



MESSAGE FROM THE PERMANENT SECRETARY, BOTSWANA MINISTRY OF MINERALS, ENERGY AND WATER RESOURCES, CO-CHAIRPERSON, OKACOM, BOTSWANA

The official opening of a secretariat for the Permanent Okavango River Basin Water Commission December 2007 was a milestone in international transboundary cooperation in Southern Africa, emerging as a follow-up to the March 2007 OKACOM agreement to establish a permanent secretariat. The Commission had existed since 1994 when the agreement among the three countries sharing the river was signed, but finally, with peace in Angola, it was possible to move forward with creation of an office to support the Commission's work. On behalf of my fellow Commissioners in Angola and Namibia, I am pleased to

present this, the first OKACOM

annual report.



The Secretariat is now fully functional, operating from office space in Maun, Botswana, the southernmost community of the Okavango River Basin. The Secretariat's work during this period, while largely devoted to the challenges of establishing physical infrastructure, developing governance procedures and identifying the best people for the job of supporting the day-to-day management of the Commission's core business, has also resulted in rich experiences in sharing knowledge and lessons with other institutions and organizations working to ensure wise use of water resources worldwide. With these achievements, OKACOM can now take its place in the region and in this broader global context, as an institution able to meet the growing

international challenges of transboundary water resources management.

Machely Mr. Gabaake Gabaake Gaborone, July 2009

Front cover: Shakawe, Okavango River, Botswana Left: Himba woman and child courtesy of Alfonso Navarro

Right: Mr. Gabaake Gabaake in his capacity as the OKACOM Botswana Co-Chairperson

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his report covers activities of OKACOM from December 2007 to implementation of the start-up phase – aimed at building OKACOM institutional foundations to secure long term day-to-day management of its core business; and b) the first quarter of the three year plan for consolidation of operations of the Secretariat – entailed to establish an operating platform support services for effective functioning of all OKACOM organs.

The report captures the challenges faced by OKACOM in setting up the required physical infrastructure, managerial systems and associated human

out of Maun. It also discusses initial of OKASEC's three year plan, including the complex process of developing internal governance

The nature of interactions established with the various contributing agents (e.g. government agencies, international cooperating partners, regional and international organizations) are discussed, of River Basin Organisations is also dependent on engagement of the various interested and affected parties. Manifestations of political will through the signing of a small step towards realizing the functional and operational river basin



In one and a half years, OKACOM has established an operational Secretariat in a strategic location at the culmination of the Okavango and has already gained experience in establishing the institutional pillars for improved performance of river basin organisations. Lessons learned from this groundbreaking work can now inform similar efforts across one of the most positive experiences during this process, and have laid a

OKACOM's institutional capacity to effectively deliver in the fulfillment its mandate. This process should be viewed as business of all bodies engaged in integrated water resources management calling therefore, for a trans-sectoral and trans-country approach to institutional capacity

Dr. Ebenizário Chonguiça Maun, July 2009

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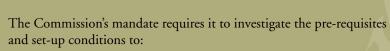
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The Permanent Okavango River Basin Water Commission (OKACOM) was established on September 15th, 1994 by the governments of Angola, Botswana and Namibia with the objective to act as technical advisor to the country Contracting Parties on matters relating to conservation, development and utilization of water resources of common interest in the Okavango river Basin. This entails promoting coordinated and sustainable water resources management of the basin, while addressing

the legitimate social and economic needs of the riparian States.

Approximately 61 treaties referring to 200 shared river basins have been signed worldwide over the last 50 years. Representing the management issues of one of the 60 of these river basins in Africa, OKACOM's mandate emerges from a shared vision of the three States that envisages anticipating and reducing unintended, unacceptable and often unnecessary impacts to the resources of the Okavango basin system. The vision is supported by operational principles of:

- Equitable allocation
- Sustainable utilization
- Sound environmental management and
- Sharing of beneficial uses.



- Determine the long term safe yield of water available from the river
- Estimate reasonable water demand scenarios from consumers
- Prepare criteria for conservation, equitable allocation and sustainable utilization of water
- Undertake investigations related to water infrastructure
- Formulate recommended pollution prevention measures
- Develop measures for the alleviation of short-term difficulties, such as temporary draughts and floods
- Generate visible impacts on poverty alleviation for the riparian communities, emanating from applied basin resources management options.

It is interesting to observe that by the time Angola and Namibia entered into a bilateral arrangement to re-activate the Permanent Joint Technical Commission (PJTC) for the Cunene in September 1990, Botswana and Namibia three months later also established the Joint Permanent Technical Commission (JPTC) to deal with waters of common interest. The three riparian States sharing the Okavango basin (Angola, Botswana and Namibia) were represented on a bilateral basis in either the PJTC or



the JPTC. The idea of bringing together the Commissioners of the PJTC and JPTC in the context of the Okavango certainly played a pivotal role in the establishment of the Permanent Okavango River Basin Water Commission in September, 1994.

It is also observed that at this very moment, Angola was re-engaging in the second phase of one of the most destructive civil wars in Southern Africa.

After the failed peace process in Angola, basically the whole of southern Angola – and the Okavango basin in particular – was fundamentally a war zone. Most of the stronghold military bases of UNITA were located

within the basin, and places like Cuito Cuanavale, at the heart of the basin, are known for the most ferocious battles ever experienced in the sub-continent. One could, therefore, question the extent to which the three riparian states could think of a transboundary river basin management arrangement in a river system converted into a military theatre of operations. The reality is that, in spite of the conflict, OKACOM was established and commitment to jointly manage the system was agreed upon. In April 2004 peace was established in Angola.

From that standpoint, it can be inferred that the peace dividend in Angola is one of the fundamental defining moments of change in the historical and practical trajectory of



the OKACOM agreement. Other important drivers to the agreement include the high expectations of both Namibia and Botswana to generate national economic, social and ecological benefits from the very few perennial river basin systems adjacent to their borders.

In Namibia, the development of the so-called Eastern National Water Carrier in the context of the National Water Master Plan is an indication of this. In 1997, Botswana acceded to the Ramsar convention and the Okavango Delta was listed as a Ramsar wetland of international importance. This vast water body, in a predominantly dry land, is a unique wetland environment, justifying its status as one of the largest Ramsar sites on the planet. Options for using the Delta are centred on low-volume/high-value tourism, which is proving a solid economic opportunity.

Perhaps it is the underlying geopolitical, historical, socioeconomic and environmental imperatives that have motivated the OKACOM riparian states' determination and commitment to cooperation and setting up of a joint management system. It is important to note, however, that consolidation of agreements is fundamentally dependent on perceived mutual benefits, and it is clear that the countries stand to gain more from working together than apart.

Ten to fifteen years ago, military conflict imposed impossible conditions for the assessment of the status of land and water resources of the basin, a pre-condition for developing planning and management scenarios.



Today, however, hydrological gauging stations are being rehabilitated and upgraded in Angola. Under the tense geopolitical landscape governed by civil war that prevailed in the late 1990s, the sense of trust at the negotiating table among the contracting Parties to the OKACOM agreement could have been easily shaken, whereas today the riparian states are building transborder communication bridges that transcend individual government officials. Government officers, researchers, academics, and the various segments of civil society are joining forces to develop a common shared vision and action plan for the joint management of the Okavango river basin.

The Transboundary Diagnostic Assessment (TDA) process is

bringing together researchers from the three States to develop a holistic appraisal of the status of basin resources. To ensure that the TDA process is catchment-based, the tri-country researchers and policy makers have agreed to adopt the 'environmental flows' assessment methodology to avoid risks of generating country-specific discrete assessments that may not connect to each other. Tri-country, multi-disciplinary teams are being put together and cross-country scientific expeditions in the context of the TDA process are being implemented.

Come of the major events that took place over the reporting period with potential influence over the political trends within the three riparian States sharing the Okavango river basin include:

- Preparations for legislative and local government elections scheduled for October 2009 in Botswana
- Legislative elections in Angola and
- Preparations for legislative elections scheduled for November 2009 in Namibia.

In economic terms, development dynamics within the three countries continues to progress as per previous year.

Angola, as the upstream waterrich riparian country, was for over three decades involved in a destructive civil war that destroyed infrastructure, human life and prevented basic development in most parts of the country, particularly in that part of the country that falls within the Okavango basin. With the current peace dividend, development options outside the heavily concentrated oil and diamond industries are now being considered.

There are clear indicative plans and interests to boost investment into other economic sectors such as agriculture, fisheries and tourism as a way of optimizing potential. The country is visibly engaged in



a vigorous investment program within the transport sector and overall infrastructure development, framed under several bilateral economic cooperation agreements. With anticipated direct implications for river basin management, Angola is embarking on institutional reform of the water sector aimed at improving the levels of decentralization of water management authorities. Significant institutional changes have occurred, with the recent formation of a State Secretariat for Water, separating water and energy portfolios previously under the Ministry of Energy and Water.

