



LAKE VICTORIA BASIN COMMISSION



**The Infrastructure
Consortium for Africa**

THE 3RD LAKE VICTORIA BASIN DONORS' CONFERENCE

VENUE: PROTEA HOTEL, ENTEBBE- UGANDA

DATE: 17TH TO 18TH JUNE 2013

BACKGROUND PAPER



Finland



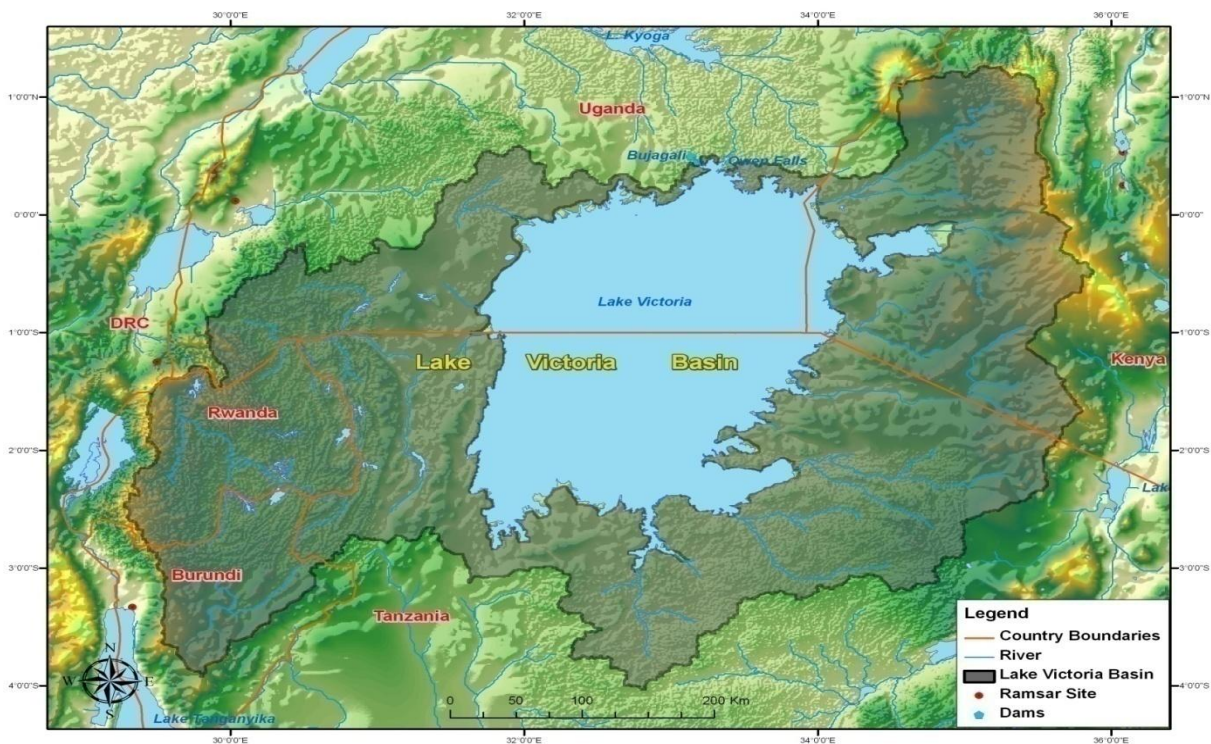
Sweden

1.0 INTRODUCTION AND BACKGROUND

Lake Victoria (LV), with a surface area of about 68,870 km², is Africa’s largest and the world’s second largest freshwater lake. It lies at an altitude of 1134m above sea level and touches the equator on its northern reaches. The Catchment covers an area of 180,950 square kilometers with Tanzania occupying 44%, Kenya 21.5%, Uganda 15.9%, Rwanda 11.4% and Burundi 7.5%. The lake is considered one of the most important shared natural resources by the Partner States of East Africa. It is a major source of water and fisheries in the region and the vegetation cover around the lake includes forests, savannah and wetland ecosystems.

The socio-economic importance of the Lake to the region is associated with the fact that it is the largest inland water fishing sanctuary; a major inland water transport linkage for the East African countries; a source of water for domestic, industrial and commercial purposes; a major reservoir for hydroelectric power generation; a major climate modulator in the region; and rich in biodiversity.

