



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FSP

TYPE OF TRUST FUND: GEF TRUST FUND (IW FA)

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PART I: PROJECT INFORMATION

Project Title:	Support to the Cubango-Okavango River Basin Strategic Action Programme Implementation		
Country(ies):	Angola, Botswana and Namibia	GEF Project ID: ¹	5526
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4755
Other Executing Partner(s):	The Permanent Okavango River Basin Water Commission (OKACOM)	Submission Date:	29 August 2013
GEF Focal Area (s):	International Waters	Project Duration (Months)	48 months
Name of parent program (if applicable):	N/A	Agency Fee (\$):	579,500
<ul style="list-style-type: none"> • For SFM/REDD+ <input type="checkbox"/> • For SGP <input type="checkbox"/> 			

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
IW 1	IW	3,900,000	45,530,000
IW 3	IW	2,200,000	15,170,000
Total Project Cost		6,100,000	60,700,000

B. INDICATIVE PROJECT FRAMEWORK

Project Objective: Strengthening the joint management and cooperative decision making capacity of the Cubango-Okavango River basin states on the optimal utilization of natural resources in the basin, with the aim to support the socio-economic development of the basin communities while sustaining the health of the basin ecosystems.						
Project Component	Grant Type ³	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Cofinancing (\$)
Basin Development and Management Framework	TA	<p>A shared long-term basin development vision and concept of a development space,</p> <p>Strengthened management framework including enhanced OKACOM mandates.</p>	<p>A decision framework established that allows an adaptive management decision making;</p> <p>Upgraded Decision Support Systems, including enhanced Integrated Flow Assessment model and Information Management System;</p> <p>A strengthened OKASEC with the monitoring and coordination framework for SAP/NAP implementation;</p>	GEFTF	1,200,000	15,600,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the [Focal Area Results Framework](#) when completing Table A.

³ TA includes capacity building, and research and development.

			Enhanced financial sustainability to support transboundary initiatives/SAP implementation, including a transboundary Payment for Ecological Services pilot scheme			
Environmentally Conscious Livelihoods and Socio-Economic Development - Demonstration Projects	TA	<p>Environmentally-sound socioeconomic development piloted in the basin to allow the basin population to improve their socioeconomic status with minimum adverse impacts to and enhanced protection of the basin ecosystem.</p> <p>Replicable strategies to realize food security, inclusive growth, enhanced income generation, gender empowerment, climate change adaptation and resilient development in the basin, demonstrated through pilot projects.</p>	<p>The basin-wide, transboundary tourism strategy developed and agreed by OKACOM; New tourism joint ventures established and supported between operators in the upper and lower basin;</p> <p>Strategies to mitigate human/wildlife conflicts in the basin caused by increased tourism activity developed and demonstrated;</p> <p>Transboundary fisheries management guidance developed for the Cubango-Okavango basin; community-based applications demonstrated to protect and enhance fish stocks in the basin;</p> <p>Community-based activities promoting food security and climate change adaptation piloted in the basin and lessons learned disseminated</p>	GEFTF	2,300,000	25,000,000
Integrated Water Resource Management	TA	<p>Basin's capacity to manage transboundary water resources based on the IWRM principles enhanced, supporting the Basin Development and Management Framework</p> <p>Harmonized assessment of water quantity and quality developed with agreed common objectives and standards</p>	<p>Common demand forecasting and yield assessment methodologies;</p> <p>Review of impact CC scenarios on water resources;</p> <p>Basin-wide water resource strategy;</p> <p>Review of hydrometeorological monitoring programmes</p>	GEFTF	2,300,000	13,400,000

			and recommendations; Water quality baseline survey and improvement strategy/investment programme; Sediment Transport monitoring with special reference to bed load; capacity building in sediment transport measurements Assessment of groundwater resources; Basin-wide IWRM plan			
Subtotal					5,800,000	54,000,000
Project Management Cost (PMC) ⁴				GEFTF	300,000	6,700,000
Total Project Cost					6,100,000	60,700,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
Others (Inter-Governmental Organization)	OKACOM	Grant	1,200,000
National Government	Angola	Grant and in-kind	10,000,000
National Government	Botswana	Grant and in-kind	12,000,000
National Government	Namibia	Grant and in-kind	7,000,000
Bilateral Aid Agency	USAID	Grant	23,300,000
Bilateral Aid Agency	SIDA	Grant	6,000,000
GEF Agency	UNDP	Grant	1,200,000
Private Sector	To be identified & confirmed during PPG (e.g. Hospitality & Tourism Association of Botswana (HOTAB), Federation of Namibian Tourism Association (FENATA), The National Association of Tourist Guides of Angola (Aguita))	Grant and in-kind	TBD during PPG
Total Cofinancing			60,700,000

D. INDICATIVE TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (\$ (a))	Agency Fee (\$ (b) ²)	Total (\$) c=a+b
UNDP	IW	International Waters	Angola, Botswana and Namibia	6,100,000	579,500	6,679,500
Total Grant Resources				6,100,000	579,500	6,679,500

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

⁴ To be calculated as percent of subtotal.

² Indicate fees related to this project.

E. PROJECT PREPARATION GRANT (PPG)⁵

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

	<u>Amount Requested (\$)</u>	<u>Agency Fee for PPG (\$)⁶</u>
• No PPG required.	_____	_____
• (upto) \$50k for projects up to & including \$1 million	_____	_____
• (upto)\$100k for projects up to & including \$3 million	_____	_____
• (upto)\$150k for projects up to & including \$6 million	_____	_____
• (upto)\$200k for projects up to & including \$10 million	<u>200,000</u>	<u>19,000</u>
• (upto)\$300k for projects above \$10 million	_____	_____

PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF ROJECT ONLY

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
IW	UNDP	IW	Regional (Angola, Botswana and Namibia)	200,000	19,000	219,000
total PPG Amount				200,000	19,000	219,000

MFA: Multi-focal area projects; MTF: Multi-Trust Fund projects.

PART II: PROJECT JUSTIFICATION⁷

Project Overview

A.1. Project Description. Briefly describe the project, including ; 1) the global environmental problems, root causes and barriers that need to be addressed; 2) the baseline scenario and any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental cost reasoning and expected contributions from the baseline , the GEFTF, LDCF/SCCF and co-financing; 5) global environmental benefits (GEFTF, NPIF) and adaptation benefits (LDCF/SCCF); 6) innovativeness, sustainability and potential for scaling up.

Background:

1. The Cubango-Okavango River Basin remains one of the least human impacted river basins on the African continent. It is situated in remote areas far from the basin countries' capital cities and main centers of economic activities. The basin supports predominantly rural communities, whose livelihoods are dependent on natural resources, subsistence rain-fed agriculture and flood-recession agriculture. As a result, the people of the basin are in general poorer, less healthy, and less well educated than national averages in their respective countries, underscoring the need for economic development in the basin. At the same time, in its present near-pristine status, the river provides significant ecosystem benefits and will continue to do so if managed appropriately. However, pressures are now building to develop the basin's resources to increase incomes and alleviate poverty in the basin population.

