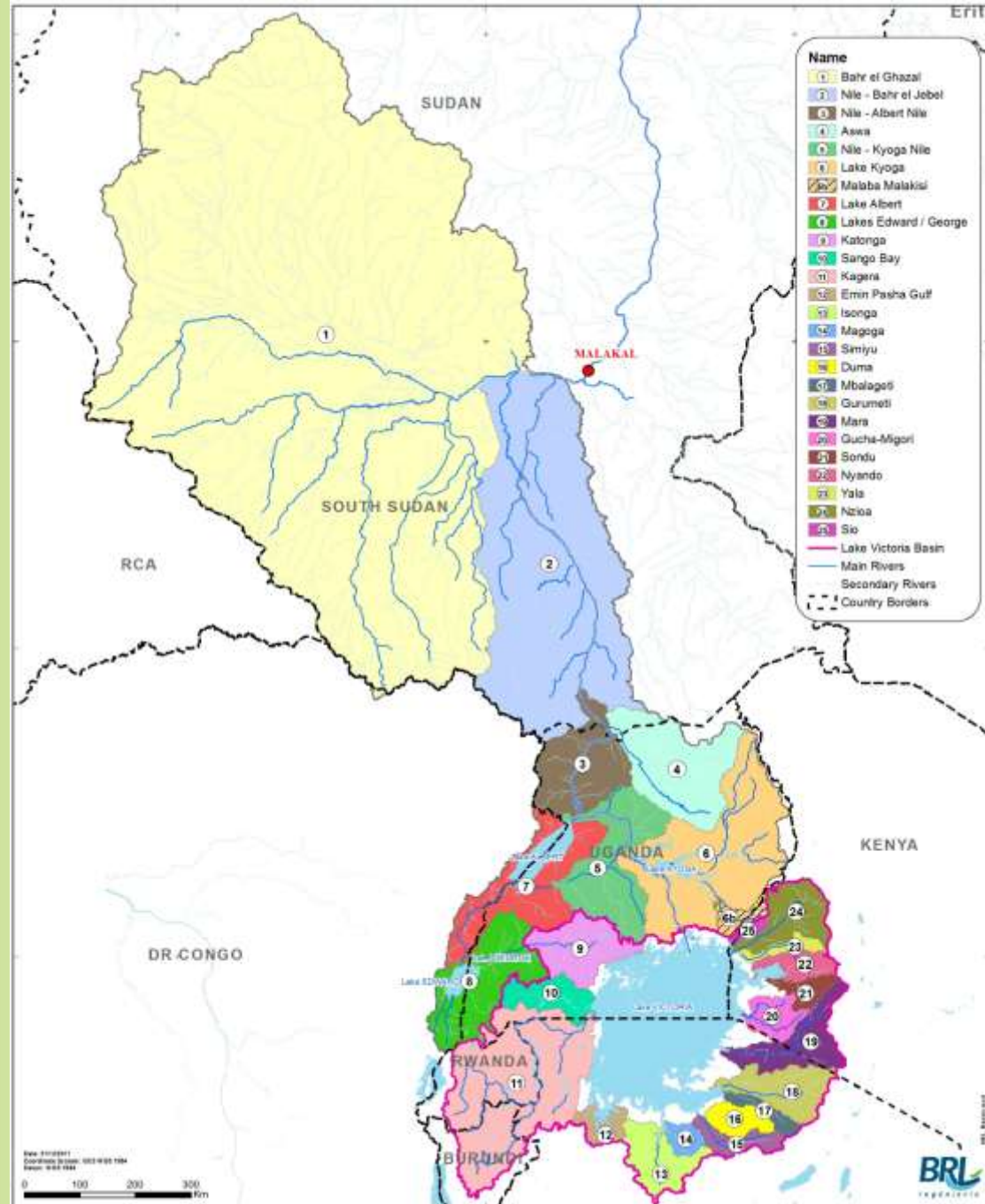


Nile Basin Initiative

Nile Equatorial Lakes Subsidiary Action Program

Mainstreaming Climate Adaptation into Investment Planning – Opportunities

Emmanuel Olet, Eng.
Program Officer WRD



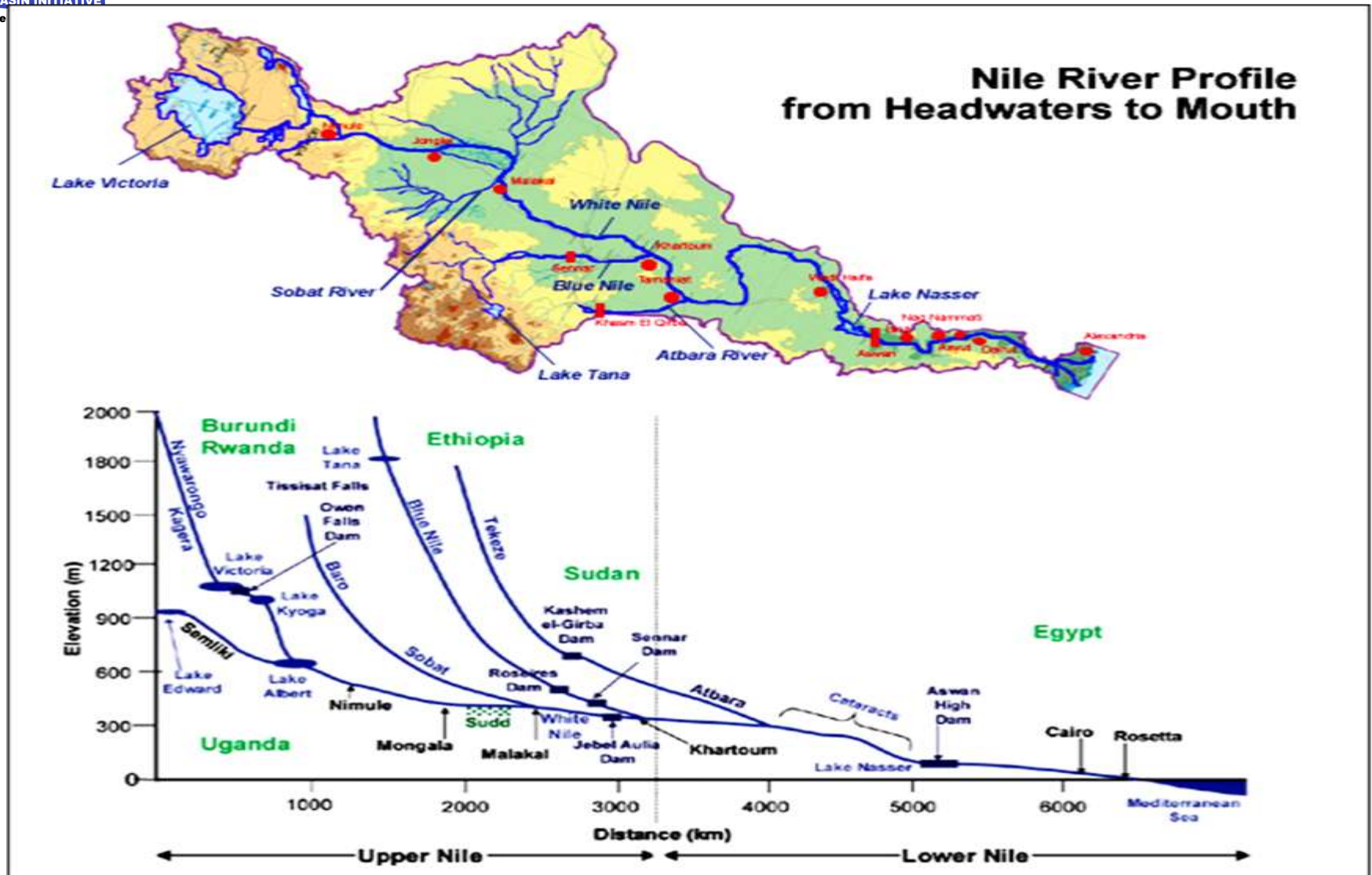


Presentation Structure

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- Introduction to the Nile and NELSAP
- Constraints to Water Management
- NELSAP Programmatic Approach
- Mainstreaming Climate risk into investment planning
- Pipeline Opportunities (Hard and soft actions)
- Financing Regional Investments (lessons and Perspectives)

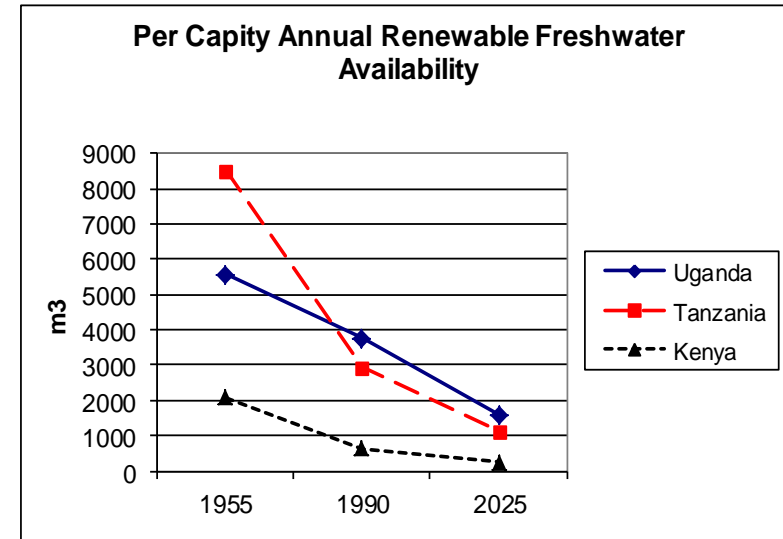
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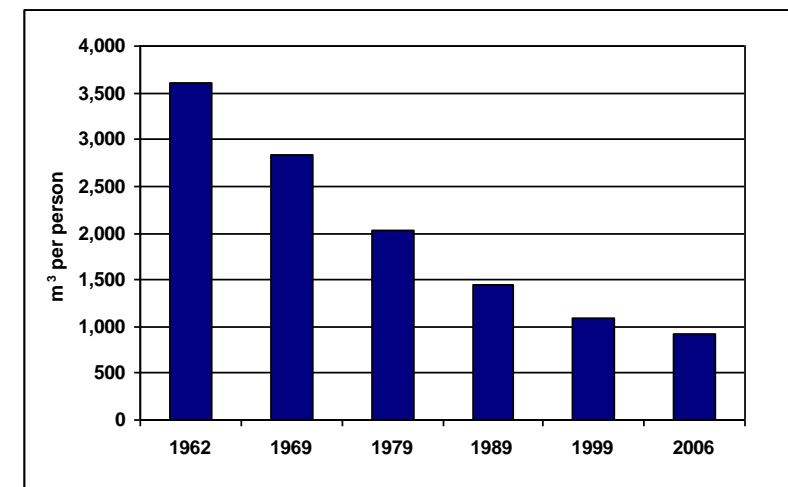
