

Document of  
The World Bank

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Report No: 94755-ZA

PROJECT PAPER

FOR

SMALL RETF GRANT

IN THE AMOUNT OF US\$4 MILLION

TO THE

ZAMBEZI WATERCOURSE COMMISSION (ZAMCOM)

FOR A

ZAMBEZI RIVER BASIN MANAGEMENT PROJECT

{February 14 2015}

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective February 10, 2015)

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Assistance
CAPCO	Central African Power Corporation
CIWA	Cooperation in International Waters in Africa
CSP	CIWA Support Plan
DANIDA	Danish International Development Agency
DFID	UK Department for International Development
ESW	Economic and Sector Work
GDP	Gross Domestic Product
GWh/yr	Gigawatts per year
ha	Hectares
ha/yr	Hectares per year
HES	Hydro-Electric Scheme
ICP	International Cooperating Partner
ICPs	International Cooperating Partners
IWRM	Integrated Water Resources Management
IZS	Interim ZAMCOM Secretariat
MMEWR	Ministry of Minerals, Energy and Water Resources
Mm <sup>3</sup> /yr	Million cubic meters per year
MSIOA	Multi-Sector Investment Opportunity Analysis
MW	Megawatt
SADC	Southern African Development Community
SIDA	Swedish International Development Cooperation Agency
TA	Technical Assistance
WBG	World Bank Group
WSRG	Water Strategy Reference Group
ZACPRO	Zambezi Action Programme
ZAMCOM	Zambezi Watercourse Commission
ZAMSTRAT	IWRM Strategy for the Zambezi River Basin
ZICP	Zambezi-ICP Partnership
ZRA	Zambezi River Authority
ZRB	Zambezi River Basin

Regional Vice President:	Makhtar Diop
Country Director:	Colin Bruce, Asad Alam, Kundhavi Kadiresan, Mark Lundell, Philippe Dongier
Senior Director:	Junaid Kamal
Sector Manager:	Jonathan S. Kamkwala
Task Team Leader:	Marcus Wishart

**ZAMBEZI RIVER BASIN**  
**Zambezi River Basin Management Project**

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## DATA SHEET

*Zambezi River Basin*

Zambezi River Basin Management Project

### Small RETF Grant Project Paper

*Africa: Southern Africa*

Basic Information			
Project ID  P143546	Lending Instrument  Investment Project Financing: Series	EA Category  B- Partial Assessment	Team Leader  Marcus Wishart
Project Start Date: 01 June 2015		Project Implementation End Date 30 June 2018	
Expected Effectiveness Date 30 April 2015		Project Implementation End Date 31 October 2018	
Joint IFC No  Sector Manager Senior Global Practice Manager Jonathan Junaid Kamal Kamkwala		Country Directors  Colin Bruce, Asad Alam, Mark Lundell, Kundhavi Kadiresan, Philippe Dongier  Regional Vice President  Maktar Diop	
Recipient: Zambezi Watercourse Commission (ZAMCOM)			
Executing Agency: ZAMCOM Secretariat			
Contact: Dr. Zebedia Phiri		Title: Executive Secretary	
Telephone No.: +263 4 253 361		Email: zphiri@zambezicommission.org	
Project Financing Data(US\$M)			
<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant	<input type="checkbox"/> Other	
<input type="checkbox"/> Credit	<input type="checkbox"/> Guarantee		
For Loans/Credits/Others			
Total Project Cost :		USD 4,000,000	Total Bank

Total Cofinancing :	Financing : Financing Gap :
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Financing Source	Amount(US\$M)
BORROWER/RECIPIENT	0.00
IDA: New	0.00
Others: Cooperation in International Waters in Africa (CIWA) MDTF	4.00
Financing Gap	0.00
Total	4.00

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Expected Disbursements (in USD Million)				
Fiscal Year	FY15	FY6	FY17	FY18
Annual	0.80	1.40	1.00	0.80
Cumulative	0.80	2.20	3.20	4.00

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## INSTITUTIONAL DATA

### Practice Area/ Cross Cutting Solution:

### Water

### Sector/ Climate Change

Major Sector	Sector	%	Adaptation Co-Benefits	Mitigation Co-Benefits
Water, Sanitation and Flood Protection	General water, sanitation and flood protection sector	80		
Water, Sanitation and Flood Protection	Public administration- Water, sanitation and flood protection	20		
TOTAL		100		

☒ I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

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### Theme

Major theme	Theme	%
	Water resources management	50

	Environmental policies and institutions	40
	Participation and civic engagement	10
<b>Project Development Objective(s)</b>		
To strengthen ZAMCOM's role in promoting cooperative management and development within the Zambezi River Basin through institutional strengthening, improved information sharing and decision support and strategic planning.		
<b>Components</b>		
<b>Component Name</b>		<b>Cost (USD Millions)</b>
<p>To achieve the PDO, the Project will support the following activities to provide ZAMCOM with institutional support, effective information sharing and decision support systems, and tools for strategic planning at the basin-level:</p> <ul style="list-style-type: none"> <li><i>i. Institutional Development of the ZAMCOM Secretariat</i> will provide support for a more financially sustainable and efficient basin-wide water resources institution. Specific activities will include: a) supporting the establishment of the permanent ZAMCOM Secretariat and the consolidation of its core functions through the provision of technical assistance and operational support; and, b) assessing the legal equivalence of instruments governing the development and management of water resources at national and transboundary level in the Zambezi River Basin, formulating guidelines for harmonization of legal frameworks and procedures for notification.</li> <li><i>ii. Zambezi Water Information Management System and Decision Support Systems</i> will support operationalization of the Zambezi Water Information Management System (ZAMWIS) as part of a multi-donor initiative to provide a foundation for more effective information sharing and decision support systems within the Zambezi River Basin. Specific activities will include: a) Strengthening the basin-wide data collection platforms and accessible spatial information; b) developing the integration and compatibility of basin hydrological models with user-adapted web-based interfaces.; c) enhancing the ZAMCOM website to improve accessibility to and collaboration related to data and analysis; d) facilitating the development and implementation of forecasting and early warning tools.</li> <li><i>iii. Strengthening strategic planning in the Zambezi River Basin</i> will support development of the Zambezi Strategic Plan for the efficient management and sustainable development of the Zambezi Watercourse. Specific activities will include: a) support to the Strategic Plan, including basin wide planning tools and processes for the identification, categorization and prioritization of projects and programmes; and, b) Policy and Planning Tools to promote, support and coordinate the efficient management, sustainable development, reasonable and equitable utilisation of the water resources of the Zambezi Watercourse.</li> </ul>		4.00
<b>Systematic Operations Risk- Rating Tool (SORT)</b>		
<b>Risk Category</b>		<b>Rating</b>
1. Political and Governance		L

2. Macroeconomic	L		
3. Sector Strategies and Policies	M		
4. Technical Design of Project or Program	M		
5. Institutional Capacity for Implementation and Sustainability	H		
6. Fiduciary	M		
7. Environment and Social	L		
8. Donor Harmonization / Stakeholders	M		
<b>OVERALL</b>	<b>M</b>		
<b>Compliance</b>			
<b>Policy</b>			
Does the project depart from the CAS in content or in other significant respects?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Does the project require any exceptions from Bank policies?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Have these been approved by Bank management?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Is approval for any policy exception sought from the Board?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Does the project meet the Regional criteria for readiness for implementation?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>	
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waters OP/BP 7.50	X		
Projects in Disputed Areas OP/BP 7.60		X	
<b>Legal Covenants</b>			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
ZAMCOM Technical Committee	Yes		
<b>Description of Covenant</b>			
The Recipient shall, throughout Project implementation, ensure that ZAMTEC oversees the Project in accordance with the roles and responsibilities as outlined in the ZAMCOM Agreement			

Name	Recurrent	Due Date	Frequency
Procedures Manual		Not later than three (3) months after the Effective Date	

#### Description of Covenant

The Recipient shall, not later than three (3) months after the Effective Date prepare and adopt the Procedures Manual, in form and substance satisfactory to the World Bank, containing, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.

Name	Recurrent	Due Date	Frequency
Procedures Manual	Yes		

#### Description of Covenant

The Recipient shall carry out the Project in accordance with the Procedures Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual or any provision thereof, without the prior written consent of the World Bank.

Name	Recurrent	Due Date	Frequency
Operational Staff Costs	Yes		

#### Description of Covenant

The Recipient shall submit sufficient evidence, in a manner satisfactory to the World Bank, on the need to finance the salaries of up to four (4) staff within the ZAMCOM Secretariat under Operating Costs. The World Bank shall review such evidence and decide accordingly.

Name	Recurrent	Due Date	Frequency
Accounting Software		Prior to any withdrawal of the Grant proceeds	

#### Description of Covenant

The Recipient shall acquire and install an accounting software to be used for accounting and reporting prior to any withdrawal of the Grant proceeds.

### Team Composition

#### Bank Staff

Name	Title	Specialization	Unit	UPI
Marcus Wishart	Senior Water Resource Specialist	Water Resources, International Waters	GWADR	279732
Louise Croneborg	Water Resource Management Specialist	Water Resources, Hydro-Meteorological Info	GWADR	351606
Rikard Liden	Senior Hydropower Specialist	Hydropower	GWADR	376247
Satoru Ueda	Lead Water Resource Specialist	Dam Safety	GWADR	181034



Cecil Nundwe	Operations Consultant	International waters & operations	GWADR	286005
Eric Foster-Moore	Operations Consultant	Remote sensing & operations	GWADR	407093
Lucson Pierre-Charles	Program Assistant	Operations and Administrative	GWADR	220319
Sanjay Srivastava	Lead Environmental Specialist	Environment	GENDR	246903
George Ledec	Lead Ecologist	Ecology	GENDR	14216
Nagaraja Harshadeep	Senior Environmental Specialist	Water resources planning & mgmt. systems	GENDR	64862
Pieter Waalewijn	Water Resource Specialist	Irrigation and water resources	GWADR	329925
Francis Nkoka	Disaster Risk Reduction Specialist	Disaster Risk Management	GSURR	382675
Kristine Schwebach	Social Development Specialist	Resettlement & Social Development	GSURR	160145
Bernadette Milunga	Program Assistant	Operations and Administrative	AFTG1	366470
Lucy Mukuka	Team Assistant	Operations and Administrative	AFCS3	366471
Ijeoma Emenanjo	Natural Resource Specialist	Climate Change	GFADR	396396
Habab Taifour	Water & Sanitation Specialist	Water resources, international waters	GWADR	357290
Priscilla Mutikani	Program Assistant	Operations and Administrative	AFMZW	353545
Blessing Karadzandima	Disbursement Assistant	Procurement and Disbursement	AFMZW	206591
Daniel Domelevo	Senior Financial Specialist	Senior Financial Specialist	GGODR	364964
Howard Centenary	Senior Procurement Specialist	Senior Procurement Specialist	GGODR	321500
Christiaan Nieuwoudt	Finance Officer	Finance Officer	WFALA	321637
Vidya Narasimhan	Finance Officer	Finance Officer	WFALN	255977
Marie Roger Augustin	Legal Analyst	Legal Analyst	LEGAM	157352
Maya Abi Karam	Senior Counsel	Senior Counsel	LEGAM	289009

#### Non Bank Staff

Name	Title	Office Phone	City
Robert Robelus	Environmental Consultant		

#### Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Angola					
Botswana					
Namibia					
Malawi					
Mozambique					

Tanzania					
Zambia					
Zimbabwe					

## **I. STRATEGIC CONTEXT**

### **A. Regional Context**

1. The Zambezi River Basin (ZRB) is one of the most diverse and valuable natural resources in Africa. Its waters are critical to sustainable economic growth and poverty reduction in the region. In addition to meeting the basic needs of more than 30 million people and sustaining a rich and diverse natural environment, the river plays a central role in the economies of the eight riparian countries - Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe. It provides important environmental goods and services to the region, and is essential to regional food security and hydropower production. Characterized by strong climatic variability, the River and its tributaries are subject to strong seasonal variation in the hydrological regime, with a cycle of floods and droughts that have devastating effects on the people and economies of the region, especially the poorest members of the population.
2. The ZRB has always been central to visions of economic growth and prosperity in the southern African region and there is a long history of sustained efforts to foster cooperative development. While there has been little investment in the ZRB over the last 30 years, these efforts have acknowledged the need for a combination of growth-based investments and strategic analytical work in support of a sustainable vision and framework that can inform and guide integrated, resilient regional development to unblock the significant potential for economic growth. However, despite the strong analytical foundations, cooperation has remained elusive. This reflects the complex interaction of social, technical and political considerations.
3. Sustained economic growth above 6% in many of the riparian states is providing new opportunities and increasing development pressure on the resources of the basin. More than US\$16 billion worth of investments have been identified at the pre-feasibility or feasibility stage of preparation and the combined GDP among the ZRB riparian states is estimated today at over US\$100 billion. Despite this increasing prosperity, poverty is persistent across the basin and coefficients of inequality for some of the riparian states are among the highest in the world. Reflecting the dual nature of the regional economy, new investments in large infrastructure co-exist alongside a parallel, subsistence economy that is reliant upon environmental services provided by the river.
4. The benefits of cooperation in the ZRB have been well demonstrated. There is an extensive body of literature supporting the notion that cooperation over shared waters promises substantial benefits. These typically include peace dividends; preventing the escalation of disputes into conflicts by opening dialogue and increasing potential for problem solving; improving access to external markets; increasing economies of scale (e.g., lower marginal cost of unit power production in the case of hydropower); improved management and coordinated operation of water infrastructure to accommodate multipurpose uses of water; the possibility of jointly facing common external threats, (e.g., climate risks, malaria); and optimizing the location of infrastructure to increase benefits and reduce costs.
5. Results of a multi-sectoral investment analysis<sup>1</sup> have shown that cooperative water development in the Zambezi River Basin could result in substantial benefits. For example, the development of hydropower generation plans could facilitate over US\$10 billion in investment

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<sup>1</sup> The Zambezi River Basin: A Multi-Sector Investment Opportunities Analysis, Vol.1, Summary Report, The World Bank Africa Region, Water Resources Management, June 2010.

alone, improving regional energy security by increasing firm energy production by 35,000GWh/yr and providing an additional 60,000 GWh/yr in average energy. Increased agricultural production could enhance regional food security with an additional 343,000ha increasing the total irrigated areas to 775,000ha/yr and creating more than 500,000 jobs in the agricultural sector. More than 80% of this potential is situated in Malawi, Zambia and Zimbabwe. The ZRB also represents one of the few options for securing water supplies for the dryland areas south of the river in Botswana, Namibia and Zimbabwe, as well as further afield across the region. Socio-economic benefits derived from investments in river crossings, bridges and transport networks would have substantial benefits, improving trade efficiencies and linkages. Similar cooperation around strategic interventions relating to disaster management could increase resilience within the basin and reduce the exposure to floods and droughts. These interventions could increase economic resilience through avoiding estimated losses of as much as US\$1 billion a year due to these ‘water shocks’.

6. The evolution of international cooperation in the ZRB has developed over more than three decades, building on the earlier foundations established during the 1940s with the efforts to establish basin mechanisms within which to advance development of the Kariba and Cahora Bassa hydropower schemes. Due to the context and complexities of the time, the Kariba complex was developed through bilateral arrangements and the Cahora Bassa as a national project. In the 1980s new initiatives were launched in an effort to reach “Agreement on the Establishment of the Zambezi Watercourse Commission” (the ZAMCOM Agreement). However, these negotiations were suspended in the early 1990s to allow for discussions on the 1995 SADC Protocol on Shared Watercourses. The Protocol was revised in 2000 and ratified in 2003 with fresh negotiations on the ZAMCOM Agreement resuming in 2002.

7. The principle objective of the ZAMCOM Agreement is “to promote the equitable and reasonable utilization of the water resources of the Zambezi watercourse as well as the efficient management and sustainable development thereof”. The Agreement was signed on July 13, 2004 in Kasane, Botswana, by Ministers responsible for water from seven of the eight riparian states - Angola, Botswana, Malawi, Mozambique, Namibia, the United Republic of Tanzania, and Zimbabwe. Zambia did not sign but reportedly pledged to do so before the August SADC Summit in that same year after further consultation at the national level<sup>2</sup>. The ZAMCOM Agreement subsequently came into force on June 19, 2011 after six of the eight riparian countries completed their ratification processes and deposited their ratification instruments with the SADC Secretariat. Zambia subsequently acceded to the agreement in 2013 and Malawi, who signed on July 13, 2004, has not yet finalised its accession.

## **B. Sectoral and Institutional Context**

8. An Integrated Water Resources Management (IWRM) Strategy for the Zambezi River Basin (ZAMSTRAT) was supported under the ZACPRO 6.2 project. The ZAMSTRAT provides a strategy for how the objective will be achieved, as well as a document to support a *Plan for the Operationalisation of the Zambezi Watercourse Commission*. The Strategy comprises a listing of key visions, activities and projects which are prioritized in terms of short, medium and long-term implementation timing over a 10 to 15 year period.

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<sup>2</sup> <http://www.sardc.net/editorial/sadctoday/v7-3-8-04/zambezi.htm>

9. After more than 30 years with little investment in the ZRB, the entry into force of the ZAMCOM Agreement reflects increasing recognition of the need among the riparian states to find cooperative solutions to the challenges of development within the basin, as identified in the ZAMSTRAT. The potential outcomes envisaged over the next 10 to 15 years under the IWRM Strategy through cooperation include:

- (i) **Poverty reduced** throughout the basin as a result of expanded development, improved coordinated and sustainable water resources management.
- (ii) **Energy security** through hydropower investments (US\$10.7b) resulting in an additional 35,300 GWh/yr firm energy and an additional 60,000 GWh/yr average energy.
- (iii) **Agricultural production** increased, enhancing regional food security through an additional 343,000ha increasing irrigation to 775,000 ha/yr (85% in Malawi, Zambia and Zimbabwe).
- (iv) **Increased employment**, particularly in the Agricultural Sector, with over 500,000 jobs created.
- (v) **Economic resilience** increased and growth benefits sustained through reduced exposure to floods (>\$US\$1b avoided losses on average per year) and adaptive measures to climate change.
- (vi) **Regional transport** costs and travel times reduced through bridge investments and navigation.
- (vii) **Water supplies** secured for urban and industrial demands (>1,000M m3/yr to Botswana, Malawi, Zambia and Zimbabwe).
- (viii) **Environmental restoration** of the Zambezi Delta and improved fisheries production through systematic introduction of basin wide environmental flows.
- (ix) **Tourism and Mining** contributions to GDP increased through integrated, sustainable development.
- (x) **Fisheries production** enhanced through improved management of water resources.