⁵ On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the GEF Project Grant amount requested.

⁷ Part II should not be longer than 5 pages.

2. The next decade is critical for determining the development trajectory of the basin as a whole. Within this time, if development followed existing national/ sectoral development plans, the river could start to show significant signs of degradation and loss of existing ecosystem benefits, as has characterized development in so much of the rest of the world. On the other hand, it could become a global symbol of responsible development that resolutely addresses the four pillars of sustainable development: social equity, ecological integrity, economic efficiency and institutional sustainability.

3. Through the Permanent Okavango River Basin Water Commission (OKACOM) the basin countries approached the Global Environment Facility (GEF) with a request for financial support in the mid-1990s. After extensive preparatory activities, the UNDP-GEF Environmental Protection and Sustainable Management of the Okavango River Basin (EPSMO) Project was implemented from 2004 until Oct 2010. The EPSMO project and a follow-up phase financed by UNDP (Oct 2010 – May 2011) supported OKACOM and its member states the production of a Transboundary Diagnostic Analysis (TDA) and Strategic Action Programme (SAP).

4. The Okavango TDA took an innovative approach and includes the future water resources development scenario analysis of the basin, based on the basin-wide Integrated Flow Assessment. It provides not only an in-depth environmental and socio-economic assessment of the basin as it currently is but also a set of water resources development scenarios and their probable socioeconomic and environmental implications on the people in the basin and on the basin ecosystem. The inclusion of the scenario analysis was necessary because policy decisions to be required by the basin states in the future are for preventing an undesired development trajectory of the basin to maintain its current pristine state, instead of taking corrective actions to restore the health of the basin ecosystem. The assessment of the current state together with scenario analysis of future possibilities provided the scientific basis for the SAP development.

5. SAP builds on alternative (to national/ sectoral plans) development pathways identified by the TDA. A critical component of the SAP is the development of a longer term over-arching vision for the Cubango/Okavango basin that is a clear representation of the characteristics desired for the future environment linked to an agreed ‘Acceptable Development Space’ for the basin. The long term vision is a political objective to be achieved within a twenty year time-frame and is designed to inspire the peoples of the Cubango/Okavango and their leaders. The future support from GEF will assist the countries in determining the development space for the basin based on the principle of sustainable development, in strengthening the transboundary institutional framework for the long-term cooperative management of the basin and in implementing the alternative development options identified in the TDA. Central to the SAP is the improvement of the livelihoods of the basin’s people through the cooperative management of the basin and its shared natural resources. The future GEF support will be also expected to support the demonstration of a few selected innovative livelihoods improvement activities.

6. SAP is complemented by a National Action Plan (NAP) for each country at the national level, which have been produced with the support of UNDP and USAID. NAPs ensure the integration of transboundary priorities identified in SAP into the respective national development plans, environment and economic strategies. NAPs are all validated at the national level and at the various stages of implementation. SAP has been approved by Cabinet in Botswana on 6th February 2013, in Namibia on 8th April 2013, and submitted for a Cabinet approval in Angola in May 2013.

1) The global environmental problems, root causes and barriers that need to be addressed:

7. The Cubango-Okavango basin is ecologically unique and the Okavango Delta, the best known basin feature, is one of the largest Ramsar sites in the world and is of national, regional and global environmental and biodiversity value and importance. The long-term fate of the Cubango-Okavango basin and the Okavango Delta depends upon the sustainable management of the water resources which emanate from the upper catchment in Angola. GEF intervention is critical to its preservation. In developing the SAP, the countries have recognised the threats and responded by promoting basin-wide IWRM, strengthening governance components, reinforcing efforts towards achieving the MDGs and encouraging alternative development pathways.

Root causes:

8. The main underlying root causes or drivers in the basin have been identified as being

- Population growth and urbanization;
- Land use change;
- Poverty; and
- Climate change.

Transboundary environmental problems:

9. As a consequence of these drivers the countries identified during the TDA process four priority emerging Transboundary Areas of Concern:

- Variation and reduction of hydrological flow
- Changes in sediment dynamics
- Changes in water quality
- Changes in the abundance and distribution of biota

10. These are emerging issues rather than existing problems and reflect the development pressures on the basin not yet realised. Determining the when, where and how these concerns become significant and determining ways to address them was the major objective of the TDA.

11. Understanding the basin and how it could respond to increasing development is a complex task, since development can come in many forms and a clear picture is only beginning to emerge. The UNDP-GEF EPSMO project through the TDA and Integrated Flow Assessment (IFA), has tried to predict the level of socio-economic and environmental impacts under different water use scenarios (low, medium and high) and macro-economic backdrops. The IFA was a first attempt to develop such scenarios in a basin-wide exercise; thus, should be viewed as a pilot study and the scenario predictions considered as early predictions, which need to be refined through focused research. There are questions regarding the coverage and quality of the baseline hydrological and other data and the limitations in the ability of the hydrological modeling⁸. Despite these constraints, some key findings have emerged:

- The River and its floodplains provide significant ecological services which support the livelihoods of a large proportion of the basin's population. The livelihood support is more marked in the downstream countries of Namibia and Botswana than upstream in Angola.
- While water use developments are aimed at increasing the amount of income coming from the river system, particularly in the upper basin, this may not necessarily reduce poverty. The poverty within the basin, which is worse than that in the broader societies of basin countries, may be exacerbated if higher uses of water are developed because of the reduction in the all-important environment services.
- Potential growth in demand over the next 15 years is dominated by an increase in irrigation demand. However the economic feasibility of most of the schemes is highly questionable because of their remoteness from the commercial markets, poor soils etc.
- A progressive decline in condition of the river ecosystem would occur from the low to high water use scenarios, with the high scenario rendering large parts of the system unable to sustain present beneficial uses.

⁸ The sampling points for the IFA were limited to only eight in the entire basin, although efforts were made in the selection of those sites to be as representative of the basin characteristic as possible, due to both financial and time constraints. There is therefore need to expand the sampling points, as part of this project. It will improve the robustness of the predictions that are coming out of the IFA analysis and assist more effectively the Basin Development and Management Framework.

- In the Delta, for the high water use scenario, the various types of permanent swamp would decrease to about 20% of present day average levels and seasonal swamp types increase by about 105–180% of present day.
- It is estimated that the livelihoods value will drop from the present day estimate of US\$ 60 million per year, to a just over US\$ 30 million per year for the low water use scenario to under US\$ 10 million per year for both medium and high water resource use scenarios

12. In summary, the High and Medium water use scenarios could generate an order of magnitude of economic losses and risk that could overwhelm the potential benefits of the full suite of proposed water resources developments across all three countries.

