



**PROJECT IDENTIFICATION FORM (PIF)**  
**PROJECT TYPE: FULL-SIZED PROJECT**  
**THE GEF TRUST FUND**

**Submission Date:** 30 October, 2007

**Re-submission Date:**

**PART I: PROJECT IDENTIFICATION**

**GEFSEC PROJECT ID:** 3399

**GEF AGENCY PROJECT ID:** P103298

**COUNTRY (IES):** Burundi, Kenya, Rwanda, Tanzania, and Uganda

**PROJECT TITLE:** Lake Victoria Environmental Management Project II

**GEF AGENCY (IES):** World Bank

**OTHER EXECUTING PARTNER(S):** N/A

**GEF FOCAL AREA (S):** International Waters, Land Degradation

**GEF-4 STRATEGIC PROGR**

**AM(S):** IW-SP3, LD-SP1, LD-SP3

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	June 2007 (SIP)
CEO Endorsement/Approval	March 2008
GEF Agency Approval	June 2008
Implementation Start	August 2008
Mid-term Review (if planned)	Sept 2010
Implementation Completion	June 2013

**NAME OF PARENT PROGRAM/UMBRELLA PROJECT:** Strategic Investment Program for SLM in Sub-Saharan Africa (SIP); and the Lake Victoria Environmental Management Project (LVEMP II).

**A. PROJECT FRAMEWORK**

<b>Project Objective:</b> The PDO/GEO are to: (i) Improve the collaborative management of the transboundary natural resources of the Lake Victoria Basin, by building management information base, harmonizing policy and legislation frameworks, and strengthening regional and national institutions; and (ii) Reduce environmental stress in the Lake Victoria basin, by investing in point and non-point pollution control measures in hotspots, community-driven watershed rehabilitation, and conserving biodiversity and genetic resources of the targeted fish species. The project will support the implementation of the Strategic Action Program (SAP) for the Lake Victoria basin developed to address key environmental concerns identified in the Regional Transboundary Diagnostic Analysis (RTDA).								
Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	Indicative GEF Financing*		Indicative Co-financing*		Total (\$)
				(\$)	%	(\$)	%	
1. Building the information base for governance and growth	TA, STA	Critical management information systems (with geo-referenced data bases) used to inform policy decisions on the sustainable management and economic development of the Lake	(GEF International Waters – US\$ 1 .0 million)  Management Information System of LVBC and countries established and functioning: Supporting the regional institution (LVBC) with capacity and tools in developing and maintaining critical management information systems (including status of critical ecosystem indicators, such as atmospheric deposition,	1.0  0.30	3.3	29.0	96.7	30.0

		<p>Victoria basin ecosystem, particularly in managing the multiple water uses in the lake and in addressing hotspots and supporting spatial planning and land management to mitigate the increase of phosphorus entering the lake (contributes to IW SP 3 and SIP IR 4 and 2)</p>	<p>hotspots, etc as well as actions to mitigate) in support of decision making and coordination.</p> <p>Atmospheric deposition monitoring network established in Lake Victoria basin</p> <p>Hydrological Information System (HIS) established Hydrology, Land use, and Biodiversity GIS-database of the Lake Victoria basin established</p>	0.40				
				0.30				
2. Strengthening governance of transboundary resources	Inv, TA, STA	<p>Strengthened regional institution (LVBC) provides mechanism for regional integration, harmonized policy, legal and regulatory environment and enhances regional coordination to promote sustainable governance and utilization of the Lake Victoria basin natural resources (water, land and biodiversity) (contributes to IW SP 3 and SIP IR 2)</p> <p>Conflicts on allocation amongst competing uses (particularly water) and utilization of shared transboundary natural resources are reduced (Contributes to IW SP 3 and SIP IR2)</p> <p>Land, Water and Fisheries resources are governed by the common management frameworks</p>	<p><b>(International Waters – US\$3.0 million ; Land Management – US\$ 0.4 million)</b></p> <p>Regional agreements and institutions adopted - Support to the regional institution (Lake Victoria Basin Commission) coordinating the regional program for transboundary management of the Lake Basin resources (partial contribution from GEF: IW and LM)</p> <p>National Inter-ministerial committees established and ministerially agreed action programs and basin resource management plans adopted - Policy, legislations, and regulations governing land, water, and fisheries resources are harmonized across the five countries. A proposed legal covenant requires the development of a regional or basin-wide Water Resources Management Plan (WRMP) in full consultation with the Nile Basin Initiative (NBI) and Nile Equatorial Lakes Subsidiary Action Program (NELSAP), no later than June 30, 2010. The Plan will likely include Agreed Curve water abstraction by ESCOM, and associated penalties if it does not adhere, but it cannot be guaranteed at this stage that the A/C or some other rule will be applied and what the penalties for deviations would be, since this will be an outcome of a negotiations process.</p> <p>Sustainable Land, Water, and Fisheries resources management approaches are mainstreamed in the national policies and programs. A proposed legal covenant will require a review to be carried out of all relevant land, water, and fisheries related policies, laws and regulations in all five countries, and an</p>	3.4	13	22.0	87	25.4
				1.50				
				0.60				
				0.15				

