

SADC-USAID Agreement for Water and Biodiversity in Shared River Basins¹
DRAFT Concept Paper for Comment²

USAID's Southern Africa Regional Environmental Program (SAREP) field office in Gaborone received authorization to develop a program design (for implementation FY2009-2013) that builds upon the existing SADC agreement for improved management of shared river basins, biodiversity protection and the Okavango Integrated River Basin Management Project (IRBM) with the Permanent Okavango River Basin Water Commission (OKACOM, 2004-2008). Subject to the availability of funds, the program will integrate two new activity areas with the river basin management effort: (a) support for improved drinking water supply and sanitation services (WSS) activities as appropriate for regional programs and (b) complementary HIV/AIDS prevention. This concept paper outlines a proposed program that will build on past achievements and work within the framework of the SADC Vision and Regional Strategic Action Plan components below:

SADC Water Vision: Equitable and sustainable utilization of water for social and environmental justice, regional integration and economic benefit for present and future generations.

(a) Water Governance: strengthen capacity of regional institutions to implement the Protocol and promote public participation in integrated water resource development and management (IWRDM) while protecting ecosystem health and sustainability.

(b) Infrastructure: technical assistance to improve design, implementation, operation and sustainable maintenance of water supply and sanitation services (WSS) – including integrated planning to insure services are provided and maintained strategically to support long term ecosystem health and protection of biodiversity, as well as specific activities to monitor and protect water sources.

(c) Capacity Building: strengthen regional organizations and capacity of resource users and governing institutions to improve management of water, wildlife and riparian ecosystems that cross boundaries; increase awareness, skills and capacity of policy makers, planners, managers and practitioners in topics supporting goals (a) and (b) above.

Geographic focus: There are considerable comparative advantages to an approach that builds on existing relationships with SADC, OKACOM and international cooperating partners (ICPs) such as Gtz, Sida, GEF-UNDP, associated with the Okavango basin. This concept paper proposes to provide continuity to current Okavango activities while integrating WSS and to also develop SADC-wide activities where appropriate related to building management capacity and sharing best practices. Activities in the Okavango

¹ The proposed program will be funded through the Regional USAID Office in Pretoria and managed by the Southern Africa Regional Environment field office in Gaborone, Botswana.

² This draft concept paper incorporates informal comments received to date including those from SADC, OKACOM, USAID, RHAP-Botswana, other ICPs and other stakeholders.

basin would continue with endorsement of OKACOM. This may include initiatives begun under the current program to integrate water and land use planning with conservation along with the possibility of supporting other priorities identified in OKACOM's charter and strategic planning. Expansion to other shared river basins or sub-basins will need to be carefully planned with counterparts and partners, coordinated with other ICPs, and justified in terms of the desired results. The neighboring Luiana-Kwando sub-basin and associated ecosystem is one area of potential expansion because it shares a landscape with and interacts ecologically with the Okavango basin, and builds upon existing relationships and progress in the Angola-Namibia-Botswana frontier zones.

Since principles and procedures for insuring local ownership of projects and activities are vital for success, the new program will follow procedures that reinforce appropriate roles and involvement for the type and scale of activity (from regional organizations to local level), based upon best practices developed during IRBM.³ Over the life of the program, activities could incrementally expand to other basins or sub-basins in response to needs and opportunities, comparative advantages of the parties, and available funding. Region-wide and basin-wide activities will be developed and implemented under the guidance of corresponding authorities (e.g. OKACOM for the Okavango basin, SADC for broad regional activities, etc.).

Targeted Results. Based on available funding, recommendations of the 2007 evaluation, and *opportunities for activities to be mutually reinforcing* (e.g. responsive to regional priorities and simultaneously address water and biodiversity goals), the program will support achievement of the following results within selected geographic areas.

1. Water supply and sanitation linked to environmental protection and regional land use planning. The funding is earmarked to support increased access to improved drinking water supply and sanitation services. This result will be achieved by identifying opportunities for WSS activities that are appropriate for a regional program, prioritized by stakeholders, complementary to results 2-5 below, and that contribute to achievement of Millennium Development Goals (MDGs)⁴ and comply with the earmark definition.
2. Strengthen cooperation and water governance. This result will support efforts of counterpart organizations to improve water security by strengthening cooperation on shared waters. It reflects the transboundary nature of water resources in this region and includes strengthening the institutions and processes necessary to improve basin-level watershed management, impact assessment, and public participation in planning

³ The program will acknowledge and reinforce appropriate roles for counterpart organizations including the suite of procedures developed with OKACOM and other counterparts in IRBM: initial review and approval of program description; participatory planning (strategic and annual work plans); participation in annual reviews of progress; quarterly reporting to counterpart organizations; participation in Project Implementation Committee; translation of key documents; facilitative communications; and fully supporting the role of donor coordination and oversight via SADC/WSRG (for pan-SADC activities), OKACOM or other basin organizations (for basin-wide activities) and national and local representatives for more specific field based activities.