Botswana accounts for the lower end of the basin system, where a magnificent delta system holds one of the most biodiversity-rich wetland ecosystems with significant social, economic and ecological values. Its protection and conservation is paramount both nationally and internationally but is dependent on upstream conditions to maintain desired flows for wetlands ecosystem integrity.

The country's economy gravitates around the mining sector (diamonds in particular) and tourism, contributing to about 45% of the GDP (40% for diamonds and 5% for tourism). Botswana's heavy dependence on the mineral commodities sector, particularly diamonds, gold, copper and nickel, has been significantly affected by the global economic slump. Government revenues have been negatively affected. A national budget

released in February for the financial year 2009/2010 reflects a budget deficit of about 13 billion Pula. There are clear indications that Botswana also intends to diversify its economy to every extent possible to reduce risks from possible external shocks associated with high dependence on a narrow range of development alternatives. Botswana's Vision 2016 identifies water and water resource development, conservation and protection as one of the challenges and opportunities facing Botswana in its endeavor to establish a prosperous, productive and innovative nation through sustainable growth and diversification. The focus during NDP 10 (2010 - 2016) will address the issue of water sector institutional reforms which calls for the separation of supply and distribution of water through different parastatals and active participation of Botswana in



joint management of transboundary water resources.

Water conservation and protection will be paramount during NDP10. One of the projects focuses on systematic water quality monitoring in the Okavango Delta. Growing tourism, coupled with increasing population and the associated infrastructure development within the Delta, places pressure on this fragile environment in terms of water quality deterioration and proliferation of aquatic weeds.

Expansion of tourism and agricultural sectors is an option already identified in national development plans: this will certainly affect river basin management.

Namibia has one of the driest hydro-climatic conditions in the region, making it highly dependent on groundwater, existing ephemeral river systems and perennial rivers on its border. Alternative water sources such as recycled water and desalination are also being considered.

Namibia's economic development is highly dependent on diamonds and other minerals such as gold, zinc and uranium, complemented by fisheries and tourism sectors. The driest country in the sub-region with high dependence on ground water for domestic/urban and industrial consumption, options to tap into other possible water supply alternatives, are high on the country's future plans.

On a regional scale, the International Cooperating Partners (ICPs) interest in transboundary river management issues is on the increase as illustrated by the number of agencies involved in support to the SADC water sector. New emerging transboundary river basin commissions (e.g. LIMCOM, ZAMCOM) are being formally established and associated interim secretariats put in place. Special initiatives are evolving to unfold the best institutional model or framework for effective performance of River Basin Organizations (RBOs). Issues such as institutional capacity development, sustainable funding, effective participation of stakeholders, transboundary joint planning, management and benefit sharing arrangements are challenging issues facing River Basin Organizations.

The organizational structure of OKACOM is defined by the OKACOM Agreement on the Organizational Structure for the Commission, entered into by the three countries in 2007. According to Article 4 of this agreement, the organizational structure is designed to ensure the effective fulfilment of its functions. The main OKACOM organs, consists of the Commission, the Okavango Basin Steering Committee, and the Secretariat.

a) The Commission is the principal organ of OKACOM, responsible for defining and guiding the development policy and the overall supervision of the activities of OKACOM. The Commission is chaired on an annual

rotational basis and the appointed Commission Chairperson is the Chairperson of the National Commission of the Contracting Party holding the Chair. The commission is composed by two categories of members: permanent members and non-permanent members:

- Permanent members are officials nominated as Commissioners by the Contracting Parties in accordance with the provisions of the 1994 Windhoek Agreement;
- Non-permanent members are any officials nominated by the Contracting Parties, who are not Commissioners in terms of the 1994 agreement, and are officials of the respective National Commissions under OKACOM.

b) The Okavango Basin Steering Committee (OBSC) is the technical advisory body to the Commission.

professional requirements.

It provides technical leadership to permanent or temporary subsidiary committees - known as task forces - that are established according to the nature and specificity of the matter. It is also composed of permanent and non-permanent members, and is chaired by an OBSC member from the Contracting Party holding the Chair and appointed by the Chair of the Contracting Party who should notify other Contracting Parties of such appointment.

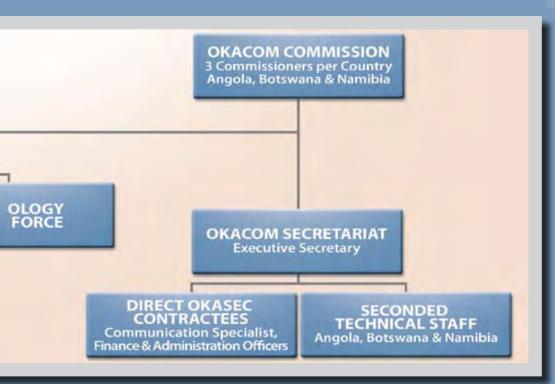
c) The Secretariat is the organ responsible for providing administrative,

financial and general secretarial services to OKACOM. It is headed by an Executive Secretary appointed by the Commission, under the terms and conditions established in the rules of procedures thereof. The staffing and personnel composition of the Secretariat are established as may be decided and approved by the Commission to enable it to effectively fulfil its functions. In line with the sustainability model for the Secretariat, provisions are made for it to be supplied with national seconded staff, with the associated costs fully covered by the riparian country of origin. On the basis of required technical skills, provided seconded staff may assist the Secretariat in the coordination of regional project implementation, data collection and documentation, updating of integrated management plans of the basin among other technical



#### **CURRENT STAFF COMPLEMENT**

As of March 2009 the OKASEC office has filled the positions of the Executive Secretary (ES), the Administration Officer the Office Clerk and the Finance Officer. The ES assumed duty in December 2007, the Administration Officer on 1st of September 2008, the Office Clerk On the 3rd of December 2008 and the Finance Officer on 16th of February 2009. Interviews for the Communication and Information Specialist were conducted on 23rd and 24th February 2009. The candidate accepted the offer and is expected to report on duty by August 2009.



### PHYSICAL INFRASTRUCTURE

The OKASEC office in Maun was fully renovated since February 2008 in terms of partitioning, flooring, ceiling and painting. It has seven main office rooms, one board room, one documentation centre, two bathrooms, two kitchens, one store room, and a main reception area. The office rooms have been equipped with office furniture donated by USAID that include office desks and bookshelves. Additional office furniture was procured, purchased and installed in the office. These include additional office desks, wall boards, boardroom table and desks, white board screens and projector.

Required security and surveillance systems have been adequately

installed by a specialized security company contracted to undertake surveillance works.

ey reporting areas for the period include two major components: conclusion of the start-up phase, and initiation of implementation of the three year plan for the consolidation and operation of the Secretariat.

The start-up phase was the initial six month period prior to the three year plan, required for the establishment of the Secretariat Office infrastructure and undertaking of logistical and recruitment activities, while the core activities of the three year plan objectives were not yet underway. The main planned activities for the start-up phase included:

- Setting up of the Secretariat office infrastructure
- Recruitment and hiring of the Executive Secretary
- Development of the permanent financial management and accounting systems
- Procurement of essential goods and services for the Secretariat including information services
- Production of relevant transition reports for Secretariat staff
- Provision of professional services in terms of legal advice, interim Secretarial technical and administrative services to OKACOM.

The three year plan for consolidation and operation of the Secretariat aims at ensuring provision of Secretariat support to OKACOM in the management of the river basin resources through implementation of the 1994 agreement. In programmatic terms, the Secretariat is specifically responsible for ensuring:



#### **BUILDING BRIDGES AND NETWORKING**

During the reporting period, and as the Permanent Secretariat was establishing itself in Botswana, the ES participated in several national, regional and international events organised by partners from outside the OKACOM programme. These included the following:

Angola Chapter - National Water Forum, 10 - 15

February 2008 in Luanda

From an official invitation by the Government of Angola, the ES participated in the Angola national Water Forum aimed at debating and creating Angola national consensus on proposed national reform for the water sector. The reform focused on decentralization of water institutions to increase planning, management and decision making at local level with a special emphasis on

empowering the catchments' management authorities. Besides direct involvement in the meeting's core business, the ES took the opportunity to get exposure to Angolan water management issues and acquire necessary contacts with Angolan experts.

- Effective administration of OKACOM operations/ Efficient implementation of OKACOM decisions
- Development and implementation of functional and expedient information sharing and communications systems and procedures
- Stakeholder participation in governance of the Okavango Basin.