		<p><b>(contributes to IW SP 3 SIP IR2)</b></p> <p>Common standards are used to regulate the natural resources utilization and environmental management with enhanced capacity for enforcement of standards <b>(contributes to IW SP 3 and SIP IR2)</b></p> <p>Investments in the Lake Victoria basin are implemented according to the approved land use plans <b>(contributes to SIP IR1)</b></p>	<p>identification of areas of conflicts, and harmonization with respect to the sustainable management of the Lake Victoria basin, no later than June 30, 2010. Fish levy trust will be operationalised in the three riparian countries (per a dated covenant) and an associated financing plan developed for earmarks/budgetary allocation for sustained management of LV resources.</p> <p>Regional water, and fisheries integrated management plans, plus basin-wide watershed management strategy developed</p> <p>Common environmental standards for water, air, and fish quality agreed along with common levels of enforcement; National Environmental Management Authorities; Water, Land, and Fisheries Management Departments; Research Institutions; and District Environmental Units strengthened</p> <p>Land suitability mapping and spatial planning (to identify non-point pollution hotspots); and community-based land use plans, and sub-catchments management plans implemented (including actions to mitigate burning of vegetation to mitigate atmospheric deposition of phosphorus)</p>	0.40					
				0.30					
				0.45					
3. Enhancing sustainable economic growth	Inv, TA, STA	<p>Reduced amount of greenhouse gases released into the atmosphere</p> <p>Reduced amount of point sources of pollution (untreated effluents and nutrients) entering the Lake Victoria</p> <p>Enhanced safety of navigation in the Lake Victoria</p> <p>Improved land use and agro-system management</p>	<p><b>(International Waters – US\$1.2 million ; Land Management – US\$ 0.6 million)</b></p> <p>Constructed wetlands in major industries and municipal systems; Also connected to IDA supported rehabilitation of sewerage treatment systems in major cities in the LV basin municipal systems for reduction in Phosphates entering lake from municipal and industrial sources. A quantitative stress reduction target for the whole lake is not feasible. Later in the project preparation process it is expected that stress reduction targets in prioritized hotspot areas to be available, along with a robust monitoring program.</p> <p>Hydrographic survey and mapping of the Lake Victoria transport routes completed, and navigation equipment installed</p> <p>Lake Victoria Environmental Fund established and sources of funds, including Payment for Environmental</p>	1.8	2.0	88.0	98.0	89.8	
				0.50					
				0.20					
				0.40					

		<p>practices are adopted by farmers and herders living in the targeted catchments <b>(Contributes to SIP IR 1)</b></p> <p>Reduced amount of non-point sources (sediments load, agro-chemicals, industrial effluents etc.,) of pollution entering the Lake Victoria <b>(contributes to SIP IR1)</b></p> <p>Reduced industrial emissions of persistent pollutants and green house gases</p> <p>Mechanisms financing the sustainable management of the Lake Victoria basin natural resources and environmental health is developed <b>(contributes to SIP IR1 and 2)</b></p>	<p>Services (PES), and environmental taxes (pollution permits, penalties, levies, etc.,) are introduced</p> <p>Community based action on water and land management - District and community levels capacity and knowledge for planning and implementing sustainable watershed management intervention are strengthened. Participatory land management plans are developed and implemented by communities in the targeted catchments and micro-catchments including micro-projects on soil and water conservation, water source rehabilitation and improvements in communities' access to water, rangelands rehabilitation, afforestation and reforestation, energy saving technologies, and ecological sanitation toilets to reduce non-point sources of pollution in near-shore areas.</p> <p>Cleaner Production Technologies and Sustainable Consumption promoted – reduction of pollutants and waste, reuse, and recycling</p>	0.60				
4. Stakeholder Participation, Communication and Monitoring & Evaluation	TA, Inv	<p>Framework for sharing scientific and socio-economic data and information with all stakeholders is operational <b>(contributes to IW SP 3 and SIP IR 4)</b></p> <p>Stakeholder have free access to all data and information on Lake Victoria ecosystem that is in the public domain <b>(contributes to IW SP 3 and SIP IR 4)</b></p> <p>Stakeholders understand</p>	<p><b>(International Waters – US 0.5 million)</b></p> <p>Regional and national information sharing protocol agreed.</p> <p>Stakeholder education and participation and in on Lake Basin resource management plans (including water resources management plan)</p> <p>Satellite communication system established and data/information shared among countries, LVBC, and the public.</p> <p>Parliamentary, journalists, and school environmental</p>	0.5	5	9	95	9.5