Barriers to be removed:

13. Development in the basin is inevitable to improve the lives of the basin population, but for it to be sustainable its nature and scale must not exceed the capacity of the system to accommodate it. The political pressures to utilise the Cubango-Okavango's resources are strong. They must be managed within a jointly agreed comprehensive basin-wide development framework, underpinned by sound knowledge of the river basin, to avoid damaging, costly and irreversible decisions.

14. Governance processes at the basin level are relatively weak, not because of a resistance to cooperation but rather, as described above, because of the lack of need up until recently. The legal and institutional frameworks for cooperation already exist in the form of the 1994 Permanent Okavango River Basin Water Commission (OKACOM) Agreement and the Southern African Development Community Revised Protocol on Shared Watercourses of 2000. The latter is based on the 1997 United Nations (UN) Convention on the Law of the Non-navigational Uses of International Watercourses. However, the various components of decision cycle (decision making, implementation, monitoring, data-collection and analysis) are weak and need strengthening. They need to be integrated vertically, from basin-wide to local levels, and horizontally, across the sectors. This is an immense challenge and is the cornerstone of the SAP and the associated National Action Plans, but it cannot be achieved in the short-term.

15. In line with the concept of IWRM the decision makers need to balance economic, social equality and environmental objectives and find a point which is acceptable both nationally and basin-wide. This is going to be a difficult task since the trade-off will be different for the three countries and will not be constant, but will move as their economic landscape changes. There will need to be compromise as the countries establish a common acceptable development 'vision' or 'space' for the basin, which will make best use of basin's natural resources and to take into account the existence value of the Cubango-Okavango River and its Delta. There is not just one optimum development pathway and final selection will depend on many internal and external factors.

2) Baseline scenario

16. Until now, water resource and economic development affecting the utilization of natural resources in the basin has been driven at national level through national and sectoral development plans and strategies at each basin state, based on national needs. However, little consideration is given to their potential transboundary impacts due largely to limited knowledge and understanding. No effective mechanism is in place to facilitate coordinated implementation at the transboundary level. National sectoral development plans exist which propose a significant increase in the area of irrigated lands in the upstream parts of the basin, storage-based hydro-power developments in Angola, an inter-basin transfer to meet water demand in the centre and south of the country in Namibia, all of which if implemented without careful transboundary consideration, would have significant impacts on the basin and the downstream Delta. If implemented in their current state, the plans are likely to cause significant ecosystem degradation as described in the water use scenarios modeled in the TDA. Likewise, water and natural resource management and monitoring activities in the basin are predominantly at national and sectoral levels with limited coordination at the transboundary and inter-sectoral level.

17. In the last decade, there has been a steady increase in willingness among the countries to coordinate activities at the basin level, building upon their extensive efforts in developing a basin-wide baseline (TDA) and having agreed on the basin-wide priorities (SAP). Strong commitment to support OKACOM as the platform for the joint management of the Cubango-Okavango basin is witnessed in increases in the financial contribution from the countries to support the OKACOM Secretariat from none until 2009 to USD100,000/year/country in 2013. Further, OKACOM started requesting any partners or institutions which carry on any initiatives in the Cubango-Okavango basin to align their initiatives firmly to the Okavango SAP framework, if the OKACOM is expected to endorse their activities. OKACOM has also developed a 5 year plan which aims to operationalize the SAP through coordinating member states' as well as external partners' activities in the basin in the near future. In line with the SAP, OKACOM expresses needs and willingness to work on strategies which requires much stronger coordination with other sectors than it has been in the past, such as fisheries management guidelines in the basin.

18. However, OKACOM and its member states face significant financial, institutional, technical capacity limitation currently to back up their high willingness to cooperate and progress further with the planning, decision making, and coordination of future activities in the basin within the joint management framework. There are limited national resources that can be channeled towards transboundary initiatives and/or transboundary benefits when each country has its own obligations to lift their people out of poverty, improve their livelihood, and achieve economic and social development within and outside of the basin. Coupled with insufficient awareness by planners and planning ministries about the value of the Cubango-Okavango Basin, the countries face the situation where sustainable development initiatives within the basin parts of the riparian countries are under-budgeted.

3) Alternative scenario

19. The TDA-SAP process confirmed that considerable economic and ecological benefits can be derived from coordinated, joint development at basin-wide level. The Integrated Flow Assessments show that different water use scenarios, yielding similar levels of socioeconomic benefits, can affect the ecosystem very differently. Some scenarios are more damaging to the basin ecosystem than others. The countries have noted that there could, under certain circumstances, be a basin-wide economic advantage in maximizing ecosystems services rather than increasing water use in the upper basin. The TDA has shown for example that run-off river hydropower development, with minimal to no negative impact on the basin ecosystem, is a viable alternative to storage-based hydropower development. This demonstrates that there are ecosystem-conscious solutions to the energy poverty issues in Angola which do not compromise the economic benefits downstream in Botswana through the high-end tourism in the Delta.

20. The Strategic Action Programme (SAP) for the Sustainable Development and Management of the Cubango-Okavango Basin was approved by the OKACOM during its 17th OKACOM meeting held in Swakopmund, Namibia in May 2011. It is a medium-term strategy which endeavors to address these complex issues by improving the basin governance through strengthening of the Basin Development and Management Framework (BDMF) and tackling specific issues in four thematic areas:

1. Livelihoods and Socio-Economic Development
2. Water Resource Management
3. Land Management
4. Environment and Biodiversity

21. They all respond to the four main underlying causes or drivers identified earlier. The requested UNDP-GEF project will support OKACOM and the member states to implement selected key activities prioritized in SAP, with emphasis on the basin-wide planning and decision making framework, integrated water resources planning and implementation capacity, and on-the-ground interventions to pilot environmentally conscious socio-economic development initiatives. The project will be implemented in close coordination and partnership with other external partners, the major partners being Swedish International Development Agency (SIDA) and USAID.

22. A key SAP objective under the Basin Development Management Framework is the establishment of the long-term acceptable development ‘vision’ or ‘space’ for the Okavango basin, based on the concept of IWRM and the trade-off between conventional water resource development and maximizing ecosystem services. The development of this development space and the implementation of alternative development and management options is a key objective of the basin states through OKACOM. If OKACOM can provide technically sound and timely advice to its member states from the transboundary perspective, then national and sectoral planning and its implementation can incorporate more transboundary considerations without too much compromises on their national agendas. In achieving its objectives, OKACOM’s institutional, technical and coordination capacity must be strengthened.

23. OKACOM has secured assistance from the Swedish International Development Agency (SIDA) to strengthen their institutional and operational capacity, and from the USAID Southern Africa Regional Environment Project (SAREP) through Southern Africa Development Community (SADC) to strengthen their technical advisory support capacity mainly to the Secretariat and to the communities in the basin. Both initiatives are fully in line with the SAP framework and priorities.