THE START-UP PHASE

# OKASEC infrastructural office renovation works

Implementation of the start-up phase was initially planned for the period January 2007 to October 2007. At the commencement of duties by the Executive Secretary in December 3rd, 2007 office renovation works were still at the initial stages. The transfer of supervision and contract management functions from ISS/IRBM to the Executive Secretary exposed the Executive Secretary to the actual renovation works taking place on the ground while providing an opportunity for adjustment inputs into the design process.

The adjustment proposals included the need for uplifting of the ceiling height, redesign of wall partitions to include half height in glass material

#### **BUILDING BRIDGES AND NETWORKING**

# SADC chapter – River Basin Organizations Workshop, 11-12 March 2008

Responding to a SADC Secretariat's invitation, the ES attended the second SADC RBO workshop in Gaborone aimed at: i/following up on specific activities proposed by RBOs at the 1st annual RBO workshop; ii/ assess the institutional development of RBOs; iii/ gather feedback, input and recommendations on the programme for

strengthening RBOs; iv/ determine how SADC Water Division could best provide services and support implementation for strengthening RBOs and v/ strengthen regional information sharing, strategic thinking and coordination among RBOs and other stakeholders.

Following the RBOs workshop, the ES also attended a one day SADC meeting on "awareness and communication strategy" for the water sector.

Both events proved extremely relevant and informative about ongoing regional dynamics in the institutional development of RBOs as well as on the complexity and relevance of developing an awareness and communication strategy for the water sector.

as well as enlargement of glass windows to secure better ventilation and daylight influx into the office.

Coinciding with the Botswana National commemorations of the Worlds Wetlands Day, the office of OKACOM Secretariat (OKASEC) was officially inaugurated on February 2nd, 2008. The event was jointly organized by the ISS and incoming ES and honored with the presence of H. E. the Minister Environment, Wildlife and Tourism, the United States Ambassador in Botswana, Swedish International Development Agency (SIDA) representative, OKACOM delegates from Angola, Botswana and Namibia, high level officials from the Government of Botswana, representatives from research institutions, and local

stakeholders closely cooperating with OKACOM.

Additional infrastructural works associated with installation of electrical systems, networking for ICT connectivity, including the actual setting up of the telephone connection, were initiated in late February, including submission of administrative and legal requirements for acquiring utilities including water and electricity. The ICT office cable networking was contracted out to a specialized firm.

# **OBSC-SIDA** extraordinary evaluation meeting of the start-up phase

On March 8th 2008, an extraordinary OBSC meeting was held, upon request from SIDA,

to evaluate progress in implementation of the start-up phase. From the provided narrative and financial reports and subsequent discussions, the meeting concluded that the start-up phase was not yet completed. This was due to the fact that key internal OKACOM governance documents were still pending: i/ the Financial and Administration Manual; ii/ the Procurement Manual and iii/ the Policy and Operational Procedures Manual. It was also noted that the work-plan and budget for the first year of operations of the secretariat was still to be developed.

Taking into account the terms of the agreement between SIDA and OKACOM, the second disbursement associated with the implementation of the three year plan for the consolidation and operations of the Secretariat could not be processed by SIDA until such documents were developed and officially approved by OKACOM.

Based on these observations, the following recommendations were made:

- that another OBSC extraordinary meeting be held to outline the key elements of the work plan for the first year of operations of the **OKACOM** Secretariat
- that the consulting firm (KPMG), be engaged to expedite the production of the Finance and Administration Manual as well as Procurement Manual to ensure their effective finalization

Left: OKASEC during renovation work Right: Official inauguration by Honourable Minister H.E. Mokaila

- that the ES and ISS be tasked to develop the Policy and Operational Procedures Manual
- that formal approval of all governance documents be secured from OKACOM prior to submission to SIDA.

In compliance with the recommendation of the OBSC March meeting held in Gaborone, an OBSC extraordinary meeting was held in March 29th 2008, back to back with the EPSMO PSC and TDA meetings initially scheduled for that period in Windhoek.

Through a facilitated workshop, the framework of the first year work-plan for the Secretariat was developed. Based on this framework,

the ES developed a fully fledged work plan and budget for the first year of OKASEC operations for submission to the 14th OKACOM meeting scheduled for May 30th 2008 in Windhoek. The ES, in collaboration with the ISS, developed the Policy and Operational Procedures Manual for OKASEC and coordinated the final production of the Finance and Administration Manual as well as the Procurement Manual commissioned to KPMG.

By late March – early April 2008, all OKACOM drafts of governance documents were completed. As per OKACOM rules of procedures on language requirements, all key documents were sent for translation into Portuguese and logistical arrangements for simultaneous

translations services procured and contracted out.

The draft governance documents regulating the operations of the Secretariat were circulated to all OKACOM delegates and SIDA, with the required translated versions, including the draft annual work plan and budget for the first year of Secretariat's operations.

# 14th OKACOM week meeting in Windhoek

During the week of May 25 – 30, 2008 the 14th OKACOM ordinary meeting took place. The Secretariat presented all the draft OKACOM governance documents, for final technical review and approval by the Commission. The review process followed OKACOM's internal operational procedures, whereby the initial technical review was conducted by the Institutional Task Force (ITF) in its capacity as the institutional technical expert group on legal and institutional development issues. With the incorporation of proposed ITF amendments, all the draft manuals were considered adequate for submission to OBSC and subsequent endorsement by OKACOM. The ITF revised documents were then submitted to OBSC for consideration and further amendments were incorporated.



### **BUILDING BRIDGES AND NETWORKING**

# Namibia's celebration of the World Water Day and Wetlands day in Rundu, 2 April 2008

Subsequent to the March OBSC extraordinary planning meeting in Windhoek, the ES participated in the Namibia's celebrations of the combined World Wetlands/Water Day held on April 2nd in Rundu. At the event, organized under the theme "Healthy River Basins," he delivered a presentation about OKACOM's work, highlighting the

> achievements and challenges faced by the organization. The event also provided an opportunity to learn about the profile of Namibia key stakeholders active in the Okavango Basin.

> Brazil chapter – OBSC delegation in the IW-Learning study tour to Brazil, 4–11 May 2008

An OBSC-EPSMO delegation participated in a technical cooperation visit to Brazil organized

by the EPSMO project and co-funded by the Brazilian National Water Agency (ANA) and IW-Learn project. The ES in collaboration with EPSMO project management unit facilitated the official formalization of the exchange programme between OKACOM and ANA. Details of the visit outcome are provided in special trip report (EPSMO trip report to Brazil).

#### **BUILDING BRIDGES AND NETWORKING**

# OKACOM-ORASECOM joint exchange visit study to the ICPDR, 12-20 July 2008

From July 12 – 20th 2008, an OKACOM delegation comprised by the ES and Mr. Isidro Pinheiro participated in a joint exchange visit programme with ORASECOM to the International Commission for the Protection of the Danube River (ICPDR) in a response to an invitation made through UNDP.

The main purpose of the visit was to facilitate knowledge exchange between the ICPDR and Southern Africa **River Basin** Commissions ORASECOM and **OKACOM** about topics related to strengthening of institutional capacity and to initiate establishment of a long-term relationship between the ICPDR and the two Southern Africa

basin commissions.

OKACOM Workplan OKACOM 12/ Procurement Manual

At the 14th OKACOM meeting held on May 30th 2008, all governance documents as amended by the ITF and OBSC were presented and reviewed by the Commission. Additional amendments were proposed by the Commission, including issues such as: authority limits of the ES in the procurement manual; authority limits of the various tender committees. In the policy and operations procedures, final decisions were taken by the Commission regarding the percentage contribution by OKACOM for staff medical aid and education allowances. With all comments and suggested amendments properly incorporated, OKACOM approved the governance documents:

Finance and Administration Manual

- Procurement Manual
- Policy and Operational Procedures
- Annual Work Plan and Budget for the first year of OKASEC operation
- Progress report of the start-up phase.

Following approval of the governance documents by the 14th OKACOM meeting, the ES finalised documents to adequately accommodate all suggested amendments. An OKACOM governance documents package was developed and electronically delivered to SIDA by June 6th, 2008 with a formal submission letter officially signed-off by the Botswana Co-Chairperson, on behalf of OKACOM, as delegated by the 14th OKACOM meeting.

The exchange visit programme was fully financed by GTZ and representatives of both GTZ Gaborone and GTZ Berlin accompanied the Southern African delegates. UNDP IW- Learn accompanied the delegates during the meetings in Austria.