### C. Higher Level Objectives to which the Project Contributes

10. The World Bank has had a long-standing commitment to global priorities and region-wide programs and the 2008 Regional Integration Strategy for Africa provides a coherent and strategically focused framework to guide the Bank Group's assistance in support of regional integration and regional programs in the provision of regional public goods. The strategy acknowledges that regional approaches to the management of shared waters can provide improved water security and more sustainable management of these resources than is achievable through national action alone. It further recognizes that effective management is all the more urgent given the potentially disruptive impact of climate change on water resources availability and increasing water demand resulting in potential conflicts arising from limited supplies.

11. The Bank portfolio under the Sustainable Development Network across the eight riparian states in the Zambezi River Basin amounts to more than US\$2 billion. Specific water related programs in the active portfolio account for a large share of this, with support to all eight of the riparian states and the regional SADC Secretariat. A comprehensive analytical program has been developed over the years to set the foundation for complex investment programs. This program is supported through a solid analytical foundation, with Country Water Resources Assistance

Strategies having been prepared for Malawi, Mozambique, Tanzania and Zambia. This analytical program is reflected in the Country Assistance Strategies and Interim Strategy Notes among the individual riparian states, all of which include a strong focus on water and recognition of the role that water plays in fostering the goals of economic cooperation.

12. The proposed program is aligned with the ZAMSTRAT and the objectives of the multi-donor trust fund for Cooperation in International Waters in Africa (CIWA). The CIWA development objective is to strengthen cooperative management and development of international waters in Africa to facilitate sustainable climate resilient growth. The proposed program is directly aligned with CIWA's objective, intending to support the riparian states and regional bodies towards facilitating investment and growth by developing the resources of the basin. Key outcomes envisaged by the CIWA MDTF include increasing levels of regional cooperation and integration, enhanced management and development of water resources in a climate resilient manner, and broad stakeholder engagement and coordination. The proposed program engages the stakeholders to strengthen existing institutions and management regimes by supporting cooperative planning and development of water resources in the Zambezi River Basin.

13. The objective of ZAMSTRAT has been "Equitable sustainable utilisation of water for social and environmental justice, regional integration and economic benefit for present and future generation." ZAMSTRAT presents the main Integrated Water Resources Management (IWRM) challenges for the Zambezi Basin and proposed possible strategies and actions to address these, both in terms of water management and institutional development. The strategy has been constructed around four "Challenges" as follows:

- (a) Integrated and coordinated water resources development
- (b) Environmental management and sustainable development
- (c) Adaptation to climate variability and climate change
- (d) Basin-wide cooperation and integration.

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. PDO**

14. The Program Objective of CIWA is to strengthen cooperative management and development within the Zambezi River Basin to facilitate sustainable, climate resilient growth.

15. This is a common objective for all CIWA financed projects within the Zambezi River Basin. The objective will be achieved through advancing development of the Batoka Gorge HES as part of this integrated program of strategic support. The overall program is intended to inform and guide sustained, integrated regional growth through local investments and financing of targeted projects.

16. The **Project Development Objective** is to strengthen ZAMCOM's role in promoting cooperative management and development within the Zambezi River Basin through institutional strengthening, improved information sharing and decision support and strategic planning.

17. This will be achieved through both the development of the Zambezi Strategic Plan's (ZSP) strategic vision and framework to inform and guide sustained, integrated regional growth through local investments, and through the financing of targeted projects.

18. The Development Objective is well-aligned to the objective of the ZAMCOM Agreement and will specifically reduce the obstacles to cooperation and advancing investments, support the identification and preparation of strategic investment opportunities, improved management of water resources to ensure sustainability and optimum utilization; and national level activities which relate to improved cooperation and management of shared waters.

## **B. Project Beneficiaries**

19. The ultimate beneficiaries of the project will be the citizens of the riparian states through the contribution of secure, sustainable water to critical sectors including agriculture, energy and industrial growth. The specific beneficiaries will be individuals, communities and institutions who will benefit from the outcomes related to activities under the Project.

## **C. PDO Level Results Indicators**

20. The **proposed PDO Level Results Indicators** would measure progress toward enhanced management of water resources and the development of physical investments in a climate resilient manner. The proposed long-term (10 year) targets for the PDO level results indicators are:

- (a) US\$ financing planned-for cooperative management and development of international waters; and,
- (b) Number of people directly benefiting from improved water resources management and development.

21. The intermediate level results indicators for the program are intended to provide an integrating framework for assessing progress within the individual projects under the program. They are therefore aligned with the four intermediate results areas and specific indicators of the CIWA MDTF and the relevant Bank's Core indicators. These results and targets are further elaborated in the results framework and will be subject to review and addition as the program evolves to meet the needs of the basin.

22. The ultimate goal in relation to ZAMSTRAT is the translation of its strategic actions into a Zambezi Strategic Plan of projects and programmes to be agreed amongst the Riparian States. In facilitating this process the project will contribute to CIWA's long-term results over the next ten years, which are expected to be:

- (e) Regional cooperation and integration strengthened by supporting ZAMCOM in its legal establishment, financial sustainability, delivery of key functions and establishment of effective partnerships with key institutions throughout the basin.
- (f) Water resources management strengthened supporting public availability of basin-wide data and information, analytical tools for planning, management of extreme events and harmonized national transboundary legislation.
- (g) Water resources development strengthened by supporting a common investment planning framework and advancing investment opportunities with regional benefits.
- (h) Stakeholder engagement and coordination strengthened by establishing partnerships and effective strategic communications.

### III. PROJECT DESCRIPTION

23. The project is part of a broader program of support within the Zambezi River Basin. The program is facilitated through the multi-donor trust fund for Cooperation in International Waters in Africa (CIWA MDTF) and intended to provide an integrating framework to leverage Bank supported programs across various sectors and countries across the basin. The CIWA MDTF has been designed in recognition of the fact that all of Africa's major water sources are shared by two or more countries and that the key sectors which contribute to growth depend on the continent's water resources. The development objective of CIWA is intended to be both responsive to the requirements of organizations engaged in international waters and opportunistic in promoting collaboration and development. The proposed program is directly aligned with CIWA's objective, intending to support the riparian states and regional bodies towards facilitating investment and growth by developing the resources of the basin in accordance with the priorities articulated in the ZAMSTRAT.

#### A. Project Activities

24. The Project will provide support in three key areas: (i) institutional development of the ZAMCOM Secretariat; (ii) improved basin-level information management with Decision Support System (DSS) through ZAMCOM; and, (iii) strategic planning tools addressing basin-level developments.

*(i) Institutional Development of the ZAMCOM Secretariat* will provide support for a more financially sustainable and efficient basin-wide water resources institution. Specific activities will include: a) supporting the establishment of the permanent ZAMCOM Secretariat and the consolidation of its core functions through the provision of technical assistance and operational support; and, b) assessing the legal equivalence of instruments governing the development and management of water resources at national and transboundary level in the Zambezi River Basin, formulating guidelines for harmonization of legal frameworks and procedures for notification.

*(ii) Zambezi Water Information Management System and Decision Support Systems* will support operationalization of the Zambezi Water Information Management System (ZAMWIS) as part of a multi-donor initiative to provide a foundation for more effective information sharing and decision support systems within the Zambezi River Basin. Specific activities will include: a) Strengthening the basin-wide data collection platforms and accessible spatial information; b) developing the integration and compatibility of basin hydrological models with user-adapted web-based interfaces.; c) enhancing the ZAMCOM website to improve accessibility to and collaboration related to data and analysis; d) facilitating the development and implementation of forecasting and early warning tools.

*(iii) Strengthening strategic planning in the Zambezi River Basin* will support development of the Zambezi Strategic Plan for the efficient management and sustainable development of the Zambezi Watercourse. Specific activities will include: a) support to the Strategic Plan, including basin wide planning tools and processes for the identification, categorization and prioritization of projects and programmes; and, b) Policy and Planning Tools to promote, support and coordinate the efficient management, sustainable development, reasonable and equitable utilisation of the water resources of the Zambezi Watercourse.



## **B. Project Financing**

25. The financing for the project will be provided through a US\$4 m grant from the multi-donor trust fund for Cooperation in International Waters in Africa (CIWA MDTF), hosted by the World Bank, to be implemented over three years.

### **Instrument**

26. The financing is being processed as the first in a Series of Projects according to the Investment Project Financing OP/BP 10.00. The Series of Projects will be supported through numerous grants, complimenting an existing portfolio and pipeline of IDA projects among the eight riparian states within the Zambezi River Basin over a 10 to 15 year period. The projects are intended to provide a broad program of support across the Zambezi River Basin coalescing around the Zambezi Watercourse Commission and the agreed objectives outlined in the Agreement. The ZAMCOM Agreement provides a unifying framework for design of the series in response to the common development goals of the riparian states and regional organizations relating to the integrated development and management of water resources in the Zambezi River Basin.

27. An integrated project document with separate components aligned to different recipient executed CIWA grants was considered at the concept stage. However, this approach was rejected during preparation to allow greater flexibility in processing aligned to the readiness of the different recipient executed projects under the program. The integrated program document would also have restricted the flexibility to include additional recipient executed grants under the broader program during implementation. The programmatic nature of the Bank's engagement within the context of the Zambezi River Basin is guaranteed through the CIWA Support Plan and a single administrative budget to ensure integration of all CIWA supported activities.

## **C. Program Objective and Phases**

28. The project is intended to be one of a series of projects envisaged as part of a program of support to the riparian states and regional bodies in the Zambezi River Basin supported through the multi-donor trust fund for Cooperation in International Waters in Africa (CIWA MDTF). The CIWA MDTF has been designed in recognition of the fact that all of Africa's major water sources are shared by two or more countries and that the key sectors which contribute to growth depend on the continent's water resources. The development objective of the CIWA MDTF is to strengthen cooperative management and development of international waters in Africa to facilitate sustainable climate resilient growth. This is intended to be both responsive to the requirements of organizations engaged in international waters and opportunistic in promoting collaboration and development.

29. The program is envisaged as a series of projects at various levels across different sectors within the basin aimed at promoting the equitable and reasonable utilization of the water resources of the Zambezi watercourse as well as the efficient management and sustainable development thereof. The program is envisaged as a series of projects providing support to the Zambezi River Basin over a 10 to 15 year period with the programmatic objectives of: i) reducing the obstacles to cooperation and advancing investments; ii) support in the identification and preparation of strategic investment opportunities; iii) supporting improved management of water resources to ensure sustainability and optimum utilization; iv) supporting national level activities which relate to the development or management of shared waters; and v) consolidating

financing from Cooperating Partners behind an ambitious program of infrastructure development and water resource management.

30. Projects under Phase 1 of the program are all aligned to the prioritized list of activities articulated in the IWRM Strategy and Implementation Plan for the Zambezi River Basin (ZAMSTRAT). The ZAMSTRAT presents the main challenges for the management of the water resources of the Zambezi River Basin and a series of recommended strategies and actions to address them. These include both water management and institutional development related activities and will be reviewed regularly within the context of the Zambezi International Cooperating Partners (ZICP) to ensure alignment. Additional grants may be identified as the program evolves.

31. Each project within the program is guided by the CIWA Support Plan (CSP) for the Zambezi River Basin. This establishes the longer-term strategic context and objectives for a long-term program that provide an integrating and enabling environment for individual projects within the broader basin context. The CSP, which is reviewed annually, enables both CIWA, the riparian states and cooperating partners to maintain an overview of the program of support for internal planning and resource mobilization purposes. It also enables the support provided through the CIWA program to be viewed in the context of the overall strategic development plans of the Zambezi River Basin and the support being provided by other Cooperating Partners.

32. To maximize the impact of the CIWA Program in the Zambezi River Basin, activities will be supported at three levels: i) at the country level within the river basin context, ii) among sub-regional clusters, and, iii) across the Basin. CIWA will aim to leverage other financing and analytical instruments of the World Bank Group and other development partners. This mix of instruments will support i) continuing dialogue, ii) analytical work and technical assistance, iii) preparation of a pipeline of projects, and iv) investment financing.

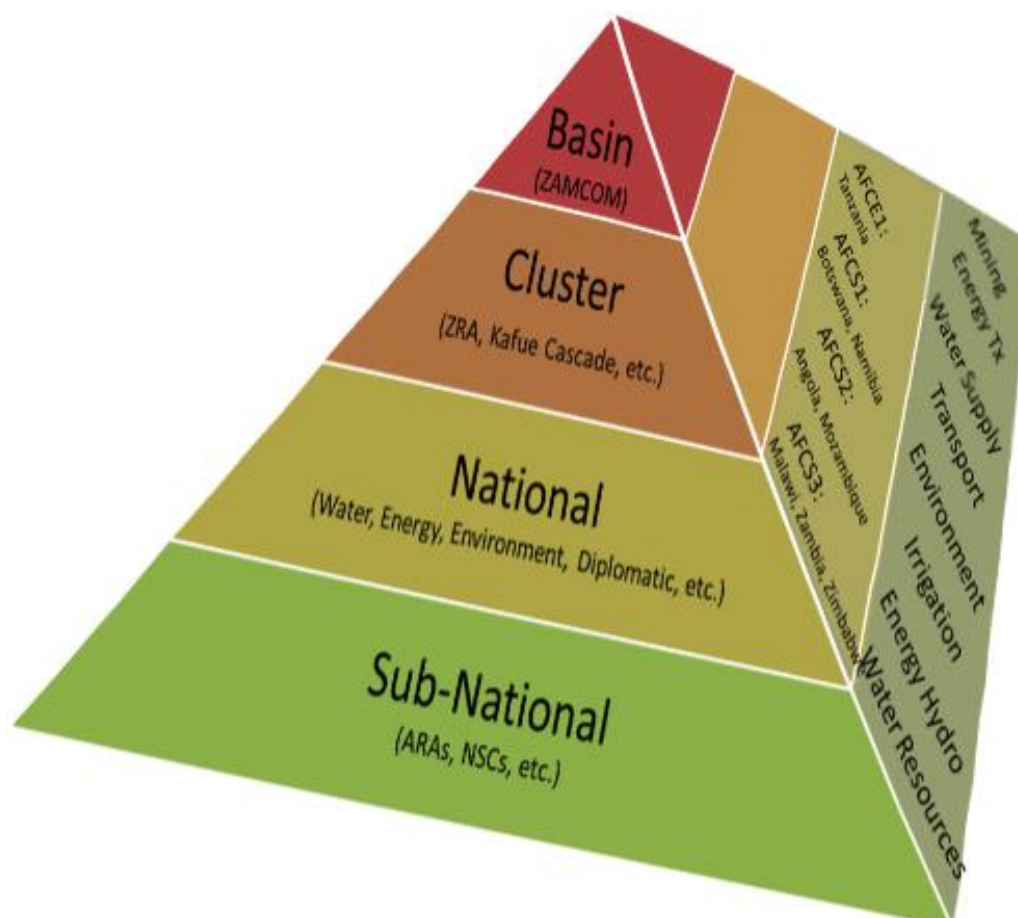
33. The country level provides the foundation for enabling regional initiatives and cooperative ventures. Support toward realisation of the goals will include a focused effort to continue support in energy, water, environment, transport, irrigation but with increased and better coordination within and among sectors to enhance the capacity and confidence of national and sub-national institutions to engage in the regional cooperative process. The Bank's country level engagement will help to incorporate and capitalise on the WBG portfolio in key sectors. The program will help facilitate a discussion around increased alignment between the various instruments available to the riparian states to help them position themselves in relation to the broader commitments contained under regional frameworks, such as the SADC Protocol and ZAMCOM Agreement, and bilateral arrangements.

34. Sub-regional and sectoral support will assist organizations mandated with the development and operation of key infrastructure in the basin. This will be directed toward intensified engagement through technical assistance, support to feasibility studies to advance bilateral and multilateral investment opportunities within the basin context. This approach is in recognition of the provisions within the ZAMCOM Agreement, which acknowledge existing agreements, and is intended to re-enforce and facilitate alignment between existing institutions within the basin. This is exemplified by the Memorandum of Understanding between dam operators in Mozambique, Zambia, and Zimbabwe.

35. Basin level support to regional organizations, such as the Zambezi Watercourse Commission, will be directed toward sustaining the political process toward fostering commitments to

cooperation. This will support processes aimed at realising the gains through the equitable and reasonable utilization of water along with cooperative development through basin wide activities. These will build on the country level foundations, through incremental contributions and support to implementation of measures envisaged under the ZAMCOM Agreement, the IWRM Strategy and ultimately the Zambezi Strategic Plan. This will be provided through technical assistance and analytical work to demonstrate the benefits of cooperation, with engagement informed by those areas where the Bank has a comparative advantage.

### **Organising Framework for a Cooperative Support Program in the Zambezi River Basin**



### **D. Lessons Learned and Reflected in the Project Design**

36. The project preparation process is informed by a long history of efforts to support cooperation in the Zambezi River Basin dating back to the 1940s. More recently, the Zambezi River Action Plan (ZACPLAN) was initiated by SADC in 1987 to promote joint management of the water resources of the Zambezi River Basin on both a technical and political level. The ZACPLAN process, including negotiations on ZAMCOM, was re-initiated in October 2001 with the assistance of the governments of Sweden, Norway and Denmark through the launch of the ZACPRO6, Phase II project.

37. A Multi-Sector Investment Opportunities Analysis (MSIOA) for the Zambezi River Basin was undertaken in 2010 to illustrate the benefits of cooperation among the riparian countries in the ZRB through a multi-sectoral economic evaluation of water resources development, management options and scenarios focusing primarily on hydropower and agricultural development potential. This was undertaken from both the national and basin-wide perspectives through a highly consultative and iterative process. The Zambezi River Basin MSIOA was a World Bank analytical piece undertaken to guide the Bank in how best to support the Zambezi riparian states and has informed the design of the project which has drawn on the consultative structures under the Zambezi Watercourse Commission and the Bank's ongoing support to various national activities in the riparian states.

38. The design of the program has been further informed by lessons learned from World Bank involvement in transboundary water issues. This includes support across Africa in the Nile, Niger, and Senegal River basins, along with various programs and initiatives in international waters across other regions. Some of the key lessons that have been incorporated are: i) the importance of riparian ownership and early stakeholder engagement; ii) flexible levels of engagement; iii) clear goals and results focus; iv) the need to communicate results and outcomes to stakeholders and development partners in order to build support and v) the importance of donor coordination to increase program effectiveness.

#### **IV. IMPLEMENTATION**

##### **A. Institutional and Implementation Arrangements**

39. The grant recipient will be the Zambezi Watercourse Commission (ZAMCOM) which is a basin level organization responsible for promoting the equitable and reasonable utilization of the water resources of the Zambezi River and their efficient management and sustainable development, in accordance with the 2004 Agreement between the Riparian States that came into force on June 19, 2011. The ZAMCOM organs include: i) The Council of Ministers; ii) The Technical Committee (ZAMTEC); and, iii) The ZAMCOM Secretariat, which are responsible for overseeing implementation of the Zambezi Strategic Plan<sup>3</sup> and associated activities.