The NEL region like the rest of Africa is faced with a number of immediate crises...

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- Immediate and long term crises
 - **Demographic expansion,**
 - Energy and Food shortages and price surges,
 - Regional economic and financial constraints,
 - Continuing challenge of poverty
 - **Climate variability and change**
- Both CC and CV must be **tackled alongside other factors that make-up water insecurity in the NEL river basin**



Lake Victoria North Catchment Area



Constraints to water management – Upper reaches

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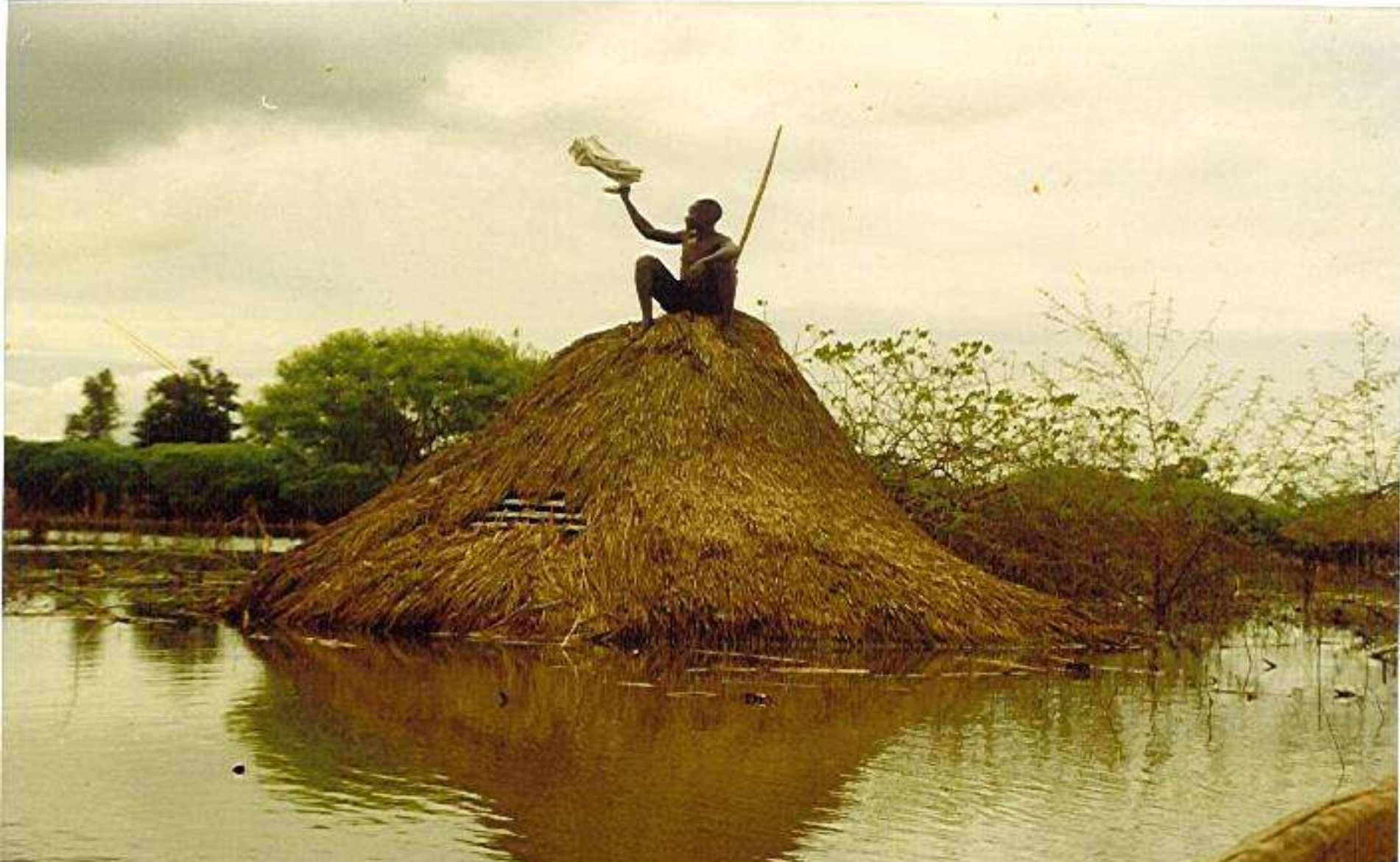
Constraints to water management – Middle reaches

