

Second Meeting of the Sio-Malaba-Malakisi Joint Working Group

November 4th – 6th 2019, Nairobi, Kenya



Meeting Report

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1. Background

Since 2014, the International Union for Conservation of Nature (IUCN) has been working with the Secretariat of the Intergovernmental Authority for Development (IGAD) and the IGAD Member States in the implementation of the Building River Dialogue and Governance (BRIDGE) initiative, focusing on strengthening transboundary water governance in the IGAD region, both at the regional and in the Sio-Malaba-Malakisi (SMM) basin levels.

In 2018, IUCN and IGAD Secretariat guided and facilitated the establishment of the SMM Joint Working Group as an interim transboundary institutional framework to promote the transboundary water cooperation between Kenya and Uganda including developing an SMM Investment Plan and Financing Strategy. The SMM Joint Working Group consist of about 6 members from each country (Kenya and Uganda) and drawn from a wide stakeholders' representation. The First Meeting of the SMM Joint Working Group was held on December 20th, 2018 in Entebbe, Uganda.

This 2nd Meeting of the SMM Joint Working Group took place on November 5th – 6th 2019 in Nairobi, Kenya and had the following objectives:

1. To achieve a better common understanding of the context for resource mobilization for the SMM institutional framework and projects.
2. To discuss the SMM MoU and the timelines for approval
3. To identify and discuss the required development needs, and the associated costs of the SMM transboundary institutional framework.
4. To discuss the outline of the Financial Sustainability Strategy for the SMM Transboundary Institutional Framework and to identify and discuss options to finance the expected cost associated to the required institutional set-up.
5. To discuss the outlines of the SMM Investment Plan and its Resource Mobilization Strategy.
6. To identify discuss actions to be included in the SMM Resource Mobilization Strategy.

The Agenda and list of participants are herein attached as annexes.

2. Making cooperation fruitful and sustainable

On behalf of IGAD Secretariat, Mr. Fred Mwangi, Regional Water Expert welcomed the workshop delegates. He presented a brief historical overview of cooperation among the Nile riparian countries that includes Uganda and Kenya for the management and development of the Nile basin of which the SMM is a sub basin (see the figure below). He noted that the basin is experiencing deteriorating water quality and water scarcity in some parts of the catchments. He noted that cooperation among the SMM riparian countries has evolved from shallow collaboration, characterized by, loose institutional cooperation, without official headquarters to a formal establishment of a Project Management Unit (PMU) and Regional Project Steering Committee (RPSC) within the framework of NBI NELSAP.

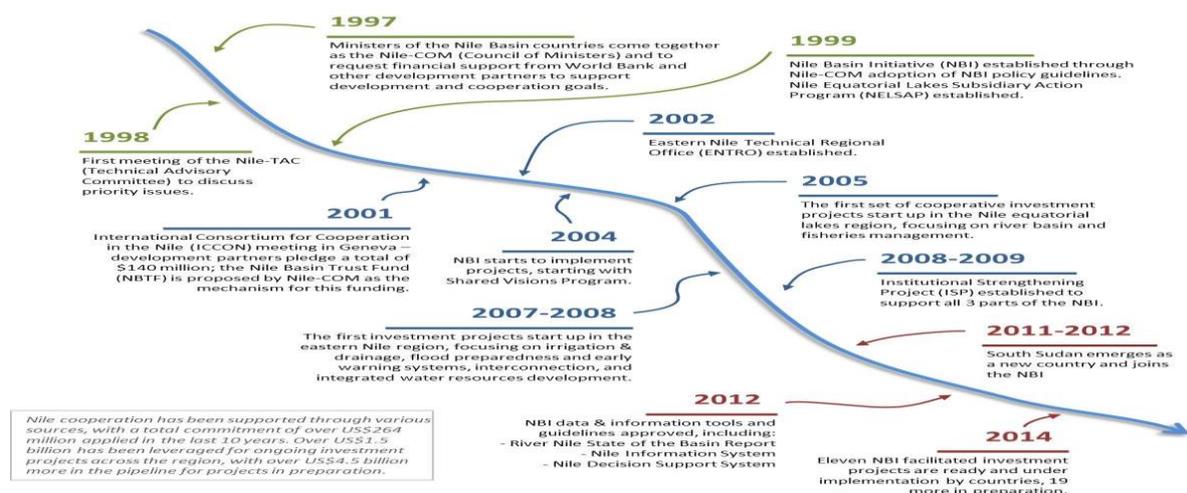


Figure: History and key milestones of the Nile Basin Initiative (Adapted from NBI 2015)

Mr. John Owino, Programme Officer, IUCN ESARO, welcomed the participants and thanked them for attending the meeting. He noted that IUCN is continuing to support the legal, policy and institutional processes for the transboundary water governance in the IGAD region.