24. SIDA will further support OKASEC in strengthening their operational capacity over the next five years, guided by the findings of the OKASEC Institutional Functional Analysis. The OKASEC Institutional Functional Analysis made a set of recommendations to strengthen OKASEC’s capacity in line with the capacity needs identified to effectively coordinate and monitor SAP/NAP implementation at the basin level, including possibilities of executing directly selected future donor-supported initiatives. The support includes the training and development of OKACOM staff, development of financial and information systems and quality assurance procedures, further development and promotion of the basin vision, drafting and promotion of a Framework Convention and other associated policy documents and implementation of a stakeholder awareness campaign. The support, including the component to OKASEC, is worth approximately \$6.0 million over the five year period. SIDA’s support is at its final approval stage, expecting to start its inception phase by late 2013. The UNDP-GEF project and SIDA project will be closely coordinated during the preparatory phase to ensure maximum synergies.

25. SAREP’s objective is to support the initiatives of the SADC to integrate improved water and sanitation services with strategies that address threats to ecosystem services and biodiversity within priority shared river basins and to strengthen regional capacity to adapt and respond to effects of climate change. SAREP focuses primarily on the transboundary Cubango-Okavango River Basin, but also the Caprivi section of the Zambezi River Basin in Namibia. The programme has five key objectives:

- Improve management of the Okavango River basin
- Strengthen systems to protect biodiversity and ecosystem services
- Increase access to safe drinking water and sanitation
- Strengthen institutional capacity for basin management in the context of climate change
- Strengthen and advance regional, national and local approaches to planning.

26. In SAREP’s first phase the programme has, inter alia, assisted the basin countries develop and implement their National Action Plans, a GIS land-use planning tool (LUCIS) and associated land-use plans as part of a DSS. They supported implementation of community-based activities in conservation agriculture, sanitation, alternative income generation, contributing already to the NAP implementation at each member state. The second phase of SAREP has recently been approved and will run until 2015.

27. UNDP-GEF, USAID SAREP and SIDA have been working closely together to provide coordinated support to OKACOM. Their objectives are all aligned to SAP with strong transboundary focus. The UNDP-GEF project will assist, during its preparation phase, OKASEC in developing a coordination matrix so that OKASEC can provide streamlined SAP implementation progress reporting to OKACOM. The aim is to provide the SAP implementation progress according to SAP Thematic Areas rather than donor specific progress reports.

28. The UNDP-GEF project will focus on the BDMF and thematic areas 1 and 2. It will have, including management, four components:

Component 1: Development of Basin Development and Management Framework (to be undertaken in conjunction with USAID SAREP support)

29. The Basin Development and Management Framework (BDMF) will be the over-arching information exchange and decision-making mechanism for the basin. Its focus will be the generation of shared information and agreed methodologies for analysis of the information and data. At its heart is an agreed development vision (development space) for the basin, underpinned by a decision framework, basin-wide monitoring programmes, and a Decision Support System (DSS). This will be a continuation and build upon the work of the USAID SAREP project to develop the Decision Support System tool box, including computerized land planning tools. This will provide the countries with a framework and guidance for decision making at national and transboundary levels to achieve sustainable development and the establishment and maintenance of the 'Acceptable Development Space'.

30. The construction of the BDMF is a long-term aim of OKACOM and the leading activity of OKASEC in implementing the SAP. The GEF project will assist OKACOM to achieve this goal alongside OKACOM's other partners USAID and SIDA. BDMF will help OKACOM consider multiple information and data generated from various studies and assessments at various timing when they make (advisory) decisions on resources management in the Cubango-Okavango basin and apply adaptive management in the changing context. For example, outcomes of a Multi-sectoral Investment Opportunity Analysis for the basin, when carried out, can help define the best return in investment for the use of 1cubic meter of water. This information can be considered together with the outcomes from an improved IFA during the selection of the optimal development pathway(s). The Strategic Environmental Assessment (SEA) at a basin scale will be yet another tool that can assist the riparian states to determine ecosystem limits in terms of development.

31. The main focus of the UNDP-GEF support to OKACOM for its capacity building is 1) to strengthen their *coordination capacity* to oversee, monitor and coordinate the SAP/NAP implementation, 2) to strengthen their *resource mobilization capacity* (through e.g. the introduction of the innovative transboundary PES, improved coordination capacity with external partners and creating partnership with private sectors) to enhance financial sustainability, and 3) to strengthen *technical advisory capacity* to the member states on future development/investment options in the basin from the transboundary perspectives. The UNDP-GEF support is aimed to *improve the basin governance through strengthening the Basin Development and Management Framework (BDMF)*, the framework under which member states collectively analyze information and data available to them and make informed decisions that will be communicated to member states, external partners, and investors including private sectors.

32. The component will comprise the following activities:

- Development of an adaptive decision framework based on IWRM principles. A basin wide development vision has been agreed between the countries and a number of planning tools have been created, including a GIS Land Use Conflict Identification System (LUCIS), Management Oriented Monitoring System (MOMS or Event Books Monitoring), the Okavango Basin Information System (OBIS), which now form the basis of a Decision Support System. However, the decision framework, which the DSS is to support, has yet to be defined and agreed by the countries. The decision framework will not only help shape the DSS but also the regulatory monitoring programmes (SAP BDMF 4.1.1).
- Strengthening the capacity of OKASEC in its regional coordination and management role, including oversight and coordination of the Strategic Action Programme and NAP implementation. This activity will include the development of a Monitoring and Evaluation framework for SAP and NAPs with a set of specific indicators which monitors the effectiveness of SAP and NAP implementation in addressing the underlying root-causes of the emerging transboundary concerns (SAP BDMF 1.3.6).
- The development of a transboundary Payment for Ecosystem Services pilot scheme for the Cubango-Okavango river basin. Following a concept paper developed with the support from the USAID SAREP

project, OKACOM has decided to explore the potential of PES in the basin to increase the financial sustainability of future transboundary initiatives and has asked the GEF to assist. The objectives, inter alia, of the PES would be to:

- create a platform for an optimized benefit sharing model across the basin
- provide incentives for improved land and water use practices and management
- provide sustainable financial resources to fund threat mitigation measures

This will be a difficult and innovative task. PES has rarely been applied at the transboundary scale because of the complex legal and institutional challenges that such system must overcome. Any system if it is to work will need to be simple and not over complex. Successful transboundary PES schemes are rare. One of the highest profile examples being on the Lower Danube, where the Governments of Bulgaria, Romania, Moldova and Ukraine have pledged to protect over 1.4 million hectares of wetland under the EU Water Framework Directive, This scheme may provide a model for the Okavango.