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Constraints to water management - Lower reaches

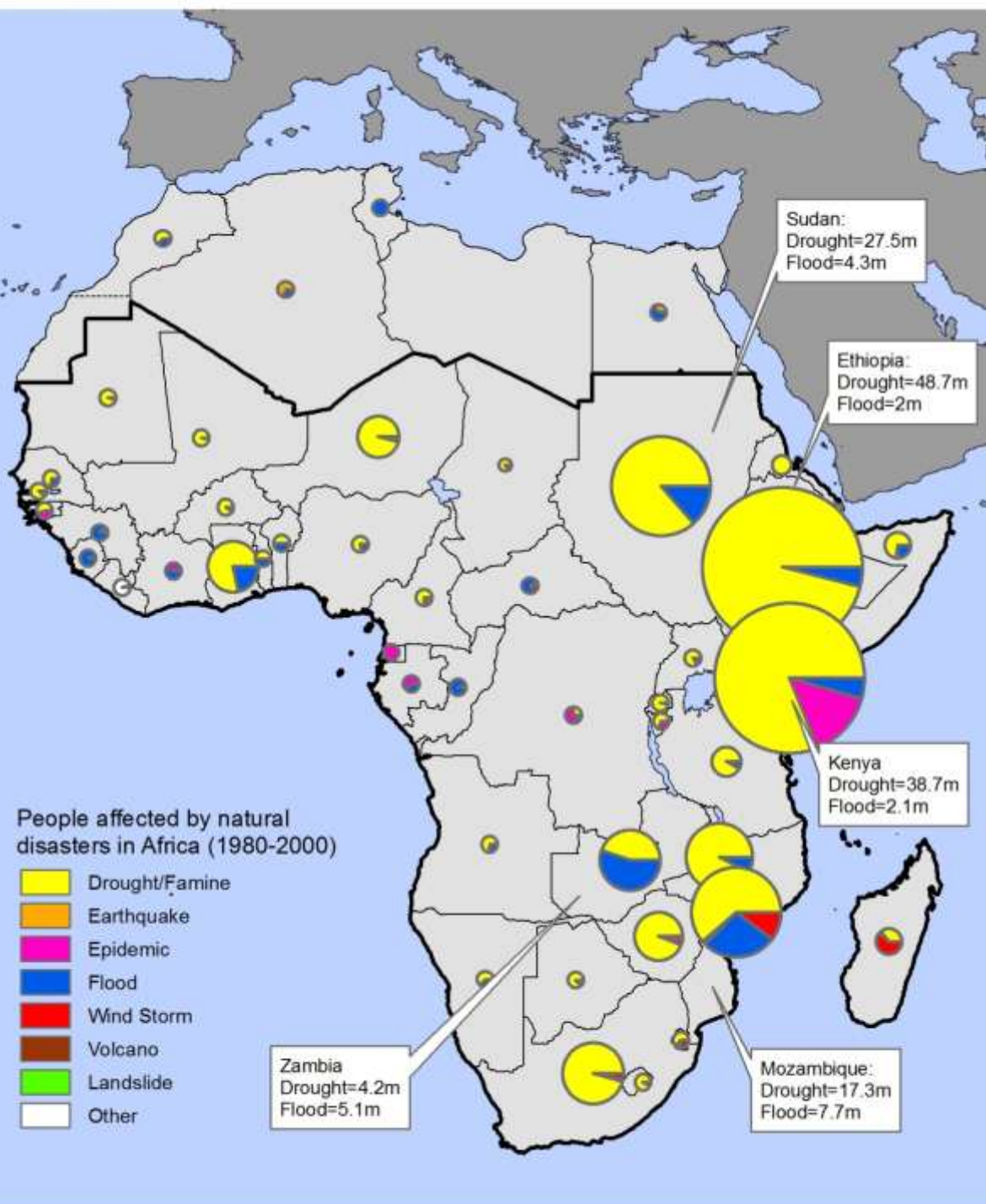
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Constraints to water management – Meteorological, Hydrological and Environmental Droughts

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- The Basin is already susceptible to climate risks – the worst in Africa
- **Floods and droughts devastate the region routinely.**
- The challenge is putting in place appropriate **hard and soft infrastructure** that will boost growth – through a response that integrates climate adaptation

NELSAP Programmatic Approach: Framework for Preparation of Multi National Investments

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Regional Integration

NELSAP Objectives: Poverty Reduction, Reversal of environmental degradation and Economic Growth

Multi National Water Resources Development Investments (Increasing country and regional impact)

- 1) Multipurpose water infrastructure including climate adaptation investments implemented
- 2) Viable options for increased electric power supply at least cost identified and implemented.
- 3) Increased food production through development of basin irrigation schemes & agricultural trade.

Water
Resources
Management
Investments
(Improving
country and
regional
impact)

Enhancing
regional
cooperation
(Improving
Operational
Efficiency)

How are Projects Implemented?