⁴ WSS activities must comply with the criteria and definition of the corresponding funding earmark.

and services delivery.

3. Ecosystem health and biodiversity protection. This result will improve capacity and implementation of activities that conserve biodiversity and provision of ecological services within basin landscapes, including the analysis and monitoring of threats to ecosystem health and activities designed to address priority threats. Availability of sufficient and safe water for expanding human settlements and to maintain healthy ecosystems is a function of integrated planning and management at appropriate scales that accounts for these requirements and other uses (mining, tourism). Land use planning at landscape and watershed levels transcends political boundaries and requires cooperation, coordination and integration of WSS with the activities ongoing under this component.
4. IWRDM (as defined and prioritized by SADC). This activity area complements the others by improving the management and increasing the productivity of water resources. This includes optimizing the benefits of water among competing uses (human settlement, industry, agriculture, wildlife) with a focus on ensuring human needs are met while ecosystem health and environmental services are protected.
5. HIV/AIDS prevention and related gender-water-hygiene-HIV/AIDS activities. This will be a modest activity area to be integrated with outreach and field work in the remote and trans-boundary areas associated with this program.

Estimated Funding. For design purposes, approximately US\$4.5 million per annum over the next four years (2009-2013) is assumed for the USAID contribution. This includes approximately \$2m/year for biodiversity, \$2m/year for WSS and up to \$0.5m/yr for HIV/AIDS. The funds derive from US congressional earmarks (restricted use accounts) allocated to support biodiversity protection, WSS and HIV/AIDS prevention. Funding levels are subject to change.

Design and implementation guidelines. The program design and implementation shall strive to optimize the use of available resources in achieving measurable progress towards the results (above) and indicators of progress. This program intends to:

- i. build on successful aspects of the existing program and relationships;
- ii. apply evaluation recommendations (July 2007 report);
- iii. reflect regional priorities and an appropriate niche in collaboration with other ICPs in keeping with the Paris Declaration on aid effectiveness;
- iv. include participatory strategic planning and evaluation to support implementation that is responsive to evolving needs and priorities in the region; and
- v. ***integrate water and biodiversity activities to the fullest extent possible in terms of counterparts, geographic foci, planning, and mutually reinforcing results.***

Detailed plans for achieving results are not predetermined. Potential implementing agents will submit proposals with more specific plans and activities.⁵ The proposal qualified as

⁵ The current implementing mechanism (a contract with ARD Inc. for IRBM) will expire in early 2009 and cannot be extended. The program design allows for a solicitation in compliance with ICP procedures for

most responsive will be selected.⁶ A 5-year strategic plan and first year work plan will be more fully developed in consultation with stakeholders as an inception activity. This is particularly important for new WSS and HIV/AIDS components. Subsequent annual work plans will also be based on participatory assessments.

Stakeholder and other ICP involvement. SADC, OKACOM and USAID are collaborating to identify opportunities to insure that the program is coordinated and harmonized with regional frameworks (RSAP-2, river basin plans and priorities, KAZA, etc.). To facilitate that process, comments on this draft concept paper are invited from stakeholders and other ICPs. We encourage suggestions for potential collaboration and joint programming with other ICPs.

To help solicit ideas and comments, an illustrative set of activities is included in Attachment 1. The list of illustrative activities is evolving based on input from stakeholders and partners. Given available resources, the final design is expected to consider a sub-set of these or similar activities.

establishing a new implementing mechanism.

⁶ Proposals will be judged based on selection criteria to be endorsed by SADC and OKACOM that reflect the degree to which proposals address regional needs, priorities and achieve results. To be eligible for USAID funding, proposals must comply with criteria for “regional” activities and the definitions for earmarked funds (WSS, biodiversity, HIV/AIDS). One proposed evaluation criterion is the extent to which proposals are deemed to build local capacity not only as an output but as an integral part of implementation of the program.