- Up-grading of GIS layers to include water resources and to verify the IFA social-economic linkages - further development of the IFA is required for its incorporation into the DSS (SAP 4.7 and 5.2.1).
- Design and development of information management system, including socio-economic data base, mapping of land use, vegetative mapping of basin wetlands. Some of this information and data has been collated under the SAREP project but here are still gaps, particularly with the socio-economic data (SAP BDMF 5.2.4). SIDA will also provide support to this activity.

Component 2: Livelihoods and Socio-Economic Development - Demonstration Projects

33. The TDA identified poverty and population growth as the two key drivers of change in the basin and improvement of living conditions and livelihoods of the basin population as key counter measures. Thematic Area 1 of the SAP, Livelihoods and Socio-Economic Development, is aimed at improving livelihoods, increasing the productivity, while at the same time reducing/mitigating the environmental impacts and preserving the essential environmental services of the basin. The SAP identifies tourism and Community Based Natural Resource Management (CBNRM) as potential growth areas for the basin producing significant economic returns. The threat of climate change is also recognised and adaptation management is given prominence in the SAP activities. In moving forward, it is important to understand the potential impacts of Climate Change on these potential growth areas.

34. The SAP under Thematic Areas 1 and 3 calls for a series of pilot projects to test and explore the potential to create alternative livelihoods, support income generation of communities, and empower women's participation in water resources management and decision making. They should support overall poverty reduction and inclusive growth as well as improved governance in a transboundary water context. The GEF project will support three transboundary pilot projects linked to tourism and Community-based Natural Resources Management (CBNRM) distributed across the three basin states and a fourth pilot to build climate change resilience at the community level.

35. The pilot projects to be supported will include:

- **As part of tourism basin strategy and joint ventures between up-stream and delta tourism operators, development and implementation of knowledge transfer transboundary tourism pilot project(s) (SAP TA1 1.3.2).** Tourism development in Botswana in the delta has expanded greatly over the past twenty years. The delta tourism industry provides photographic safaris, camps and lodges with game drives, horse trails and boat safaris and makes a substantial contribution to the region's economy. It provides livelihoods and alternative income generation to the delta's population and is a clear incentive to protect the delta's resources. With this growth has come a great increase in commercial knowledge and expertise, the transfer of which could benefit the whole of the basin. Tourism in the upper catchment has not developed to the same degree, although its natural attractions are significant. The pilot will seek out and support partnership schemes and developments between tour operators in the delta and upper basin. **The UNDP-GEF support will target in 1) developing the basin-wide tourism strategy, 2) developing and promoting pro-poor, pro-community tourism**

across the basin, and 3) reducing initial investment/market risks (perceived and/or real) to open a tourism market in the Angolan part of the basin, where tourism is not yet developed.

- **Development of strategies for the mitigation of human/wildlife conflicts in agriculture and tested through pilot project(s) (SAP TA1 3.4.2).** This pilot is closely tied to the development of tourism and the mitigation of its impact on other basin users. As protection is afforded to the wildlife increases which are important for wildlife-based tourism, the contacts and conflicts between wildlife and farmers will be more frequent unless well managed. USAID SAREP has developed the Management Oriented Monitoring System (MOMS or Event Books Monitoring) which records and characterizes these interactions. The MOMS records enable us to identify hot-spots and causes and characteristics of conflicts. Based on the information from MOMS and other information such as wildlife movement, water point locations, the proposed pilot project will develop and implement holistic mitigation and management strategies for different classes of interaction, together with local governments, extension officers, farmers' association and farmers. The performance of the strategies will be monitored through MOMS. A suite of strategies to address the different characteristic interactions, which can be applied basin-wide, will be delivered and piloted.
- **The establishment of transboundary fisheries common management rules and community based applications tested through pilot projects (SAP TA1 5.1.1, 5.2.1 and 5.4).** Fisheries are an important natural resource in the basin. All the communities along the river are to some extent reliant for their livelihood on the seasonal fisheries. The most important section of the river is the panhandle upstream of the delta between Angola and Botswana. Up to 65% of the population depends on fishing in this area and in Botswana 80% of the country's total freshwater fish production comes from the panhandle. Commercial fishing is only practiced in the panhandle, by groups of semi-motorized small-scale fishermen, elsewhere the fishing is at the household level. The proposed pilot project will seek to establish a fisheries management body in the transboundary region between Angola and Botswana in order to protect and improve stocks, improved fisheries post-harvesting conservation and packaging techniques and openness to markets, thus improving livelihoods and giving income generation support. The pilot project will actively promote the role of women in fishery development.
- **Community-based pilot projects aiming to improve food security and climate change adaptation and resilience (SAP TA3 3.2.1).** The basin is subject to both natural climate variation and climate change and the desegregation of the two effects on water resources is highly complex and difficult to determine. However, an analysis of projected climate for the basin predicts both a rise in temperature and in rainfall. Higher temperature (2-3C) will affect the south of the basin more than the north with increased evaporation. The rainfall is predicted to increase by 0-20% with the north being more affect than the south. In the dry scenario the evaporation may exceed the rainfall resulting in a decrease in the duration and frequency of inundation. To address these emerging problems, in particular the dry scenario, the project will promote measures to increase water storage and conservation; adjust the design of irrigation systems to handle longer dry spells and more intensive rainfall events; and promote rainwater harvesting. The target of the pilot project will be to strengthen climate change resilience at the community level. The pilot will continue the work already begun under USAID SAREP supporting measures such as communal rainwater harvesting, communal tanks and reservoirs, resilient irrigation design and drought-resistant crops. In addition the application of the conservation agriculture will be further intensified to improve livelihoods and also as an adaptation strategy for local communities.

Component 3: Water Resource Management

36. Component 3 will address the comparative weakness of the hydrological information and data exposed by the TDA and SAP and harmonise water policy across the basin in line with IWRM. The component will support the SAP thematic Area 2 and will include the following activities:

- Development of common demand forecasting methodology (SAP TA2 1.2.1).