Track 1 & 2

inter-country

**Cooperative
NELSAP Projects**

Track 3

in-country

**Consultative
Nile Projects**

**Coordination – consultation
Consensus
Upstream Pre-Investment
Planning**

NEL-COM

NEL-TAC

NILE-SEC/NELSAP-CU

Government

**Multi-sectoral
project
management
mechanisms**

**Implementation of
Nile investment
projects at country
level**

**Regional and/or
National Institutions
Public/private**

**National Institutions
Public/private**

What are the categories of Water Projects? Which ones qualify for mainstreaming Risk into Investment planning

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Categories of NEL water Projects



Qualified categories

- Highly capitalized or unique projects
- Engineering structures with a long life time
- Multipurpose infrastructure systems
- Long lived benefits and costs (watershed management)
- Systems susceptible to climate anomalies or extreme events
- Urban water supply

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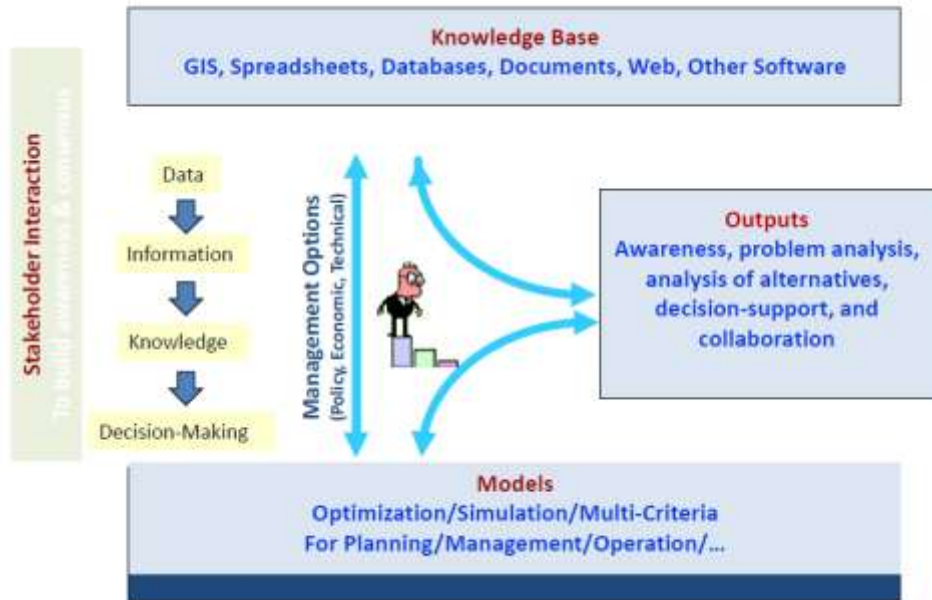


- Meet criteria of Poverty reduction, Reversal of degradation and Economic development
- **Have specific Country (ies) defined goals and results; Pipeline Status: Expressed need by Ministries of Finance**
- **Demonstrate benefits at a regional level**
- **Demonstrate sustainable use of water resources**
- Commitment for significant public consultation.
- Economic and Financial viability and sustainability
- **Climate Criteria????**

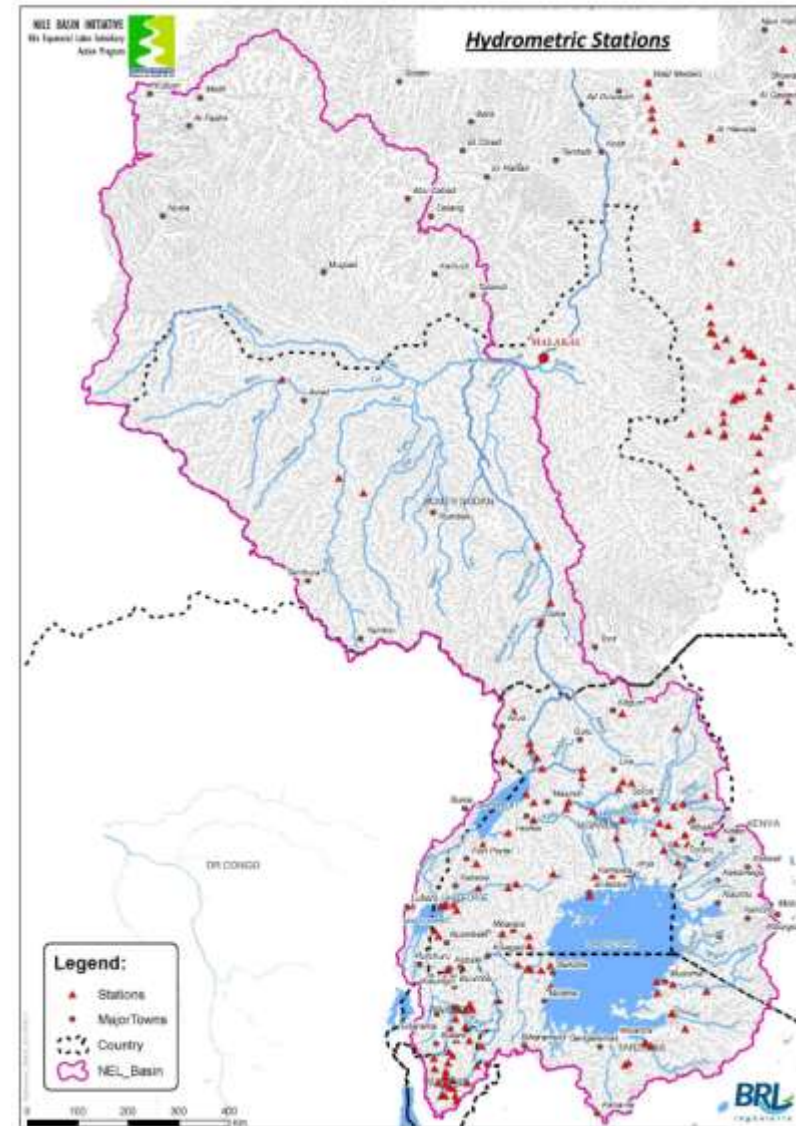
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- Commitment for significant public consultation.
- Economic and Financial viability and sustainability
- **Climate Criteria????**

Pipeline Opportunities: Some work has been done...There need to Strengthen the analytical foundation : Nile Basin Climate Growth Resilience Project – Proposed to World Bank CIWA