In his welcoming remark, Dr. Callist Tindimugaya, Commissioner, Water Resources Planning and Regulation, Ministry of Water and Environment, Republic of Uganda, mentioned that transboundary water cooperation is not an option but it is a must because water does not recognize political boundaries. He added that cooperation in transboundary water governance leads to added advantages like regional cooperation, trade, peace and security.

Ms. Gladys Wekesa, Director, Transboundary Water Resources Department of the Ministry of Water and Irrigation of the Republic of Kenya, welcomed the participants and noted the importance of finalizing the SMM investment planning process and institutional framework to enable stakeholders realize concrete and tangible benefits from transboundary water cooperation.

3. Building governance frameworks

Since 2005, Uganda and Kenya have focused on joint actions for the management and development of the SMM transboundary water basin. In 2015, a Memorandum of Understanding (MoU) between these two countries within the framework of the Nile Basin Initiative (NBI)/Nile Equatorial Lakes Subsidiary Action Program (NELSAP) was signed for the integrated management and development of the SMM transboundary basin.

During the Second SMM Basin Stakeholders consultative workshop, Uganda and Kenya recognised the need to establish an inclusive multi-level stakeholder structure to facilitate cooperation in the SMM and proposed the revision of the existing NELSAP project based SMM MoU signed in 2015. As part of the revision of the SMM MoU, it was highlighted that such inclusive multi-level stakeholder structure would require a specific institutional framework beyond NELSAP project based institutional

arrangements, to reflect the establishment of a joint multi-level, stakeholder-inclusive basin management and development body.

During the Third SMM Stakeholders Consultative Meeting, held in Kisumu, Kenya, Mr. Diego Jara, legal officer from the IUCN Environmental Law Centre, facilitated a session that dialogued and agreed on the design of an appropriate MoU for the SMM. Participants noted that the MoU would be important to promote institutional arrangements for the mobilization of resources including financial as well as for the implementation of the investment projects. IUCN presented a suggested MoU text that was discussed by stakeholders during the First Meeting of the SMM JWG and additional comments provided after the meeting by stakeholders, which IUCN incorporated and produced a revised draft that would then be discussed further internally through national consultations in both countries before signing. During the 2nd SMM JWG, Mr. Jara provided an overview of the importance of continuing with the process of adoption of the SMM MoU to facilitate transboundary water cooperation. Participants agreed on the importance of having such an open ended (in terms of time) instrument signed between the countries without tying it to a project or the intervention of another institution which is quite limiting especially when the project ends. The MoU on the Transboundary Mara River Basin was given as an example to learn from.

4. Mobilizing resources

Kenya and Uganda shared their experiences on the process and strategies for generating and attracting funds for water resources management and development in their respective countries. Both ministries in charge of water resources management and development receives their annual allocation through a similar process of government budgeting and allocation. The Government prepares the annual budget that is submitted to Parliament for approval, the budget includes estimates of Government revenues and expenditures and is prepared under the Medium Term Expenditure Framework (MTEF) that links the Government policies, plans and budget in a multi-year rolling process. MTEF is an ideal tool for translating Governments National agenda into public expenditure programs within a coherent multi-year financial Framework. It aims at making the budget process more transparent, participatory and promote accountability in the management of public resources.

The challenge with this process has been more attention and focus on funding the built water infrastructure for multiple use, such as irrigation, domestic, hydroelectric power generation etc and limited resource allocation to catchment including forest and landscape restoration actions. The meeting was informed that in Uganda the available budget for catchment activities is about 3% while in Kenya it is about 17% of the total allocation. With the current high levels of catchment degradation it is becoming apparent that this meagre allocations is a drop in the ocean. It is therefore important to advocate for allocation of more resources for catchment restoration activities since it is only a healthy ecosystem that will provide sustainable environmental services such as water.