Left: OKASEC office inauguration ceremony (left to right) Mr I Pinheiro, Dr A Tombale, Dr Stefan De Wet Right: OKACOM Governance documents

#### ANALYSIS OF THE START UP PHASE

The start-up phase was affected by a number of practical impediments that disrupted smooth implementation of projected outputs within the initially defined time lines. Some of the aspects include:

**Budgeting process:** the initial total budget proposed for the start-up phase went through a series of modifications and came to a total ceiling of 177,413 USD from SIDA contribution. USAID contribution added to this amount an additional 96,886 USD but managed directly by IRBM. The initial budget structure had several shortfalls since it did not make provisions for costs associated with the full range of

start-up phase required interventions. This included for example: 1/ full recruitment costs of the Executive Secretary including relocation; 2/ costs associated with the internal refurbishing of the office space (e.g. IT networking, air conditioning, security systems, etc). Some of the item costs (e.g. renovation costs) proved to be underestimated as compared to the real costs associated with the dimension of construction works required for proper transformation of a former warehouse into a functional office. Because of those inconsistencies, requests were made for budget revisions to accommodate the real costs faced at the implementation of the start-up phase.

Given that the ceiling of the budget was fixed and not subject to

additional fund allocation, the only option that proved feasible in the budget re-adjustment was to re-prioritize the required outputs, and postpone those that could wait until the implementation phase. Purchase of the office vehicle, for example, was shifted to the implementation phase. Personal staff vehicles had to be utilized to cover for this short fall.

When evaluating progress of the start-up phase it was further noted that some of the key governance documents regulating the operations of OKACOM (e.g. Finance and Administration Manual, Procurement Manual and Policy and Operations Procedures Manual) had to be approved by OKACOM and SIDA prior to the second disbursement for the implementation of the three year plan for the Secretariat's operations. This necessitated convening an ordinary meeting of OKACOM to approve the documents. However, budget requirements to cover the costs of such a meeting were not provided.. The IRBM project offered to cover such costs in a form of an advance to be refunded by OKACOM upon reception of the second disbursement. Furthermore, with the extension of the start up phase from February to May 2008, with no budgeted resources for recurrent costs of such an extension, additional financial challenges were imposed. Requests to re-arrange the budget to address those constraints were thus required.

# **BUILDING BRIDGES AND NETWORKING**

Some of the cooperation modalities that have emerged for the exchange programme include:

• Options for specialized internship programmes both in Europe and Southern Africa at policy level and selected technical fields (Southern Africa experts in Europe and European Experts in Southern Africa). Southern Africa river basin commissioners could be engaged in exchange

visit programmes with ICPDR at policy level, while technical experts from the region could also be engaged in technical cooperation programmes with ICPDR technical counterparts.

- Options to support joint fundraising for specially identified field projects/ programmes.
- Joint publication of scientific articles in periodical journals or magazines.

As OKACOM and ORASECOM

consolidate implementation of their respective programmes on the ground, these possible lines of cooperation with ICPDR should be further explored.



#### **BUILDING BRIDGES AND NETWORKING**

# Botswana Chapter – Ministers Meeting on River Basin Organisations, 15 September 2008

Organized by the International Water Unit of the MMEWR, and hosted by the Ministry and SADC water sector with the support of USAID the ES attended the Botswana

Ministers meeting on RBOs. The meeting objectives were to: i/raise awareness among decision makers on the role of RBOs in managing shared water systems; international obligations related to transboundary waters and ii/facilitate discussions on coordinated approach to strengthen performance of RBO technical teams. The FS was requested to make a presentation on a status report of OKACOM -



challenges & opportunities – in conjunction with other three sister RBOs, the ORASECOM, LIMCOM and ZAMCOM. It should be noted that the approach adopted to respond to these budget constraints had some limitations in addressing the root causes of budget problems. By trading off in priority setting (e.g. opting for not installing the air conditioners) the problem was simply postponed. For example, as of now, the staff complement is almost complete (communication and information specialist expected in August). However, the office is still faced with infrastructural gaps given that out of the seven office spaces only four have been fitted with air conditioners. Additional resources will be required to respond to outstanding gaps.

This situation is conditioned by the terms of the agreement. Injection of additional funds would require revision of such terms. Alternatively,

> and considering the provisions for country contribution, eventually it might be appropriate to start exploring this route to address the real costs of running a secretariat office and associated programme within the existing conditions.

*The milestone* for completion of the start-up phase was defined as recruitment of the Executive Secretary. With delays that affected the office renovation process, even with the ES on board the full functionality of the office in Maun took some time. Although renovation works were completed in February 2008, setting up of telephone lines and required IT system took much longer than initially envisaged. This affected access to full internet connection. Full office functionality required

many other elements not considered in the approved budget of the start up phase, such as the human resources for example. The Finance and Administration Officers positions were interviewed for and selections made in April 2008 but job offers were not done immediately, since there was no budget provision for staff costs. The actual recruitment was made possible after July when the request for partial disbursement was approved and allocated to OKACOM.

The governance manuals for operation of the Secretariat (more specifically the finance and administration manual as well as the procurement manual) were outsourced to specialized consulting firm (KPMG). The policy and procedures manual, however, was developed internally by the Secretariat. It might be of value in future to consider options for engagement of specialized consulting firms to deal with other associated staffing issues when it comes to development of salary scales, job grading and performance appraisal systems.

With respect to governance manuals the understanding is that they should not be viewed as blue prints. As OKASEC evolves with the implementation and testing of the manuals, a mechanism should be put in place to re-cast them for further improvements based upon captured experiences and lessons learnt from the actual application.

# 19th OBSC Meeting, 17 November 2008

At the 19th OBSC meeting held in Maun November 17th 2008, status of progress of the Secretariat was reviewed on matters associated with the finalization of the OKACOM governance documents, re-adjustment of the annual work plan into new timelines and securing full functionality of the OKACOM office in terms of physical infrastructure and human resources.

While pending issues related to the OKACOM governance documents were sorted out, the major stumbling block hindering the office functionality was the lack of telephone connection through BTC.

It was agreed to continue to engage with the BTC to resolve the issue.

On the human resources side, recruitment of the Administration Officer was successfully concluded and Office Clerk was in the process of being engaged. The way forward for the recruitment of the Finance Officer was agreed upon, as well as the process of recruiting the Communication and Information Specialist.

At this meeting, SIDA officially communicated to OBSC the final approval of all OKACOM governance documents as well as approval of second disbursement with the funds expected to be on OKACOM accounts by mid December 2008.

A draft programme to undertake an inter-basin exchange study with the Nile Basin Initiative (NBI) was presented and approved.

# PROGRESS WITH FIRST QUARTER OF THREE YEAR PLAN FOR OKASEC

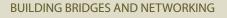
The first year work plan of the Secretariat's operations follows a results based intervention logic aligned with the structure of the three year plan for the consolidation and operations of the Secretariat. It is driven by the defined three year OKACOM development objective: OKACOM supported in integrated management of the OKAVANGO River Basin through the implementation of the 1994 agreement.

The development objective are to be attained through three immediate objectives and operational components areas described as follows:

# Objective 1: Effective administration/highly functional OKACOM operational organs, systems and forum

OKASEC provided all the logistical and programmatic support in preparations for the 15th OKACOM meeting. This included:

- Drafting of official invitation letters and draft agendas, signed by the Hosting Co-Chairperson, and circulated to all meeting delegates
- Compilation of all background documents for the meeting and securing effective translation into Portuguese



UN University chapter – Workshop on Capacity **Development of Transboundary River Basin** Organizations, 10-12 November 2008

On the above dates, the ES participated at International Workshop on "Institutional Capacity Development in Transboundary Basins - Lessons Learned from Practical Experiences". The workshop was jointly organized by the **UN-Water Decade Programme on Capacity Development** (UNW-DPC) and the UNESCO International Hydrological

Programme (UNESCO-IHP), with support of UNECE, GEF and the German Federal Government.

The event was held at BMZ, in Bonn, Germany bringing together up to 45 participants, including water managers, decisionmakers and policy makers from various basins around the world and designed with the following objectives: i/ to share experiences and discuss necessary institutional

arrangements for transboundary water cooperation and ii/ assess institutional capacity development issues and needed specific capacity development activities in the context of transboundary river basins. The ES presented a paper titled: "Transboundary River Basin Management in Southern Africa – the OKACOM initiative" under session 1: Cooperation and joint decision making – between regional bodies, national authorities and other stakeholders.