		<p>the key environmental concerns of the Lake Victoria basin, and strategic interventions implemented to address the problems <b>(Contributes to IW SP 3 and SIP IR2)</b></p> <p>Project implementation performance is evaluated regularly using process, stress reduction, and environmental status indicators undertaken; and lake basin governance indicators (institutions, policies, participation, technology, information, and financing) <b>(contributes to IW SP 3 and SIP IR 4)</b></p>	<p>education programs are implemented</p> <p>Mass media are used to air public educational programs - local FM radios, televisions, brochures, leaflets, posters, newsletters etc.,</p> <p>An integrated M&amp;E system (LVBC and national systems) is developed and used for tracking implementation progress against the targeted results</p>	0.15				
				0.10				
5. Project management		<p>Strengthened capacity in national and regional systems for environmental management in the Lake basin. <b>(contributes to SIP IR 4)</b></p>	<p><b>(International waters – US 0.3m)</b></p> <p>Technical Assistance, Human Resource Development, and provision of office, research, laboratory, and logistic equipment implemented</p>	0.3	4.1	7	95.9	7.3
<b>Total project costs</b>				7.0		155.0		162.0

\* List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

\*\* TA = Technical Assistance; STA = Scientific & technical analysis.

#### B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<b>Project Preparation*</b>	<b>Project</b>	<b>Agency Fee</b>	<b>Total</b>
GEF	200,000	6,800,000	700,000	7,700,000
Co-financing	4,800,000	155,000,000		159,800,000
<b>Total</b>	5,000,000	161,800,000	700,000	167,500,000

\* Please include the previously approved PDFs and planned request for new PPG, if any. Indicate the amount already approved as footnote here and if the GEF funding is from GEF-3.

**C. INDICATIVE CO-FINANCING FOR THE PROJECT** (including project preparation amount) **BY SOURCE and BY NAME** (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution	Cash	15,000,000
Project Government Contribution	In-kind	10,000,000
GEF Agency (ies) IDA	Credit	100,000,000
Bilateral Aid Agency(ies) SIDA, EU	Grant(s)	20,000,000
Others (Beneficiaries)	In-kind	10,000,000
<b>Total co-financing</b>		155,000,000

**GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY (IES)\***

GEF Agency	Focal Area	Country Name/ Global	(in \$)			
			Project Preparation	Project	Agency Fee	Total
World Bank	International Waters	Regional	150,000	5,850,000	600,000	6,600,000
	Land Degradation	Regional	50,000	950,000	100,000	1,100,000
<b>Total GEF Resources</b>			200,000	6,800,000	700,000	7,700,000

\* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

**PART II: PROJECT JUSTIFICATION**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

*Lake Victoria as an important resource*

Lake Victoria is a shared asset of Kenya, Tanzania and Uganda, which jointly implemented the first phase of the project. Rwanda and Burundi are part of the upper watershed that drains into the Lake through the Kagera River, and are new members to the East African Community (EAC). The scope of the Lake Victoria Environmental Management Project (LVEMPII) has expanded to include these two upstream countries. Lake Victoria, which is part of the Nile River Basin system, is the second largest freshwater lake in the world (68,800 sq. Kms.). It contains a complex ecosystem with large invertebrate diversity,

large swathes of wetlands, containing significant biodiversity, and a large transboundary watershed. The Lake is the largest inland water fishery sanctuary hosting around 200 endemic fish species. The fisher resources are direct and indirect source of livelihood for 3 million people, while the lake itself provides water for domestic, agricultural and industrial use. It also serves as a climate modulator – its large size makes it vital for weather and climate modulation in the region. The seasonal wind patterns influence the hydrological processes in the regions. Further, it serves as the natural storage for the White Nile, and sustains swathes of wetlands and other natural ecosystems around its shores and along the river.