In view of the above, the basin was designated an important Economic Growth Zone of the East African Community. The Lake is trans-boundary and the most important shared resource of the five East African Community Partner States. The Basin boasts of a market potential of about 40 million people.

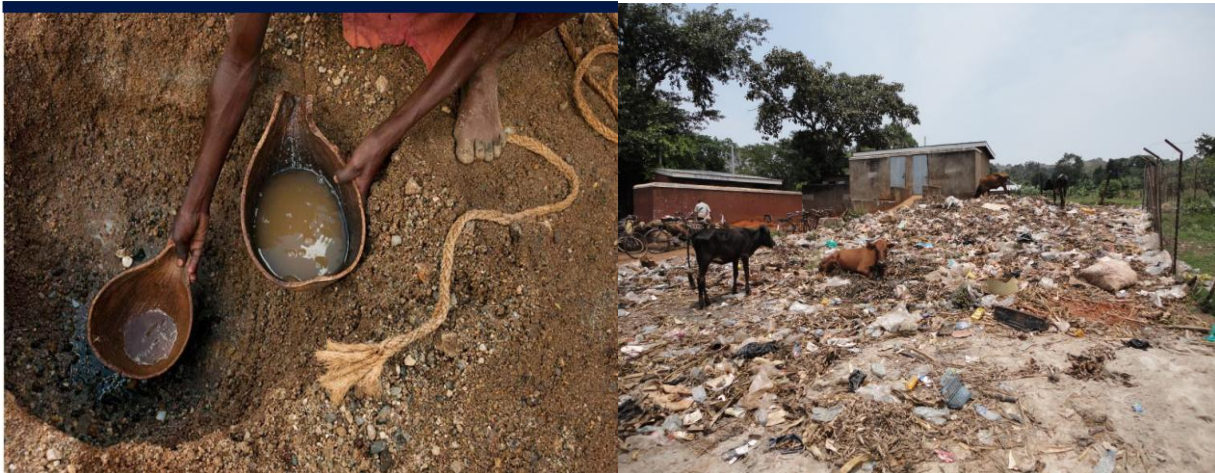


Despite the numerous natural resources and high economic potential the basin faces several environmental, social, economic and management challenges.

Social potentials and challenges

About 40 million people live in the Lake Victoria basin. The population is growing at about 3% per year and the population density in the Basin is higher than the national averages. Since 1960 population growth within 100 km from the shore has grown from 60 to 246 inhabitants per km² which is faster than the continental average for Africa that grew from 9 to 38 inhabitants per km². The age distribution, which has important implications to labour force supply, shows a favourable structure in the sense that the dependency ratio is low with the lower end of the pyramid significantly favourable for future labour force.

However, migration to urban areas is increasingly causing stress on the limited social services and infrastructure such as schools, water, sanitation and health facilities. Consequently, education attainment in the basin is below national averages. For example on the Tanzania side of the basin, the average number of those without formal education is 29% while the national average is 23%. Most towns in the basin are faced with increased risks of diseases due to lack of proper sanitation and low water supply. Towns do not have sewerage systems and solid waste treatment facilities; hence disposal of waste water, human excreta and solid waste is based on poor on-site sanitation methods. In areas of high water table, contamination risks are high and pollutants are eventually flushed into the river systems and wetlands. Industrial waste water is also discharged on land or directly into the river systems and wetlands. Some towns pollute rivers and streams feeding the lake and the near-shore areas are particularly polluted by raw and partially treated municipal and industrial effluents, contaminated urban surface runoff, and the unsanitary conditions of the shoreline settlements.



Water scarcity and untreated solid waste

Economic potentials and challenges

The basin is endowed with a growing vibrant population that presents a huge economic opportunity. There is both a large internal market for goods and also a growing labour force to support industrialization, agricultural development, transport and the services industry. The basin also has large deposits of minerals and mining is a major economic activity. These may justify why the contribution of