One of the major outcomes of this participation was the invitation to have the OKACOM paper published in the book of proceedings of the workshop, and an OKACOM delegation represented at the World Water Forum 5 (WWF5) in Istanbul. The paper was co-authored by OBSC members and can be downloaded from the following web

http://www.unwater.unu.edu/file/Proceedings\_ Transboundary.pdf?menu=115



### **BUILDING BRIDGES AND NETWORKING**

# OKACOM-NBI inter-basin exchange programme, 1-12 December 2008

From December 8th to 12th, 2008 a delegation from Nile Basin Initiative (NBI) paid a programmatic visit to the Okavango River Basin Water Commission in the context of an inter-basin exchange study between the two RBOs. Considering that existing or emerging RBOs in sub-Saharan Africa are currently engaged in consolidation of their organizational structures as functional and effective

transboundary legal institutions, the exchange study visit aimed at:

- providing an opportunity for sharing of experiences between the two **RBOs on matters** pertaining to transboundary river management issues
- · exchange of ideas about organizational arrangements and associated transboundary institutional capacity development challenges being experienced by each of the RBOs
- debate on basin specific water resources development and management priorities and environmental management options.

The study programme between OKACOM and NBI was the first African inter-basin exchange study for OKACOM. The activity created a moment of reflection providing more in-depth understanding of how peer organizations perceive the work that OKACOM has been engaged with over the last 15 years. Continued

- Contractual arrangements for simultaneous translation for both equipment and interpreters
- Logistical arrangements for the meeting in terms of accommodation, meeting facilities and travel bookings.
- Logistical and organizational assistance to the Institutional Task Force meeting held to review and refine all pending draft rules and procedures of OKACOM internal organs for OBSC consideration;
- A concept paper on long term sustainability of financing mechanisms for Task Forces and key OKACOM operations
- Assistance in development of draft organogram regulating the linkages and relationships of the various OKACOM organs and stakeholder for **OBSC** considerations
  - Assistance in development of draft procedures for allocation of seconded staff for OBSC considerations.
  - Facilitation in development of preliminary considerations for use of the OKACOM analytical platform, to scrutinize development planning and decision making within the basin (e.g. an AfDB funded agricultural project proposal tabled for OKACOM consideration to inform the best way forward)
  - Jointly with the EFA integrating team and EPSMO project, development of an issues paper to be submitted to OKACOM on the concept of "acceptable development space" in the context of the Okavango basin.



Objective 2: Information relevant to effective and equitable

# management of Okavango Basin (information strategy)

- OKASEC has initiated the dialogue with IRBM on the transfer process of the currently available metadata base developed in association with SADC water sector
- OKASEC is engaged in development of appropriate mechanisms for the metadata base updating process - additional technical inputs will be required from specific expert knowledge, national institutions with a given mandate on specific types of data sets, task forces (e.g. Hydrology, Biodiversity)
- OKASEC is engaged in preliminary discussions on plans for incorporating TDA information into the metadata base.

# Objective 3: Participation of stakeholders in integrated governance of the Okavango Basin

- Mechanisms for consultation with national level fora (NCUs) still under preparation
- OKASEC is engaged in preparations of the draft programme for stakeholder analysis workshop in collaboration with KCS and NNF (ACADIR still to involved) - preliminary draft TORs for the assignment have been developed
- OKASEC is engaged in preliminary discussions on options to submit the ERP project proposal within the framework of a basket funding to

Left: Harvesting of floodplain grasses, Okavango Delta Panhandle Right: Yellowbilled storks at a heronry, Okavango Delta

SIDA – discussions have been undertaken with KCS and NNF (e.g. possible submission to be done by OKACOM to appoint OKASEC as fund manager).

# Component 4: Secretariat management and operations

- The Finance Officer was recruited and start-up of duties initiated in February 16th 2009
- Training of the Finance Officer on specialized accounting software was conducted in March 2009
- Progress narrative report was produced, covering the extended start-up phase and first quarter of half year implementation of OKASEC work plan, as part of the background

documents for the 15th OKACOM meeting

- Financial reports were produced for the start-up closing period (November 2008) and first quarter of implementation phase (December 2008 to March 2009)
- Transfer of financial management portfolio from KPMG to OKASEC is in progress awaiting final acquisition of Pastel Software by mid May 2009.

# Component 5: Secretariat outreach actions

- OKASEC is engaged in the local organising committee for the upcoming International Flood Pulse Symposium being lead by **HOORC**
- OKASEC participated at the IRBM ceremonial inauguration of solar panels at Kaziikini community campsite jointly attended by the US Ambassador to Botswana and the Botswana Co-Chairperson to OKACOM in his capacity as the Permanent Secretary in the Ministry of Minerals, Energy and Water Resources
- OKASEC also co-participated with IRBM in the handing over of materials to Mucusso community in Angola and official closing of the current IRBM assistance to the community
- Links are already being established with HOORC for the development and implementation of the proposed OKACOM seminar series

# Component 6: OKACOM exchange visit programme

• Although not initially planned for the current reporting period, OKASEC facilitated participation of an OKACOM team that attended the World Water Forum 5 in Istanbul. OKACOM featured in session 6.1.2. on capacity development for RBOs convened by the United Nations University and UNESCO Water Decade Programmme.

# Component 7: Vehicle acquisition

- The official OKASEC vehicle has finally been acquired
- Vehicle running and maintenance systems are being put in place.

# Others

• The US Ambassador to Botswana paid a courtesy visit to OKASEC to familiarize himself with inputs to OKACOM made by USAID

#### **BUILDING BRIDGES AND NETWORKING**

Despite the differences in geographical contexts, socioeconomic and political realities, it became apparent that there are significant similarities associated with the types of challenges and opportunities that RBOs are currently facing.

> The final outcome of the week long programme with a mix of sessions of questions and answers, debates inside and outside office rooms, and exposure to field realities of the working environment, re-energized both delegations creating encouragement for higher levels of performance in the delivery of their proposed missions.

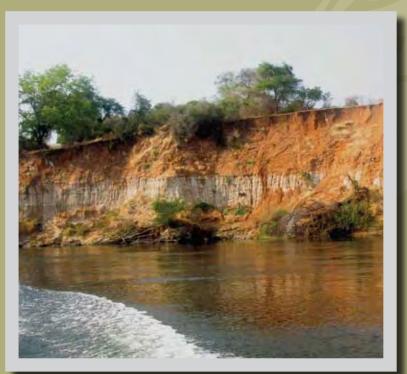
Details of the NBI-**OKACOM** exchange study programme were captured in a special report and a

video documentary covering the different segments of the event, available in a set of six DVDs.



- through the IRBM project. The visit was honored with the presence of Mr. Gabaake Gabaake in his capacity as the OKACOM Botswana Co-Chairperson
- In line with OKACOM commitment to co-participate in the organization of the Flood Pulse International Conference being lead by HOORC, the ES attended a number of meetings of the local organising committee including the closing workshop session of the Darwin Initiative project, "Monitoring Threats to Aquatic Biodiversity in the Okavango Delta".

ANALYSIS OF IMPLEMENTATION OF THE THREE YEAR PLAN FOR OKASEC



The implementation phase has just started with only three months of activities. It is noted that only the initial steps of the activity plan have been dealt with and, as OKASEC peaks with implementation, more concrete deliverables will emerge by the end of the semester.

The first year of OKASEC's implementation of its work plan that was initially scheduled to start on June 2008 to May 2009, was delayed for about six months. Given that the second disbursement materialized only in mid December 2008, the revised work plan dated December 2008 as the start-up date of the implementation of the three year plan for the consolidation and operations of the Secretariat.

This in principle calls for a revision

of the reporting calendar as captured in the agreement document between SIDA and OKACOM. It might have implications for the definition of the actual closing time given that as per current conditions the three year time span for the programme will only be concluded in November 2011 instead of May 2010.

#### IN SUMMARY

Despite the challenges faced by OKACOM, the simple fact that the Secretariat has been established in Maun is creating a positive response in the part of major OKACOM stakeholders at different levels. High expectations have been raised for visible OKACOM actions towards actual implementation of the 1994 agreement. OKASEC is constantly receiving a wide range of requests from national, regional and international stakeholders to be associated with a variety of initiatives in the basin. Scholars and researchers at national, regional and international levels are continuously requesting to be associated with OKACOM on research initiatives or internship programmes. OKACOM sister

organizations, for example, (ORASECOM, ZIMCOM, Pungwe Basin) have requested the OKACOM governance documents to be used as references for the development of their own similar products. A very recent special request was made by the African Development Bank (AfDB) to be given a slot at the 15th OKACOM meeting to present an agricultural development proposal within the Okavango basin to get feedback on the viability of the proposed initiative.