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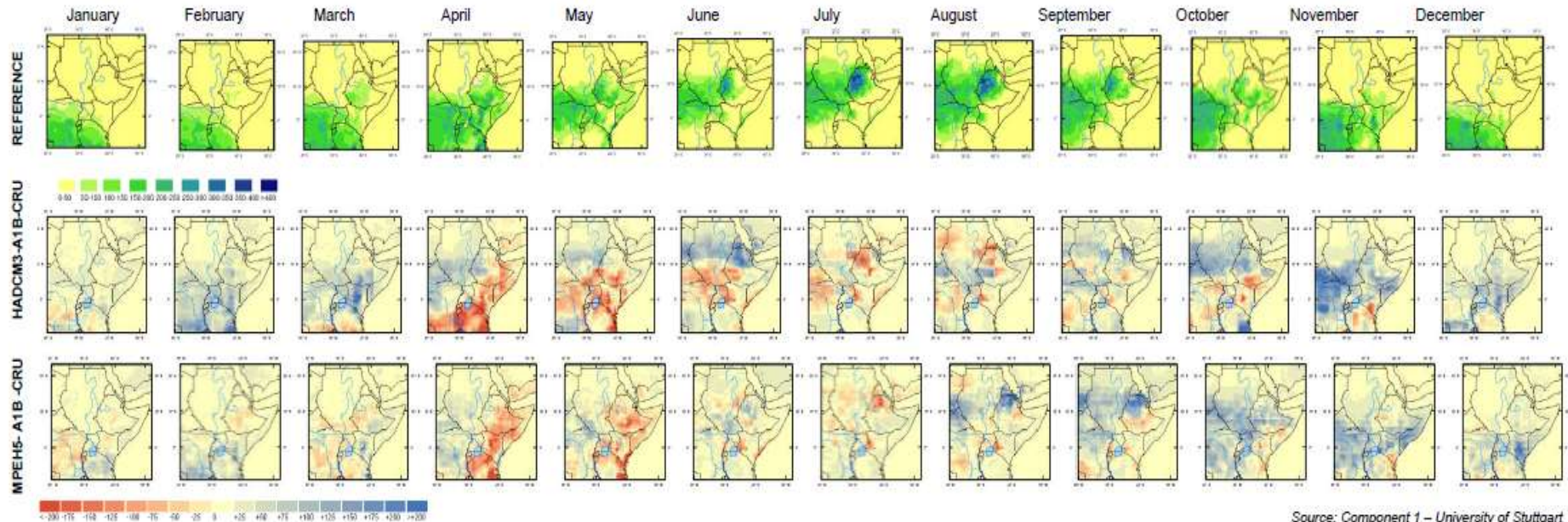
- **Gains by the NBI**
 - Basin Monitoring strategy & DSS exist
 - Basin Interim data and information sharing and exchange procedures and operational guidelines exist
 - Strategic hydrological stations installed (support from Sweden, Norway, GIZ)
 - Water Resources analytical Unit exists
- **Need to Intensify Basin Monitoring –**
 - to improve hydrological projections for application in investment project preparation



Understanding the Risk

Projection of Key Hydrological Indicators for water planning

Regional Assessment of Monthly Precipitation

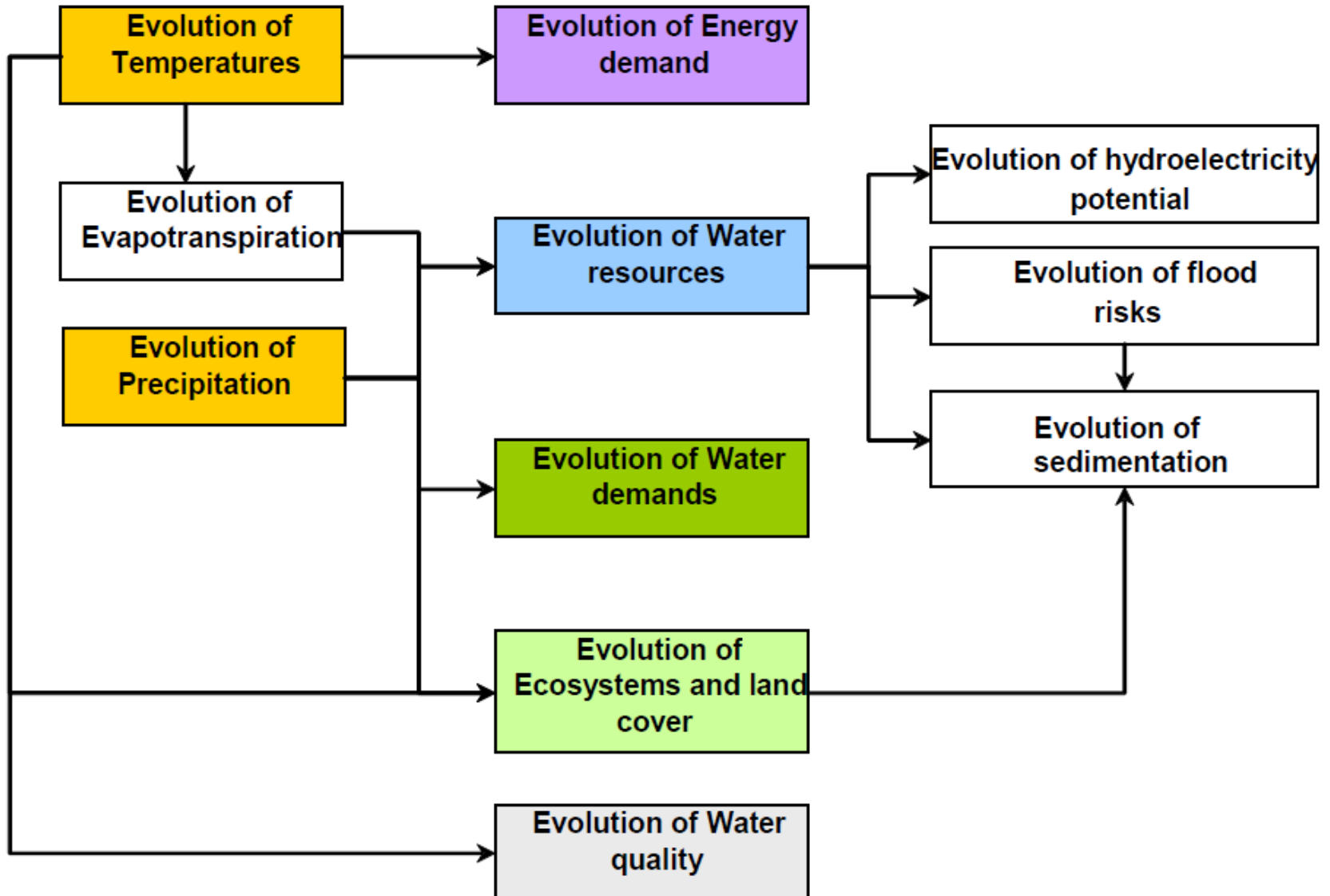


- **Climate models agree that temperature will increase.** This will: 1) Increase system losses (e.g. from lakes, wetlands, reservoirs) 2) increase crop water/irrigation requirements
- **Climate models agree less about precipitation changes.** There is possibility that floods and droughts could be more damaging – CC could significantly change Nile hydrology.
- Despite uncertainties, there is a **need for immediate action** to help countries cope with climate risks.

Mainstreaming Risk into Investment planning

Guidelines for Incorporating hydrologic variability and CC into project preparations