Attachment 1: Illustrative Activities

The following list of illustrative activities is based on suggestions received to date from stakeholders in the region and the evaluation recommendations. Activities incorporated in the program design *need to be integrated and mutually reinforcing as described in the concept paper*, and carefully planned and coordinated with existing and future programs of SADC, OKACOM and other regional partner organizations, other ICPs, and the priorities and needs of member states including relevant bilateral programs. Activities appropriate for regional program support generally involve multi-national issues and institutions and provide specialized technical assistance, training and capacity building which can be more effectively sourced through regional institutions and networks than bilaterally.⁷

Illustrative activities are listed by “result” below although in most cases each activity is expected to be designed and implemented as part of an integrated program to simultaneously support progress toward multiple results.

1. Improve access to safe water and sanitation services for the poor. Particularly, identify opportunities for *activities that reinforce or complement results 2-5 below*, are appropriate for a regional program and are eligible under the WSS earmark. There appear to be opportunities to build management capacity that fills gaps and complements existing and planned WSS initiatives such as the African Water Facility, Millenium Challenge Corporation (MCC) programs and national projects. These activities should lead to measurable progress toward MDG water and sanitation goals and may include support for:
 - 1.1. Improving the enabling environment for WSS, particularly in the areas of utility management, regulation, and financing through existing regional organizations (for instance the African Water Utility Operators Partnership (AWUOP), African Water Association (AfWA) and SADC) – this may include institutional strengthening, organizational development, and utility governance to improve the sustainability and quality of new water supply systems;
 - 1.2. Technical assistance and capacity building for the design, rehabilitation, construction, management, operation, and maintenance for smaller town and village systems that increase access for the poor to drinking water supply and sanitation services;
 - 1.3. Improved information systems, metering and billing, leak detection and repair initiatives that reduce non-revenue water, improve the quality and sustainability of existing water supply and sanitation services;
 - 1.4. Protection of drinking water supply sources;
 - 1.5. Identify and share best practices for WSS design, financing, operations, maintenance, for instance the use of operating contracts between utilities and the public agencies responsible for the supervision of water providers;
 - 1.6. Water supply and sanitation “demand management” (possibly in collaboration with the new Sida regional program) that effectively expands access to more

⁷ Final activities will be established contractually and will be guided by strategic and annual work plans to be developed in consultation with stakeholders.

- beneficiaries;
- 1.7. Planning and implementation of WSS projects in trans-frontier areas⁸ - for example, along Kavango River (Angola-Namibia) and possibly the Kwando (Angola- Zambia);
 - 1.8. Point of use treatment systems and increasing awareness for water related hygiene
2. Improved management and productivity of priority biological resources.
 - 2.1. Research and planning to optimize benefits of water among competing uses while ensuring human needs are met and environmental resources are protected;
 - 2.2. Improve systems of water gauging and regional sharing of relevant data within selected basins;
 - 2.3. Improve coherence and compatibility of data on the extent and quality of water supply and sanitation services, water demand (present and future use), losses (efficiency and conservation measures), and quality of water supplies⁹;
 - 2.4. Support regional systems to monitor water quality, share data, and support identification and correction of water pollution sources that threaten human and ecological health;
 - 2.5. Support best practices for improved water and natural resources accounting and application to policy and management decisions;
 - 2.6. Identify and share best practices and policies that facilitate more efficient implementation of WSS projects region-wide;
 3. Improve water security and cooperation on shared waters. These activities will build shared understanding and trust while strengthening trans-boundary perspective in problem-solving and research.
 - 3.1. Support integrated planning and protection of water resources, particularly in trans-boundary settings;
 - 3.2. Activities to encourage appropriate “ownership,” budgeting for continuation, and institutionalization of data collection, analysis and sharing protocols¹⁰;
 - 3.3. Develop technical approaches to generate data and information in support of regional collaborations in research and dialogue;
 - 3.4. Strengthen capacity of River Basin Organizations (RBOs) (their technical/implementing arms or other national/local partners) to fulfill mandates related to improve basin-wide watershed management and public participation in planning and service delivery – this may include, for example, coordinated management of water infrastructure to mitigate impacts from floods and droughts and analysis to improve cost-effectiveness of investments and better respond to regional priorities;
 - 3.5. Assist RBO partners to develop appropriate channels for communications among stakeholders at all scales: from community resource users, to local authorities, to

⁸ This could involve provision of TA that links sources of funding for infrastructure with best practices, O&M and collaborative WSS management across borders (building on Cunene example of KfW-Gtz; and other donors working with communities along shared Swaziland-Mozambique river boundary).