### ***Lake Victoria Environmental Management Project I (LVEMP I)***

In response to the environmental management problems in the early 1990 including over-fishing, pollution, erosion/sedimentation, aquatic weeds, etc., the Bank and the GEF have supported cooperative efforts to improve understanding and management of the lake ecosystem through the first phase of the project, which was implemented from March 1997 to December 2005. LVEMP I, focused primarily on capacity in management of and knowledge base building on lake resources - studying water quality, circulation and hydrology aspects; assessing pollution and inflows; and surveying biodiversity. It was the first initiative of its kind in the area, a regional project addressing key environmental issues through trans-national cooperation. It started with very limited scientific information and generated useful research results on ecosystem interactions. It allowed experience to be gained through implementation of a variety of pilot activities, with many good results in community management of watershed resources. There were, however, problems in its implementation with some ratings being unsatisfactory or only marginally satisfactory. Project activities were insufficiently prioritized, and complementarities were not exploited. This essentially reflected the lack of a log-frame linked to measurable outcomes and coordinated across countries and sectors through a sound institutional structure. Many hard lessons have been learned and the proposed project has taken these into account in the preparation of LVEMP II.

### ***The Transboundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP)***

In July 2005 the Lake Victoria Basin Commission (LVBC) was established to provide a regional coordination framework for sustainable development of the Lake Victoria basin. Under its coordination, key Lake Victoria basin environmental issues were identified through the Transboundary Diagnostic Analysis (TDA), conducted in the five countries, and coalesced into a regional TDA (RTDA), through a systematic consensus based process. The key issues and related mitigation actions were subsequently prioritized in the regional Strategic Action Program (SAP). The top five prioritized key transboundary issues from the SAP process are: (i) Land, wetland, and forest degradation; (ii) Weak governance, policy, and institutional framework; (iii) Declining fish stocks, and loss of habitats and biodiversity; (iv) Increasing pollution and eutrophication; and (v) Unsustainable water resources management, declining water levels, and climate change. LVEMP II, therefore, has been designed to address these priority key transboundary issues, using Integrated Lake Basin Management (ILBM) and Ecosystem-based management approaches.

### ***The operation***

The proposed LVEMP II will focus on priority transboundary environmental issues, while building on the successes and addressing key gaps of the first phase. Key environmental issues were identified through the Transboundary Diagnostic Analysis (TDA), conducted in the five countries, and coalesced into a regional TDA (RTDA), through a systematic consensus based process. These issues and related actions were prioritized through the complementary regional Strategic Action Program (SAP). The RTDA examined the transboundary environmental problems that threaten the Lake Victoria ecosystem, and characterized them as falling within six thematic areas: (i) land use and degradation; (ii) water quality and pollution; (iii) water quantity and declining water balance; (iv) fisheries decline and threats to biodiversity; (v) governance of environmental resources; and (vi) socio-economic and cross-cutting issues. The top five prioritized key transboundary issues from the SAP process are: (i) Land, wetland, and forest degradation; (ii) Weak governance, policy, and institutional framework; (iii) Declining fish stocks, and loss of habitats and biodiversity; (iv) Increasing pollution and eutrophication; and (v) Unsustainable water resources management, declining water levels, and climate change. LVEMP II, therefore, will be designed to address these priority key transboundary issues, using an Integrated Lake Basin Management (ILBM) approach.

The challenges facing the lake and its resources were never thought to be feasibly solved through a project, thus the first phase was always envisioned as the beginning of a long term program addressing critical issues through a strategic framework. The proposed project builds on the outputs of and lessons learned from previous interventions including LVEMPI, the EU supported Fisheries Project, NELSAP three River Basin Management Projects (Kagera, Mara, and Sio-Malaba-Malakisi), and the broader Nile Basin Initiative (NBI), which includes the upstream and downstream riparians of Lake Victoria. It seeks to support crucial interventions of this program, particularly in going beyond research, knowledge and capacity building activities of the first phase, to integrated lake management and impact oriented activities. GEF support will complement significant IDA and Governments' funding, and will focus on strengthening institutions and mechanisms for management of transboundary resources (the lake and its watershed), policy reforms for improved management of transboundary resources (integrated water resources and land management), and joint planning to capture efficiencies and synergies, as well as catalyze priority transboundary investments.