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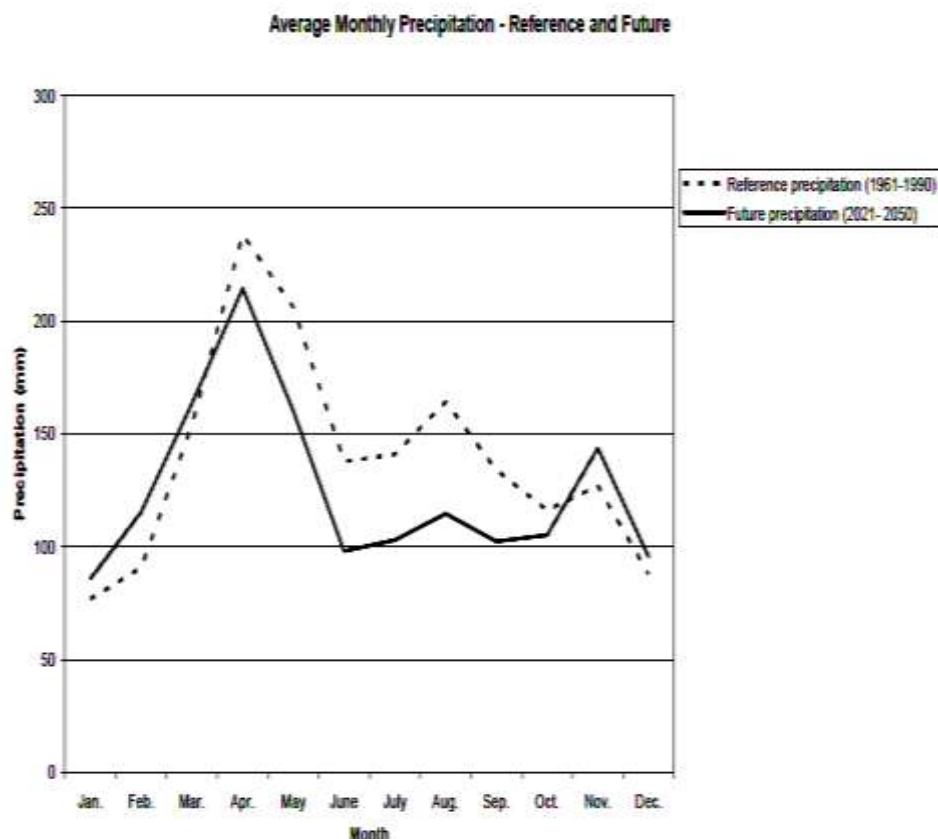


Mainstreaming Risk into Investment planning

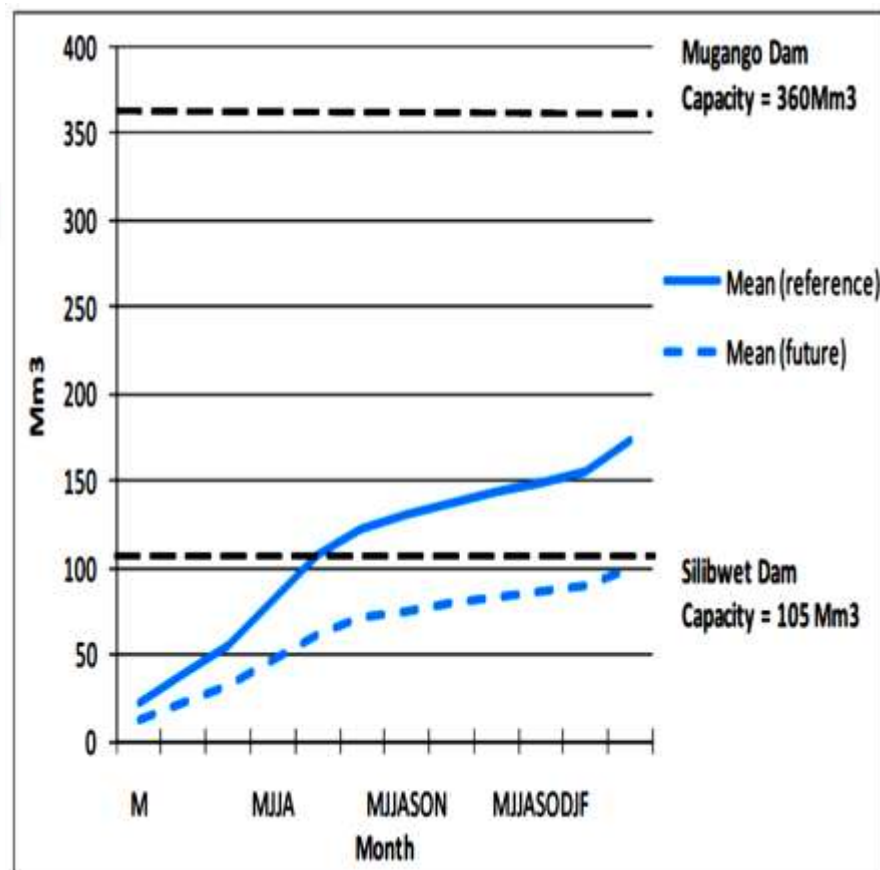
Guidelines for Incorporating hydrologic variability and CC into project preparations

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Average Monthly Precipitation - Reference and Future- Silibwet Dam Sites



Filling of the reservoir – Present and future period Silibwet site



Opportunities: Investment in Hydraulic Infrastructure (Multipurpose Water Resources Development Projects for improved resilience)

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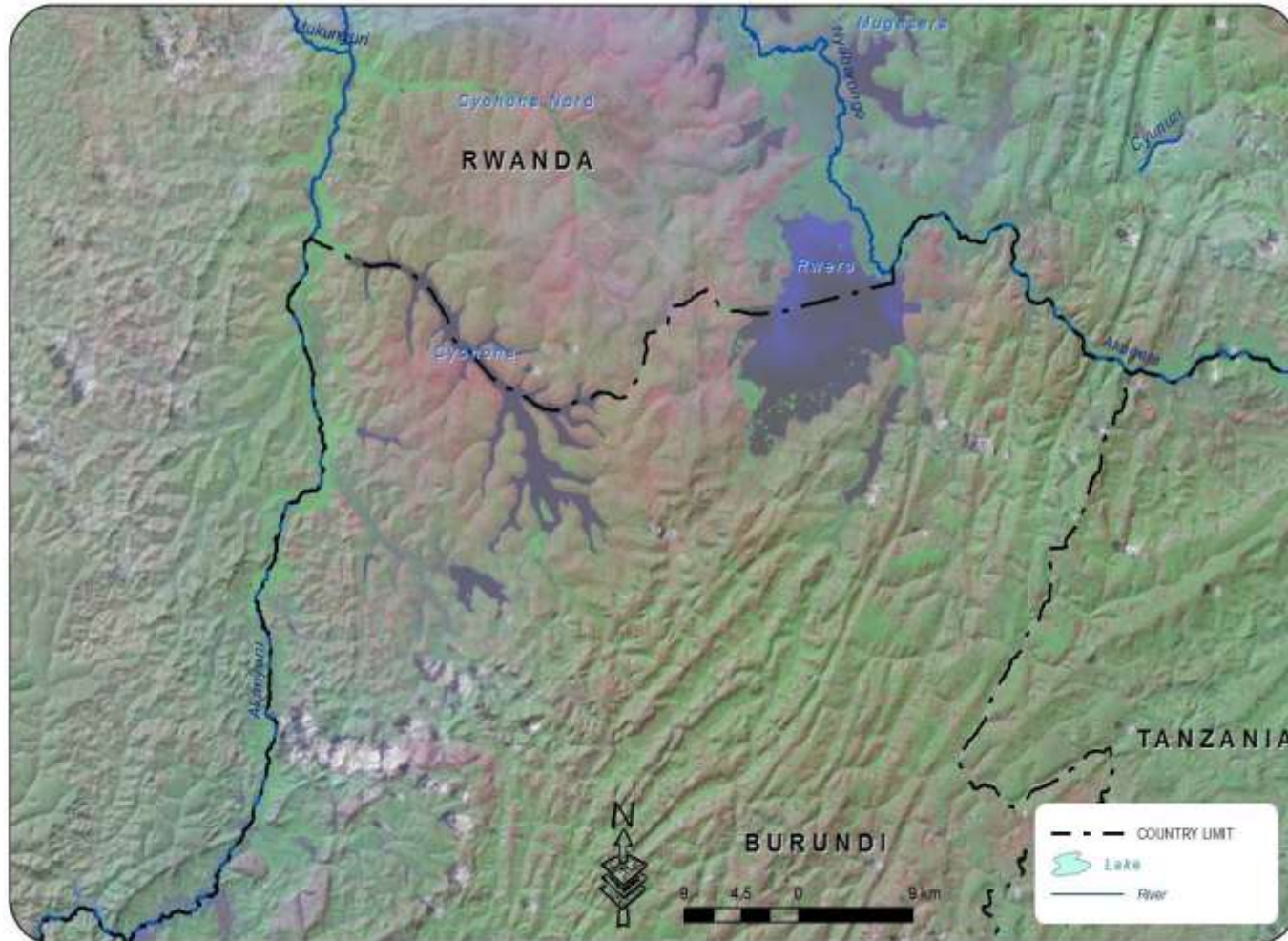