If, on one hand, this trend can be seen as a positive response to OKACOM institutional development, on the other, it calls for additional investment in OKACOM institutional capacity development to effectively respond



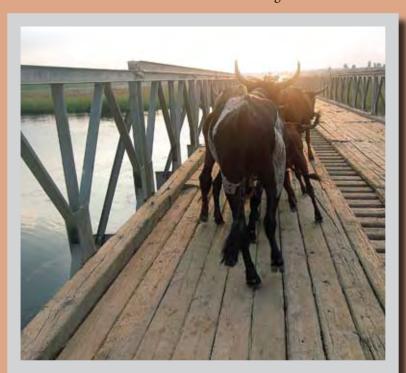
to such challenges. OKACOM will need to keep performing to these raised levels of expectations. This will require not only the political will but, most and foremost, the institutional strategic leadership, the technical capacity in critical areas of relevance and the ability to mobilize resources and engage in concrete problem solving associated with transboundary river management issues facing the Okavango River Basin.

Finally, it is also noted that across the region and Africa in general, different RBOs are adopting different approaches to development. Some of them are more focused in contracting out and implementing large joint infrastructural projects on the ground (e.g. the NBI) even without yet having a final legal political binding agreement for transboundary cooperation. In the case of OKACOM, major efforts are being devoted to the consolidation of the political will and establishment of solid institutional foundation for its operations. OKACOM also opted for primarily conducting a TDA to inform the SAP and future development interventions in the basin. Those differences are certainly driven by subregional geopolitical contexts and basin specific issues. Cross-fertilization of ideas and experiences amongst the various approaches and models to RBOs' development are therefore required and recommended.

etails of financial performance in terms income and expenditures, over the reporting period and broken down into the various budget items and split into the two reporting components, are provided in special financial reports. KPMG, as the contracted finance manager for the start-up phase, assisted in establishment and management of the finance system for OKACOM. Highlights of key aspects of the budget follow-up are discussed below:

# Budget follow-up start-up phase Period as at June 2008 to November 2008

• According to the Statement of Revenue and Expenditure for the start-



- up phase which ended November 2008, we exceeded the budgeted by 15%. An amount of \$356,523 was budgeted for, which comprised of both SIDA and USAID contributions.
- From the SIDA contribution of \$259,637, an amount of \$259,032.81 was spent, with a balance of \$604.19.
- USAID budgeted a contribution of \$96,886 and spent \$153,511.70, resulting in an overspending of \$56 625.70.
- It should be noted that, though savings were made on the SIDA contribution, there were several commitments made that were not paid at the end of the period. These included accounting and financial services rendered by KPMG Advisors & Auditors, some advance made from ARD etc.

These were expected to be paid upon receipt of the next disbursement from SIDA.

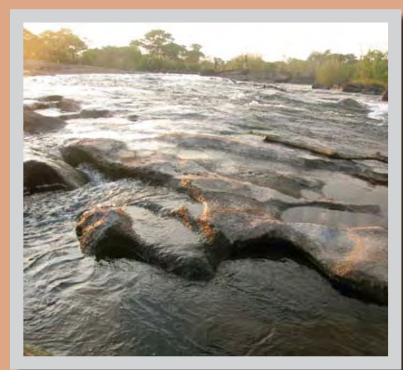
• There was an overspending of 8% on the Secretariat Recurrent Costs. This was because most of the expenses were under budgeted for, e.g., lodging expenses, ES mobilisation costs, etc. There are also a few of the expenses that were not budgeted for, e.g., bank charges, November 2008 salaries and forex translation i.e. (USD to BWP).

# Budget follow-up implementation phase Period as at December 2008 to March 2009

- It is evident from the Financial Report that most of the expenditure budget for the 'Objectives and Targets' budget lines was not expended. Under Objective 1 'OKACOM Decisions Well Informed' about 1% of the budget was expended as at March 2009. This is due to the slow start of activity implementation as we are still at the beginning stage (first quarter). In fact, this budget line expenditure is mostly associated with the upcoming 15th OKACOM meeting to be held in May 2009 still under preparations.
- An estimated amount of about \$28000 is committed to cover the 15th OKACOM meeting, this expense line was under budgeted for, a negative variance is expected.
- It is also noted that as for Objectives 2 and 3, 100% of the budget was

Left: Nundu Lodge, Divundu, Namibia Right: Cattle on bridge, Cuito Cuanavale, Angola Following page: Lyapeca Rapido 6 on Cuebe River, Angola

- not expended. This is because the Implementation Phase has just started and most of the tasks are still at the planning stage not requiring yet real financial input at this point.
- The budget line for Office Vehicle and Equipment has been utilised efficiently. 74% of the budget was expended. This indicates a relatively positive saving of 26%.
- The amount of \$124,253 was budgeted for Secretariat Recurrent Costs. About 52% of this amount has been expended as at period end of March 2009. It should, however, be noted that some of the expenditures had negative variances e.g., staff recruitment costs for the Communications and Information Specialist. The expenditure was under budgeted for.
- The Salaries and Benefits expenditure also is expected to have a negative variance. It should be noted that the November 2008 salaries were not budgeted for; therefore a different budget line was used to cover the costs, which was then settled when the December 2008 disbursement was received. It therefore means that there will be a negative variance as at period end May 2009, because of the outstanding two months salaries. Approval will have to be sought, to use another budget line for the salaries (Administration Officer and Executive Secretary).
- An overall 56% of the approved budget of \$246,978 (for the 6 months period Dec 08 to May 09) was expended within the 4 months of the Implementation Phase.



he Executive Committee of The Permanent Okavango River Basin Water Commission (OKACOM) is responsible for the statement of cash receipts and disbursements and all other information presented herewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of statement of cash receipts and disbursements in accordance with the accounting policies of OKACOM.

OKACOM maintains systems of internal control which are designed to provide reasonable assurance that the records accurately reflect the transactions and to provide protection against serious misuse or loss of OKACOM's assets. The Executive Committee is also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Executive Committee to indicate that any significant breakdown in the functioning of these systems has occurred during the period under review.

Our external auditors conduct an examination of the statements of cash receipts and disbursements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Executive Committee.

COMMISSIONER

# INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE

OF THE PERMANENT OKAVANGO RIVER BASIN WATER COMMISSION

PRICEWATERHOUSE COPERS @

# peport on the Statement of Cash Receipts and Disbursements

We have audited the accompanying statement of cash receipts and disbursements of The Permanent Okavango River Basin Water Commission, set out on page 25 for the ten month period ended 31 March 2009, and a summary of significant accounting policies and other explanatory notes.

# The Executive Committee's Responsibility

The Executive Committee is responsible for the preparation and fair presentation of this statement in accordance with the cash receipts and disbursements basis as described in note 1.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of statement of cash receipts and disbursements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on this statement of cash receipts and disbursements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the statement of cash receipts and disbursements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of cash receipts and disbursements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement of cash receipts and disbursements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the statement of cash receipts and disbursements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying statement of cash receipts and disbursements present fairly, in all material respects, the revenue received and expenses paid by The Permanent Okavango River Basin Water Commission during the ten month period ended 31 March 2009 in accordance with the cash receipts and disbursements basis as described in note 1.

05 June 2009 **GABORONE** 

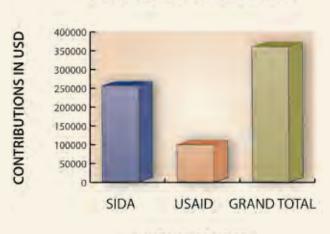
trices tehen cooper CERTIFIED PUBLIC ACCOUNTANT

	Note	2009 USD	13 month period ended 31 May 2008 USD
Receipts			
Donations	4	300,000	359,100
Interest income		19	787
Gain on foreign currency exchange		1,311	-
D!-b		301,330	359,887
Disbursements		2.267	12.624
Accounting fees		2,367	12,624
Bank charges		616	354
Car rentals		3,389	17.622
Computer equipment	2	11,698	17,623
Insurance		2,046	- 1.4
Interest charges		-	14
Legal expenses		-	27,512
Loss on foreign currency exchange Motor vehicles	2	- 40,921	5,862
Office expenses	2		-
Office furniture	2	4,595 6,281	- 22,261
Office renovation	2	0,201	60,563
Procedure manual charges		-	9,525
Professional fees		3,834	81,265
Reimbursement expenses-		3,034	01,203
Angolan Government		_	1,215
Relocation allowance			5,000
Repairs and maintenance		952	5,000
Salaries and staff welfare		89,680	42,080
Staff recruitment		3,839	72,000
Telephone and fax		937	157
Travel, accommodation and subsistence		18,568	32,064
Vehicle running costs		192	32,00 <del>-</del>
Workshop and meeting		677	3,936
workshop and meeting		077	3,730
Total disbursement	5	190,592	322,055
Net increase of cash receipts		110,738	37,832
Cash balance at beginning of the period		37,832	-
Cash balance at end of the period		148,570	37,832
REPRESENTED BY:			
Cash and bank balance		148,570	37,832
Cush alla palik palance		170,370	31,032

# **EXPENDITURE SCHEDULE FOR** PERIOD ENDING NOVEMBER 2008



# **OKACOM CONTRIBUTION SCHEDULE PERIOD ENDING NOVEMBER 2008**



**FUNDING SOURCE** 

### 1 Basis of preparation

The statement of cash receipts and disbursements has been prepared on the cash basis of accounting with receipts and disbursements being accounted for when cash is received and disbursed respectively. The statement of cash receipts and disbursements are presented in **US** dollars

# 2 Property, plant and equipment

Property, plant and equipment are not capitalised but are written off to expenditure in the year of purchase

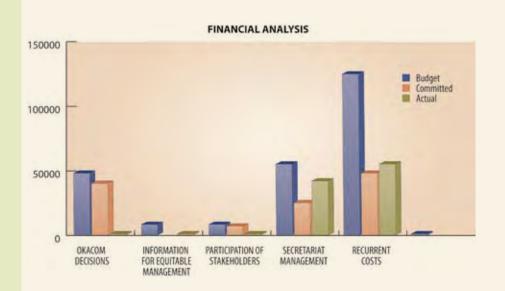
### 3 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the average exchange rate for the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets at year-end denominated in foreign currencies are recognised in the statement of cash receipts and disbursements.