The project objective above is drawn from the **Lake Victoria Vision**, a harmonized regional long-term vision that was based on national visioning processes in the three riparian countries based on participatory consultations involving over 11,000 people, representing communities and other stakeholders, and adopted by the East African Community (EAC). One regional and three national task forces guided the processes.

The project has 4 proposed components:

1. ***Building the information base for governance and growth (USD 30 million)***: using a competitive grant approach the work includes applied research, ecosystem monitoring, and technological adaptation/innovation. It also includes capacity building, scientific data management protocols development, establishment of an integrated M&E framework. GEF support will focus on strengthening regional capacity in LVBC for data management and sharing, as well as contribute to monitoring Lake Basin ecosystems health.
2. ***Strengthening governance of transboundary resources (USD 25 million)***: including strengthening of key policy, legal, and institutional frameworks; establishing regional and national regulatory standards and enforcement mechanism; harmonizing NRM regulatory frameworks regionally; piloting appropriate economic incentive mechanisms; harmonizing the planning and coordination of NRM regimes, capacity building, spatial planning; and developing an integrated Water Resources Management plan. This will include support to strengthening regional GIS-based MIS. GEF financing will support actions for improved transboundary resource management, as well as the development of sustainable resource use and management plans for the key resources. This would include integrated water and fisheries management plans, and basin-wide watershed management strategy. Further, it will contribute to mainstreaming SLM initiatives into national policies and programs. The fish levy trust, once operationalized, will provide sustained financing for governance of natural resources.
3. ***Enhancing sustainable economic growth (USD 89.8 million)***: including, supporting activities to reduce point and non-point pollution sources; providing economic incentives to reduce pollution; supporting strategic public investments in reducing pollution; supporting environmentally friendly investments, including community based investments in NRM; promoting private sector investments that are environmentally sustainable; building capacity for EAs for private sector investments, PES for key services, environmental certification, investments in strategic sectors, implementation of NRM plans, value addition of sustainably harvested NR products, SLM and watershed management initiatives. GEF support will catalyze community-based watershed management investments through strengthening community capacity for integrated natural resources management planning and implementation and providing incentives for SLM adoption (including support to design of environmental services payments, targeted matching grants etc). It will help promote market oriented innovative instruments, such as user based fees, in order to develop sustainable mechanisms for financing long-term ecosystem management as well as strengthen alternative non natural-resources based livelihoods.



4. ***Stakeholder participation, communication, and monitoring and evaluation (USD 9.5 million):*** including, development of information sharing protocols, establishing satellite communication system, capacity building for environmental information dissemination, development of a communication strategy, support to community monitoring of natural resources and their contribution to the MIS.
5. ***Project Management (USD 7.3 million):*** It includes short-term training of implementing agencies' staff; study tours and knowledge exchange/sharing programs by stakeholders; Technical Assistance; farmer and fisher extension services; regional and national coordination meetings; motor vehicle, office, and laboratory operations and maintenance expenses; and project monitoring and evaluation activities.

#### ***Global benefits:***

The improved management of the Lake and its Basin will arrest the deterioration of the ecosystem; help it retain its resiliency; and continued provision of environmental and economic services, such as biodiversity, hydrological and weather cycles, production of materials and goods, extraction of resources, tourism and quality of life to communities dependent on it. GEF resources will strengthen the transboundary planning, management and monitoring of resources by strengthening institutions for governance of transboundary resources, and supporting ILBM initiatives. The project will also be able to strengthen strengthening the coping and adaptive capacities of communities to current climate variability and emerging climatic trends (e.g. increased frequencies of droughts and/or floods, more erratic rainy seasons). Broad climatic trends indicate that the Lake region is likely to get wetter with more intense rainfall. A comprehensive program of watershed management in the basin will help reduce the impact of flooding, while water management mechanisms and investments will help smoothen the cyclical impacts of droughts and floods, and improve overall water resources management and availability. At the regional level, efforts will be made to identify and cross-boundary issues arising from the impact of climate change on the availability of natural resources, etc.

#### **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:**

The LVEMP 2 is consistent with the national development strategies of the five participating countries. They include: the National Strategy for Growth and Reduction of Poverty (NSGRP), Tanzania; the Economic Recovery Strategy for Wealth and Employment Creation (ERS), Kenya; the Poverty Eradication Action Plan (PEAP), Uganda; Poverty Reduction Strategy Paper (PRSP), Rwanda; and the Interim Poverty Reduction Strategy Paper (IPRSP), Burundi. These national strategies emphasize healthy ecosystems, poverty reduction, and sustainable economic growth, and identify degradation of natural resources as a key impediment to attainment of results.