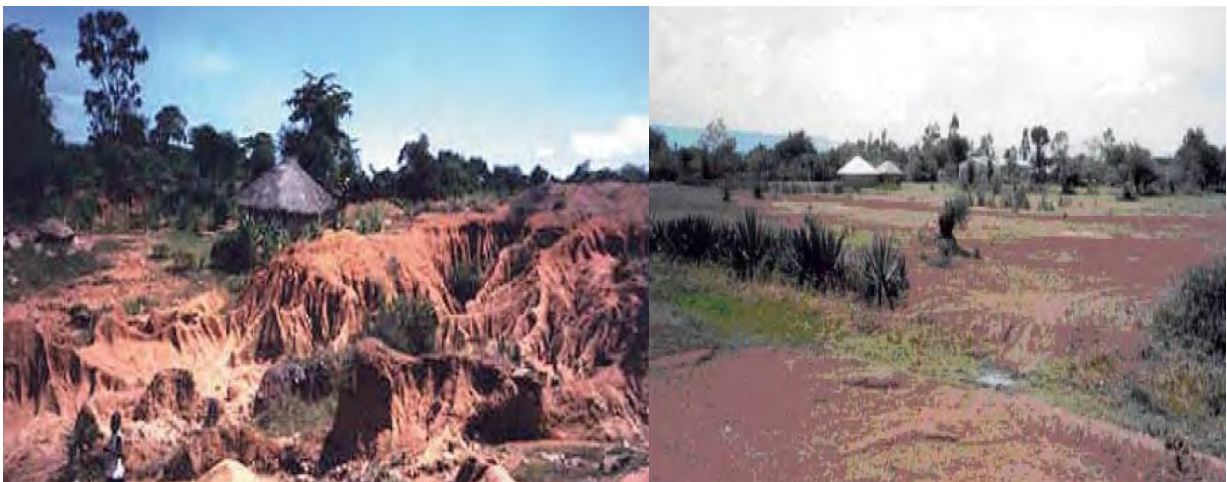
the LVB to their respective economies is significant in terms of GDP. Both large and small-scale mining activities are carried out in the basin. However, deforestation and wanton land degradation is rampant in the mining areas. Small-scale mining of gold requires the use of huge amount of logs, which are used to strengthen the ditches to avoid collapsing. Mining activities are not only associated with deforestation but also with destruction of the soil surface, by leaving open pits in the ground and covering the top soil with gravel and sub soils.

Lake Victoria is an important inland waterway in the region whose development could play a pivotal role in unlocking the economic potential and increasing integration of the EAC Partner States. However, its potential as an inland waterway is not fully exploited as it suffers from lack of investment and the region depends on the expensive all-road routes. Lake transport is comparatively more economical and environmentally friendly. A key factor deterring investment in Lake Victoria maritime transport continues to be the lack of search and rescue services.

Environmental Challenges

Current economic and social processes in the basin have translated into a number of environmental challenges. These include: domestic and industrial wastewaters, solid wastes, sediments from soil erosion in the catchment areas, agricultural wastes and atmospheric deposition. Largely this has contributed to the resurgence of the water hyacinth and blue green algae. Most recently, the lake has faced the challenge of declining water levels. The threats facing the lake have caused considerable hardship for the populations that depend on it and have also reduced the biodiversity richness of the lake.

Natural vegetation cover is rapidly being degraded in some districts in the basin with evidence of ongoing deforestation and indiscriminate harvesting of trees for wood fuel, timber and building poles. Wetlands, which have both ecological and hydrological functions, have been intensively cultivated and overgrazed. This has resulted in their degradation and thus they can no longer perform their ecological and hydrological function such as trapping of sediments and biodiversity conservation. Instead, these wetlands are now contributing to sediment flux into the lake.



Land degradation in parts of the basin

Management and Institutional Challenges

The sustainable development of the Lake Victoria Basin requires coordinated and well managed participation of all key sectors and players hence the need for refined management and institutional structures. At most, this kind of institutional capability had been lacking in the past. In addition, coordination of regional initiatives at the national level still poses a challenge due to weak institutional and legal frameworks for national institutions dealing with trans-boundary issues. The establishment of the Lake Victoria Basin Commission in 2007 as an apex institution of the EAC provides a coordination capability aimed at coordinating and supervising the wide range of actors in the Lake Victoria Basin to ensure that the basin's resources are exploited in a sustainable manner.