- Gogo and Katieno Dams: 35m high; 155MCM; 15000ha-lower Kuja

- Ongoing preparation of regional water infrastructure program (Rwanda, Kenya, Uganda, Tanzania, Burundi) financed by World Bank NBTF – US\$ 13.36 m (grants)
- **Estimated investments effective 2013 (US\$ 279m)**
- Discussions underway (effective January 2012) with World Bank for packaging a regional water program for financing

Opportunities: Investment in Watershed Restoration for improved resilience:
Estimated Investment for Regional Project, US\$ 183 million
Preparation WB-NBTF; African Water facility, Sida

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- Multinational Watershed Project (Burundi-Rwanda)- **Feasibility studies financed by AWF**
- Multi national Projects in Mara, kagera, Sio-Malaba-Malakisi – Studies financed by World Bank B NBTF

Pipeline Opportunities: Investing in climate proofed Irrigation infrastructure for improved production, financed through the World Bank – Nile basin Trust Fund

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- **Alignment with** - CAADP – close coordination with COMESA and EAC during project preparation
- Detailed **upstream project identification studies ongoing for 35 irrigation and watershed management areas in NEL region (7 countries)**- Resources required for project preparation (feasibility and detailed design)
- Studies ongoing for pilot project- **Irrigation and watershed management in Tanzania (21,600 ha)** – Manonga, Mara valley, Ngono,. (pre-investment financed by WB - NBTF) -**Estimated Investment US\$ 105 million**

Opportunities: NEL Multi Sectoral Investment Opportunity Analysis: Framework for Identification of Investments (ongoing),

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Understanding the
Resource base

Strategy of NEL Catalytic and
Transformative Projects to be ready by
October 2012 - considering climate
variability

Basin Multi-
sectoral Potential

**Current
Status**

**Future
Vision**

Scoping of Options

Prioritization of
Investment
Options

Prioritized
Investment
Preparation

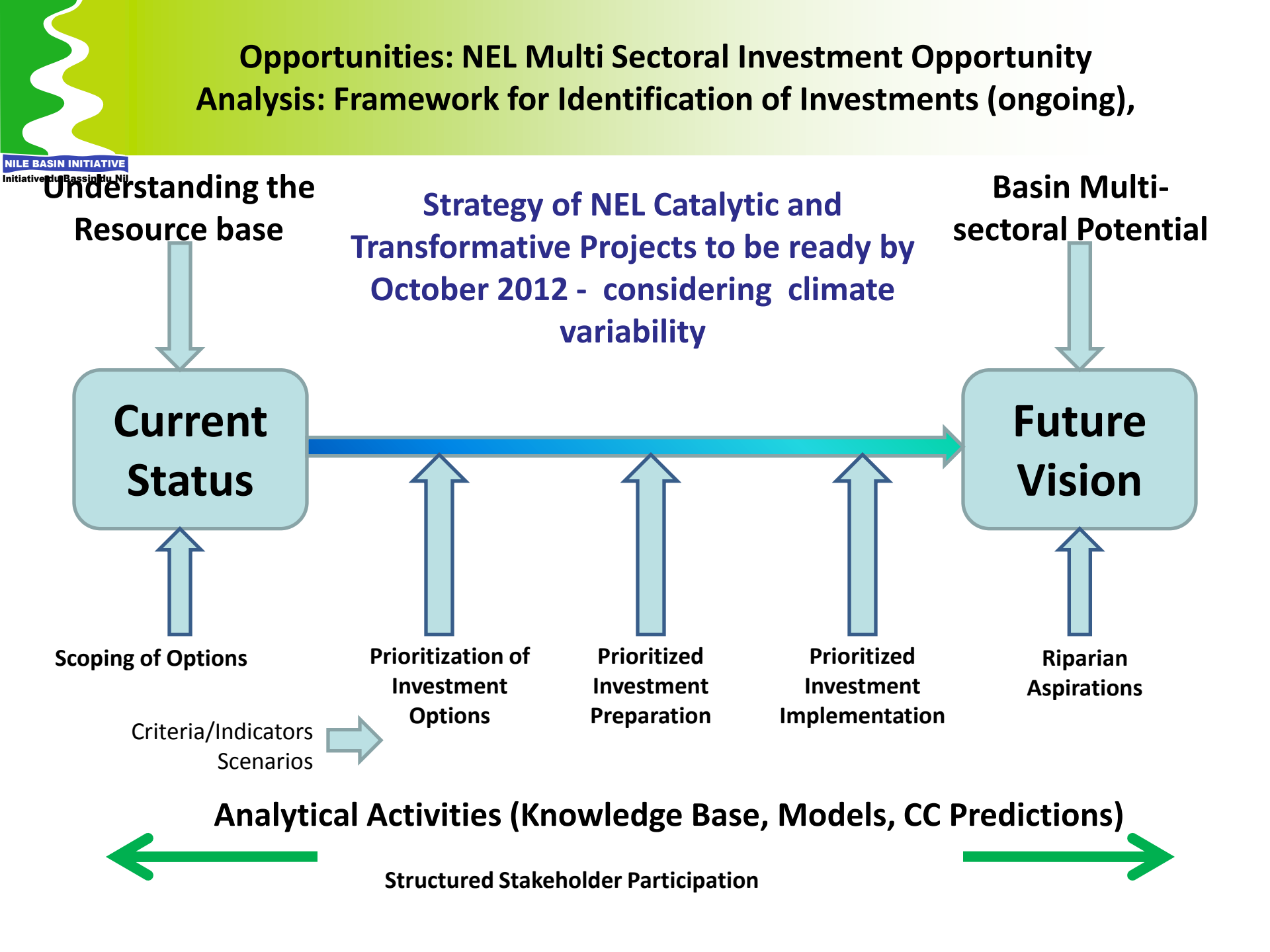
Prioritized
Investment
Implementation

Riparian
Aspirations

Criteria/Indicators
Scenarios

Analytical Activities (Knowledge Base, Models, CC Predictions)