A Regional Transboundary Diagnostic Analysis (RTDA) was conducted, and identified Key Transboundary Issues. Subsequently, the Strategic Action Program (SAP) for implementing interventions, which would address KTIs, was prepared. The RTDA, together with the SAP were endorsed by the EAC Council of Ministers in April 2007. The RTDA covers the five Basin countries of Burundi, Kenya, Rwanda, Tanzania and Uganda. The document was developed from national TDAs, the existing knowledge base established by LVEMP I, and information gathered through a series of consultative workshops. The SAP's top five prioritized Key Transboundary Issues to be addressed under LVEMP II are:

- (i) Land, wetland, and forest degradation
- (ii) Weak governance, policy, and institutional framework
- (iii) Declining fish stocks, and loss of habitats and biodiversity
- (iv) Increasing pollution and eutrophication
- (v) Unsustainable water resources management, declining water levels, and climate change

In addition to the five key priority transboundary issues described in the SAP document, the RTDA emphasizes the need to address socioeconomic issues of the lake basin. A variety of socio-economic issues have direct and indirect impact on the health of the lake, including poverty, human and animal health,

sanitation, spread of HIV/AIDS, population pressures, migrations, conflicts in resource use and civil strife, and disaster risk. Energy, mining, and industry are important sectors in the Basin. Wood biomass supplies over 90 percent of the energy requirements in the Basin putting enormous pressure on the vegetative cover in the watershed. Alternate sources of energy such as wind, solar and geothermal need to be explored. Mining contributes significantly to the economy but also is a big polluter. Industrial activities in the Lake Basin provide considerable opportunity for employment thus reducing the pressure of income generation from fishing which is the key industry, while also increasing the value added in the sectors. However, environmental effluent standards need to be imposed and compliance encouraged through incentives. Finally, the Basin is increasingly facing conflicts, largely as a result of institutional failure, population pressure and market failure. Expected outcomes: Investments (community-based, private, and public sector), and incentives that address the poverty-environment nexus, which acts as a barrier to improved NRM in the Lake Victoria Basin.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#), STRATEGIC PROGRAMS, AND THE SIP:**

The project is fully consistent with the strategies of the International Waters and Land Degradation Focal areas and their strategic programs. It is in line with IW-SP 3 and the spirit of IW-SP2 (the intervention targets a major lake basin rather than a LME). It is also in line with LD-SP1 and LD-SP3 in that it seeks to support up-scaling of SLM investments in the Lake Victoria Basin, through systematic basin wide dissemination and application of SLM knowledge, methods and technologies related to agriculture, rangeland and forest management.

The operation will directly contribute to both of the strategic objectives of the GEF's land degradation focal area and to both of the strategic objectives of the international waters focal area. It will address these four objectives by helping build a policy and institutional environment conducive to prevention and control of land degradation and up-scaling SLM on the ground, and by helping the basin countries in their efforts to collaboratively address the major transboundary threats to the Lake Victoria basin, through improved governance using ILBM approach, which emphasizes on the development of six key areas - policy environment, regional institutions, regulatory framework, stakeholder participation, information base and sharing, and sustainable financing. It will complement considerable (IDA and Government) resources in a cooperative and integrated program of environmental management and sustainable use of resources for rural development. It will also support policy, legal and institutional reforms (towards a harmonized framework common to the countries in water, fisheries, environmental governance etc.), and stress reducing investments (in land management, aquatic weed control, pollution reduction etc.,) agreed upon by the countries sharing the Lake Victoria Basin. The project will also support the establishment of a Regional Water Resources Management Framework, which will seek to sustainably manage the resource, balance the needs of competing users, and reduce stress including excess abstraction and pollution. All five countries and the EAC have endorsed the RTDA and SAP, which are the basis for implementing a program of transboundary resource management. GEF support will also strengthen capacity building to address key transboundary concerns in the five countries, coordinated by the regional institutions, such as the LVBC and LVFO.

In so doing, the project will be addressing major causes of lake deterioration, including eutrophication resulting from nutrient run-off and atmospheric deposition, as well as to reduce other pollutants entering the lake. In addition to the global benefits, it is expected that there will be significant local benefits for the communities living in the basin. Given the high level of poverty, low productivity due to mining of severely degraded lands, high AIDS incidence, and high population pressure, adoption of SLM technologies would help increase crop yields and improve rural livelihoods. The project will also enhance the enabling environment by strengthening institutional capacity to support SLM at the various levels, and regional institutional framework for the management of the transboundary resources. In particular, it will help mainstream land management in the regional development policy framework and thereby facilitate long-term investments.