⁹ This could include the expansion of knowledge sharing systems similar to the WIN-SA program within SADC region sub-groups (basins) as appropriate and relevant to needs.

¹⁰ For example, follow-up metadata activity with SADC as appropriate and relevant to regional needs.

- National Coordinating Units (NCU)¹¹, RBOs (such as OKACOM) and SADC (as appropriate, per issue).
- 3.6. Assist RBO partners to develop effective means for communicating decisions and regional issues to appropriate decision-makers in member states (regional and national levels); and
 - 3.7. Assist RBOs to build appropriate constituencies and long term bases of support. This may be developed in association with cost and benefit-sharing mechanisms.
4. Improve protection of biodiversity and provision of ecological services.
- 4.1. Provide training and capacity building to conserve biodiversity and maintain ecological services and share lessons learned and best practices throughout the region. Training areas may include: integrated land use planning; GIS applications for land and water resource monitoring and management; and strategic planning for water resource management and biodiversity protection. Emphasis should be placed on “on-the-job training” using trainers from the region.
 - 4.2. Support for initiatives to address the threat of invasive plants in shared water ecosystems and payment for environmental services;
 - 4.3. Support linkages between RBOs and other regional programs such as the Kavango-Zambezi Transfrontier Conservation Area Initiative (KAZA). This may include participatory planning and implementation in support of KAZA goals (or sub-units of KAZA within selected hydrological basins) – building RBO capacity to integrate community involvement into all appropriate processes, and to improve responsiveness to specific groups (tourism, wildlife, extractive enterprises) while insuring all stakeholders are consulted;
 - 4.4. Support for research on ecological requirements and baseline data: water flows, chemical and temperature changes, sediment flows, land use, and other factors impacting shared water resources;
 - 4.5. Improve the understanding of species distributions and biodiversity including extent and types of uses made by local communities – including support for sustainable use;
 - 4.6. Improve community governance of natural resources and CBNRM; and
 - 4.7. Strategic impact assessment for integrated planning and cost-effective investments involving proposed developments with trans-boundary impacts and other research to support science based decision making and proactive analysis.
5. Support HIV/AIDS prevention and treatment
- 5.1. Serve as a conduit between HIV/AIDS programs and rural needs, by providing outreach, educational materials, condoms and referral information to hard-to reach populations associated with the river basin activities;
 - 5.2. Integrate gender-HIV/AIDS-water education and behavioral change activities with planned capacity building and training activities, as appropriate;
 - 5.3. Hygiene promotion activities to support behavior change in key areas including hand washing, feces management, and household point-of use (POU) water

¹¹ National Coordinating Units (NCUs) for a shared river basin form one element of the GEF basin-wide planning project.

- treatment;
- 5.4. Provide safe water supply and sanitation for HIV/AIDS clinics
 - 5.5. Improve the understanding of HIV/AIDS issues associated with transboundary movements of populations associated with water, tourism and river basin development;
 - 5.6. Facilitate communications and linkages among local partners and HIV/AIDS programs and resources; and assist remote community leaders to access appropriate resources from other programs;
 - 5.7. Identify and implement other creative approaches that support HIV/AIDS program results, are not duplicative of others' efforts, and that build on comparative advantages of the ongoing environment program.

Note that the regional environmental program is currently working in areas of relatively high HIV/AIDS prevalence – in and around the Caprivi of Namibia, northern Botswana, southeast Angola – where HIV/AIDS information and support from current programs is generally limited or not available. The funding from the HIV/AIDS Program may support creative activities that integrate natural resources management, water, hygiene, gender, and HIV/AIDS issues in needy areas.

Other activities may be identified with and through counterparts (SADC and OKACOM) and through dialogue with ICPs and other stakeholders in the region. Many of the activities above (sharing best practices, developing data sharing protocols, research, capacity building) involve SADC-wide participation. However, available resources do not allow implementation of all the illustrative activities throughout the SADC region. Therefore, the final program design will need to focus on priority activities and within selected geographic areas that offer comparative advantages.

Note: the list of illustrative activities by “result” (above) attempts to incorporate the list of activities recommended by the Programmatic Evaluation.

Attachment 2

Tentative Schedule

Tentative Schedule. Proposed *target* dates for steps in this process:

- September: Share draft concept paper for comment
- October/November: complete draft project design fulfilling ICP requirements; SADC and OKACOM concurrence
- November/December: Issues request for proposal to qualified bidders

Review, selection and award process is expected to take one to two months after offers have been received.