40. The ZAMCOM Secretariat will be responsible for implementation under a Recipient Executed Grant. The permanent ZAMCOM Secretariat is being hosted by Zimbabwe's Ministry of Environment, Water and Climate following a competitive selection process among the riparian states that was endorsed by the ZAMCOM Council of Ministers in May 2013 at a meeting in Luanda, Angola.

41. The ZAMCOM Secretariat is tasked with facilitating the operationalisation of the ZAMCOM, including supporting creation of the permanent organs envisaged under the agreement. This includes: i) the Council of Ministers – to be established and initially be convened back-to-back with the SADC Water Ministers which meets annually; ii) the ZAMCOM Technical Committee (ZAMTEC), which held its first meeting on November 01, 2012; and, iii) establishment of the ZAMCOM Secretariat (ZAMSEC).

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<sup>3</sup> Based on the current 2008 Zambezi basin-wide Integrated Water Resources Management Strategy (ZAMSTRAT), the Zambezi Strategic Plan was to be developed once the establishment of the ZAMCOM organs is complete

## **B. Results Monitoring and Evaluation**

42. The Results Framework outlined in Annex 1 has been designed to meet the requirements of the CIWA MDTF and provides the basis for monitoring progress of the project. Monitoring and Evaluation will be undertaken through the normal operations of World Bank project supervision and evaluation processes. The indicators are all aligned with the expected outcomes articulated in the ZAMSTRAT, allowing the results to be aggregated to report on progress toward the overall basin level goals as well as those of the CIWA MDTF. In addition to an annual review of results and performance through the CIWA Basin Advisory Committee, a Mid-Term review will be undertaken.

## **C. Sustainability**

43. Achieving the overall objectives of the ZAMCOM Agreement in promoting equitable and reasonable utilisation of waters in the Zambezi River Basin, and facilitating the efficient management and sustainable development of shared water resources requires a financially sustainable and secure Secretariat.

44. The 2007 Plan for Operationalisation of the Zambezi Watercourse Commission included a summary of the funding requirements for the establishment of ZAMCOM Secretariat (ZAMSEC) and the initial three years of operations. These average approximately US\$800,000 per year. The annual work plan of the Interim ZAMSEC for May 2012 to April 2013 estimated the resource requirements at US\$2.47 m based on needs and expectations at the time of the transition. This included a combination of establishment costs, recurrent costs associated with the Secretariat's minimum functions and project related activity costs. The first workplan for the permanent ZAMCOM was reviewed by the ZAMTEC in their meeting November 2014 and provides the basis for work programme implementation through to December 2017. The total budget for period to December 2017 is estimated at USD 13.3m with financial resources provided by the eight ZAMCOM Riparian States and International Cooperating Partners.

45. Current contributions to the ZAMCOM arrangements from the riparian states of US\$25,000 per annum were agreed by the Ministers responsible for water among the riparian states in 2011 at a meeting in Mwanza, Tanzania. At a subsequent meeting in September 2011 held in Maseru, Lesotho, the Minister established the deadline for first payments by August 31, 2012. The commitment demonstrated by the riparian states in making contributions to the ZAMCOM Secretariat is an important indicator of the level of ownership and desire to see the Secretariat established and fulfilling its mandate. However, these initial commitments (total US\$200,000 per year) are not sufficient to ensure the minimum core functions of the Secretariat.

46. Acknowledging the shortfall in meeting the Secretariat's financing needs, the ZAMSEC is revising the financing strategy as part of the preparations for establishment of the permanent Secretariat. The transition to a permanent ZAMSEC provides a unique opportunity to establish country contribution based on financial sustainability as a core principle and direct resources from International Cooperating Partners toward incremental costs in support of the priority projects identified in the IWRM Strategy and Implementation Plan.

47. A position paper has been prepared using a scenario based analysis of different levels of functionality that was discussed with member states in November 2014 at the ZAMTEC and is pending presentation to the Council of Ministers. This provides an assessment of the level of functionality envisaged for the permanent Secretariat and is intended to facilitate a constructive,

directed discussion with partners to determine appropriate level of country contributions and secure any bridging financing required from the International Cooperating Partners (ICPs). Four scenarios have been identified and included in the analysis:

(i) **Core Functionality:** considers only basic costs associated with meeting the minimum obligations contained within the ZAMCOM Agreement. This would include a core staff of three for the ZAMSEC, one annual meeting of the Council and the ZAMTEC, and minimal communications, such as a website, newsletter etc.

(j) **Enhanced Core Functionality:** core functions as outlined above but including provisions for National Stakeholder Advisory Committees as part of the consultative process within the basin. The budgeted allocation for the National Consultative Forums in the current work plan are US\$60k per country, with a meeting of the Basin-wide Consultative Forum estimated at US\$100k, making a total cost of consultations estimated at US\$580,000.

(k) **Minimum IWRM Functionality:** the ZAMSEC is resourced to allow for enhanced core functionality plus the implementation of priority projects identified as part of the IWRM Strategy and Implementation Plan.

(l) **Full IWRM Functionality:** the ZAMSEC is resourced to allow for enhanced core functionality plus the implementation of all projects identified as part of the IWRM Strategy and Implementation Plan.

#### **D. Donor Harmonization: the Zambezi International Coordinating Partners (ZICP)**

48. Since the ratification of the ZAMCOM Agreement, the ZAMSEC facilitated the establishment of the Zambezi International Cooperating Partners (ZICP) Partnership. The purpose of the Partnership is to enable coordination and coherence amongst donor support, provide a platform for sharing information and dialogue, and mobilise resource for the implementation of the ZAMCOM Operationalisation Plan (ZOP). Within the ZICP partnership, coordination is managed by the ZAMCOM Secretariat and it deals directly with the ICPs through the lead donor, a role which is fulfilled by DANIDA (Government of Denmark).

49. The ICPs involved in the Partnership are: African Development Bank (AfDB), Australian Agency for International Development (AusAID), Danish International Development Assistance (Danida), United Kingdom Department for International Development (DfID), Germany's Federal Ministry for Economic Cooperation and Development (BMZ), Food and Agriculture Organization of the United Nations (FAO), International Federation of Red Cross and Red Crescent Societies (IFRC), Norwegian Agency for Development Cooperation (NORAD), Swedish International Development Cooperation Agency (Sida); United States Agency for International Development (USAid) and the World Meteorological Organization (WMO).

50. During preparation, extensive consultation provided an opportunity to align the activities and development objectives as well as build consensus on the approach to support the ZOP, to improve the Zambezi Water Information System with decision support functions (such as flow forecasting and early warning systems) and priorities for strategic planning.

## V. KEY RISKS AND MITIGATION MEASURES

### A. Systematic Operations Risk-Rating Tool (SORT)

Risk Categories	Rating
1. Political and governance	L
2. Macroeconomic	L
3. Sector strategies and policies	M
4. Technical design of project or program	M
5. Institutional capacity for implementation and sustainability	H
6. Fiduciary	M
7. Environment and social	L
8. Donor Harmonization / Stakeholders	M
<b>OVERALL</b>	<b>M</b>

### B. Overall Risk Rating Explanation

51. Risks. The overall risk of the project is assessed as Moderate. Key risks are associated with the newly established permanent ZAMCOM Secretariat and the capacity to carry out project activities, project design, donor coordination and ensure sustainability. In order to mitigate capacity related risks, a comprehensive set of activities under this grant, as well as those of other ICPs, are planned to support development of ZAMCOM. The design of the project has been developed in close coordination with development partners to ensure complementarity of activities under various ICP-financed programs.

## VI. APPRAISAL SUMMARY

52. *Technical.* The project will support a series of strategic studies and knowledge products to strengthen the institutional capacity and support the Secretariat in facilitating the objectives of the ZAMCOM Agreement. The Bank has appraised the technical analysis and resource allocation and found them satisfactory. Project activities will include enhancement of the current functions of the Zambezi Water Information System (ZAMWIS) as part of a multi-donor initiative to enhance the decision support, including public domain, appropriate open access data and a suite of models to facilitate integrated basin planning, flood and drought forecasting, and improved early warning functions. CIWA financing would support the ZAMCOM Secretariat in the specific hydrological and meteorological aspects, leveraging the national IDA supported programs in the same area, and integrating these into an effective Decision support System. Other elements of the ZAMWIS are being supported through DANIDA, specifically the interactive GIS platform and the archival architecture. These will be complimented by regional capacity building exercises coordinated through the ZAMCOM Secretariat in the use of modelling tools and analysis.

53. **Economic viability.** The main economic benefits of cooperation, equitable and reasonable utilization among the riparian states and development of the resources of the Zambezi River Basin have been clearly demonstrated. The multi-sector investment opportunity analysis (MSIOA) for the Zambezi River Basin demonstrated the substantial economic gains that could be realized through cooperation. The results show that coordinated operation of the existing hydropower facilities and those envisaged under the Southern African Power Pool (SAPP) generation plan could increase firm energy by 23% over uncoordinated, stand-alone operations. While institutionally complex, smaller operational clusters could increase firm energy production by 7%, adding US\$585 million over a 30-year period with no major investments. However, despite the strong analytical foundations, cooperation has remained elusive, reflecting the complex interaction of social, technical and political considerations. Similar cooperation around strategic interventions relating to disaster management could increase resilience within the basin and unblock significant potential for economic growth. To achieve this, there is recognition of the need for a combination of growth-based investments and strategic analytical work in support of a sustainable vision and framework that can inform and guide integrated, resilient regional growth and development.

54. **Financial Management.** A Financial Management Assessment of the ZAMCOM Secretariat, was carried out with the objective of determining: (a) whether the entity has adequate financial management arrangements in place to ensure the funds will be used for the purposes intended in an efficient and economical manner and also capable of correctly and completely recording all transactions and balances related to the Project; (b) the Project's financial reports will be prepared in an accurate, reliable and timely manner; (c) the project's assets will be safely guarded; and (d) the Project will be subjected to auditing arrangements acceptable to the Bank.

55. The ZAMCOM financial management systems of planning, budgeting, funds flow, accounting, internal controls, auditing and reporting are in place except for the following capacity constraints: (i) lack of a proper accounting information system to prepare the accounts of the project; (ii) absence of internal audit function to provide assurance on compliance with controls and procedures as well as follow up the recommendations of external audit reports; (iii) lack of enough dedicated financial management staff to work on the project making segregation of duties difficult. Additionally the staff do not have experience in working for World Bank funded projects.

56. As a result of the financial management capacity constraints stated above the following mitigation measures are proposed: (i) the project to provide for recruitment of one additional experienced accounting staff to work exclusively for the project. This will provide the minimum required segregation of duties; (ii) training the project financial management staff in Financial Management and Disbursement procedures for World Bank funded projects; (iii) ZAMCOM to acquire and install an accounting software to be used for accounting and reporting; and, (iv) ensure that Terms of Reference for the external audit cover the requirements of internal function in terms of reporting on compliance with controls and procedures.

57. The Financial Management assessment concludes that with the implementation of the financial management mitigation measures, the financial management arrangements for the project will be further strengthened and will meet the Bank's minimum requirements under OP/BP 10.00. The residual risk rating for ZAMCOM is Moderate. A detailed assessment report is attached in Annex 4.



58. **Procurement.** Procurement under the project will follow the *Guidelines: Procurement under IBRD Loans and IDA Credits* dated January 2011 (revised July 2014) and *Guidelines: Selection and Employment of Consultants by World Bank Borrowers* dated January 2011 (revised July 2014). An assessment of the ZAMCOM Secretariat was conducted and it was noted that despite limited experience of the Secretariat, arrangements have been put in place with procurement guidelines adopted and a procurement committee established. The Secretariat shall hire a part time procurement consultant to support procurement under the project. To mitigate the risk of inexperience, the Bank shall provide handholding support to the Secretariat for the first two procurements. The overall residual risk rating for ZAMCOM is Significant

#### **A. Safeguards Policies Triggered**

59. The project is providing Technical Assistance aimed at strengthening the institutional capacity for regional cooperation and improving the knowledge base, analytical tools, and capacity for meeting the objectives of equitable and reasonable utilization of the waters of the Zambezi River Basin. This will provide an important foundation for informing more systematic consideration of environmental and social enhancement in the preparation of potential investments within the basin.

60. O.P. 7.50 “Projects in International Waterways” is the only safeguard policy triggered by the project. However, given that implementation is being coordinated by the ZAMCOM Secretariat, a representative regional organization established under the Agreement, it has been exempt from the notification requirement. The project concept was presented by the ZAMCOM Secretariat to the ZAMTEC at its first meeting on November 01, 2012. The ZAMTEC includes representatives from all riparian states and the full documentation was presented to the second ZAMTEC meeting in March 2013, along with the first meeting of the Council of Ministers held in Luanda, Angola, in May, 2013, without objection.

**ANNEX 1: RESULTS FRAMEWORK AND MONITORING**  
**AFRICA: Zambezi River Basin Management Project**

1. The results framework is directly aligned with the overall CIWA program results framework. This is intended to allow for simple aggregation of the results of the Basin Level Outcomes (BLO) from all of the CIWA supported programs across Sub-Saharan Africa. It is an amalgamation of the results matrices of all of the first phase projects presented alongside the long-term objectives for CIWA's engagement in the basin.
2. The results framework provides the definition of successful strengthening in each of the result areas. The four result areas are:
  - (a) Regional cooperation and integration strengthened: This result aims to foster cooperative trans-boundary institutions for greater regional stability and creation of an enabling environment for shared sustainable growth.
  - (b) Water resources management strengthened: This result aims to underpin the evidence-based knowledge for planning and decision-making to maximize development opportunities and minimize climate risks.
  - (c) Water resources development strengthened: This result aims to support investments that improve resilience to climate related shocks, enhance food security, and enable countries to follow a lower carbon growth path.
  - (d) Stakeholder engagement and coordination strengthened: This result aims to enable greater voice of civil society, private sector and academia in the decision making processes related to cooperative management and development of shared basin resources.

**CIWA Program Objective:** Cooperative management and development within the Zambezi River Basin strengthened to facilitate sustainable, climate resilient growth.

**Project Development Objective (PDO):** to strengthen ZAMCOM's role in promoting cooperative management and development within the Zambezi River Basin through institutional strengthening, improved information sharing and decision support and strategic planning.

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description
				YR 1	YR 2	YR3				
<b>Indicator One:</b> US\$ financing planned for cooperative management and development of international waters (supported by CIWA)	<input type="checkbox"/>	US\$	0	Strategic Plan preparation initiated	Strategic Plan consulted with stakeholders	Strategic Plan approved by Council identifying prioritized investments	Annual	Reports	ZAMSEC	Strategic Plan defined in Agreement to mean “a master development plan comprising a general planning tool and process for the identification, categorisation and prioritisation of projects and programmes”
<b>Indicator Two:</b> Number of people directly benefiting from improved water resources management and development	<input type="checkbox"/>	#	0	0	0	35,000,000	Annual	Reports	ZAMSEC	Total basin population benefitting from strategic plan and decision support systems
<b>INTERMEDIATE RESULTS</b>										
<b>Intermediate Outcome One: Regional cooperation and integration strengthened</b>										
<b>BLO 1.1: Data</b> Extent of data sharing for basin wide planning	<input type="checkbox"/>	Text	Lack of clarity of roles and potential conflict	Dialogue established	Determination of roles	Roles clarified through adoption of data sharing protocol	Annual	Reports	ZAMSEC	Fully effective partnerships (e.g. MOU)
<b>BLO 1.2: Legal establishment</b> Status of institution to carry out its mandated functions	<input type="checkbox"/>	Text	Agreement ratified by 6 member states.  ZAMCOM	Decision on host country of permanent institution	Legal status and hosting agreement in place	Permanent ZAMCOM Secretariat legally established reflecting functions in ZAMCOM	Annual	Reports	ZAMSEC	Agreement ratified by all riparians.  Fully functional independent

**CIWA Program Objective:** Cooperative management and development within the Zambezi River Basin strengthened to facilitate sustainable, climate resilient growth.

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PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description
				YR 1	YR 2	YR3				
			Secretariat (IZS) operates with support of SADC-WD			Agreement				institution.
<b>BLO 1.2: Financial sustainability</b> % contribution by Member States to the cost of minimum functionality	<input type="checkbox"/>	%	% Actual contributions divided by actual costs	Minimum functionality defined and costed	Plan for 100% coverage of minimum functionality approved by ZAMCOM	At least 80% of costs covered	Annual	Reports	ZAMSEC	Enhanced functionality defined with 100% coverage
<b>Intermediate Result Two: Water Resources Management Strengthened</b>										
<b>BLO 2.1: Information services</b> Extent of extreme event management capability		Text	Road map adopted	Scoping study to assess needs (data, national capacity, etc)	Initiate design of system	Complete design of system	Annual	Reports	ZAMSEC	Real time basin-wide flood forecasting and early warning system
<b>BLO 2.2: Key functions</b> Quality of delivery of key functions; basin-wide planning, prior notification, national confidence building and negotiation skills (C3)		Text	No basin wide plan exists	Consultant procured for Operationalisation Plan	Draft Strategic Plan reviewed by ZAMTEC	Zambezi Strategic Plan endorsed by ZAMCOM	Annual	Reports	ZAMSEC	Prioritised implementation of Zambezi Strategic Plan.
<b>BLO 2.2: Legislation &amp; policy</b> Legal frameworks for transboundary water management and development harmonized		Text	Not all national legislation reflects transboundary considerations	TOR drafted and approved	Equivalence assessed	Guidelines for harmonization	Annual	Reports	ZAMSEC	Harmonised national transboundary legislation

**CIWA Program Objective:** Cooperative management and development within the Zambezi River Basin strengthened to facilitate sustainable, climate resilient growth.

**Project Development Objective (PDO):** to strengthen ZAMCOM's role in promoting cooperative management and development within the Zambezi River Basin through institutional strengthening, improved information sharing and decision support and strategic planning.