#### 4 Donations received

	2009 USD	13 month period ended 31 May 2008 USD
Received during the period from SIDA Received during the period from USAID	300,000	208,880 150,220
necerved during the period from 657 lb	300,000	359,100
5 DISBURSEMENTS		
Recruitment of Secretary General and other staff		
Air travel expenses - Interviews	3,771	11,430
Lodging expenses - Interviews	67	2,660
	3,839	14,090
Financial management and		
accounting system		
Accounting system set up	1,443	4,763
Financial management services	-	7,861
Procedure manual - FM	-	4,763
Procedure manual - Procurement		4,763
	1,443	22,150
Mobilisation and current costs		
Administration salaries	23,550	-
Auditing expenses	3,834	-
Bank charges	616	354
Car rental	3,389	-
Car transfer - Zimbabwe to Maun	-	599
Deposit for telephone line	-	157
ES mobilisation costs-airfare to Maun	505	2,077
ES support-salary and benefits	66,129	42,080
Interest paid	-	13
Loss on foreign currency exchange	-	5,862
Meetings and conferences-hosting	677	-
Per diems for mobilisation phase	549	3,148
Per diems for OBSC delegates	-	2,520
Reimbursement expenses-		
Angolan Government	-	1,215
Relocation allowance	-	5,000
Secretariat launch	-	4,250
Transport for USAID furniture	1,336	797
Travel and per diem	17,514	-
Travel costs to OBSC	-	783
Visa and exemption processing for ES		1,643
	118,100	70,498

	2009 USD	13 month period ended 31 May 2008 USD
5 DISBURSEMENTS - continued		
Professional Services		
ISS administration services	-	39,459
ISSN technical services	-	12,622
Legal advice		27,512
Management supervision	924	29,183
RBO workshop	-	3,936
Travel and per diem		2,158
	924	114,870
Office running costs		
Cleaning and office consumables	282	-
Computer maintenance	816	-
Courier and postage	25	-
Electricity	264	
Salaries-temporary staff	1,348	-
Motor vehicles costs	192	-
Motor vehicle insurance	2,046	-
Repair and maintenance	136	-
Security system	117	-
Stationary and office supplies	1,223	-
Telephone and fax	937	-
	7,387	-
Other		
Computer equipment	11,698	17,623
Motor vehicles	40,921	-
Office equipment	6,281	22,261
Office renovation		60,563
	58,900	100,447
TOTAL DISBURSEMENTS	190,592	322,055



efinition of milestones for a given process is not that simple. If inadequately defined, the projected milestone may emerge without necessarily meaning that the process has been concluded. Milestones have to be defined within the context of the full scope of objectives of a given process (e.g. start-up phase). Time and resources required to establish organizational pillars can in some cases, be easily under-estimated.

Budgeting of resources to implement a plan of action is critical for effective realization of intended actions. It became apparent that the budgeting process for the start-up phase was not sufficiently adequate. This created the need to re-allocate budget lines and re-prioritize elements. From the trade-offs generated by this exercise, some elements



of the start-up phase have been sacrificed for the benefit of other elements (e.g. office renovation vs. office vehicle acquisition). Associated with this, even now that all governance documents have been approved and the start-up phase has been concluded, OKASEC still needs to resolve pending office infrastructure issues.

Partnerships and interaction with key stakeholders: some of the constraints faced by the start-up phase were effectively dealt with as a result of a genuine support and involvement of interested partners. IRBM and USAID demonstrated a great disposition to assist with whatever they found appropriate to alleviate negative pressures in the implementation of the start-up phase in the form of donations,

financial advances whenever required, technical assistance, etc.

*Flexibility* with respect to contractual agreements; on various occasions, requests were made to readjust the approved budget for the start-up phase. Based on mutual understanding, SIDA, both in Maputo and Stockholm, provided guidance on how best to address such changes without infringing the terms of the agreement.

On the institutional arrangements for the financial management of the start up phase it should also be noted that having the main OKASEC office in Maun while the finance management unit was located some 900 km away, did prove to have its own challenges as well.

Stability of OKASEC professional staff: it is noted that most of the professional staff of the Secretariat has been recruited from outside Maun. This creates specific challenges in terms of housing arrangements given that current demands are much higher then available supply. The experience indicates that new recruits may take a while to settle their accommodation. It has been also noted that, due to professional reasons, most of the OKASEC staff tend to leave their families behind either in Gaborone or elsewhere. In the long run, this may create some levels of staff instability with possible implications for productivity and rate of staff turn-over.

mplementation of the start-up phase constituted an important learning process, not only for OKACOM but for the all RBOs in southern Africa, in understanding what it takes to set up the institutional foundations for effective operation of river basin commissions. Each RBO has its own specific realities; however, there are some generic parameters of institutional and organizational arrangements that can constitute a common denominator for basin organizations. Issues such as sustainable funding, organizational/institutional models and governance procedures are of critical importance for effective functionality of river basin organizations.

Ongoing regional dynamics in establishment and consolidation of RBOs in southern Africa are creating an appropriate forum for cross

fertilization of ideas and exchange of experiences that is proving to be very helpful in the crystallization of RBOs. Ongoing processes driven by SADC and ICPs engaged in water resources management are providing the required technical and financial support for the successful development of RBOs. Support strategies should be informed by the experiences on the ground being faced by existing RBOs.

The support process should be flexible rather than imposing a top down approach based on mechanical transfer of models learnt elsewhere or captured from text books. Direct engagement with other RBOs and understanding the nature of challenges faced on the ground should be the guiding principle in distilling and capturing lessons to



inform future development and consolidation of the RBO movement in the region. There is a need for existing RBOs to capture and document their own history and build up the necessary institutional memory to inform future planning and decision making.

# **ACRONYMS**

AfDB - African Development Bank

**BTC** - Botswana Telecommunications Corporation

**EPSMO** - Environmental Protection and Sustainable Management of the Okavango Project

**ES** - Executive Secretary

**GTZ** - German Technical Cooperation Agency

**HOORC** - University of Botswana Harry Oppenheimer Okavango Research Centre

HTF - Hydrological Task Force

**ICP** - International Cooperating Partners

ICPDR - International Commission for the Protection of the Danube River

ICT - Information and Communication Technology

IRBM - Integrated River Basin Management

**ISS** - Interim Secretarial Services

ITF - Institutional Task Force

KAZA - Kavango Zambezi Transfrontier Conservation Area

**LIMCOM** - Limpopo River Basin Water Commission

**MoU** - Memorandum of Understanding

**NBI** - Nile Basin Initiative

**OBSC** - Okavango Basin Steering Committee

**OKACOM** - Permanent Okavango River Basin Water Commission

**OKASEC** - OKACOM Secretariat

**ORASECOM** - Orange-Sequ River Basin Water Commission

**PWHC** - PriceWaterhouse Coopers

**RBO** - River Basin Organization

**SADC** - Southern Africa Development Community

SAP - Strategic Action Programme

SIDA - Swedish International Development Agency

**TDA** - Transboundary Diagnostic Analysis

**UNDP** - United Nations Development Programme

**UNECE** - United Nations Economic Commission for Europe

**UNW-DPC** - United Nations Water Decade Programme

**USAID** - United States Agency for International Development

**ZAMCOM** - Zambezi River Basin Water Commission

TABLE 1: CONTRIBUTION OF BASIN COUNTRIES TO ANNUAL INFLOW IN THE OKAVANGO BASIN

Country	Average annual river inflows (Mm³)	% Annual inflow	% Basin area con- tributing to annual inflows
Angola	9,320.5	94.5	38.7
Botswana	256.4	2.6	3.8
Namibia	286.1	2.9	4.1
Total	10	100.0	46.6

Source: Ashton & Neal 2003

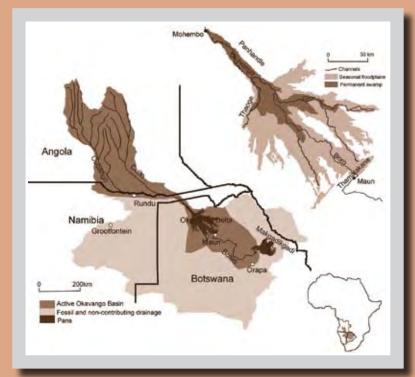
he Okavango river basin covers a hydrologically active area of approximately 323 192 km<sup>2</sup> shared by three countries in southern Africa: Angola, Namibia and Botswana. (Source: FAO Corporate Document Repository).