This will involve community management of resources in partnerships with NGOs, public and private extension services, and other stakeholders.

***The SIP.*** The project is included in the GEF SIP work program and is fully aligned with the TerrAfrica/SIP approach of cross-sectoral coordination and knowledge exchange, particularly through its support for the regional transboundary management of the resource and the EAC LVBC as a portal for

coordination and information sharing among the national investment programs. The project is linked to TerrAfrica initiatives in the respective countries (including the country SLM investment frameworks) and basin wide. Further, the project assists the member countries in contributing to CAADP pillar 1 on SLM, with Uganda and Rwanda being priority countries for CAADP.

#### **D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

The activities of LVEMP II will be closely coordinated with the three NELSAP river basin management projects (RBM) – Kagera River Basin Integrated Water Resources Management; Mara River Basin Transboundary Integrated Water Resources Management and Development Project; and Sio-Malaba-Malakisi Catchments Transboundary Integrated Water Resources Management and Development Project. The main objective of these RBM projects is to establish sustainable framework for the joint management of water resources, in order to prepare for sustainable development-oriented investments to improve living conditions and protect the environment within the catchments area.

With regards to watershed management initiatives, LVEMP II will coordinate with other ongoing Bank/GEF funded project in Agriculture and Rural Development, as well as Environment and Natural Resource sectors. These include, Kenya Natural Resources Management Project, Western Kenya Community-Driven Development and Flood Mitigation Project; Tanzania Water Sector Support Program, Tanzania Agricultural Sector Development Program, and Tanzania Forest Conservation and Management Project; Uganda National Agricultural Advisory Services Project, and Uganda Agricultural Research and Training Project. In addition, LVEMP II activities will be coordinated with the Equatorial Africa Deposition Network (EADN) Project to be implemented by UNEP under the SIP. Finally, these SLM initiatives in each Lake Basin country will be linked to its SIP program.

#### **E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

**Without GEF:** The entire project intends to implement the SAP, which was funded by the GEF and which was agreed at a Ministerial level among the five Partner States. Funding for the “without project” situation is available from IDA, Sida, as well as government financing and beneficiary contributions. Priorities are largely settled, and a relatively small addition of funds only provides marginally more outputs and outcomes. However, beyond the small addition of grant funds, the GEF can and is making a catalytic contribution to thinking and approaches on transboundary water as well as land management issues. Assuming limited or no fungibility of funds, and a notional earmarking of GEF funds, the “without project” situation would have less effective regional coordination activities and less effective development and implementation of regional management frameworks and management plans (water, fisheries, and watershed management). Regional monitoring systems (GIS-based M&E, land use/hydrology/biodiversity, HIS, etc.), and the capacity building at LVBC (Resource Center, communication systems, training and regional exchange programs) would also be less effectively developed and/or implemented.

**With GEF:** Even though the GEF contribution is relatively small the countries and the implementing agency view it as very important. The value-added of GEF involvement in the project can be demonstrated in four ways. First, GEF will be supporting the implementation of SAP resulting from the RTDA process, which was the basis for the LVEMP II design. Second, GEF will finance actions related to harmonization and water resources management planning expected to lead to improved governance of transboundary natural resources of the Lake Basin, more optimal use of water, and better resolution of conflicts. Third, by supporting the project, GEF will be able to disseminate lessons-learned from the Integrated Lake Basin Management study of 28 world lakes, which it co-financed. Fourth, GEF resources will be used to leverage other sources of funds, including IDA, Government, and Bilateral support. Further, since the SIP features joint work programming, regional knowledge transfer, targeted analytical work, and common M&E approaches, it provides an excellent portal for influencing a significant investment program in a critical ecosystem, particularly one where one the most important priorities are addressing the Basin watershed degradation. For example, while investments in the land management in country would be financed under IDA, GEF incremental funds would go

to ensure an overall watershed management approach. This would include technical support for monitoring at the regional level, support to the LVBC for regional coordination on the issue and support to sharing information, approaches and knowledge across boundaries.