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description
				YR 1	YR 2	YR3				
Intermediate Result Three: Water Resources Development Strengthened										
<b>BLO 3.1: Analysis</b>  Analytical capacity for identification and assessment of basin-wide opportunities and risks	<input type="checkbox"/>	Text	No analytical capacity at ZAMCOM Secretariat	Scoping study to assess analytical requirements and options for operationalization	Prepare series of technical briefs through application of public domain economic and hydrologic models including climate risk analysis for infrastructure investments and spatial analysis of infrastructure	Complete series of technical briefs	Annual	Reports	ZAMSEC	Analytical tools for planning fully operational
<b>BLO 3.1: Investment planning</b>  Common investment planning framework	<input type="checkbox"/>	Text	No coordinated planning	Dialogue initiated on development of national & regional framework	National frameworks developed	Basin-wide scenario planning	Annual	Reports	ZAMSEC	Strategic Plan informing optimised basin-wide investment planning
<b>BLO 3.2: Institutional partnerships</b>  Level of effectiveness of partnerships and clarity of roles across key institutions in the basin	<input type="checkbox"/>	#	No prior notification facilitated	Process defined	Consensus agreement of process by ZAMCOM	At least 1 request facilitated	Annual	Reports	ZAMSEC	Prior notification requirements of SADC Protocol and ZAMCOM Agreement met
Intermediate Result Four: Stakeholder engagement and coordination strengthened										
<b>BLO 4.3: Stakeholder partnerships</b>  Extent of academic partnerships established to further the knowledge base	<input type="checkbox"/>		Limited partnerships	Scoping opportunities for partnerships	MoU established	Initiation of internships	Annual	Reports	ZAMSEC	Broader base of transboundary knowledge & analysis

**CIWA Program Objective:** Cooperative management and development within the Zambezi River Basin strengthened to facilitate sustainable, climate resilient growth.

**Project Development Objective (PDO):** to strengthen ZAMCOM's role in promoting cooperative management and development within the Zambezi River Basin through institutional strengthening, improved information sharing and decision support and strategic planning.

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description
				YR 1	YR 2	YR3				
<b>BLO 4.3: External communications</b> Effectiveness of strategic communication on the benefits of cooperation	<input type="checkbox"/>	text	Non targeted communication	Detailed stakeholder mapping (interest/influence)	Targeted communications products (e.g. ZAMCOM role & website)	Targeted communication products (e.g. link technical briefs)	Annual	Reports	ZAMSEC	High level of awareness of ZAMCOM by key stakeholders

\*Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)

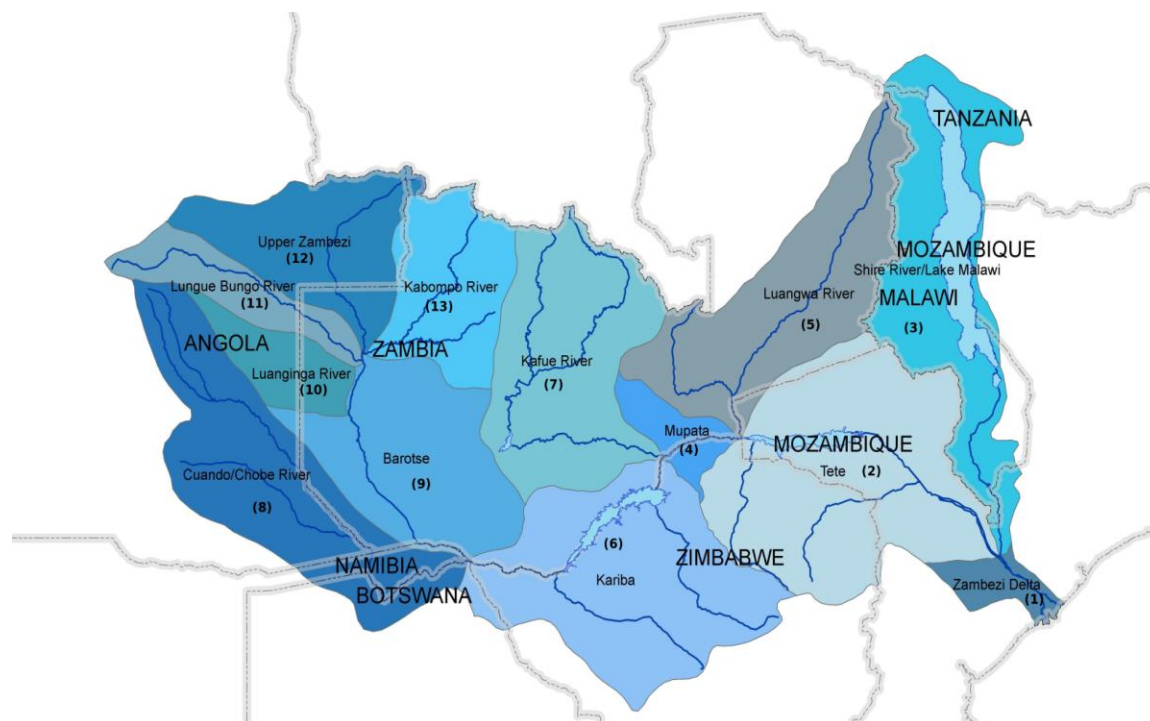
\*\*Target values should be entered for the years data will be available, not necessarily annually

## ANNEX 2: STRATEGIC BASIN CONTEXT

### AFRICA: Zambezi River Basin Management Project

1. The Zambezi River lies within the fourth-largest basin in Africa after the Congo, Nile, and Niger River basins. Covering 1.37 million km<sup>2</sup>, the Zambezi River has its source in Zambia, 1,450 meters above sea level<sup>4</sup>. The main stem then flows southwest into Angola, turns south, enters Zambia again, and passes through the Eastern Caprivi Strip in Namibia and northern Botswana. The Zambezi River then flows through Mosi-oa-Tunya (Victoria Falls), shared by Zambia and Zimbabwe, before entering Lake Kariba, which masses behind Kariba Dam, built in 1958. A short distance downstream from Kariba Dam, the Zambezi River is joined by the Kafue River, a major tributary, which rises in northern Zambia. The Kafue River flows through the Copperbelt of Zambia into the reservoir behind the Iteshi Tezhi Dam (ITT), built in 1976. From there, the Kafue River enters the Kafue Flats and then flows through a series of steep gorges, the site of the Kafue Gorge Upper (KGU) hydroelectric scheme, commissioned in 1979. Below the Kafue River confluence the Zambezi River pools behind Cahora Bassa Dam in Mozambique, built in 1974. Some distance downstream, the Zambezi River is joined by the Shire River, which flows out of Lake Malawi/Niassa/Nyasa to the north. Lake Malawi/ Niassa/Nyasa, which covers an area of 28,000 km<sup>2</sup>, is the third-largest freshwater lake in Africa. From the confluence, the Zambezi River travels some 150 km, part of which is the Zambezi Delta, before entering the Indian Ocean.

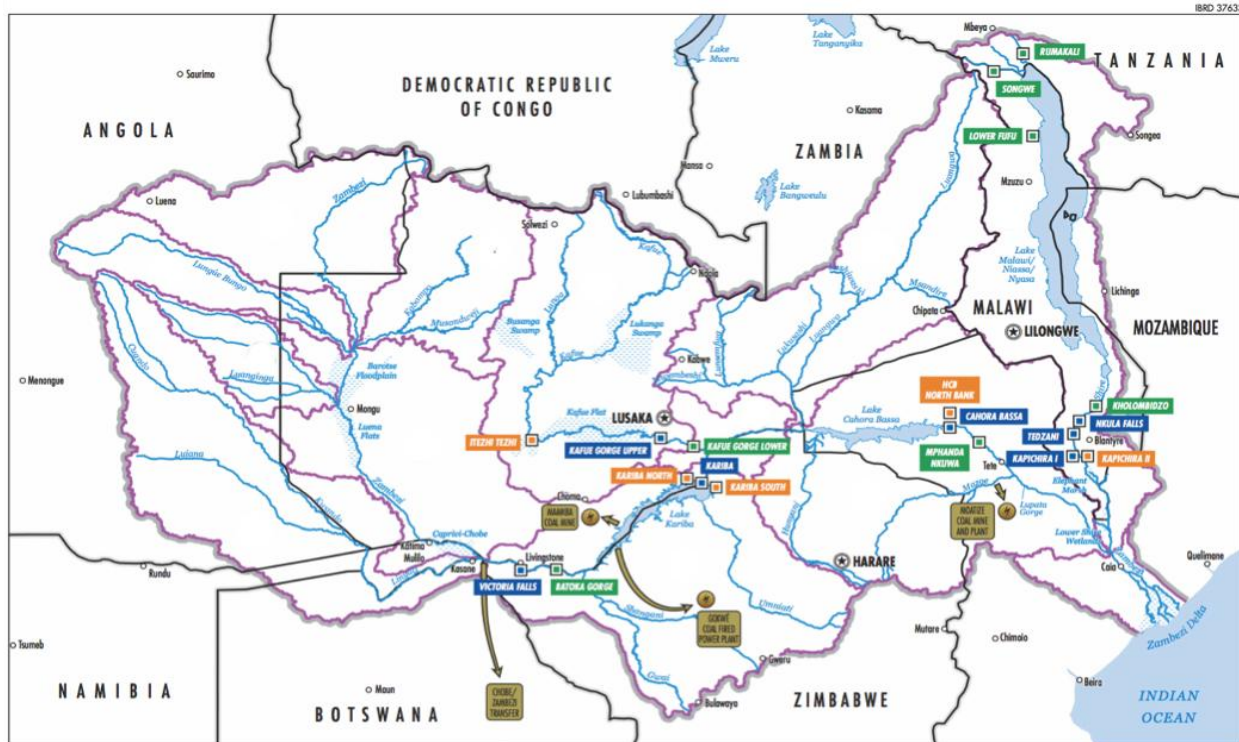
2. The basin of the Zambezi River is generally described in terms of 13 sub-basins representing major tributaries and segments.



<sup>4</sup> Reference: The Zambezi River Basin: A Multi-Sector Investment Opportunities Analysis, Vol.1, Summary Report, The World Bank Africa Region, Water Resources Management, June 2010

3. From a continental perspective, the ZRB contains four important areas of biodiversity:
  - *Lake Malawi/Niassa/Nyasa*, a region of importance to global conservation because of the evolutionary radiation of fish groups and other aquatic species.
  - *The swamps, floodplains, and woodlands* of the paleo-Upper Zambezi in Zambia and northern Botswana, including the areas of Barotseland, Busangu, Kafue, and Bangweulu, which together are thought to be areas of evolutionary radiation for groups as disparate as Reduncine antelope, suffrutices, and bulbous plants.
  - *The Middle Zambezi Valley in northern Zimbabwe and the Luangwa Valley in eastern Zambia*, two of the last remaining protected areas extensive enough to support large populations of large mammals.
  - *The Gorongosa/Cheringoma/Zambezi Delta* area of central Mozambique, which covers an area of enormous habitat diversity not found in such close proximity elsewhere on the continent.
4. The hydrology of the ZRB is not uniform, with generally high rainfall in the north and lower rainfall in the south. In some areas in the Upper Zambezi and around Lake Malawi/Niassa/Nyasa, rainfall can be as much as 1,400 mm/year, while in the southern part of Zimbabwe it can be as little as 500 mm/year. The mean annual discharge at the outlet of the Zambezi River is 4,134 m<sup>3</sup>/s or around 130 km<sup>3</sup>/year. Due to the rainfall distribution, northern tributaries contribute much more water than southern ones. For example, the northern highlands catchment of the Upper Zambezi sub-basin contributes 25%, Kafue River nine percent, Luangwa River 13%, and Shire River 12%—for a total of 60% of the Zambezi River discharge.
5. The population of the ZRB is approximately 30 million, more than 85% of whom live in Malawi, Zimbabwe, and Zambia within four sub-basins: Kafue, Kariba, Tete, and the Shire River and Lake Malawi/Niassa/Nyasa. Of the total population, approximately 7.6 million (25%) live in 21 main urban centers (with 50,000 or more inhabitants). The rest live in rural areas. The proportion of rural population varies from country to country, from over 50% in Zambia to around 85% in Malawi.
6. The ZRB is rich in natural resources. The eight riparian countries of the Basin represent a wide range of economic conditions. Annual gross domestic product per capita ranges from \$122 in Zimbabwe to more than \$7,000 in Botswana. Angola, Botswana, and Namibia have healthy current account surpluses, chiefly due to their oil and diamond resources. The main economic activities are fisheries, mining, agriculture, tourism, and manufacturing. Industries depend on the electricity produced in the hydropower plants (HPPs) of the Basin, as well as on other sources of energy (primarily coal and oil).
7. The evolution of international cooperation in the ZRB has developed over more than three decades. These efforts built on the earlier foundations established during the Federation and development of the Kariba hydropower complex. Negotiations toward the ZAMCOM Agreement date back to the early 1980s, although these negotiations were suspended in the early 1990s to allow for discussions on the 1995 SADC Protocol on Shared Watercourses. The Protocol was revised in 2000 and ratified in 2003 with fresh negotiations on the ZAMCOM Agreement resuming in 2002.





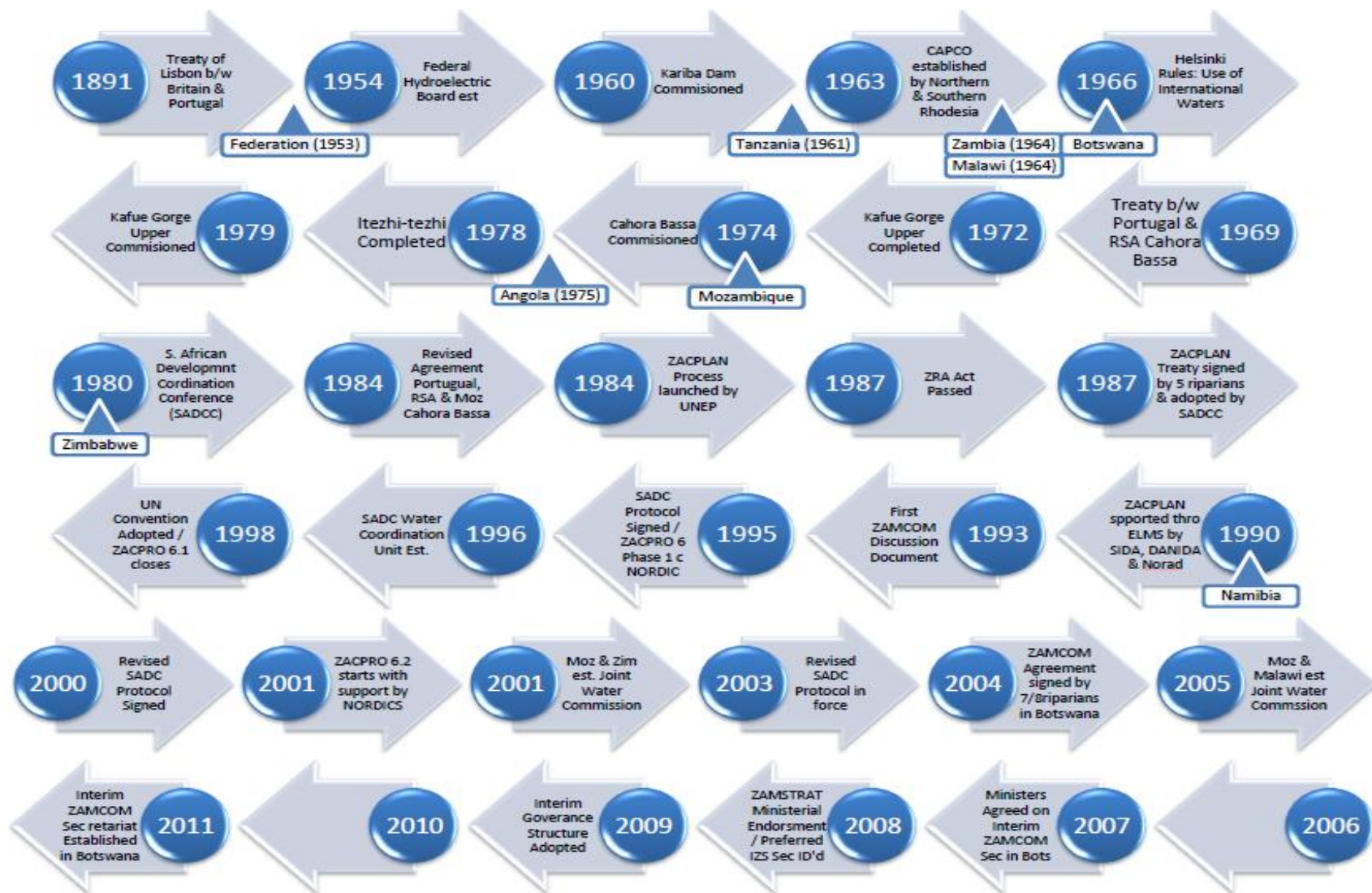
8. The “Agreement on the Establishment of the Zambezi Watercourse Commission” (the ZAMCOM Agreement) was subsequently signed on July 13, 2004 in Kasane, Botswana, by Ministers responsible for water from seven of the eight riparian states - Angola, Botswana, Malawi, Mozambique, Namibia, the United Republic of Tanzania, and Zimbabwe. Zambia did not sign but reportedly pledged to do so before the August SADC Summit in that same year after further consultation at the national level<sup>5</sup>. The ZAMCOM Agreement came into force on June 19, 2011 after six of the eight riparian countries completed their ratification. Zambia subsequently acceded to the agreement in 2013 and Malawi, who signed on July 13, 2004, has not yet finalised its accession.

9. An Interim ZAMCOM Secretariat was selected by the signatories to be hosted in Botswana. The Interim Secretariat was established in May 2011 with an agreed three year implementation program to facilitate operationalization of the ZAMCOM Agreement, including supporting creation of the permanent organs envisaged under the agreement. The establishment of the Permanent ZAMCOM Secretariat was led by the SADC WD with support from the IZS. Following the applications for hosting the permanent secretariat an evaluation of bids by a special committee began in December 2012. The ZAMSEC-Host Bid Evaluation Committee’s recommendation was presented to the Council of Ministers meeting in March 2013, for review and final decision. It was agreed that the permanent ZAMSEC would be situated in Harare, Zimbabwe. The permanent Secretariat was established in 2014, with an Executive Secretary recruited and commencing in July 2014 with the transfer and establishment of the necessary infrastructure to support the functions completed in the second half of 2014.