- Development of a basin-wide strategic water resource plan, including identification of surpluses and deficits and a comprehensive review of development options (SAP TA2 1.2.2).
- Review of Climate change scenarios and determination impact on water demand and yields over the planning horizon (SAP TA2 1.2.3).
- Review of national meteorological and hydrological monitoring networks and development of harmonized basin-wide monitoring programme (SAP TA2 2.1.1)
- Assessment of groundwater resources in the basin including delineation of aquifers, recharge areas and groundwater control and protection zones. Investigation of the inter-connectivity of surface waters and groundwater in selected areas (SAP TA2 3.1.1 and 3.1.3).
- Review of national permitting and licensing procedures for water abstraction and discharges and make recommendations for their harmonization (SAP TA2 4.1.1 and 4.1.2).
- Development of basin-wide water quality improvement strategy, including a baseline survey to identify hot-spots, design of a harmonized biological based monitoring programme and a strategic investment programme (SAP TA2 6.1.1, 6.2.1 and 6.3.1).
- Development of basin-wide sediment transport monitoring (bed load in particular) and institutional capacity building sediment transport measurements techniques
- Development of a basin-wide IWRM plan based on analysis of the National Action Plans (NAPs) and the national IWRM plans (SAP BDMF 2.1.1 and TA2 10.1.1 and 10.2.1)

37. OKACOM with the support of the FAO have recently completed a basin-wide water audit which builds upon the TDA and work of the USAID SAREP project. The findings of the audit, which began in late 2010, have been summarized in a synthesis report (a draft report was submitted to OBSC in June 2013 for their review and comments) which brings together the numerous component studies. The audit has inter alia:

- undertaken a review of water demands and yields in the basin;
- following on from the TDA and through additional hydrological and economic assessments, refined the 'development space', including the establishment of use and non-use values;
- undertaken a review of the existing DSS and information management system and made recommendations for their strengthening
- made recommendations for the operationalisation of the BDMF

38. The overall recommendations and conclusions of the report are consistent with those of TDA. It provides important information and guidance for the design of component 1 and 3 of the proposed UNDP-GEF project and its findings will be carefully scrutinized during the PPG phase.

Component 4: Project management

39. The project will be implemented by UNDP and executed by OKACOM. OKACOM's executing capacity will be assessed during the preparatory phase by UNDP based on UNDP's rules and procedures set out for selecting an inter-governmental organization as a UNDP's Implementing Partner. OKACOM's experience to have executed the SIDA-financed project from 2008-2012 as well as the findings and recommendations from the System-based Audit commissioned by SIDA to assess the overall management and execution capacity of OKACOM will be considered during the capacity assessment process. Further capacity needs will be identified during the assessment and will be incorporate into the project design in the project document development as necessary, in coordination with the upcoming SIDA support. The Project Management Unit will be hosted by OKACOM and located in the OKACOM Secretariat based in Maun. The PMU will be staffed by a full time CTA and Scientific Officer, the latter acting as deputy CTA. For component 2, there will be specific pilot project offices within the basin at transboundary locations to be decided during the PPG phase. The region is large and communications between capitals is difficult and therefore management costs will be appreciable.

4) Incremental cost reasoning and expected contributions from the baseline , the GEFTF, LDCF/SCCF and co-financing

40. At an early stage the three countries recognized the global importance of the Cubango-Okavango basin and the need for its protection, as evidenced by the establishment of OKACOM in 1994 and the subsequent steady increase in its financial support. They have worked with UNDP-GEF under the EPSMO project and USAID under IRBM⁹ and SAREP to establish a strong planning framework in the form of the SAP and component NAPs to which they are fully committed.

41. They recognize that the Cubango-Okavango is in a quasi-pristine condition but is vulnerable to increasing development pressures and a relatively weak regulatory management structure. The countries have recognized in their work on the TDA the value of the Cubango-Okavango not only as a global environmental treasure, but also a significant source of ecological services to the basin community which balance or in some cases exceed the conventional economic benefits of its water resources measured at the national level.

42. Recognizing the problem however is very different from resolving it and the countries need guidance to tackle its complexities. Incremental investment required here by GEF is to guide the countries to come up with development initiatives that are well aligned with the low water resources use development scenario used in the IFA. Investment required is small compared to other river basins GEF have been supporting worldwide where expensive rehabilitation activities must take place; however its expected return is significant, for it will enable the countries to meet its development goals while maintaining the quasi-pristine state of the basin of global significance.

43. The countries of the Cubango-Okavango basin are not trying to resolve the wrongs of the past and rehabilitate the environment, but rather to establish a strong common framework for its future protection of the resource in a climate of increasing and inevitable development pressures. In this case, the incremental costs are critical in order to avoid future baseline costs. The GEF intervention will provide the resources and expertise needed to define the acceptable development space which the countries have identified as a goal.

5) Global environmental benefits (GEFTF, NPIF) and adaptation benefits (LDCE/SCCF)

44. The Cubango-Okavango River Basin remains one of the least human impacted river basins on the African continent. It is ecologically unique and the Okavango Delta, the best known basin feature, is one of the largest Ramsar sites in the world and is of national, regional and global environmental and biodiversity value and importance. The basin is supporting the largely non-consumptive high-end tourism in Botswana, fisheries in all three countries, and most likely be a sources of energy production in the upper basin in Angola. The basin communities are poor - poorer than the average of the respective countries. Thus, there is a significant political pressure for development.

45. The OKACOM managed to develop TDA and SAP with GEF support before major development takes place in the basin and conducted scenario analysis to predict future water resources development scenarios and their basin-wide consequences. They expressed clear political will to incorporate transboundary benefits and transboundary impact mitigation into their respective development planning and implementation in the basin. Development without major damages to the quasi-pristine ecosystem can be demonstrated in the Cubango-Okavango basin. There is clear duty for GEF to assist the basin countries to protect and preserve this resource while meeting their social and economic objectives.

6) Innovativeness, sustainability and potential for scaling up

46. The project is innovative out of necessity. The situation on the Cubango-Okavango is almost unique in the GEF IW portfolio, with the beneficiaries trying to establish a planning and management framework in a situation where it can be argued it is not yet needed. This however is a clear example of where the precautionary

⁹ USAID Integrated River Basin Management project. USAID's first major support to the OKACOM, a predecessor to SAREP

principle must prevail. The objectives are multifaceted and the decision process needs to be carefully structured and guided. The development of the Basin Development and Management Framework and the embedded DSS is seen as unique in Africa, and if successful could be a model for other as yet untouched or underdeveloped river basins in the continent. It is recognized that this is a very challenging task. The robustness and sustainability of the management structures at national and regional levels is of paramount importance. To improve financial sustainability the project will investigate and develop a potential for transboundary Payment for Ecosystem Services (PES) in the basin. Such economic instruments are uncommon at the national level and rare at the transboundary level, but the Cubango-Okavango basin is in theory an ideal PES candidate.

A.2. Stakeholders. Identify key stakeholders (including civil society organizations, indigenous people, gender groups, and others as relevant) and describe how they will be engaged in project preparation:

47. The primary stakeholders are the Parties to the Permanent Okavango River Basin Water Commission (OKACOM), the three basin countries, Angola, Botswana and Namibia. At present OKACOM serves as a technical advisory body to the Parties on matters relating to the conservation, development and utilisation of water resources of common interest. Although there is some representation on OKACOM from other Ministries than the ones directly responsible for water, the representation is currently limited. The Ministries of Finance, Agriculture, Energy, Environment, Planning, Tourism if not engaged through OKACOM will need to be increasingly engaged through the National Inter-sectoral Committee, established to develop and implement the NAPs.