Structure and Mandate of the LVBC

The Commission was established by the Treaty for Establishment of the East African Community (1999) and more specifically by the Protocol for Sustainable Development of Lake Victoria Basin (LVB Protocol, 2004). The broad mandate of the Commission is provided for under Article 33(2) of the Protocol for Sustainable Development of Lake Victoria Basin namely to: i) promote equitable economic growth; ii) promote measures aimed at eradicating poverty; iii) promote sustainable utilization and management of natural resources; iv) promote the protection of environment with the Lake Victoria Basin; and v) promote compliance on safety of navigation. This mandate is spread over the fourteen areas of cooperation specified in the Protocol and is to facilitate the realization of Shared Vision of Lake Victoria Basin (2004), which is to have: “*A prosperous population living in a healthy and Sustainably managed environment providing equitable opportunities and benefits*”.

The Vision and Strategy Framework and its five defining policy areas are the Planning Tool and a development guideline for sustainable development and management initiatives by all actors within the Lake and the Basin including government agencies. The EAC Council of Ministers in 2004 recommended that Partner States, civil society organizations, development partners and other stakeholders adopt this framework as an operational development guideline in the sustainable management and development of the Lake Victoria Basin.

Commitment of the EAC to the sustainable management of LVB

The Political commitment by the EAC Partner States in the development and rationale management of the Lake and its Basin was demonstrated and sustained from 1996 to date. This is clearly evident from the several decisions taken by the Summit (Heads of State) and the Council of Ministers at their various meetings that formed the basis for undertaking various interventions in the lake and the basin. Typical examples of these include:

- (a) The designation of the Lake Victoria and its Basin in the 1997-2000 EAC Development Strategy as an ‘*Economic Growth Zone*’ and ‘*An Area of Common Economic Interest*’ to be exploited jointly in a coordinated implementation process in order to maximize its economic and social benefits, while taking into consideration the need to provide an effective environmental management regime for posterity. These provisions were further crystallized

in *The Treaty for the Establishment of the East African Community (EAC, 1999a)* under various chapters and more specifically in Chapter 19. Arising from this decision several follow up actions have been undertaken in the development of the management framework for the Lake ecosystem.

- (c) The Establishment of the Sectoral Council for Lake Victoria Basin in 2002 (EAC, 2002) to provide overall policy directions for the development and management of the Lake Victoria Basin in accordance with the provisions of the Protocol. The Sectoral Council is now the top policy organ for the newly created Lake Victoria Basin Commission.
- (d) The signing and ratification of the Protocol for Sustainable Development of Lake Victoria Basin in 2003 and 2004 respectively by all the three Partner States (EAC, 2003b; 2004b). The Protocol provides the legal status of the Lake Victoria Basin Commission and policy guidance to the national initiatives related to the Lake Victoria Basin management. The application of this Protocol has already begun at both national and regional levels.
- (e) The Adoption of the Shared Vision and Strategy Framework (SVSF) for the Management and Development of Lake Victoria Basin and its use as a Planning Tool by all stakeholder in 2004 (EAC, 2004). The SVSF clusters priority areas for intervention under five policy areas. The use of this document by the various stakeholders is now gaining momentum among government, stakeholders and development partners.
- (f) The development and operationalization of the Lake Victoria Transport Act that regulates transportation on Lake Victoria

2.0 ABOUT THE 3RD LVB DONORS CONFERENCE

The 1st LVB Donors Consultative Conference was held on 6th December 2007 at the Imperial Beach Botanical Hotel in Entebbe Uganda. The Donors Conference, organized by the Lake Victoria Basin Commission (LVBC) Secretariat, was attended by Development Partners from the Governments of Sweden, France and China. Other organizations represented in the meeting included the East African Community, World Bank, African Development Bank, European Union, UN Habitat and Lake Victoria Fisheries Organization (LVFO). The Conference was held in such a time that the 1st LVBC Strategic Plan (2007 – 2000) had been approved by the Sectoral Council of Ministers for Lake Victoria Basin (LVB). It was thus prudent for LVBC to share the Plan with key Development Partners involved in sustainable development in LVB.

The 2nd LVB Donors Consultative Conference was held on 25th June, 2010 at the Laico Regency Hotel, Nairobi, Kenya. The Donors Conference, organized by the Lake Victoria Basin Commission (LVBC) Secretariat, was attended by Development Partners from the Governments of Russia, Japan, Saudi Arabia, Netherlands, USA, Finland, Germany, Egypt, and France. Other organizations represented in the meeting included the East African Community, World Bank, African Development Bank, European Investment Bank, UN-Habitat, UNEP, and JICA. The Conference was convened to mobilize resources for the implementation of Lake Victoria Water Supply and Sanitation Programme covering 15 towns in the EAC Partner States.