<sup>5</sup> <http://www.sardc.net/editorial/sadctoday/v7-3-8-04/zambezi.htm>

**Table of international water agreements entered into by Zambezi riparian States.**

	<b>SADC Protocol</b>		<b>UN Convention</b>		<b>Revised SADC Protocol</b>		<b>ZAMCOM Agreement</b>	
	<b>Signed</b>	<b>Ratified</b>	<b>Signed</b>	<b>Ratified</b>	<b>Signed</b>	<b>Ratified</b>	<b>Signed</b>	<b>Ratified</b>
<b>Angola</b>	Aug 28, 1995	Aug 18, 1999	Not Signed	Not Ratified	Aug 07, 2000	Not Ratified	July 13, 2004	Dec 07, 2010
<b>Botswana</b>	Aug 28, 1995	Nov 21, 1997	Not Signed	Not Ratified	Aug 07, 2000	Feb 21, 2001	July 13, 2004	
<b>Malawi</b>	Aug 28, 1995	July 21, 1997	Not Signed	Not Ratified	Aug 07, 2000	May 31, 2001	July 13, 2004	Not Ratified
<b>Mozambique</b>	Aug 28, 1995	Dec 27, 2000	Not Signed	Not Ratified	Aug 07, 2000	Jan 12, 2001	July 13, 2004	Dec 31, 2004
<b>Namibia</b>	Aug 28, 1995	June 06, 1998	May 19, 2000	Aug 29, 2001	Aug 07, 2000	Sept 11, 2001	July 13, 2004	March 15, 2005
<b>Tanzania</b>	Aug 28, 1995	Feb 19, 1999	Not Signed	Not Ratified	Aug 07, 2000	Aug 07, 2003	July 13, 2004	Feb 08, 2010
<b>Zambia</b>	Aug 28, 1995	May 18 1998	Not Signed	Not Ratified	Aug 07, 2000	May 31, 2004	Acceded 2013	Not Ratified
<b>Zimbabwe</b>	Aug 28, 1995	Sept 03, 1998	Not Signed	Not Ratified	Aug 07, 2000	Not Ratified	July 13, 2004	May 19, 2011



Key: Independence

61. The principle objective of the ZAMCOM Agreement is “to promote the equitable and reasonable utilization of the water resources of the Zambezi watercourse as well as the efficient management and sustainable development thereof”. The ZAMCOM Agreement confers certain obligations (Article 5: Objectives and Functions of the Commission). Specifically, the Commission has the following functions:

- (a) collect, evaluate and disseminate all data and information on the Zambezi Watercourse as may be necessary for the implementation of the ZAMCOM Agreement;
- (b) promote, support, coordinate and harmonise the management and development of the water resources of the Zambezi Watercourse;
- (c) advise Member States on the planning, management, utilization, development, protection and conservation of the Zambezi Watercourse as well as on the role and position of the public with regard to such activities and the possible impact thereof on social and cultural heritage matters;
- (d) advise Member States on measures necessary for the avoidance of disputes and assist in the resolution of conflicts among Member States with regard to the planning, management, utilization, development, protection and conservation of the Zambezi Watercourse;
- (e) foster greater awareness among the inhabitants of the Zambezi Watercourse of the equitable and reasonable utilization and the efficient management and sustainable development of the resources of the Zambezi Watercourse;
- (f) co-operate with the institutions of SADC as well as other international and national organisations where necessary;
- (g) promote and assist in the harmonization of national water policies and legislative measures;
- (h) carry out such other functions and responsibilities as the Member States may assign from time to time; and,
- (i) promote the application and development of the ZAMCOM Agreement according to its objective and the principles referred to under Article 12.

(i)  
62. The ZAMCOM Agreement envisages that Member States shall conduct their management and development plans, projects and programmes relating to the resources of the Zambezi Watercourse in accordance with a Strategic Plan for the Zambezi Watercourse. The Agreement defines the Strategic Plan to mean “a master development plan comprising a general planning tool and process for the identification, categorisation and prioritisation of projects and programmes for the efficient management and sustainable development of the Zambezi Watercourse”.

**ANNEX 3: DETAILED PROJECT DESCRIPTION**  
**AFRICA: Zambezi River Basin Management Project**

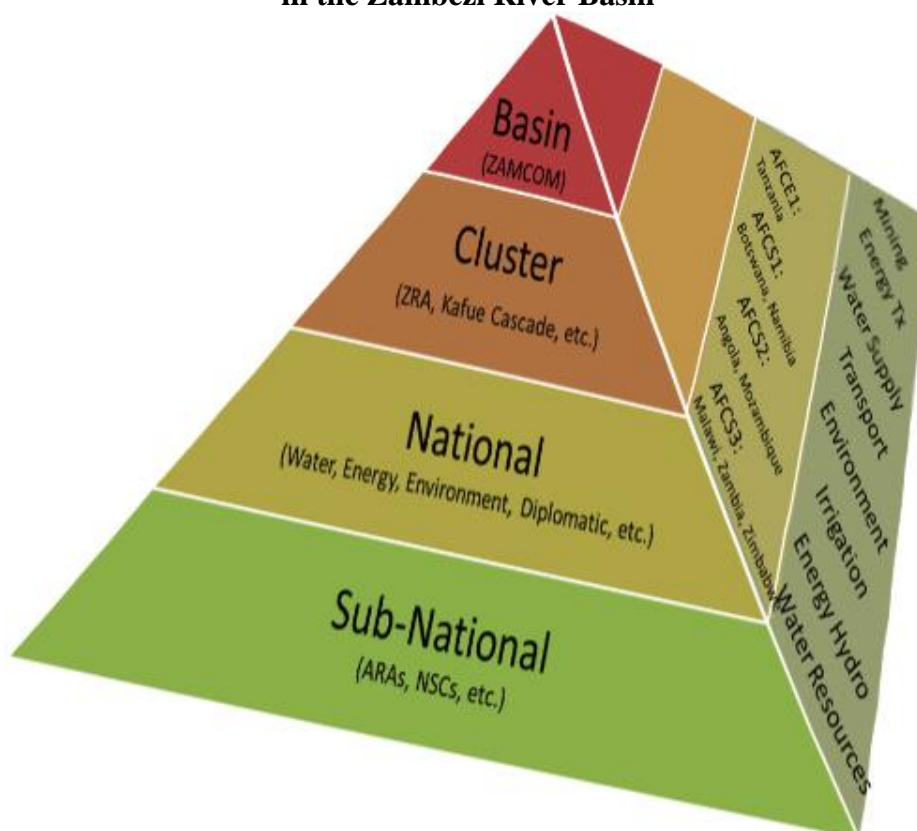
1. The project is part of a broader CIWA supported program within the Zambezi River basin aimed at strengthening cooperative management and development within the Zambezi River Basin to facilitate sustainable, climate resilient growth. To achieve the Program Objective, the CIWA Zambezi Program will support the riparian states and regional bodies to facilitate investment and growth by developing the resources of the basin. It will also engage the stakeholders to strengthen existing institutions and management regimes by supporting cooperative planning and development of water resources in the Zambezi River basin.
2. The Zambezi Program is envisaged as a long-term engagement through a series of phases with projects at various levels across different sectors within the basin. For the first phase of the program, support will be provided through recipient executed grants to the Zambezi Watercourse Commission through the Secretariat, the Zambezi River Authority and a Bank executed analytical program. Additional grants may be identified as the program evolves.
3. To maximize the impact of the CIWA Program in the Zambezi River Basin, activities will be supported at three levels: i) at the country level, ii) among sub-regional clusters, and, iii) across the Basin. CIWA will aim to leverage other financing and analytical instruments of the World Bank Group and other development partners. This mix of instruments will support i) continuing dialogue, ii) analytical work and technical assistance, iii) preparation of a pipeline of projects, and iv) investment financing.
4. The country level work provides the foundation for enabling regional initiatives and cooperative ventures. Support toward realisation of the goals will include a focused effort to continue to support in energy, water, environment, transport, irrigation but with increased and better coordination within and among sectors to enhance the capacity and confidence of national and sub-national institutions to engage in the regional cooperative process. The Bank's country level engagement will help to crowd in and capitalise on the WBG portfolio in key sectors. The program will help facilitate a discussion around increased alignment between the various instruments available to the riparian states to help them position themselves in relation to the broader commitments contained under regional frameworks, such as the SADC Protocol and ZAMCOM Agreement, and bilateral arrangements.
5. The Bank portfolio across the eight riparian states in the Zambezi River basin under the Sustainable Development Network is supporting more than US\$2 billion in water, energy, environment, agriculture, transport, and extractive industries. Specific water related programs are supported in all eight of the riparian states and the regional SADC Secretariat with the active portfolio account for more than US\$1 billion of this portfolio. A comprehensive analytical program has been developed over the years to set the foundation for complex investment programs, with the Multi-Sector Investment Opportunity Analysis for the Zambezi River basin consolidating the Country Water Resources Assistance Strategies that have been prepared for Malawi, Mozambique, Tanzania and Zambia.
6. Sub-regional and sectoral support will assist organizations mandated with the development and operation of key infrastructure in the basin. This will be directed toward intensified engagement through technical assistance, support to feasibility studies to advance bilateral and multilateral investment opportunities within the basin context. This approach is in recognition of



the provisions within the ZAMCOM Agreement that acknowledge existing agreements, and is intended to re-enforce and facilitate alignment between existing institutions within the basin. This is exemplified by the Memorandum of Understanding between dam operators in Mozambique, Zambia, and Zimbabwe.

7. Basin level support to regional organizations, such as the Zambezi Watercourse Commission, will be directed toward sustaining the political process toward fostering commitments to cooperation. This will support processes aimed at realising the gains through the equitable and reasonable utilization of water along with cooperative development through basin wide activities. These will build on the country level foundations, through incremental contributions and support to implementation of measures envisaged under the ZAMCOM Agreement and IWRM Strategy. This will be provided through technical assistance and analytical work to demonstrate the benefits of cooperation, with engagement informed by those areas where the Bank has a comparative advantage.

### **Organising Framework for a Cooperative Support Program in the Zambezi River Basin**



8. Projects under Phase 1 of the CIWA Zambezi Program are all aligned to the prioritized list of activities articulated in the IWRM Strategy and Implementation Plan for the Zambezi River Basin (ZAMSTRAT). The ZAMSTRAT presents the main challenges for the management of the water resources of the Zambezi River Basin and a series of recommended strategies and actions to address them. These include both water management and institutional development related activities and will be reviewed regularly within the context of the Zambezi ICP Partnership to ensure alignment.

9. Phase 1 of the CIWA Zambezi Program is focused on:

- i) providing recipient executed grant resources from CIWA to the ZAMCOM to advance strategic integrated and cooperative management of water resources in the basin;
- ii) providing recipient executed grant resources from CIWA to the ZRA to advance strategic water resources development in the basin;
- iii) a Bank-executed program to help build synergies between the CIWA Zambezi Program, leverage projects within the World Bank Group portfolio across the riparian states and contribute analytical work to promote equitable and reasonable utilization of the resources within the basin; and,
- iv) promoting consolidation of financing from international cooperating partners behind an ambitious program of infrastructure development and water resource management.

10. Details of the individual projects are provided for in the respective Project Appraisal Document and outlined in the Project Briefs below. It is expected that additional project briefs will be included in the CSP as part of the annual review if and as when new grants and activities are included.

11. The CIWA grant support to the Zambezi River Authority is intended to assist in advancing water resources development within the Zambezi River basin. It is seen as an integral and important part of the overall program of support, balancing with the institutional and policy directed measures being supported under the complementary CIWA support to the Zambezi Watercourse Commission.

12. Specifically, the CIWA support to ZAMCOM will finance the following activities:

13. ***Zambezi Basin Institutional Development*** will support the development of the ZAMCOM into a more financially sustainable, efficient river basin organisation. Activities will include: a) institutional support in transition of the Interim ZAMCOM Secretariat in Botswana to the permanent ZAMCOM structures in Zimbabwe; b) confidence building, negotiations and training initiatives; c) strategic communications to support the Public Information Program under the ZAMSTRAT; and d) assessment of legal equivalence, formulation of guidelines for harmonisation and procedures for notification.

- Institutional Support will be provided to facilitate ZAMCOM's transition towards establishing a permanent Secretariat and in consolidating its core functions of facilitating cooperation among the member states in water resources management. This will include targeted technical assistance and operational support, including support to strengthen the necessary fiduciary systems in response to increasing funding. Provision will be made available to support the possibility of an internship program to provide training to regional specialists from among the riparian states.
- Consolidating Cooperation will be supported through promoting cooperative efforts among the riparian states within the context of a challenging hydro-political environment. Activities will include confidence building, negotiations and training initiatives aimed at engendering cooperation. This activity will enhance knowledge partnerships with the objective of enhancing confidence and trust between riparian representatives through technical networks of various stakeholders, including government agencies, power utilities, academia and local communities. Technical assistance and operational support

will be provided for evidence-based analyses to further illustrate the benefits of cooperation and facilitate riparian awareness-building, dialogue, cooperation and resource mobilisation.

- Strategic Communications will be strengthened in ZAMCOM and involve the development, distribution and exchange of information that fosters greater awareness and dialogue among the Zambezi River basin riparians on the equitable and reasonable utilisation of the Zambezi Watercourse. These are to be based on the ZAMCOM Communication Strategy currently under preparation. In accordance with the provisions of Article 12 of the Agreement, strategic communication will be underpinned by the following principles:
  - sustainable development;
  - sustainable utilisation;
  - prevention of harm;
  - precaution;
  - inter-generational equity;
  - assessment of trans-frontier impacts;
  - co-operation; and
  - equitable and reasonable utilisation.

These principles shall be interpreted according to the provisions of Article 3 of the Revised SADC Protocol on Shared Watercourses, developed in accordance with the latest scientific concepts and with the best international practices to inform an effective public information programme that creates public awareness, builds effective public outreach, develops regional, sub-regional, and national public relations programmes, and produces necessary communication materials as an essential basis for fostering cooperation. Activities will be guided by the Public Information Program outlined and agreed by the riparian states as part of the ZAMSTRAT. Efforts will be made to enhance linkages to relevant national and other regional/international-level institutions, including government agencies, academia, Civil Society Organisations, media, private sector, development partners, and the general public. In all, liaison will be strengthened by the existing National Stakeholders Coordination Committees (NASCs) and the envisaged Basin-wide Stakeholders Coordination Committee (BASC)

- Enhanced Legal Instruments for Cooperation will be supported through improved understanding of the legal and institutional frameworks that govern the development and management of water resources at both the national and transboundary level in the ZRB. By strengthening the harmonisation and quality of legal frameworks, riparians would be more capable at responding to key national and international policy objectives set at the national level. A robust, enforceable legal and institutional framework is needed to deal with the challenges associated with international waters and ensure equity in the allocation of resources and the optimization of development opportunities.

The project will assess the degree of equivalence of legislative provisions and policies among the Member States by undertaking: i) compilation of a compendium and database of policy and legal instruments relating to water from the Member States; ii) formulation of guidelines for harmonization and development of briefing notes, reviews, assessments and thematic case studies; iii) formulation of uniform procedures for notification; iv)



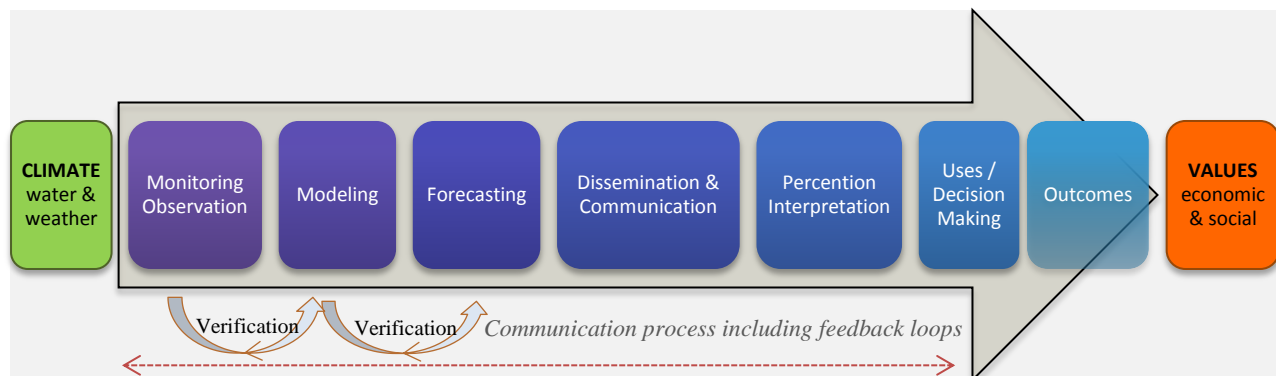
conducting (regional/national level) stakeholder workshops and consultations to discuss findings and interim results; iv) publication of findings and lessons from the analytical work; and, v) dissemination of the analytical studies results.

**14. Zambezi Water Information System (ZAMWIS) and Decision Support Systems.** This activity will involve the development, modernisation and full operationalization of the ZAMWIS to provide an effective platform for information exchange in the Zambezi River basin. The improved ZAMWIS will facilitate the development of Decision Support Systems for a variety of purposes – from scenario planning to flood and drought monitoring. The support will include: a) reinforcing the ICT architecture of ZAMWIS and development of the ZAMCOM and ZAMWIS web-interfaces; b) strengthening the basin wide hydro-meteorological data collection platform and spatial information; c) developing integrated basin models and information management systems; and, d) the development and implementation of forecasting and early warning systems.

15. The ZAMWIS was developed in 2008 under ZACPRO 6.2 in parallel with IWRM Strategy and Implementation Plan for the Zambezi Basin. It was designed as a web-based repository of data and information and a database of hydro-meteorological data and information integrated with a GIS platform in one central location at the ZRA offices in Lusaka, Zambia. The immediate purpose was to provide information to support planning and management of water resources in the Zambezi Basin in order “....to collect, collate and evaluate data and information with regard to all relevant aspects of the Zambezi Watercourse as well as disseminate all such data and information to the Members States” in accordance with Article 11.6 (c) of the ZAMCOM Agreement. The design architecture of ZAMWIS allows it to be developed further by adding remote access functions, integrating with the SADC-HYCOS, allowing differentiated country applications and integrated decision support tools.

16. The ZAMWIS provides the framework for a public domain, open source system to allow for the collection, management and analysis of hydro-meteorological data. This helps to promote, support, coordinate and harmonize the management and development of the water resources of the Zambezi Watercourse in compliance with the provisions of the ZAMCOM Agreement and functions outlined therein. Effective management of, and easy access to information is critical in supporting decision support functions, such as the development of forecasting and early warning systems for floods and droughts, advising Member States on planning, management, utilization, development, protection and conservation, while also informing measures necessary for the avoidance of disputes and assisting in the resolution among Member States.

17. The project would support improved coordination of monitoring and observation networks among the Member States, integration and access to a suite of models and development of water resources planning and flow forecasting and early warning applications. These are envisaged to provide the foundations for the front end of the value chain illustrated in the figure below (Simplified hydro-meteorological value chain).