48. Local governments and communities will be key stakeholders in the demonstration projects. Their roles and responsibilities will become more and more important as more responsibilities are delegated from national governments to them through the implementation of national IWRM strategies, based on IWRM principles. An extensive NGO network covering the three countries exists and was accessed by the UNDP-GEF EPMSO project and a few other initiatives. Contacts with private sector stakeholders, particularly in the tourism, were established in Botswana part of the basin through the implementation of the UNDP-GEF Biokavango project and the UNDP-GEF Botswana IWRM Project. They will be followed-up during the PPG to encourage their active engagement in the demonstration projects, in particular for the transboundary tourism strategy development and implementation a pilot scale.

49. OKACOM started organizing an annual River Basin Dialogue in 2010 as a platform to strengthen these contacts and information exchange between OKACOM and their stakeholders in the basin. The project will build on their database to ensure the wide coverage of stakeholder engagement during the project preparation. OKACOM Secretariat, as part of the TDA process, undertook a stakeholder analysis and will use it as the basis for development of a public involvement and communications strategy during the PPG phase.

50. Women will be a key stakeholder group for the project. Gender inequalities, when present in basin at any level, reduces women's access to resources and the decision making process. All demonstration projects will be designed to contribute to gender empowerment in the communities that will be implemented and gender mainstreaming into water resources management in general. To ensure this, the project will gather as much information as possible during the preparatory phase on women's unique roles in the stewardship of natural resources and support to households and communities and incorporate them into the project design. Their knowledge and active involvement can make the project more resilient and adaptive to changes, especially in highly vulnerable areas. A preliminary gender analysis will be undertaken as part of the PPG to develop a set of appropriate gender disaggregated indicators to measure progress in gender mainstream in IWRM through the project.

A.3 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

51. The main project risks are:

- Data availability and assurance

- Remoteness of the region
- Lack of inter-sectoral coordination and consultation
- Poor project coordination
- Climate Change

Risk	Probability	Risk Mitigation
<p>Data availability and exchange within and between countries remains a challenge and it is important that the (technical) language barrier is overcome if Angola is not to feel excluded.</p> <p>Under the OKACOM there is a hydrological data sharing protocol; however, its effectiveness suffers from lack of functioning hydrometric stations in the upper catchment in Angola, making it a relatively weak instrument and difficult to enforce across the sectors.</p>	High	<p>The project will provide the technical support to strengthen the protocol and improve data exchange. The project will also assist the OKACOM and Angola to identify financial support to improve data collection in the upper catchment throughout the project implementation period to improve the effectiveness of the protocol and data exchange.</p>
<p>Remoteness of region. The Cubango-Okavango River basin is remote from the major urban centres as this will make project implementation difficult to manage and monitor, particularly for the demonstration projects.</p>	High	<p>To minimise the challenge, the project will link with existing networks in the basin that have been collaborating with OKACOM successfully in the past and exist projects in the basin, including SAREP, which has established logistical networks.</p>
<p>Lack of inter-sectoral coordination and consultation is the major hurdle to IWRM implementation and every effort needs to be made to overcome it at the local, national and basin-wide levels.</p>	Low	<p>Inter-sectoral coordination will be promoted at all levels, from the basin level to national and local levels, with more emphasis on the national and local levels following the IWRM principles.</p> <p>The countries have made significant efforts and progress towards inter-sectoral coordination during the SAP endorsement process. OKACOM Commissioners and OBSC members briefed senior policy makers (Permanent Secretary levels) and ministers of sectors that are not represented in the OKACOM on OKACOM, its role and responsibilities, and the Okavango TDA and SAP prior to the SAP cabinet approvals.</p> <p>Project will build on these efforts and support necessary inter-sectoral coordination at national level through the national inter-sectoral coordination units as well as the implementation of demos (strategy development, which requires wider consultation than current sector representation in the OKACOM) and through NAP implementation. Also, the project will support existing local basin management structures through the NAP</p>

		<p>implementation as well as demonstration implementation.</p> <p>Multi-sector engagement processes expected during the Multi-sector Investment Opportunity Analysis will further strengthen the inter-sectoral coordination desired for the SAP implementation.</p>
Poor inter-project coordination can result in poor project delivery and suboptimal coordination of support by various international cooperation partners (ICPs); hence, it should be avoided at all costs.	Low	To support OKASEC in the coordination of the SAP implementation the project will establish technical working groups which will meet every six months to discuss project execution and collaboration
The basin states face the pressure to bring development in the basin. Each member state is obliged to secure development initiatives that improve the livelihood of the communities living in the basin. Some of more conventional development initiatives can be short-sighted, which may bring immediate development benefits but on the best model for the basin in the long term. There is a risk that such short-sighted development initiatives may be carried out in the basin without proper assessment of their potential impacts (including long-term impacts) on the transboundary ecosystem.	Medium	<p>The project focuses on building the technical advisory capacity of OKACOM to steer nationally or externally financed development interventions in a more sustainable manner to fit in the basin context, considering transboundary impacts (both negative and positive).</p> <p>The project will also assist OKACOM in making themselves relevant in development initiatives in the basin so that they will be informed and given chances to provide advice BEFORE major investment decisions will be made elsewhere.</p> <p>Throughout its implementation, in particular through NAP and SAP implementation, the project will assist the member states in sensitizing broader stakeholders about the OKACOM's advisory role and its capacity to make informed advisory support the national governments regarding future development initiatives in the basin.</p>
Climate change. The average climate change predictions for the basin are an increase in temperature of 2 to 3 degrees Celsius and an increase in rainfall of between 0-20%. The increase in temperature will increase evaporation but this will, in most scenarios, be more than compensated by the increase in rainfall.	Low	<p>The project has been expressly designed to provide the countries with the mechanisms and decision structures to address the management problems of climate variability and climate change.</p> <p>Further, the project includes demonstration activities to build climate resilience among the communities.</p>

A.4. Coordination. Outline the coordination with other relevant GEF financed and other initiatives:

52. UNDP-GEF support to the Cubango-Okavango SAP implementation will be coordinated with all other initiatives contributing to the SAP implementation. SAP implementation will be coordinated by the OKACOM Secretariat and its progress monitored by OKACOM. OKACOM has already made the headway towards this end

by requesting all initiatives carried out in the basin to be aligned with the SAP framework and priorities, since it approved the SAP.

53. The project will support the Secretariat in this overall coordination task, including the design and implementation of an M&E framework for SAP implementation and its linkages with NAP implementation. As part of PPG activities the project will map all the regional projects which fall under the SAP coordination umbrella, identifying their constituent activities and components and areas of potential overlap and synergy. UNDP has been working closely with the USAID SAREP and SIDA, two major initiatives also with strong transboundary focus, to coordinate and optimize their respective support to the OKACOM.