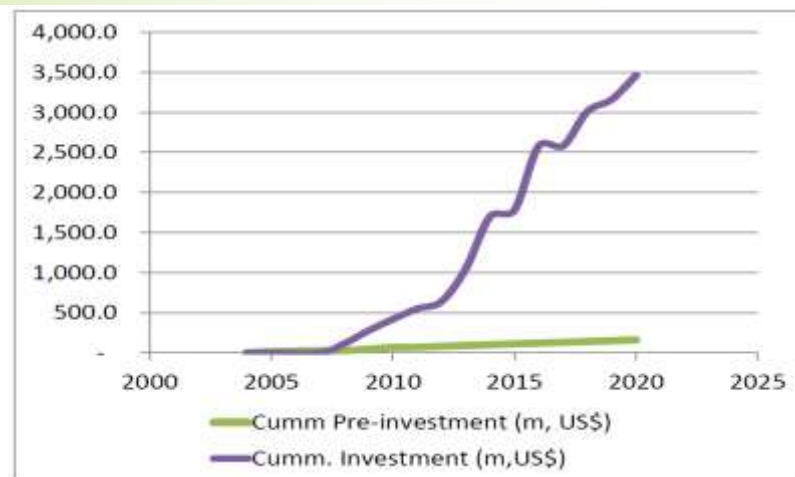
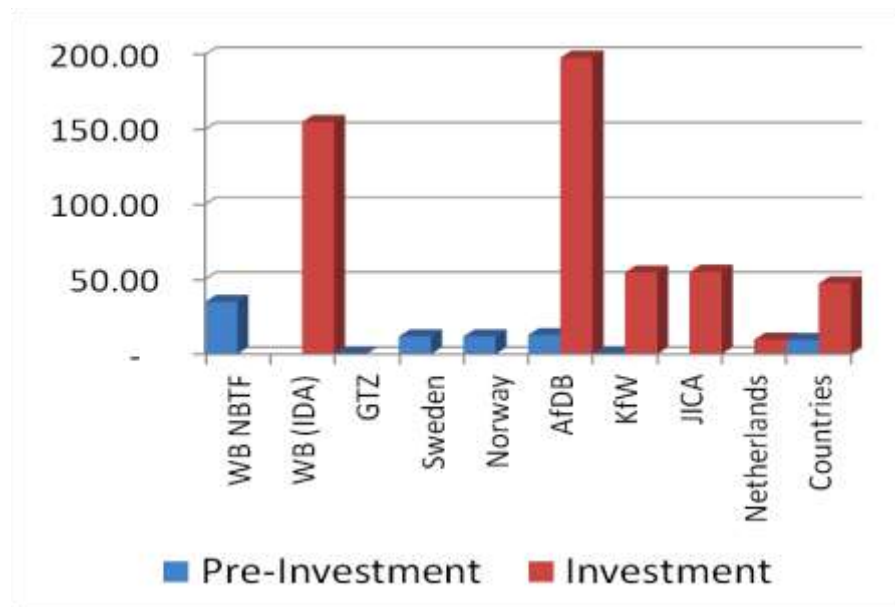
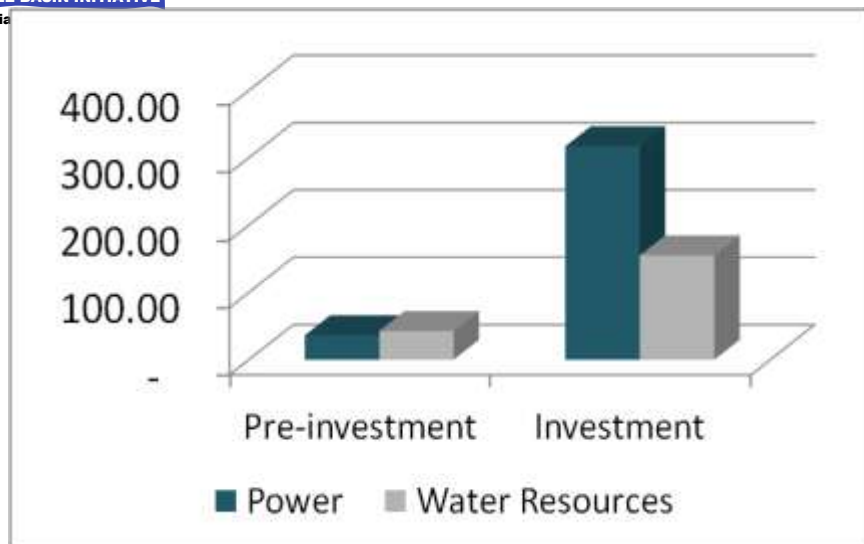
Structured Stakeholder Participation




Financing of Tranboundary Investments: Status of Raising financing to date: NBI Resource Mobilization Strategy

Ratio of Pre-investment to Investment (2011) , 1: 7; expected to increase to 1: 20 by 2020

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- Projects require regional preparation (2 years or more) to deal with the **analytical, institutional, and legal measures** involved in securing the commitment and trust of participating countries - **preliminary to country readiness to borrow, financed by grants**
- Rusumo falls Project (US\$ 9 m for SPV)
- Pre-investment needs over next 9 years (US\$ 114m) – **US\$ 13 million to be raised through CIWA over next year**



Framework for raising financing NBI Resource Mobilisation Strategy

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- **Focus on results (programmatic Framework)**
 - Annual NBI /NELSAP portfolio review meetings; Focus on results – NELSAP DPs, buy results
- **Mainstream projects into National Investment Plans**
 - Opportunity as well for aligning/integrating climate adaptation financing into ongoing development efforts
- **Preparation of Quality projects and structuring financing**
 - Quality control ensures that pre-investment produces quality projects that would attract support from funding agencies
 - Identification and structuring financial aspects of the regional water infrastructure projects in a manner that makes them fundable
- **Building onto ongoing regional programs**
 - LVEMP II, Western Kenya Flood Management and CDD, Kenya Natural Resources Management projects
- **Using RECs**
 - EAC and COMESA to mobilise financing



Framework for raising financing NBI Resource Mobilisation Strategy

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- **Rallying donors**

- Conference of DPs/promoters to discuss proposed projects and reach consensus on projects for funding – e.g. meeting in June 2012, coordinated supported by World Bank NBTF
- **Funds required for investment and pre-investment.** The question is what are the modalities for accessing?
 - Climate investment funds (CIFs) and Carbon Funds?
 - **Funds for sub regional capacity building – Institutional strengthening**
 - Funds (Grants) for pre-investment studies? – , IPPF? Rusumo PPF?
 - Concessional loans for infrastructure financing?
- **ICA good platform for promoting NEL Coordinated Multi sectoral Investment Strategy (look forward to interacting and knowing more about available IPPF and investment opportunities**