This 3rd Lake Victoria Basin Donors Consultative Conference comes again after the approval by the 11th Meeting of the Sectoral Council of Ministers for LVB of the 2nd LVBC Strategic Plan (2011 – 2016). The Strategy provides an in-depth analysis of areas of interventions basing it on a programmatic approach. It proposes a set of programs and sub programs to be implemented in order to realize the stated objectives. Based on this analysis, a priority, medium term program in line with the current EAC Development Strategy is recommended. Such programs focus on: Harmonization of policies, laws and standards and strengthening institutional development and governance; Promotion of integrated water resource management; Creation of an enabling environment for investments, employment creation and generation of household incomes; Promoting improved health services with emphasis on HIV&AIDS; education and training; water supply and sanitation and nutrition status; Sustainable development, utilization and management of the fishery resources in the Basin; and Strengthening institutional capacity of LVBC.

Conference Objectives

The main objective of the conference is to seek for partnership with donors/development partners to support the implementation of programme areas spelled out in the Strategic Plan (2011 – 2016) as well as ongoing and planned projects and programmes of the Lake Victoria Basin Commission.

Specifically, the conference will provide an opportunity for the:

- i) Donors/development partners to familiarize with the current issues/challenges and opportunities in the Lake Victoria Basin.

- ii) Lake Victoria Basin Commission to share with development partners/donors on progress made from the last donors consultative Conference and its future outlook for the next 5 years.
- iii) Donors/development partners to be able to identify possible programme areas including ongoing and planned projects for funding and technical support.

Conference Organization

This conference is organized by the Lake Victoria Basin Commission (LVBC) in collaboration with the Infrastructure Consortium for Africa (ICA). The latter is a membership organization of G8 countries and major donor organizations. It was launched at the G8 Gleneagles Summit in 2005 and works to help improve the lives and economic well-being of Africa's people by scaling up investment in Africa Infrastructure – from public, private sources. The ICA is also seeking to expand its membership to the G20 countries. The ICA Secretariat office is housed at the African Development Bank in Tunis. The ICA Water Platform is financially supported by the German government (represented by the Federal Ministry for Economic Cooperation and Development and KfW). With their generous support, the ICA helps identify and mobilize resources for water related infrastructure projects in Africa. In doing so, the ICA Water Platform works with a variety of Regional African Institutions like the Lake Victoria Basin Commission across the continent. For more information about the ICA please visit: www.icafrica.org

Representatives of select development organizations currently funding LVBC projects and programmes will share experiences about their support and contribution to the realization of the vision and mission of the Lake Victoria Basin. LVBC will present an overview of the basin, ongoing projects and programmes as well as concepts for future projects and activities of the Commission. The conference will also provide information sharing and networking opportunities, through four targeted symposia. The latter will revolve around four main thematic areas being the broad programme areas under which the Commission's projects and programmes are clustered. These will include:

- i) Water Supply & Sanitation, Waste Management & Population Health
- ii) Climate Change, Environment & natural resource management
- iii) Economic and infrastructure development
- iv) Institutional development and capacity strengthening

The draft conference program is hereto annexed.

Organized Side Events

The conference will provide networking opportunities through key pillar events including one-on-one meetings and unique business and professional interactions.

Expected Outcomes

The conference is expected to achieve the following:

- i) Enhanced awareness among donors on the importance of the LVB as the Economic Growth Zone of the EAC;
- ii) Strengthened regional integration through formation of partnerships and consortia of donors to support LVBC projects and programmes
- iii) Increased donor commitment to funding LVBC future projects and programmes as directed by the strategic plan 2011-2016

Conference Venue and Logistics

i) Location

The conference venue will be Protea Hotel in Entebbe, Uganda. Protea is a four-star hotel located on the glistening shores of Lake Victoria, one km from Entebbe International Airport. Nearby points of interest include the Entebbe Golf Club and Kilubulu Forest and Beach.

For information on hotels, kindly see the list of hotels attached herewith.

ii) Weather conditions

Currently experiencing long rains with slightly warm days and chilly nights

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