**Figure.** Simplified hydro-meteorological value chain.

- ZAMWIS Architecture and web-interfaces. In order for ZAMWIS to be an effective and easily accessible information management system, the architecture of ZAMWIS needs modernization and reinforcement. During its original design, a series of options were considered. Support would be provided to reassess these options, whilst considering new options that have developed along with the continuing ICT evolution. In its management of the ZAMWIS, and associated Decision Support Systems, it will be important that the ZAMCOM Secretariat has the necessary technical and ICT capacity to operate and maintain this ‘background-architecture’. Equally important, is the access and usage of information within ZAMWIS. At present, ZAMCOM has a website which is linked to the web-interface of ZAMWIS. As the flow and amount of information increases (including raw hydro-met data, libraries of analytical studies and documentation, and geographical information systems/spatial data etc.), the web-interfaces of both ZAMCOM and ZAMWIS will have to be enhanced. Support will include improving design and user-friendliness of the websites so that they become effective platforms for outreach, dialogue and access to information related to the Zambezi River basin.
- Hydro-Meteorological Monitoring and Observation. This component will strengthen the national data collection platforms within the basin and enhance the spatial information available to support more timely and accurate models, early warning systems, flood risk assessments and zoning. The first step will be to build upon the ZAMSTRAT and the efforts of the collaboration with the USAID/WMO on supporting the development of Flood Forecasting and Early Warning Systems. Support will be provided to develop an implementation plan for enhanced functions of the ZAMWIS to operationalize an integrated, basin-wide decision support system. This would include establishing the standards and protocols for data collection, transmission, storage and sharing, as well as identifying gaps in the network, capacity constraints and standards for equipment.

The project will support strengthening of the manual monitoring networks at country level with more real-time sharing of observations and reinforcing the real-time monitoring network (including possible rehabilitation of SADC HYCOS stations) through the procurement of goods and equipment, training and operational support. There is also opportunity to integrate the data, resources and benefits from satellite, remote sensing that can complement surface observation and generate gains in lead-time of warnings.

Improved spatial data will be supported in order to strengthen the precision and accuracy of basin level models. This will include integration of digital elevation models (DEM), public domain earth observation data, strategic partnerships with global and regional observation agencies and gap filling with targeted, high resolution techniques, such as LiDAR, for some low topography and important areas. With higher resolution of spatial analysis, the ZAMWIS can function as a platform for improved GIS data that in turn can enhance the performance of basin models and applications, as well as inform flood risk mapping and early warning systems.

Support will also be directed toward supporting Member States and the ZAMCOM Secretariat more effectively capitalize on global data resources for water and weather systems accessible through improved internet connectivity, ICT infrastructure and staff training. These resources include remote sensing in general, satellite derived precipitation estimations, outputs from global and regional forecasting centers, and digital elevation models, among others. Accessing globally monitored hydro-met data can extend lead times for forecasts and data verification, and lessen the computing burden needed for powerful numerical weather prediction models.

- Modeling. Across the basin and active institutions (government and private sector), there is a need to consolidate and collate the various hydrological/hydraulic and meteorological modeling tools and systems/software that have been developed. The activity will support the integration and access to a library of models, spatial data and information management systems across the basin to strengthen basin wide planning and management. Access would be strengthened by establishing this online as an open source, public domain basin-wide flow forecasting system based on a real-time data acquisition network. Additional hydraulic or meteorological models needed to merge multiple streams of data and functions (based on the principles of open-source and open-access) and on various lead-time requirements would be supported as needed.

The integration and consolidation of an enhanced basin wide library of models will be based on the improved hydro-meteorological network and detailed implementation plan. This will build on the following characteristics: (a) robust and reliable, it should function under extreme conditions and be addressable from various locations in order to guarantee its use; (b) make use of real-time information, e.g. by using radio communication; (c) make use of a reliable and cost effective communication system; (d) should be ‘exactly right’, not too simple to miss essential components of the flow forecasting procedure, but also avoiding unnecessary complexity that will easily lead to errors or, worse, abandoning of the system; (e) have a clear institutional framework and mandates for both the forecasting procedure itself as well as the dissemination of the forecasts; (f) be easy to update as the conditions in the basin can easily change, e.g. due to the ongoing sedimentation process; (g) be easy to enhance when more stations and / or more sophisticated models or procedures become available; (h) include backup systems that allow for a reliable forecast in case certain modules or stations are not available in extreme conditions; (i) include community based input (e.g. nested systems), as well as last mile connectivity in dissemination of the warnings (e.g. cell phone broadcasting and other community mechanisms for response); and be accessible for the public at any point in time.

- Decision Support Systems. Alongside support to greater supply and access to information through ZAMWIS, it is important to support the development of effective decision support systems for the Zambezi River basin. Decision Support Systems (DSS) can include basin development planning tools that can address sustainability and conservation issues, support flood forecasting and early warning systems, and/or inform measures necessary for the avoidance of disputes among Member States. The exact development of DSS will be compatible with the priorities of the ZAMCOM Agreement, allow full access and involvement of Member States and comprehensive capacity building to sustain the use and relevance of the DSS.

Training modules will be provided to riparian states and users of the features and functions of the ZAMWIS and associated DSS with outreach events held to inform key stakeholders, demonstrate the use of the tools, and highlight the regional management and development options. Enhanced public access to information is a key feature of the proposed sub-component, with the publication of a series of technical briefs, and an upgraded web portal that includes a basin-wide real-time hydromet monitoring visualization system that would facilitate integration of earth observation products and incentives for sharing ground-based hydromet data. This would be aligned with ongoing and planned support from other partners at the regional, national and sub-national level through the implementation plan and agreed architecture for evolution of the system. This evolution would be based on a build-block approach scaled to match resource availability for investments and the commitments for recurrent budgets provided for under the functional financing strategy of the ZAMCOM Secretariat and commitments from the Member States.

**18. *Zambezi Basin Strategic Planning*.** The objective of this component is to support the development of the Zambezi Strategic Plan (ZSP) for the efficient management and sustainable development of the Zambezi Watercourse. Activities will include: a) support to the Strategic Plan, including basin wide planning tools and processes for the identification, categorisation and prioritisation of projects and programmes; and, b) Policy and Planning Tools to promote, support and coordinate the efficient management, sustainable development, reasonable and equitable utilisation of the water resources of the Zambezi Watercourse.

- Advancing the Zambezi Strategic Plan (ZSP). This component will support the ZAMCOM improve the knowledge and analytical foundations for developing the Zambezi Strategic Plan provided for under the Agreement. This is defined as a master development plan comprising a general planning tool and process for the identification, categorisation and prioritisation of projects and programmes for the efficient management and sustainable development of the Zambezi Watercourse. The General Responsibilities of Member States outlined under Article 14 of the Agreement require that the Member States conduct their management and development plans, projects and programmes relating to the resources of the Zambezi Watercourse in accordance with the Strategic Plan.

The ZAMSTRAT outlines the many complex challenges facing the Zambezi River basin which are constructed around four primary challenges: i) Integrated and coordinated water resources development; ii) Environmental management and sustainable development; iii) Adaptation to climate variability and climate change; and, iv) Basin-wide cooperation and integration. The ZAMSTRAT also identifies and quantifies the

water resources issues, opportunities and challenges for shared water resources management in the Basin up to 2025.

The project will improve the knowledge and analytical foundation for developing a shared understanding of issues around the Zambezi River basin and the cooperative water resources development and management options to inform the Strategic Plan. A series of ZAMCOM position papers will be supported around key thematic areas to inform development of the Strategic Plan. This will include, but not necessarily be limited to, an Infrastructure Overview and Database for the Zambezi River basin, and a joint basin wide position on the implications Climate Change and variability for the Zambezi River basin.

The Infrastructure Overview and Database will update the foundations provided for in the ZAMSTRAT and the database of projects identified during the MSIOA. These will be integrated into the ZAMWIS with visualization and localization facilitated through the use of earth observation techniques. This overview will include a status review of existing infrastructure, along with identification of short, medium and long term water sector investment needs. Investment needs will be identified in all water dependent sectors, including in water supply and sanitation, water resources development (including energy and irrigation) and water resources management.

The identified investments will be used to facilitate an updated analysis of current and future water use in the basin. This will inform an assessment of the economic role of water and the value of water amongst competing uses, and inform the development of measures necessary for the avoidance and resolution of disputes between Member States. The process of identifying, compiling and reporting on national level investment needs will be informed by national focal points within respective line ministries from the Member States and used to inform the development of protocols and procedures for regular updates to the ZAMWIS.

A framework for prioritisation of projects and programmes will be proposed, using a multi-criteria analysis to balance the sub-sectoral investment needs and inform the Strategic Plan. This will include an analysis of various models and options for financing key priority investments in the sector and to identify opportunities for regional development through cooperative investments.

The IPCC (2001) indicated that the Zambezi River basin may have one of the most significant responses to climate change due to the resonating effect of increase in temperature and decrease in rainfall on potential evaporation and runoff. This has been highlighted by many scientists and CSOs as a major uncertainty for infrastructure development in the Zambezi River. At the same time, the scientific community acknowledges that climate change is inherently an uncertain phenomenon, and future climate projections show much disparity.

To inform the Strategic Plan the project will support a review of the existing body of knowledge to develop a climate change portal within the ZAMWIS and articulate an agreed position among the Member States. This will provide the riparian states with the tools and data to better understand the possible impacts associated with increased hydro-variability, inform the options for investment planning and guide potential infrastructure development in the sector within an agreed framework. Climate change will therefore be specifically highlighted in the studies conducted under the proposed grant and are being

complimented through a series of parallel analyses. The portal will also leverage a number of parallel initiatives being undertaken to assess the implications of climate change effects on basin development.

- Basin Planning Tools. This component will support policy and planning tools to promote, support and coordinate the efficient management, sustainable development, reasonable and equitable utilisation of the water resources of the Zambezi Watercourse.

Economic modeling tools applied to the ZAMSTRAT were developed as part of the MSIOA to enable multi-sectoral and regional assessments of the costs and benefits of a range of management and development scenarios for the Zambezi River basin. The economic assessment tool incorporated the outputs from the HEC-3 river and reservoir system model developed for the basin to provide a comparative assessment of the economic implications of the various scenarios. The scenario analysis was carried out with the primary objective of determining and maximising mutually beneficial economic gains while meeting essential water supply and environmental sustainability requirements.

The project will support integration of the modeling package into the ZAMWIS and training of technical staff from ZAMCOM Member States. The approach will provide an objective analytical knowledge base to allow informed decision-making about investment opportunities, financing, the mutual-gains of benefit-sharing and identifying available options for joint and/or cooperative development. The modeling package will also assist in formulation of the basin level Strategic Plan by providing insights into the multi-sectoral economic evaluation of water resources development and management options and scenarios from both national and basin-wide perspectives.

Environmental-Economic Accounts for water in the Zambezi River basin would be supported to facilitate a longer-term, deeper analysis and dialogue around the equitable and reasonable utilization of waters within the basin. Building on the SADC Economic Accounting of Water project, this activity would pilot a basin level process to develop and strengthen water accounting systems among the riparian states and IWRM indicators for the sustainable management of the resources in the basin. This would link to the ongoing Bank supported program in Botswana and build on partnerships among the finance ministries and water authorities, academic institutions and networks in the respective riparian states. This would provide inputs into the debate around benefit sharing and mechanisms for enhancing the sustainable management and development of water resources in the basin. A series of country level activities would be piloted to refine the framework and guide implementation of national accounts that allow for subsequent disaggregation and construction of basin level accounts. The program will draw on peer-to-peer learning among the riparian states to strengthen the integration of the accounts and facilitate confidence building measures among riparian states.

**ANNEX 4: IMPLEMENTATION ARRANGEMENTS**  
**AFRICA: Zambezi River Basin Management Project**

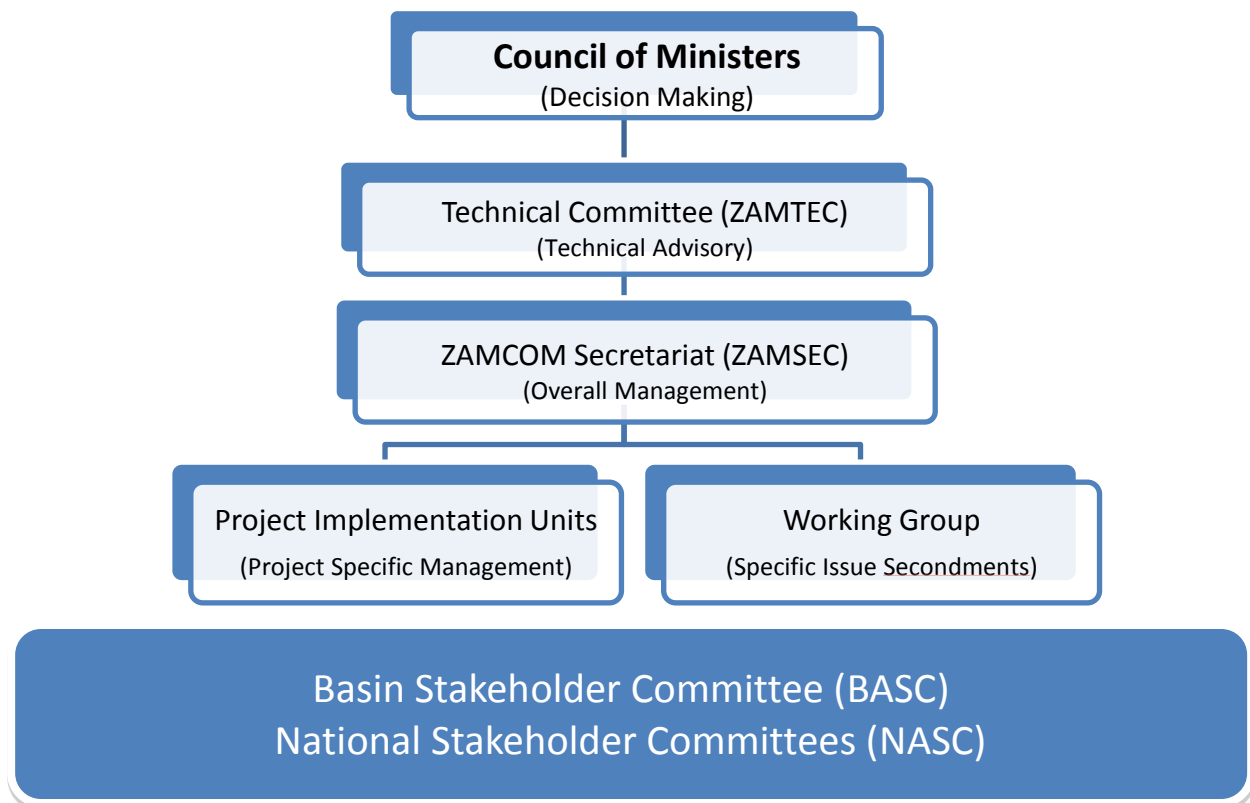
**Project Institutional and Implementation Arrangements**

1. **The Zambezi Watercourse Commission (ZAMCOM)** is an overarching organization responsible for overseeing water resources management and development for the entire Zambezi River Basin, in accordance with its 2004 Agreement that came into force on 26 June 2011. The Objective and Function of the Commission is to promote the equitable and reasonable utilization of the water resources of the Zambezi Watercourse as well as the efficient management and sustainable development thereof. The Commission has the following functions:

- a. Collect, evaluate and disseminate all data and information on the Zambezi Watercourse as may be necessary for the implementation of the Agreement;
- b. Promote, support, coordinate and harmonise the management and development of the water resources of the Zambezi Watercourse;
- c. Advise Member States on the planning, management, utilization, development, protection and conservation of the Zambezi Watercourse as well as on the role and position of the Public with regard to such activities and the possible impact thereof on social and cultural heritage matters;
- d. Advise Member States on measures necessary for the avoidance of disputes and assist in the resolution of conflicts among Member States with regard to the planning, management, utilization, development, protection and conservation of the Zambezi Watercourse;
- e. Foster greater awareness among the inhabitants of the Zambezi Watercourse of the equitable and reasonable utilization and the efficient management and sustainable development of the resources of the Zambezi Watercourse;
- f. Co-operate with the institutions of SADC as well as other international and national organisations where necessary;
- g. Promote and assist in the harmonization of national water policies and legislative measures;
- h. Carry out such other functions and responsibilities as the Member States may assign from time to time;
- i. Promote the application and development of the Agreement according to its objective and the principles referred to under Article 12.

2. The ZAMCOM organs include: i) The Council of Ministers; ii) The Technical Committee; and iii) The Secretariat, which are responsible for implementing ZAMCOM's Strategic Plan and associated activities.

3. The ZAMCOM Secretariat will be responsible for coordinating the implementation under a Recipient Executed Grant. During preparation, the Project design has been developed together with the Interim ZAMCOM Secretariat that was hosted by the Government of Botswana under the mandate provided by the Ministers responsible for water within the Zambezi River Basin. In March 2013, the Council of Ministers agreed to the new hosting arrangements for the Permanent ZAMCOM Secretariat in Harare, Zimbabwe. The permanent Secretariat was established in July 2014 and the project concept validated, with a presentation to the ZAMTEC prior to finalisation.



4. The Interim ZAMCOM Secretariat was tasked with facilitating the operationalisation of the ZAMCOM, including supporting creation of the permanent organs envisaged under the agreement. The establishment of the Permanent ZAMCOM Secretariat was led by the SADC WD with support from the IZS. Following the applications for hosting the permanent secretariat an evaluation of bids by a special committee began in December 2012. The ZAMSEC-Host Bid Evaluation Committee's recommendation was presented to the Council of Ministers meeting in March 2013, for review and final decision. It was agreed that the permanent ZAMSEC would be situated in Harare, Zimbabwe. An Executive Secretary was recruited and appointed in July 2014 with the transfer and establishment of the necessary infrastructure to support the functions completed in the second half of 2014.

5. In terms of the Agreement, the Secretariat shall comprise an Executive Secretary and such number and categories of technical/administrative personnel and supporting administrative personnel as may be approved from time to time by the Council, in order to fulfill the following functions as stated in the ZAMCOM Agreement:

- a. Provide technical and administrative services to the Council under the Technical Committee's supervision;
- b. Facilitate the development of a Strategic Plan, annual work programme, plans, studies, assessments and other documents required for the implementation of this Agreement for the approval of the Technical Committee;
- c. Collect, obtain, collate and evaluate data and information with regard to all relevant aspects of the Zambezi Watercourse as well as disseminate all such data and information to the Member States;



- d. Institute research and training programmes aimed at the sustainable utilization, protection and management of the Zambezi Watercourse;
- e. Advise Member States on the planning, utilization, development, protection and conservation, of the Zambezi Watercourse as well as the role and position of the Public with regard to such activities and the possible impact thereof on social and cultural heritage matters;
- f. Advise the Council and the Technical Committee on the listing and the effects of substances, the introduction of which into the Zambezi Watercourse shall be prohibited, limited, investigated or monitored by Member States, and provide guidelines for their mitigation;
- g. On the request of one or more of the Member States and subject to the approval of the Council, plan and implement development programmes or projects with regard to the Zambezi Watercourse;
- h. Develop and distribute programmes and materials aimed at fostering greater awareness among the inhabitants of the Zambezi River Basin on the equitable and reasonable utilization of the Zambezi Watercourse on the basis of the principles referred to in Article 12;
- i. Co-operate with the institutions of SADC and others as necessary and provide such data and information as may be reasonably required and be requested by such institutions;
- j. Obtain financial and technical support for the implementation of programmes, plans and projects necessary for the achievement of the objective of the Agreement in accordance with the guidelines and directives provided by the Council from time to time;
- k. Implement the decisions of the Council and of the Technical Committee;
- l. Make recommendations to the Technical Committee on the harmonisation of the national water policies and laws of the Member States;
- m. Perform all such other functions as the Council or the Technical Committee may from time to time assign.