The meeting was informed that attracting funding for built water infrastructure depends on how well the project proposal has been prepared (bankable projects); ability to repay the loan; and sustainability of the project.

The meeting was informed that Sio-Siteko Wetlands and Angololo are two SMM transboundary projects that are moving towards full feasibility studies and then implementation – there is need for a transboundary institutional framework to coordinate the management and implementation of these two projects. Some lessons could be learnt from Ruzumo transboundary project developed to promote the benefit sharing for the 3 riparian countries but is having challenges with the institutional and governance issues.

In addition to Kenya and Uganda experiences with generating and attracting direct government funds for water resources management and development in their respective countries, experiences on investment planning and resources mobilization for transboundary water governance were also shared by the Nile Basin Initiative (NBI) NELSAP and the USAID Kenya and Uganda WASH Programme.

NBI NELSAP informed the meeting that their project investment planning and resource mobilization process for transboundary water projects entails the following: 1] project identification through field visits with the grassroots community, county or district technical, administrative, and political stakeholders as well as through desk studies (secondary data/information) to support field findings from a scientific perspective; 2] analytical work whose objectives are to (a) generate technical information needed in preparing project concept notes and (b) ascertain whether the available water resources can support the proposed investments; 3] preparation of project concept notes whose objectives are to: (a) document critical challenges, issues as well as viable mitigation measures, and (b) development opportunities documented to address the prevailing issues at community, national, and regional levels. In some cases, project appraisal is undertaken by the National governments. There was an appraisal for Angololo project sites by the country technical officers; 4] stakeholder review and approval of the concept note; 5] preparation of project proposals as per donor/funder requirements and then feasibility studies. Each donor partner has different requirements and guidelines, these can be obtained online but in most cases physical visiting of the donor partners and holding face to face meeting is very key to learn the different windows and conditions of financing. Other lessons learnt includes the following: need to show that the project being fronted to donors is a priority for the countries (this could be demonstrated through countries endorsement letters); building of institutional trust and confidence; packaging the bankable projects backed by feasibility studies, environment and strategic impact assessments etc; and organizing donor round tables to show case various pipeline of investment projects.

The USAID Kenya and Uganda WASH Program informed the meeting as follows: The Global Water Strategy 2017-2022 for the US Government has a vision of a secure world where people have sustainable access to enough water to meet human, economic, and ecosystem needs while managing risks from floods and droughts. Its aim is to reduce diseases, save lives, eradicate poverty and promote sustainable economic growth. The strategy have the following 4 objectives: access to safe drinking water and sanitation; water resources management; cooperation on shared waters; and governance and finance of water resources. These objectives are implemented through the following strategic approaches: provision of technical assistance; investing in sustainable water infrastructure; promotion of science, technology, innovation and information; mobilizing of financial resources; engaging

diplomatically; and strengthen partnerships with intergovernmental organizations and the international community.

5. The SMM Investment plan and financial strategy

To ensure effectiveness and clarity, the meeting agreed for the need to produce one integrated product being the SMM investment plan and financial strategy that entails the following:

- SMM Situational Analysis
- SMM Institutional Framework (functions, form, institutional development actions, operational costs)
- SMM Investment Framework
- SMM Investment Programme
- SMM Financing Strategy (funding needs, targets, sources)
 - Institutions (Financial Sustainability of Institutional Framework – whether through national budgets, international community and users and the need to keep the funding needs very low for ease of buy in by the Partner States)
 - Information
 - Investments

During the plenary discussions, participants noted the following: it is important to ensure that projects are a priority of national governments hence are well prepared with a detailed budget that will be integrated into the national budget for either direct funding or for endorsement for external funding through grants or loan.

6. Next steps

Participants agreed upon and adopted the following roadmap for the finalization and implementation of the SMM Investment Plan and Financial Strategy, as well as the signing of the SMM MoU.