The Okavango River is the fourth longest river system in southern Africa, running for 1,100 km from central Angola, as the Kubango, through Namibia to the Kalahari in Botswana. The river flows from an elevation in Angola of 1 780 metres to 980 metres in Botswana. Several rivers become one as the water moves south and east, branching again when it reaches and ends in the Okavango Delta, one of the largest freshwater inland wetlands on the planet. The river delivers about

> 10 cubic kilometres of surface flow into the Delta system per annum. The Okavango River and Delta are together an example of a complex flood pulse cycle that feeds and supports ecological and social systems in the southern Africa region.

In terms of contribution to the average annual inflows to the Okavango basin system, there are substantial differences among the three countries, with Angola contributing by far the most. These values are summarized in Table 1.

The Basin is home to about 600 000 people and has only three major urban centres: Menongue in Angola, Rundu in Namibia and Maun in Botswana.



Source: Wolski, HOORC 2009

TABLE 2: COMPARISON WITH OTHER INTERNATIONAL RIVER BASINS

	Okavango catchment	Mekong	Nile	Kagera sub-basin	Zambezi
Hydrologically active basin area (km2)	323,192	822,200	3,349,000	59,000	1,360,000
Annual flow (km3)	10	495	84	8	100
River length (km)	1,100	4,800	6,671	700	3,000
Population in basin (millions)	600,000	60	160	13.6	31.7
Riparian countries	3	6 (4 in MRC)	10	4	8

#### **OKACOM CONTACTS**

# **COMMISSION MEMBERS**

#### ANGOLA

Eng. Armindo Gomes Mario da Silva (OKACOM Co-Chairperson/General Director GABHIC (Cunene River Basin Authority), State Secretariat for Water - armindogsilva@gmail.com Mr. Isidro Pinheiro (OKACOM Commissioner/National Director for International Relations - State Secretariat for Water) - ipinheiro49@yahoo.com.br

#### **BOTSWANA**

Mr. Gabaake Gabaake (OKACOM Co-Chairperson/Permanent Secretary - Ministry of Mineral, Energy and Water Resources) - ggabaake@gov.bw

Mr. Boikobo Paya (OKACOM Commissioner/Deputy Permanent Secretary (Water) - Ministry of Mineral, Energy and Water Resources) - bpaya@gov.bw

Mr. Steve Monna (OKACOM Commissioner/Director - Department of Environmental Affairs) - smonna@gov.bw

#### **NAMIBIA**

Mr. Andrew Ndishishi (OKACOM Co-Chairperson/Permanent Secretary - Ministry of Agriculture, Water and Forestry) - ndishishia@mawf.gov.na

Mrs. Erica Akuenje (OKACOM Commissioner/Deputy Permanent Secretary - Ministry of Environment and Tourism) - eakuenje@met.gov.na

Mr. Abraham Nehemia (OKACOM Commissioner/Under Secretary Water and Forestry, Ministry of Agriculture, Water and Forestry) - nehemiaa@mawf.gov.na

#### **OBSC MEMBERS**

#### **ANGOLA**

 $Mr.\ Isidro\ Pinheiro\ (OBSC\ Co-Chairperson/National\ Director\ for\ International\ Relations-State\ Secretariat\ for\ Water)-ipinheiro\ 49@yahoo.com.br$ 

Mr. Carlos Andrade (GABHIC, State Secretariat for Water) - carlosandrade@gabhic.gv.ao Mr. Paulo Emilio Mendes (Department for Water Resources) - pauloemilio\_pm@hotmail.com

#### **BOTSWANA**

Ms. Portia Segomelo (OBSC Co-Chairperson/Deputy Director - Department of Environmental Affairs) - PSegomelo@gov.bw

Ms. Tracy Molefi (National Coordinator, RBOs - International Waters Unit/Ministry of Minerals, Energy and Water Resources) - trsmolefi@gov.bw

Mr. Kalaote Kalaote (Chief Water Engineer Department of Water Affairs) - kkalaote@gov.bw

## NAMIBIA

Ms. Florence Sibanda (OBSC Co-Chairperson/Deputy Director - Ministry of Agriculture, Water and Forestry) - sibandaf@mawf.gov.na

Ms. Laura Namene (Chief Water Quality Specialist/ Ministry of Agriculture, Water and Forestry) - namenel@mawf.gov.na

Mr. Matheus Katjimune (Chief Geo-Hydrologist/ Ministry of Agriculture, Water and Forestry) - katjimunem@mawf.qov.na

Ms. Pauline Mufeti (Chief Hydrologist/Ministry of Agriculture, Water and Forestry) - mufetip@mawf.gov.na

# **OKACOM SECRETARIAT**

Dr. Ebenizário Chonguiça (Executive Secretary) - ebenc@okacom.org

Ms. Monica Morrison (Communications and Information Specialist) - monica@okacom.org

Ms. Motsei Tiego (Finance Officer) - motsei@okacom.org

Mr. Thato Pilane (Administration Officer) - thato@okacom.org

Ms. Olerato Ramodimo (Office Clerk) - olerato@okacom.org

# **EPSMO PROJECT**

 $\label{lem:manager} \begin{tabular}{ll} Mr. Chaminda Rajapakse (Project Manager NRLW-FAO Rome) - chaminda.rajapakse@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino@fao.org Mr. Manuel Quintino (National Project Officer NRLW-FAO Rome) - manuel.quintino (Mational Project NRLW-FAO Rome) - manuel.quintino (Mati$ 

#### **TASK FORCES**

### **Hydrological Task Force**

#### Angola

Mr. Narciso Ambrosio — Department of Water Resources Mr. Francisco Miguel — Department of Water Resources Mr. Paulo Emilio Mendes — Department of Water Resources

#### Botswana

Mr. Kalaote Kalaote — Department of Water Affairs Mr. Olebeng Balapi — Department of Water Affairs Mr. Baemedi Letsholathebe — Department of Water Affairs

#### Namibia

Mr. Guido Langenhove — Ministry of Agriculture, Water and Forestry Ms. Pauline Mofeti — Ministry of Agriculture, Water and Forestry Ms. Cynthia Ortmann — Ministry of Agriculture, Water and Forestry Mr. Victor Lehmann — Ministry of Agriculture, Water and Forestry

# INSTITUTIONAL TASK FORCE

#### Angola

Mr. Isidro Pinheiro — State Secretariat for Water Mr. Pedro Kanjimbo — State Secretariat for Water Mr. Joaquim Tavares — State Secretariat for Water

#### **Botswana**

Ms. Portia Segomelo — Department of Environmental Affairs Ms. Tracy Molefi — Ministry of Minerals, Energy and Water Resources Ms. Nancy Kgengwenyane —

Ministry of Minerals, Energy and Water Resources



OKASEC staff

### Namibia

Mr. Manikasu Christopher — Ministry of Agriculture, Water and Forestry Mr. Franciskus Witbooi — Ministry of Agriculture, Water and Forestry

### **BIODIVERSITY TASK FORCE**

#### Angola

Mr. Carlos Andrade — State Secretariat for Water Mr. Jorge David — Ministry of Agriculture Ms. Marta Alexandre — Ministry of Environment

#### Botswana

Dr. Nkobi Moleele — BIOKAVANGO Project, University of Botswana HOORC Mr. Sekgowa Motsumi — Department of Environmental Affairs Dr. Cyril Taolo — Department of Wildlife and National Parks

# Namibia

Mr. Colger Sikopo — Ministry of Environment and Tourism
Mr. Michael Otsub — Ministry of Agriculture, Water and Forestry
Mr. Kevin Roberts — Ministry of Agriculture, Water and Forestry
Ms. Alushe Hitula — Ministry of Fisheries and Marine Resources