**F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN:**

<b>Risks</b>	<b>Mitigation Measures</b>
Weak capacity of EAC's institutions (LVBC, and LVFO) to coordinate project implementation	The project will strengthen the capacity of regional institutions to coordinate project implementation in all five countries; GEF will co-finance key actions for harmonizing approaches, reducing conflicts and improved management.
Inadequate incentives for upstream countries (Rwanda and Burundi) to participate fully	IDA, GEF, and Bilateral grants are being sought to provide incentives for Burundi and Rwanda to participate in the project implementation
Lack of clarity of roles and responsibilities of the national and regional institutions	To avoid overlaps, the roles and responsibilities of each implementing agency (Council of Ministers, RPSC, LVBC, Focal Point Ministries, other implementing agencies) will be clearly defined under the institutional arrangements
Lack of clarity of development objectives, expected outcomes and outputs of the project	As required by IDA, a detailed results framework will be developed to guide implementation and monitoring of the project performance
Different pace of project implementation among the countries (one country falling behind and dragging efforts of others) due to varying capacity	Capacity building programs, including training in project management, financial and procurement management will be undertaken at initial stages of project implementation
Limited capacity or willingness to enforce the agreed legal and regulatory framework	Capacity of the National Environmental Management Authorities, Water Resources Departments, and District Environmental Units will be strengthened and common levels of enforcement sought.
Lack of long-term financial commitments and sustainability	Ensure that LVEMP II is included in the countries' rolling MTEFs and that mechanisms are developed under the project for sustainable financing, such as Payment for Environmental Services, Carbon Finance, and Environmental Taxes are introduced

The proposed project would strengthen the LVBC and LVFO of EAC, the regional institutions that coordinate and/or implement activities that address transboundary concerns. The Council of Ministers representing the 5 countries that form the Lake Victoria basin has made a commitment to jointly address the KTIs of the lake basin by adopting the RTDA and SAP. During preparation, particular attention will be paid to Rwanda and Burundi to find adequate incentives that will ensure their full participation. With the accession of these two countries into EAC in July 2007, their implementation of LVEMP II

activities to be coordinated by LVBC is likely, hence the risk of their participation is mitigated. Preparation work will include institutional analysis clarifying the roles of LVBC and national agencies.

There has been considerable support from the Governments and Parliamentarians of the riparian countries, and there is a general acknowledgement of the long-term nature of the program. Recent crises at the Lake, including declining lake levels have only strengthened the support of the various stakeholders. The respective Governments have also allocated funds to cover the bridging period between LVEMP I and II, thereby indicating their commitment. Capacity Strengthening will be undertaken to improve likelihood of achieving implementation success. Lessons learned from phase I indicate that the differential pace can be a risk for overall impact, and measures to counter it will be put in place, particularly with greater coordination by the EAC/LVBC. Phase I has already helped establish awareness and the need for legal reforms. This project can further promote and facilitate their progression. Project activities are being included in the budgets of the respective countries and therefore into their medium-term planning framework.

**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

An economic analysis is being conducted and will detail the cost-benefits and cost-effectiveness of proposed project interventions. However, given the current environmental stress of the lake basin, the benefits of implementing mitigation and stress reduction measures are likely to outweigh the costs of interventions.

**H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:**


The Bank has a considerable comparative advantage through its initiation of the program, implementation of the first phase, its role as a key facilitator in regional coordination and linkages for integrated Basin wide planning, its considerable technical knowledge and experience in other lake and transboundary resources management, as well as in bringing communities and the private sector into NRM. Further, the Bank and GEF have been able to catalyze funding for the medium/long term support of this program from the involved countries, bilateral agencies (EU, SIDA, etc.). The Bank also as a key partner in TerrAfrica provides technical expertise, knowledge and financing for one of the main priorities in Lake Management, i.e., Basin watershed management. The Bank is working with riparian countries to actively include LVEMP II related SLM planning and investments in the National SLM frameworks/programs.

**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 [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

Tom Okurut, Executive Secretary, Lake Victoria Basin Commission (Regional)	November 7th, 2007
Odette Kayitesi, Ministry of Land Planning, Tourism and Environment, Burundi	October 17th, 2007
A.M. Mwinzi, Director General, National Environmental Management Authority (NEMA), Kenya	November 2nd, 2007
James Musoni, Minister of Finance and Economic Planning, Rwanda	October 16th, 2007
Ruth Mollel, Permanent Secretary, Vice President's Office Tanzania	October 29th, 2007
C. M. Kassami, Permanent Secretary/Secretary to the Treasury, Uganda	November 5th, 2007

**B. GEF AGENCY (IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
Steve Gorman GEF Agency Coordinator 	Christophe Crepin Regional Coordinator
Date: 26 October 2007	Tel. 202-473-9727, Email ccrepin@worldbank.org