54. The UNDP-GEF project will build upon the findings and recommendations of the Okavango Delta Management Plan (Govt of Botswana with support from IUCN, SIDA and UNDP-GEF), Botswana IWRM Plan (Govt of Botswana with support from UNDP-GEF), and the UNDP-GEF Integrated Sustainable Land Management Country Pilot Partnership in Namibia. The project will be coordinated with national programmes/projects, both Government and donor funded, including a recently approved UNDP-GEF SLM project in Botswana. All consideration will be given during the PPG to ensure that the upcoming UNDP-GEF project will be incremental and complementary and does not cut across and contradict national initiatives.

55. The project will also assist the countries with inter-sectoral coordination at the national level although this will be more challenging and requires more time to realize. The project will maintain good communications with the National Inter-sectoral Committees established during the NAP development process and UNDP country offices.

Description of the consistency of the project with:

B.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.:

56. The project is fully consistent with the Cubango-Okavango SAP and three NAPs that support the SAP implementation in each country. The project's consistency with the basin-wide, transboundary priorities is ensured by its full alignment with SAP. Its consistency with the national development plans, strategies and relevant sectoral plans is ensured by its full alignment with NAPs. During the NAP development, relevant national and sectoral strategies and plans, including NBSAPs, National Communications, NCSAs, NAPA-Angola, were all reviewed and incorporated into the NAP development process. One major purpose of the NAP was to ensure the transboundary priorities identified in SAP and national/local concerns highlighted in national level workshops were captured in the respective NAPs and put in line with the national development plans, strategies, and relevant environment action plans and communications. They were also developed fully in line with the national IWRM plans and relevant sectoral strategies were referenced.

B.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:

57. The project is designed in line with GEF 5 IW Focal Area Objectives 1 and 3. It builds on the UNDP-GEF EPSMO project, which assisted the countries to develop Transboundary Diagnostic Analysis and build regional coordination capacity to manage the transboundary resources in the Okavango basin. In line with the IW Focal Area Objective 1, the project will, in its support to OKACOM, continue building a foundation of trust, confidence and capacity in the three countries and improve transboundary sustainable management of the basin's resources. The project will provide institutional support to the regional management body, the OKACOM and its Secretariat (OKASEC). The project will assist the countries to establish a development vision for the Okavango and to structure a decision framework, supported by a decision support system. Construction of the decision support system will be a long-term endeavour and will be supported by a number of international and bilateral donors. The project will assist the countries to apply the IWRM concept to the basin and balancing of economic, social and environmental objectives within and across countries' boundaries and assist them in meeting their WSSD IWRM targets. The UNDP-GEF project will investigate the impact of climate change on the Cubango-Okavango River's natural resources and the results inform the long-term planning process. Integration of surface

and groundwater resources is a key outcome of GEF 5 IW Focal Area Objective 1 and it is a critical issue for the Okavango where the current understanding is limited.

58. Pursuant with GEF5 IW Focal Area Objective 3 and to scale up results from the UNDP-GEF ESPMO project and other basin wide projects, four demonstration projects selected by the basin states will be supported to show how the ecosystems services of the river basin can be better accessed, utilized and managed and local livelihoods improved. Through its demonstration projects, the project will assist the countries to meet their MDG/SDG targets at national or local level. The projects will be designed to encourage active learning and will be implemented through South-to-South experience sharing. The demonstration projects will be designed to contribute to gender empowerment in the basin as well as gender mainstreaming in water resources management practices, learning from and contributing to the available knowledge in this area. A strong collaboration with IW: LEARN is envisaged for the project contribution to gender mainstreaming, livelihood improvement (especially food security), and beyond, and the project has budgeted the requisite 1% for involvement in GEF IW portfolio learning (e.g., participation in IWCs and applicable regional IWLEARN meetings, information dissemination and sharing through the OKACOM website, production of IW Experience Notes and Results Notes).

B.3 The GEF Agency's comparative advantage for implementing this project:

59. UNDP and water governance - Within UNDP's Water and Oceans Governance Programme, over 80 programme countries have water projects, with a total portfolio value of over \$300 million. In terms of international advocacy, UNDP has championed the global water crisis and stressed the importance of water for life and water for livelihoods in its 2006 Human Development Report titled "Beyond scarcity: Power, poverty and the global water crisis". UNDP's priorities within this area include:

- Improving national and local water resources management for poverty reduction and sustainable development
- Increasing access to adequate and safe water supply and sustainable sanitation for the poor
- Promoting cooperation on shared water resources and global water challenges
- Gender mainstreaming in water governance
- Capacity development for Integrated Water Resources Management (IWRM)

60. In the implementation of the project, UNDP will build upon its comparative advantages in capacity building and technical assistance to support beneficiary governments in the project development and implementation, specifically in the areas of integrated policy development, institutional strengthening and community participation. Of the GEF agencies, UNDP has the largest portfolio and associated experience in the development and implementation of TDAs and SAPs in a wide range of lake, river, groundwater and marine waterbodies. UNDP's strong track record in facilitating improved transboundary waters governance has been further strengthened by the integration of UNDP's 'core' Water Governance Programme with its GEF International Waters cluster, and the similar full integration of the UNDP Water Governance Facility at SIWI with UNDP's corporate water governance activities.

61. At the country level, UNDP provides through Country Offices all participating countries with policy advisory, technical and institutional capacity development support in the areas of good governance and decentralization process; poverty reduction; sustainable natural resources management leading to food security and economic development; and community participation and gender empowerment for inclusive growth. The Country Offices work closely with ministries in charge of national planning to advise and provide support to the respective national development planning processes and promote inter-sectoral coordination. UNDP is well positioned to support the countries to promote further inter-sectoral coordination especially at the national level and policy harmonization through the proposed project to implement IWRM principles in the Basin.


62. At the regional level, through its Regional Office and regional projects, such as UNDP-GEF EPSMO project and Regional Environment Project (financed by UNDP Regional Bureau of Africa), UNDP has been supporting OKACOM and its member states in strengthening joint management capacity of the resources of the Cubango-Okavango basin in the last two decades. Over the years it gained trust from the participating countries and other external partners as a neutral third party broker to facilitate the coordination and negotiation among the countries to achieve their common goal: sustainable development of the Cubango-Okavango basin and its people.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Mr. Carlos CADETE	National Director of Statistics, Planning and Studies Office	Ministry of Environment, Angola	7 AUGUST 2013
Ms. Ingrid M. OTUKILE	Chief Natural Resource Officer and Head of Policies and Programmes Division, Department of Environmental Affairs	Ministry of Environment, Wildlife and Tourism Botswana	7 AUGUST 2013
Mr. Teofilus NGHITILA	Environment Commissioner	Ministry of Environment and Tourism, Namibia	12 AUGUST 2013

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu, Deputy Executive Coordinator and Officer-in-Charge, UNDP-GEF		29 Aug. 2013	Akiko Yamamoto, Regional Technical Advisor	+27 82 850 9824	akiko.yamamoto@undp.org