**6. The Technical Committee** comprises delegations from each Member State consisting of no more than three members and such number of advisors as each Member State may determine. The Technical Committee is required to meet once a year in ordinary session and may meet in extraordinary session at the request of the Secretariat or at least two thirds of the Member States. The Technical Committee elects a Chairperson and Vice-Chairperson from among its members on the basis of rotation at its annual ordinary session and the persons so elected shall function in such capacities until the annual ordinary session of the following year. Decisions of the Technical Committee shall be by consensus. The quorum for meetings of the Technical Committee shall be at least two thirds of the Member States. The functions of the Technical Committee include:

- a. Implement policies and decisions of the Council and such other tasks as maybe assigned by Council from time to time;
- b. Develop the Strategic Plan for the Zambezi Watercourse and recommend it to the Council for approval;
- c. Develop and propose for consideration and approval by the Council, rules of application to facilitate ERU of the Zambezi Watercourse pursuant to Article 13, including and not limited to:

- i. Establishing strategic hydrometric stations on the Zambezi Watercourse to capture the relevant hydrological data;
- ii. Developing and establishing early warning systems against extreme events (floods, droughts and other disaster situations) and procedures to sound alarms for such events; and,
- iii. Instituting a monitoring mechanism for water abstractions and intra watercourse transfers.
- d. Formulate recommendations on matters for decision by the Council;
- e. Appoint the technical personnel of the Secretariat; and,
- f. Take action on the recommendations and reports of the Secretariat.

7. The Council of Ministers is the highest authorised body of the Commission and has the following functions:

- a. Adopt policies and decisions and provide other necessary guidance on the promotion, support and coordination of the efficient management, sustainable development, reasonable and equitable utilisation of the water resources of the Zambezi Watercourse;
- b. Oversee the implementation of the plans, programmes and projects of the Commission;
- c. Approve the plans, programmes and projects to be developed and implemented by the Secretariat in accordance with Article 11;
- d. Appoint the Executive Secretary and determine the terms and conditions of his or her service or employment;
- e. Approve the annual budget of the Commission before the beginning of the financial year;
- f. Approve the annual accounts of the Commission;
- g. Appoint independent external auditors and fix their fees and remuneration at the beginning of each financial year;
- h. Adopt staff rules, financial rules and rules of procedure for the organs of the Commission;
- i. Determine in accordance with the financial rules, the annual contribution of each Member State towards the budget of the Commission; and,
- j. Approve the development and oversee the implementation of the Strategic Plan for the Zambezi Watercourse.

8. The ZAMCOM organs are supported by a series of National Stakeholder Coordination Committees (NASCs) that are established in all eight of the Member States. The functions of the NASCs are to:

- a. Ensure multi-stakeholder participation within riparians
- b. Disseminate ZAMCOM decisions/values
- c. Represent major stakeholder institutions
- d. Representation at Basin-wide Consultative Forums
- e. Manage the National Consultative Forums
- f. Expected to convene at least quarterly in a year

9. Representatives from the NASCs are expected to provide feedback to the operations of the Commission annually through a Basin-wide Stakeholder Coordination Committee (BASC) to be established, that will function with the following:

- a. Constituting representatives from Riparian NASCs and other strategic regional stakeholders
- b. Ensuring stakeholder participation at basin level
- c. Disseminating national level decisions/values
- d. Facilitating stakeholder outreach at basin-level
- e. Representation at National Consultative Forums
- f. Supporting Basin-wide Consultative Forums

## **Financial Management, Disbursements and Procurement**

### *Financial Management*

10. A financial management assessment of ZAMCOM which will implement the project was carried out with the objective of determining: (a) whether the entity has adequate financial management arrangements in place to ensure the funds will be used for the purposes intended in an efficient and economical manner and also capable of correctly and completely recording all transactions and balances related to the Project; (b) the Project's financial reports will be prepared in an accurate, reliable and timely manner; and (c) the project's assets will be safely guarded; and (d) the Project will be subjected to auditing arrangements acceptable to the Bank. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 01, 2010 and Governance Practice Financial Management Assessment and Risk Rating Principles. This assessment concludes that, the existing financial management systems are insufficient however if the financial management arrangements are implemented according to plan, it will meet the Bank's minimum requirements under OP/BP 10.02. The residual risk rating for ZAMCOM is Moderate.

**11. Planning and Budgeting.** The ZAMCOM Secretariat follows a participatory budgeting approach. Each program drafts and then presents its budget to the rest of the Secretariat. Once internally approved by the budgeting committee, the budgets are consolidated and then submitted for the approval of the ZAMTEC and finally the Committee of Ministers. The budgeting procedures are enshrined in the ZAMCOM Financial Management Policy Guidelines. A three year work plan which includes a one year operational plan is in place and the current budget followed the budget approval process. The budget incorporates internally generated funds as well as donor funds from DANIDA and GIZ. It is necessary to put in place guidelines on how to use country contributions.

**12. Accounting System.** The accounting function is guided by ZAMCOM Financial Management Policy Guidelines. The key players within the financial function are:

- The Finance and Administration Manager – Core Accounting and Finance
- The Administration Assistant – Core Accounting and Finance
- The ICT Officer –Mainly procurement
- The Executive Secretary - Approvals and bank signatories
- The Program Managers – Approvals and bank signatories

13. Since the opening of the Harare office the Accounting function of ZAMCOM has been handled by the Government of Zimbabwe (Ministry of Water) using the Pastel Package. The ministry has had custody of all accounting information since the move from Botswana to Harare. An audit is now underway for the period 1 July 2014 to 31 December 2014. Once the audit is complete the accounting information will officially be handed over to the ZAMCOM secretariat. ZAMCOM currently uses a manual accounting system, supported by MS Excel. Balances from the Ministry system will be used as opening balances for the pastel system which will be introduced at ZAMCOM and expected to be operational by the end of March 2015.

14. **Banking Arrangements.** ZAMCOM operates its own independent Bank Account but managed on its behalf by the Ministry of Water in Zimbabwe. The signatories have to date been from the ministry and a process is currently in place to ensure that there is a change in signatories to the ZAMCOM secretariat. The Financial Management Policy Guidelines allow ZAMCOM to open separate bank accounts for donor funds if required by the financing agreements.

15. There will be a designated account opened by ZAMCOM for this project in a Bank acceptable to the World Bank into which disbursements for the project will be deposited.

16. **Fund Flow Arrangements.** The project will use SOE as basis for disbursement together with withdrawal applications. The proceeds of the Grant are channeled through a Designated Account in to be operated by ZAMCOM in Harare to finance expenditures of the project in accordance with the procurement and the work plan of the project and in compliance procedures and guidelines set forth in the Bank's Disbursement Handbook. The Designated Accounts in Harare will be reconciled on a monthly basis and the reconciliation statements are checked and approved independent of the preparer.

17. **Financial Reporting.** A chart of accounts (CoA) need to capture all the financial transactions and facilitate accounting and financial reporting based on the various functional and project areas is in use. The CoA is to ensure that each funding source is individually identified and individual expenses are coded in a manner to ensure that each expense is charged to the correct funding source. It will also facilitate reporting according to country, programme, donor, expense/revenue type etc.. When the financial management arrangements are completed, ZAMCOM will be able to prepare financial statements on a monthly, quarterly, and annual basis as well as special report required by partners as provided in the Financial Management Policy Guidelines.

18. For the project, ZAMCOM will be preparing and submitting quarterly unaudited Interim financial statements within 45 days after the end of each quarter using the calendar year. At the end of each financial year, ZAMCOM will produce financial statements using international financial reporting standards. The financial statements together with the accounts and records of the project will be audited by an auditor acceptable to the Bank. The audit will be done in accordance with international auditing standards using terms of reference agreed with the Bank. The audited financial statement together with the management letter shall be submitted to the Bank within six months at the end of each financial year of the project.

19. **External Auditing.** The financial statements, the SOEs, IFRs and the Accounts of the project shall be audited at the end of each financial year. The audit shall be done by independent auditors acceptable to the bank. The audit shall be done using international auditing standards and terms of reference agreed with the bank. Audit shall be completed and a copy the report together with

management letter submitted to the Bank through the ZAMCOM within six months after the end of the financial year.

**20. Conclusion.** The assessment concludes that if the Financial Management arrangements are implemented according to plan, it will meet the Bank's minimum requirements under OP/BP 10.02 in ensuring accountability and transparency in administering the funds available to the project. The team intends to provide intensive project implementation support to the project especially at its initial stages.

#### *Procurement*

**21. Procurement packages:** Procurement under the project will be conducted by the ZAMCOM Secretariat. Specifically the procurement Unit staffed with one procurement officer shall be responsible for conducting procurement. The main procurement expected under the grant is for technical assistance with limited procurement of goods and non-consulting services. No works are envisaged under the project.

**22. Applicable Guidelines:** Procurement under the project will follow the *Guidelines: Procurement under IBRD Loans and IDA Credits* dated January 2011 (revised July 2014) and *Guidelines: Selection and Employment of Consultants by World Bank Borrowers* dated January 2011 (revised July 2014).

#### **Procurement Arrangements, Risks and mitigation Measures**

23. The Procurement under the project will be done by the ZAMCOM Secretariat. The expected procurement is mainly two large consultancies of approximately US\$1.5 million.

24. An assessment of the Procurement Capacity of ZAMCOM was conducted in October 2014 and updated in February 2015. The assessment found that ZAMCOM as a Secretariat has limited experience in procurement. Procurement was previously conducted by a Procurement Officer from the Botswana Government which hosted the Secretariat. The Secretariat has now started conducting procurement on its own effective January 2015.

25. The Secretariat has adopted Procurement Guidelines to guide its operations. These guidelines were subject to review and comments by the Bank and they were generally found to be appropriate and consistent with the Bank guidelines. The assessment provided comments which are to be incorporated in the manual prior to its adoption. Specifically the guidelines should be revised to address the following:

- a. Procurement is currently vested with the Executive Secretary with the expectation that he shall conduct this or delegate this to an appropriate officer. For purposes of the project procurement should be conducted by a part time Procurement Consultant
- b. The Executive Secretary is also on the Procurement Committee by virtue of being the procurement officer which could potentially create a conflict of interest. The membership should be revised to exclude the Executive Secretary. The Secretariat has a Procurement Committee composed of some Secretariat Staff as well as 4 members of the ZAMCOM Technical Committee (ZAMTEC). These members are drawn from the member countries of ZAMCOM. The Committee is responsible for review and approval of all key stages of the procurement cycle.

26. The Secretariat does not have a Procurement Officer as explained above to be responsible for the day to day management of procurement. In light of the low volume of procurement expected

under the project, ZAMCOM should hire a part time procurement consultant to conduct the procurement.

27. The main risk to procurement is the inexperience of the Secretariat as a whole in procurement and the absence of an experienced Procurement Staff. This will be mitigated by hiring a Procurement Officer with appropriate experience on a part time basis. The Procurement Manual shall also be updated to incorporate comments from the Bank. Finally the Bank shall provide support and handholding to the Secretariat for the 1<sup>st</sup> 2 procurements.

28. **Procurement Risk:** In light of the inexperience of ZAMCOM in Procurement but considering the low volume of procurement and the new relatively strong structures, procurement risk is rated **Significant**.

#### Procurement Thresholds to be applied in the Procurement Plan

Expenditure Category	Contract Value Threshold (US\$)	Procurement Method	Contracts Subject to Prior Review (US\$ )
1. Works	No works expected under the project		
2. Goods and Non Consulting Services	US\$ 500,000 and above	ICB	All contracts
	Below US\$50,000	Shopping	As specified in PP
3. Consulting Services <sup>6</sup> and Training	With firms above US\$300,000	Quality and Cost Based Selection	All contracts
	With individuals above US\$100,000	Individual	All Contracts
	With firms up to US\$200,000	Qualifications/Other	None
	With Individuals up to US\$100,000	Individual	None
4. Non-consulting Services	US\$100,000 and above	ICB	All contracts
	Below US\$100,000	Shopping	None
5. All types of contracts	All contracts	Sole source / direct contracting and terms of reference	As specified in PP <sup>7</sup>

#### Procurement Plan and Procurement Packages

29. A procurement plan has been prepared by the ZAMCOM Secretariat as part of the overall work-plan and presented to the ZAMTECH.

<sup>6</sup> A shortlist of consultants for services estimated to cost less than US\$300,000 equivalent per contract may consist entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

<sup>7</sup> Consultancy services estimated to cost below US\$5,000 equivalent will not be subject to prior review by the Bank subject to their inclusion in the agreed Procurement Plan.

## Procurement Packages with Methods and Time Schedule

### Goods and Non Consultant Services

1	2	3	4	5	6	7	8	9	10
Ref. No.	Contract (Description)	Estimated Cost US\$	Procurement Method	Pre-qualification (yes/no)	Domestic Preference (yes/no)	Review by Bank (Prior / Post)	Expected Bid-Opening Date	Expected Contract Completion Date	Comment
ZRBP/G/02/2015	Supply, delivery and installation of local area network, database server and web application server of ZAMWIS and 14 workstations	100,000	ICB	No	No	Post	30 Apr 15	30 Aug 15	
<b>Subtotal Works</b>		<b>100,000</b>							

### Selection of Consultants

1	2	3	4	5	6	7	8
Ref. No.	Description of Assignment	Estimated Cost US\$	Selection Method	Review by Bank (Prior / Post)	Expected Proposals Submission Date	Expected Contract Signing Date	Comments
ZRBP/C S/330/2015	Consulting services to enhance the hydro-meteorological, modelling and decision support platforms in the Zambezi Water Resources Information System (ZAMWIS)	1,500,000	QCBS	Prior	19/06/2015	19/08/2015	
ZRBP/C S/231/2015	Consulting services for legal equivalence study	250,000	CQS	Prior	19/04/2015	19/06/2015	
ZRBP/C S/412/2015	Consulting service for developing the Zambezi Basin Strategic Plan	2,050,000	QCBS	Prior	19/07/2015	19/10s/2015	
<b>Subtotal Consulting Services</b>		<b>3,800,000</b>					

### Frequency of procurement supervision

**Supervision / Implementation Support Frequency:**

6 months

**Post Review Frequency:**

12 months

**Post Review %:**

10% of contracts

*Environmental and Social (including safeguards)*

30. The proposed activities to be financed under the grant do not include any civil works and are intended to provide a sustainable framework to guide a development across the basin in line with the ZAMCOM Agreement. The proposed activities focus on development and integration of decision support systems to guide development plans, projects and programmes relating to the resources of the Zambezi Watercourse. The Strategic Plan provided for in the ZAMCOM Agreement is defined to mean “a master development plan comprising a general planning tool and process for the identification, categorisation and prioritisation of projects and programmes for the efficient management and sustainable development of the Zambezi Watercourse”. The development of this plan, coupled with the necessary decision support systems will provide the tools and processes to assist the ZAMCOM in promoting the equitable and reasonable utilization of the water resources of the Zambezi watercourse as well as the efficient management and sustainable development thereof.

63. These tools will integrate information from the numerous basin-wide assessments of water management and development within the Zambezi River basin. These provide an important context for the assessment of climate resilience and a framework for examining the potential cumulative impacts associated with infrastructure development at the national level. As part of the efforts to facilitate the process of establishing the Zambezi Watercourse Commission, an *Integrated Water Resources Management Strategy* was prepared for the Zambezi River Basin in 2007 with financial support from the Governments of Sweden, Denmark and Norway. The World Bank *Multi-Sector Investment Opportunities Analysis of the Zambezi River Basin* (2010) carried out in collaboration with regional bodies and riparian states conducted an economic analysis of the potential infrastructure development of the river basin. This process identified over US\$16b in investments at the pre-feasibility and feasibility stage. The analysis incorporated the results from a water balance modelling conducted in the recent and on-going investment scenarios, dam synchronization, climate change impact and water-energy nexus assessments. These both included an assessment of the water resources for the entire basin to provide a sound basis for development of strategies for effective management in line with the objectives of the Agreement in promoting equitable and reasonable utilization and the efficient management and sustainable development of the waters of the Zambezi River.

64. The Strategic Plan will also leverage a series of ongoing initiatives to assess the potential impacts of climate change within the Zambezi River Basin. The basin is located along the border of the predominately humid Central Africa region and the mainly semi-arid southern African region, and is controlled primarily by the movement of air masses associated with the Inter-Tropical Convergence Zone (ITCZ). Rainfall is markedly seasonal with a rainy season during November to March (summer) and the dry season from April to October (winter). Rainfall and river runoff of the Zambezi River show high seasonal and annual variability. These conditions make the basin vulnerable to climate changes. The IPCC (2001) indicated that the Zambezi River basin may have one of the most significant responses to climate change due to the resonating effect of increase in temperature and decrease in rainfall on potential evaporation and runoff. This has been highlighted by many scientists and CSOs as a major uncertainty for infrastructure development in the Zambezi River. At the same time, the scientific community acknowledges that climate change is inherently an uncertain phenomenon, and future climate projections show much disparity. The effects of climate change will therefore have an important role in providing for a decision framework into an uncertain future climate. The following provides a brief



overview of parallel initiatives that will be integrated into the climate portal as part of the decision support systems underlying the Strategic Plan.

65. The *Assessment of the Impacts of Climate Change on Multi-sector Investment Opportunities in the Zambezi River Basin* (2011), conducted by the World Bank, indicated that climate change is more likely to reduced runoff than to increase it. Mean results of runoff projections based on 56 alternative GCM scenarios (IPCC AR4) indicated reductions in runoff of about 20% in mid-21st century. The SADC project on *Dam Synchronization and Flood Releases in the Zambezi River Basin* project (2011), financed by the Governments of Germany, United Kingdom and Australia, conducted a thorough review of projected climate change impacts in the Zambezi River basin. They concluded that projected impacts on flows in the Zambezi River of climate change show large disparity, with the worst scenarios being a reduction in flows of 26-40%. The Dam synchronization study also conducted an assessment of dam operations, showing the cumulative effects on hydropower production along the Zambezi river basin under different management scenarios.