Task	Responsibility	Timeline
First draft of SMM Investment Plan and Financing Strategy (IPFS) Concept note for exchange of experiences	IUCN/IGAD IUCN/IGAD	End November End November
Comments on SMM IPFS	Joint Working Group (JWG)	10 December
Concept Note on Resource Mobilization for SMM projects Second draft of SMM Investment Plan and Financing Strategy MoU internal consultations and sharing of country drafts MoU new draft	IUCN/IGAD IUCN/IGAD Kenya and Uganda IUCN/IGAD	20 December 20 December 15 January End January
Drafting rules of procedure and Secretariat ToR Development of SMM financing action plan	JWG (IUCN/IGAD support) JWG (IUCN/IGAD support)	15 February End February
Process of approval of MoU in two countries National consultative process on Second draft of SMM IPFSAP Exchange of experiences with other BRIDGE basins 3 rd Meeting of JWG to review IPFSAP, MoU, RoP, Sec ToR	JWG JWG (IUCN/IGAD support) IUCN/IGAD JWG + FA & legal experts	Starts mid Feb Feb March Early March
Finalization of SMM documents (IPFSAP, MoU, RoP, Sec ToR)	JWG (IUCN/IGAD support)	End of April
Approval of SMM IPFS at 4 th Meeting of JWG Event for signature of MoU	JWG JWG and Ministers	June June

7. Closing remarks

Mr. Fred Mwangi on behalf of IGAD thanked all the participants for their contributions and for the fruitful discussions. He noted that the work, lessons and experiences learnt from the SMM will serve as a model for effective transboundary water cooperation within and beyond the IGAD region.

Mr. John Owino on behalf of IUCN thanked the participants for their effective participation and assured them that IUCN will continue working with the stakeholders in the region to enhance transboundary water governance.

Mr. John Musila on behalf of Uganda, expressed his gratitude to IGAD, IUCN and his Kenyan counterparts for their warm welcome and for organizing a successful meeting and reaffirmed the commitment of his country to promote cooperation in the SMM.

Dr. Isaac Alukwe on behalf of Kenya, thanked all the participants for attending and their effective involvement and welcomed further joint work for the benefit of the SMM basin stakeholders.

Annex 1: Agenda



Draft agenda for the 2nd Meeting of the SMM Joint Working Group, Nov 4th-6th 2019, at Intercontinental Hotel, Nairobi, Kenya

Objectives:

7. To discuss the SMM MoU and the timelines for its approval.
8. To identify and discuss the required development needs and the associated costs of the SMM transboundary institutional framework.
9. To achieve a better and common understanding of the resource mobilization options for the SMM institutional framework and projects.
10. To discuss the outline of the Financial Sustainability Strategy for the SMM Transboundary Institutional Framework and to identify and discuss options to finance the expected cost associated to the required institutional set-up.
11. To discuss the outlines of the SMM Investment Plan and its Resource Mobilization Strategy.
12. To identify and discuss actions to be included in the SMM Resource Mobilization Strategy.

Time	Session	Facilitator
Monday, 4th November 2019		
Travel and arrival at the Hotel in the evening		
Tuesday, 5th November 2019		
9.00-9.15 am	Welcoming remarks	Fred/John/Callist/ Gladys
9:15-10:45am	Why we are here: making cooperation in the SMM basin fruitful and sustainable <ul style="list-style-type: none"> • Workshop objectives (5 min) • Historic perspective of transboundary water cooperation in the SMM basin (15 min) • Recent outputs of the SMM cooperation process (25 min) <ul style="list-style-type: none"> -Situational analysis -Benefit opportunities assessment -Investment framework -Investment programme: priority projects and clustering • Next steps for making cooperation in the SMM basin fruitful and sustainable (10 min) <ul style="list-style-type: none"> -Institutional framework to guide and implement investment programme and other cooperation actions -Financial sustainability of the institutional framework -Resource mobilisation to fund the investment programme 	John Fred John Roberto
10:45-11:00 am	Coffee/Tea break	
11.00-1pm	SMM Institutional framework <ul style="list-style-type: none"> • The Draft SMM MoU (10 min) • Results of internal discussions and process of signature of the MoU (10 min) • Functions to be carried out by the institutional mechanism (30 min) • Form of the institutional mechanism (20 min) • Institutional development actions to be carried out in next 6, 12 and/or 18 months (20 min) • Estimating the operational costs of the institutional mechanism (20 min) 	Diego Gladys/Callist
1.00-2.00 pm	Lunch break	