Annex: Evaluation Recommendations for Future Program Directions (2009-13)

[Source: USAID Programmatic Evaluation Report, July 2007]

Note: many of these activities are “cross-cutting” in terms of results listed earlier.

Recommendation	Examples of Proposed Activities to be Studied for Possible Inclusion in Future Program
1. Technical Capacity Building ¹²	<p>Training topics include: hydrological data; water quality; watershed management; conserving biodiversity and ecological services; integrated land use planning; GIS applications; water resource management; data analysis and modeling; strategic planning; financial management and public administration.</p> <p>1.1 Standardization of procedures across region 1.2 Improve data quality 1.3 Build shared understanding and trust while strengthening transboundary perspective in problem-solving and research</p>
2. Increase Capacity for Communication, Collaboration, and Cooperative Management ¹³	<p>2.1 Improve technical capacity for assessing impacts of proposed actions (withdrawals, sediment diversions, intensified agriculture) on member states 2.2 Preempt issues with proactive, science-based research</p>
3. Data For Regional Water and Biodiversity Decision Support	<p>3.1 Improve access to existing records, and capacities to monitor current and future conditions 3.2 Re-establish a practical, functional gauging network 3.3 Develop a sustainable data collection and sharing systems including GIS capacities 3.4 Improve the understanding of species distributions and biodiversity including extent and types of uses made by local communities 3.5 Activities to ensure “ownership,” budgeting for continuation, and institutionalization of data collection, analysis and sharing protocols 3.6 Develop technical approaches to generate data and information in support of regional research and dialogue</p>
4. Regional Collaboration at a Provincial Scale for Local Planning and Development	<p>4.1 Work with partners to clarify appropriate channels for communications among stakeholders at all scales: from community resource users, to local authorities, to NCUs¹⁴, RBOs and SADC (as appropriate, per issue).</p>

¹² Support for training and capacity building must be carefully coordinated with SADC and other ICPs to develop a coherent set of complementary activities in the basin and to maximize benefits from regional economies of scale.

¹³ Conflict mitigation and avoidance is an important by-product of the establishment of effective systems for trans-boundary communication and collaboration. As with prior recommendation, capacity building activities with RBOs should be coordinated with SADC and other ICPs to maximize impacts and benefits from regional economies of scale.

¹⁴ National Coordinating Units (NCUs) for a shared river basin form one element of the GEF basin-wide planning project; they will use existing institutional arrangements in each country to the degree feasible. Namibia has formalized NCUs for its major shared basins. Angola plans for decentralized basin planning and management units (with one proposed for Kuando Kubango Province—the Okavango and Kwando Rivers).

	4.2 Assist OKACOM to develop effective means for communicating decisions and regional issues to appropriate decision-makers in member states (regional and national levels)
5. Regional Systems for Water and Biodiversity Research and Analysis	5.1 Improve capacity for data analysis and modeling to connect facts with policy questions and issues. 5.2 Develop regional data system management capacity 5.3 Support joint technical studies responsive to basin planning and management needs 5.3 Consider regional priorities (abstraction, sediments, water quality)
6. Enhanced Stakeholder Participation In Shared (Water) Resource Management	6.1 Build capacity and demonstrate participative policy and decision-making for river basin management 6.2 Develop frameworks and best practices for linking resource users with appropriate decision makers at various levels 6.3 Share learnings through regional stakeholder exchanges
7. Cross Basin Regional Institutional Strengthening: OKACOM &/or other RBOs ¹⁵	7.1 Support structures and mechanisms for institutional renewal 7.2 Enhance qualified human resource base for IWRM, impact assessment, and biodiversity conservation in a river basin context 7.3 Facilitate staff exchanges, case studies and best practices
8. Sharing Best Practices and Lessons Learned	8.1 Organizing and Conducting Annual River Basin Organization (RBO) Meetings and follow-up actions; 8.2 Develop RBO and SADC frameworks within which lessons and experiences can be shared in the context of strengthening relationships 8.3 Strengthening Relationships between OKACOM and other basin (ORASECOM, Kuando) as Prototype for Cross-Basin Regional Institutional Strengthening 8.4 Publish joint papers on learnings from experiences with Secretariats, environmental assessments, stakeholder involvement, task forces, donor coordination etc.)

¹⁵ Given relationships established with key regional stakeholders in Angola, Namibia and Botswana, other donors, the KAZA initiative, OKACOM and SADC priorities, it may be useful to consider the upper Zambezi (Kuando-Linyanti catchment) or other sub-basin areas involving a similar set of partners and issues.