66. To provide a well-informed risk assessment and risk management framework, the project will also draw on support from the World Bank study on *Addressing the Climate Vulnerability of African Infrastructure*. This is specifically assessing the economic impacts of climate change on large infrastructure, such as hydropower, in the seven largest river basins in Africa. The results, anticipated by end of 2013, will include detailed water balance modeling with WEAP, and impact assessment of a wide range of climate scenarios from the recent IPCC AR4 and AR5, for the Zambezi River Basin. The Bank study will further address the possibility of Robust Decision Making for the design of large hydropower schemes under deep uncertainty in inflows created by the array of climate change projections.

67. The parallel Bank-executed CIWA support to the Zambezi River Basin will conduct a study focused on the *Water-Energy Nexus* of the river basin. The results, anticipated in early 2014, will include LEAP modeled power simulations of the Southern Africa Power Pool (SAPP), linked to the WEAP model for Zambezi River basin. The results will show the feedback mechanisms between the water management and development in the Zambezi River Basin and the power generation in Southern Africa, and will illustrate the tradeoffs between irrigation and hydropower due to limited water resources. The LEAP model will further give estimates of Greenhouse Gas (GHG) emissions under different development scenarios in the SAPP. These results will inform the feasibility and ESIA studies for Batoka Gorge HES on essential areas such as climate change mitigation potential and cumulative impacts of the proposed scheme.

#### *Monitoring & Evaluation*

31. Monitoring and Evaluation will be undertaken through the normal operations of World Bank project supervision and evaluation processes. The project level results frameworks will be aggregated to report on progress toward the overall basin level goals and those of CIWA.

32. An annual programmatic review process will be aligned with the meetings of the ZAMTEC, the CIWA Advisory Committee and Bank processes. The review will be used to determine if the objectives of the program remain relevant, review progress, determine whether additional activities should be included in the program and the budget for the upcoming year and/or adjust the program to reflect evolving circumstances within the basin.

33. The following Development Objective Results Indicators are the global indicators of the CIWA Multi-Donor Trust Fund and used for all CIWA projects to measure progress toward enhanced management of water resources and the development of physical investments in a climate resilient manner:

***Indicator 1: US\$ financing mobilized for cooperative management and development of international waters resources projects supported by the project.***

34. This indicator reflects the intended impact of enabling growth through investments in cooperative water resources management and development projects. It reflects the planned and actual investment financing of all projects which CIWA has influenced during one or more stages of project preparation including but not restricted to support for facilitation of investment dialogue, project identification, pre-feasibility, ESIA's, feasibility, transaction negotiation and resource mobilization. Investment financing from all sources will be included.

***Indicator 2: Number of people directly benefiting from improved water resources management and development in target basins through projects supported by the project.***

35. This indicator reflects the planned and actual direct beneficiaries of projects influenced by CIWA and will be disaggregated by gender where possible. Indirect beneficiaries are assumed to be all the people living within the basins that CIWA is supporting.

36. These indicators will be determined from the aggregated results of each Project in the Program. The project level results matrix in each project will be structured to be consistent with the four CIWA Intermediate Results Areas which are:-

- (a) Regional cooperation and integration strengthened.
- (b) Water resources management strengthened.
- (c) Water resources development strengthened.
- (d) Stakeholder engagement and coordination strengthened.

37. The specific projects implemented in line with the CIWA Support Plan for the Zambezi River Basin provide the individual definition for what **successful** strengthening in each of the result areas is.

**(a) Intermediate Result 1: Regional Cooperation and Integration Strengthened**

38. *Indicator:* Trans-boundary basin institution strengthened to improve regional cooperation based on progress as defined in the CIWA Support Plans (CSP)

- (a) This result aims to foster cooperative trans-boundary institutions for greater regional stability and creation of an enabling environment for shared sustainable growth.
- (b) The indicator is based on the assumption that the existence of a strong basin institution is a good indicator of strong regional cooperation.
- (c) This indicator reflects the focus of CIWA's long-term engagement with basin institutions in order to more deeply understand and support those institutions and ultimately help foster regional cooperation.
- (d) The progress towards strengthening trans-boundary basin institutions will be assessed on:
  - i. Extent of data-sharing,

- ii. Extent of public access to information,
- iii. Facilitation of prior notification,
- iv. Clarity of evidence for benefits of cooperation,
- v. Quality of institutional legal and policy frameworks,
- vi. Effectiveness of national/regional linkages and sustainability of core financing.

**(b) Intermediate Result 2: Water Resources Management Strengthened**

39. *Indicator:* Improved analytic tools, data (including real time monitoring systems) and capacity.

- (a) This result aims to underpin the evidence-based knowledge for planning and decision-making to maximize development opportunities and minimize climate risks.
- (b) The indicator is based on the assumption that if a basin institution has improved analytic tools, data and capacity it will be better able to assess and monitor water resource management status, challenges and opportunities and inform key basin officials and decision-makers. This in turn will enable stronger management of water resources.
- (c) The progress towards improving analytic tools, data and capacity of basin institutions will be assessed on:
  - i. Quality of decision support systems,
  - ii. Extent of monitoring systems (hydro-met) and data collection,
  - iii. Quality of disaster risk management systems,
  - iv. Quality and timely implementation of the basin management plans,
  - v. Monitoring of the state of the basin
  - vi. Quality of policy at national level relating to international waters.

**(c) Intermediate Result 3: Water Resources Development Strengthened**

40. *Indicator:* Number of investment opportunities with regional benefits that have been advanced through CIWA support.

- (a) This result aims to support investments that improve resilience to climate related shocks, enhance food security, and enable countries to follow a lower carbon growth path.
- (b) The indicator is based on the assumption that through a regional perspective, basin institutions will identify and advance opportunities that seek to optimize the regional benefits and reduce the risks of unilateral approaches.
- (c) This indicator will aggregate the number of investment projects that CIWA has influenced to progress at least one step in the project cycle defined as follows: i) Pre-identification (Unlocking Potential) ii) Identification, iii) Pre-feasibility, iv) Feasibility, v) Investment Financing facilitation, vi) Detailed Design, vii) Construction, viii) Commissioning, ix) Ongoing Operations and Maintenance.

**(d) Intermediate Result 4: Stakeholder Engagement and Coordination Strengthened**

41. *Indicator:* Improved engagement with civil society, private sector and academia.

- (a) This result aims to enable greater voice of civil society, private sector and academia in the decision making processes related to cooperative management and development of shared basin resources.
- (b) The indicator is based on the assumption that improving engagement with civil society increases public accountability, demonstrates best practice for safeguards and provides a mechanism for addressing grievances. Furthermore, engagement with the private sector aims to improve competitiveness in procurement and increase the potential for investment financing. Finally, engaging with academia seeks to enhance the long-term development of national professional capacity.
- (c) The progress towards improving engagement with civil society, private sector and academia will be assessed on:
  - i. Clarity of plans and process of engagement,
  - ii. Extent of participation in the project development cycle (including investment reviews, identification of opportunities, pre-feasibility and feasibility activities, project implementation) and
  - iii. Extent of public access to information.

### *Role of Partners*

42. CIWA has established two levels to facilitate management and governance of the supported activities. This includes: i) at the CIWA Program Level to guide the strategy and activities of the work of CIWA as a whole (Figure 1); and, ii) at the CIWA Basin Level with specific international river basins and regions which are responsible for the detailed activities within a river basin window (Figure 2).

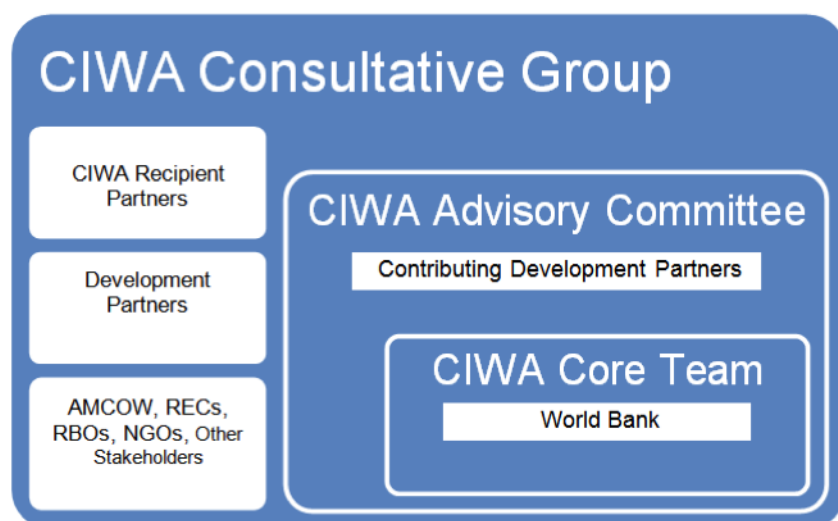


Figure 1: CIWA Structures

43. Within the individual basin programs, CIWA requires establishment of a CIWA Basin Advisory Committee. This is intended to guide CIWA funded activities in the basin, ensure achievement of objectives, the efficient use of resources and the achievement of the agreed results. The Basin Advisory Committee is carried out in terms of the MOU between CIWA and the River Basin. The BSC meets at least once a year and operates on a consensus basis to review detailed activities and projects undertaken in terms

of the agreed plan. The BSC is intended to operate in a manner consistent with existing arrangements. This will ensure coherence and harmonization of support, as well as maximizing the value of financial resources.

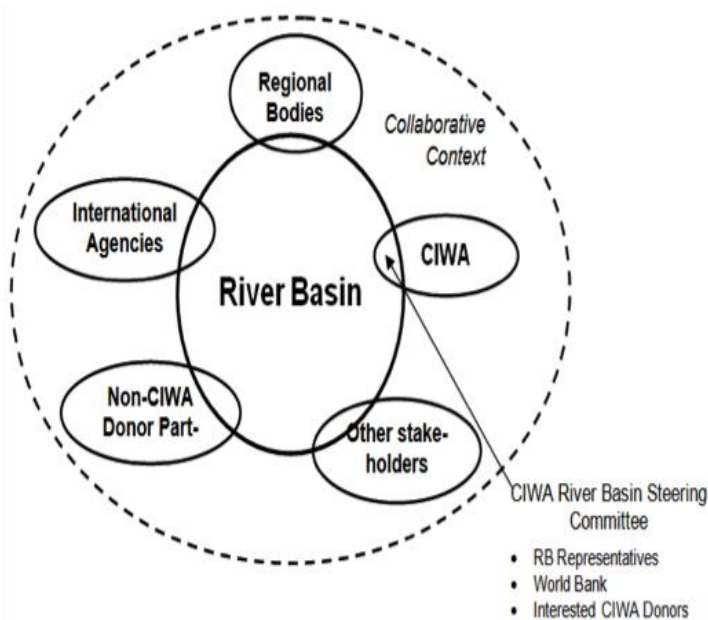


Figure 2: Basin Advisory Committee

44. The **CIWA Basin Advisory Committee** is intended to operate in a manner consistent with the existing ZAMCOM Organs, stakeholder arrangements and ICP bodies. The operating guidelines recognize that the support provided by CIWA to river basins will always be within a wider context of national programs, other development partners, international agencies and regional bodies, many of which will not be contributors to CIWA. The program of CIWA support will be prepared and executed within the context of this broader dialogue with the engagement strategy and projects/activities of each River Basin Window governed by the Basin Advisory Committee.

45. The CIWA Basin Advisory Committee for the Zambezi River basin is seen as a sub-set of the existing structures. These include the SADC Water Strategy Reference Group and the Zambezi-ICP Partnership detailed below.

46. The Southern Africa Development Community (SADC) has established a partnership with International Cooperating Partners (ICPs) to guide cooperation. This cooperation is articulated through the “Windhoek Declaration on a New SADC-ICP Partnership” that was adopted during the April 2006 SADC Consultative Conference. The Windhoek Declaration outlines the overall objective, commitments by SADC and ICPs and the structure for effective dialogue, including areas of cooperation between SADC and ICPs. A review initiated in 2012 was intended to improve the effectiveness of the SADC–ICP partnership, with a view to facilitating an enhanced and more strategic dialogue, while adhering to the priorities and interests of SADC and the ICPs. A key driver for achieving greater aid effectiveness is the concept of thematic coordination groups in core intervention areas as incorporated in the Windhoek Declaration.

47. With this thematic structure, the Water Strategy Reference Group (WSRG) was established to serve as a vehicle for the implementation of the Windhoek Declaration in the SADC Water Sector. This acknowledges water as being a core intervention area and a key instrument in the promotion of regional integration through transboundary water resources in the SADC. The WSRG is intended to contribute to increased aid effectiveness based on the principles of SADC and/or other recipients’ ownership, contribute to ICP harmonisation, and alignment of ICP delivery of assistance with regional partners’ conditions and rules and regulations, and contribute towards the joint responsibility for the achievement of results on the RSAP. The WSRG is a strategic advisory group to the SADC Secretariat that acts as an interface for policy and technical dialogue between SADC and ICP decision makers. The group also provides input to specific strategic documents and processes. A lead ICP is appointed by the WSRG to reduce transaction costs by recipients and ICPs and to improve the quality and coherence of dialogue and support.

48. Within the Zambezi River basin, a consultative forum has been established in accordance with the agreed principles of the SADC framework and in line with other basin level consultative forums. The Zambezi-ICP Partnership (ZICP) is a strategic advisory body to the ZAMCOM Secretariat that acts as an interface for policy and technical dialogue between the ZAMCOM Organs and the ICPs. The ZICP Partnership also provides input to specific strategic documents and processes. Within this framework The ZICP Partnership has the following tasks:

- i. Serve as a resource mobilization mechanism, mainly through sharing information on funding gaps.
- ii. Serve as a setting for open dialogue, networking, confidence-building, in order to create shared understanding between the ZAMCOM Secretariat, the ICPs and other stakeholders on strategic issues related to implementation of the Zambezi Strategic Plan.
- iii. Serve as a forum for coordinating support to water related activities in the Zambezi River Basin to avoid overlaps and achieve maximum synergies and complementarities of the assistance provided.
- iv. Serve as a forum to support the exchange of ideas and enhancing knowledge on strategic issues of consultations in relation to the implementation of the ZAMCOM Agreement, in general, and the Zambezi Strategic Plan, in particular. This is primarily to ensure regular and effective institutionalized dialogue at policy and technical levels as well as shape up strategic thinking.
- v. Serve as a platform for exchanging and disseminating information. This includes receipt of technical and financial information on the implementation of the Zambezi Strategic Plan, including relevant ZAMCOM decisions, ZAMCOM Secretariat activities as well as basin-wide and national progress towards the objectives of the ZAMCOM Agreement. The basis of discussion shall be a report from ZAMCOM Secretariat and a consolidated Zambezi-ICP report on current funding.
- vi. Serve to enhance effective planning for future interventions thereby balancing the objectives of the Zambezi Strategic Plan with the availability of, and constraints on, ICP funding.
- vii. Serve as a platform where ICPs discuss sustainability in terms of financial support to the Zambezi basin by ensuring that regional cooperating partners take an active role.

49. The CIWA Basin Advisory Committee for the Zambezi River basin will meet prior to the meeting of ZICP Partnership and the broader Zambezi forum to ensure consensus positions among the members of the Committee (see Figure 3). Composition of the Zambezi River CIWA Basin Advisory Committee may include representatives from: i) riparian states; ii) the river basin organization (ZAMSEC); iii) CIWA contributing partners; iv) the World Bank; and, v) by invitation, any other interested parties as observer.

50. Responsibilities of the Zambezi River Basin CIWA Steering Committee include:

- viii. Reviewing and agreeing updates to the program of CIWA support at least annually;
- ix. Providing strategic advice and input related to current and potential CIWA support and CIWA funded activities;
- x. Reviewing and advising on the progress, effectiveness, efficiency, and results of all CIWA funded activities, projects and programs;
- xi. Reviewing all fiduciary, financial management, administrative, M&E and other functions related to CIWA funding, especially where programs are Recipient

- Executed, and advising how these may be strengthened, modified or rectified as required;
- xii. Reviewing institutional arrangements and capacity related to CIWA funded activities and advising how these may be strengthened, modified or rectified as required;
  - xiii. Promoting donor cooperation and coordination in the respective basin; and,
  - xiv. Promotion of stakeholder engagement and communications.

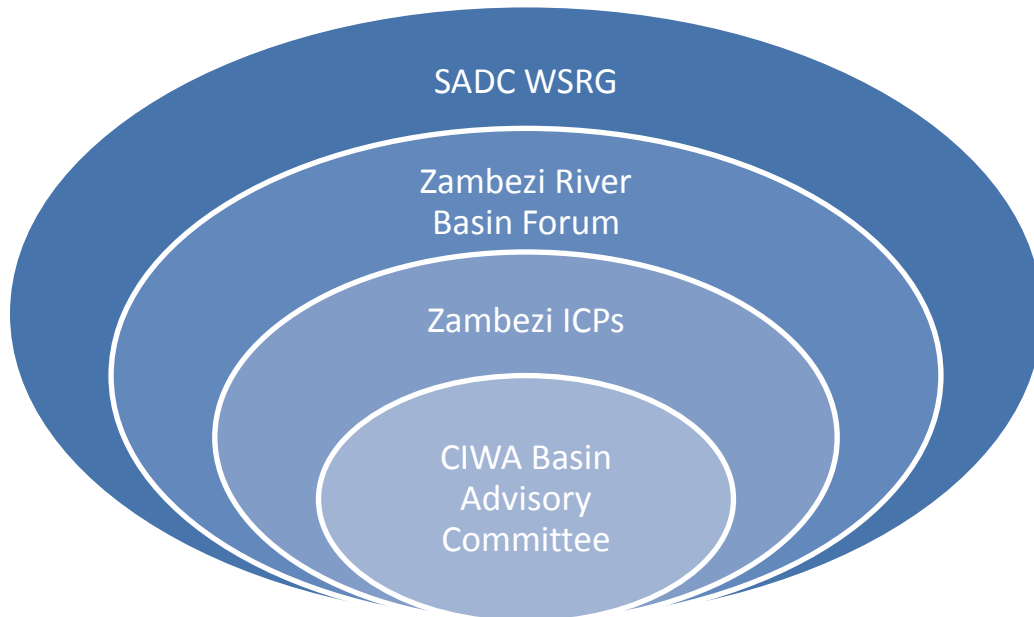


Figure 3: Consultative mechanisms for the Zambezi River Basin CIWA Steering Committee



## ANNEX 5: MAP OF THE ZAMBEZI RIVER BASIN