2pm-3.30pm	Background to resource mobilisation in the SMM basin <ul style="list-style-type: none"> • Generating and attracting funds for water resources management and development in Uganda: “user charges”, “public budgets” and “external support from development partners” (30 minutes) • Generating and attracting funds for water resources management and development in Kenya: “user charges”, “public budgets” and “external support from development partners” (30 minutes) • Investment planning and resource mobilisation for transboundary waters: <i>lessons from the NBI</i> (10 minutes) • Attracting support from development partners for water resources management and development: <i>lessons learned from the Water and Sanitation Development Partners Group, Kenya</i> (10 minutes) 	Uganda team Kenya team Mr Martin Okirya Mr. Martin Mulongo USAID
3:30-4.00 pm	Coffee/Tea break	
4pm-5.30pm	Financial sustainability strategy for SMM Institutional Framework <ul style="list-style-type: none"> • Presentation (15 min) • General discussion (30 min) • Identification of priority actions and responsibilities (45 min) 	Roberto
Wednesday, 6th November		
9.00-9.15 am	Summary of Day1	John
9:15-11:15am	SMM Investment Plan and its Resource Mobilisation Strategy <ul style="list-style-type: none"> • Presentation (30 min) • General discussion (30 min) • Identification of priority actions and responsibilities (60 min) 	Roberto
11:15-11.45 am	Coffee/Tea break	
11:45-12:30pm	Next steps	Callist/Gladys/ John/ Roberto/Fred
12:30-1:00pm	Conclusions and closing	Callist/Gladys
1:00-2:00pm	Lunch	
2:00 pm	Delegates depart	

Annex 2: List of participants



List of participants to the 2nd Meeting of the SMM Joint Working Group, Nov 4th-6th 2019, at Intercontinental Hotel, Nairobi, Kenya

	Name	Position/Division	Organization/ Country	Email address
1	Ms. Gladys Wekesa	Director, Transboundary Water resources, TAC	Kenya	gnwekesa@yahoo.com
2	Mr Silas Mutia M'nyiri	Deputy Director, Transboundary waters	Kenya	silasmutia@gmail.com
3	Dr. Isaac Alukwe	County executive committee member, department of environment, water and natural resources	Kenya	iaalukwe@gmail.com
4	Ms. Rose ogara Fukwo	Regional Manager/water resources authority, lake victoria	Kenya	rosefokwo@yahoo.com
5	Dr. Jared Okungu	Infrastructure Development officer	Kenya	jokungu@lvnwwda.go.ke
6	Mr. Daniel Mutune Kihara	Finance officer	Kenya	kiharamutune@gmail.com ;
7	Nancy Koech	Senior superintending hydrologist	Kenya	nancykoech@yahoo.com ;
8	Margaret Irungu	Transboundary water officier	Kenya	
9	Dr. Callist Tindimugaya	Commissioner of Water Resources planning and regulations, TAC	Uganda	callist_tindimugaya@yahoo.co.uk ;
10	Maximo twinomuhangi	Team leader, Kyoga water management zone	Uganda /mbale	
11	Juma Kirunda Nakendo	Senior Sociologist	Uganda/ Mbale	okotelpatrick@gmail.com ;
12	Mr. Musila John	Vice-chairman/LC V chairperson Manafwa,	Uganda / Mbale	African_missionaries@yahoo.com
13	Ms. Were Lamura	Natural resources officer	Uganda/ Mbale	lamulaw@yahoo.com ;

14	Moses Ssonko	Senior Economist	Uganda	
15	Jackson Twinomujuni	Commissioner for Transboundary Water Affairs	Uganda	sewaguddes@yahoo.co.uk
16	John Owino	Program Officer- Water and Wetlands programme IUCN-ESARO	IUCN	John.Owino@iucn.org
17	Diego Jara	Legal Officer, environmental Law programme	IUCN	Diego.Jara@iucn.org
18	Celestine Chemorkok	Administrative assistant	IUCN	Celestine.chemorkok@iucn.org ;
19	Martin Okirya	PO-SMM	Uganda	mokirya@nilebasin.org
20	Robert Hudato	Consultant		roberto_martin@hotmail.com
21	Mr. Fred Mwango	Regional Water Expert	IGAD	fred.mwango@igad.int
22	Khadija Mohamed	Program Officer	IGAD	khadija.mohamed@igad.int
23	Sagal Souleiman	Assistant Administrative	IGAD	sagal.iman@igad.int