

**THE NILE BASIN DISCOURSE (NBD)
NILE COOPERATION FOR CLIMATE RESILIENCE (NCCR) PROJECT
FINANCED BY WORLD BANK-CIWA GRANT NO. P172848
ANNUAL REPORT AND PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

TABLE OF CONTENTS		PAGE
1.	Acronyms and Abbreviations.....	1
2.	Organization & Project Information.....	2
3.	Management Report.....	3-14
4	Objectives of the Audit.....	15
5	Scope of the Audit.....	15-16
6	Statement of Directors' Responsibilities.....	17
7	Report of the Independent Auditor to the Members of Nile Basin Discourse.....	18-20
8	Statement of Income and Expenditure.....	21
9	Statement of Fund Balance.....	22
9	Significant accounting policies.....	23-24
10	Notes to the Project Financial Statements.....	25-28
11	Report of the Independent Auditor on the Special Account Operations.....	29
12	Statement of Special Account Reconciliation.....	30
13	Auditor's Report on Management Compliance	31
12	Report of Factual Findings in Connection with the Interim Financial reports.....	32

1. ACRONYMS AND ABBREVIATIONS

AWP	-	Annual Work Plan
CIWA	-	Cooperation in International Waters in Africa
COM	-	Council of Ministers
COP	-	Conference of Parties
CSO	-	Civil Society Organization
ENCOM	-	Eastern Nile Council of Ministers
ENTRO	-	Eastern Nile Technical Regional Office
FGDs	-	Focus Group Discussions
GAAPs	-	Generally Accepted Accounting Principles
ISA	-	International Standard on Auditing
ISM	-	Implementation Support Mission
LVBC	-	Lake Victoria Basin Commission
M&E	-	Monitoring and Evaluation
MEL	-	Monitoring, Evaluation and Learning
MoU	-	Memorandum of Understanding
NBD	-	Nile Basin Discourse
NBI	-	Nile Basin Initiative
NCCR	-	Nile Cooperation for Climate Resilience
NELCOM	-	Nile Equatorial Lakes Council of Ministers
NEL-SAP CU	-	Nile Equatorial Subsidiary Action Program Coordination Unit
NDFs	-	National Nile Discourse Forums
NGOs	-	Non-Governmental Organizations
Nile-Sec	-	Nile Basin Initiative Secretariat
NTSEs	-	National Technical Support Experts
PAYE	-	Pay as You Earn
PFs	-	Project Financial Statements
NSSF	-	National Social Security Fund
PDO	-	Project Development Objective
TACs	-	Technical Advisory Committees
UGCs	-	User Generated Contents
WB	-	World Bank
US\$	-	United States Dollar
UGX	-	Uganda Shillings

2. ORGANISATION & PROJECT INFORMATION

BOARD OF DIRECTORS

No.	Name of NDF	Name	Title
1.	Rwanda Nile Discourse Forum	Ms. Verdiane Nyiramana	NBD Chairperson
2.	South Sudan Nile Discourse Forum	Rev. Peter Mawa Sebastian Lasu	Vice Chair Chairperson
3.	Uganda Nile Discourse Forum	Ms. Agnes Gyaviira Namusiitwa	Treasurer
4.	Kenya Nile Discourse Forum	Mr. Joseph Peter Ngome	Secretary General
5.	Burundi Nile Discourse Forum	Mr. Gérard Nizigiyimana	Board Member
6.	DRC Nile Discourse Forum	Ms. Thérèse Kakule Katungu	Board Member
7.	Egypt Nile Discourse Forum	Ms. Ghada Ahmadein	Board Member
8.	Ethiopia Nile Discourse Forum	Ms. Aynalem Ashebir	Board Member
9.	Sudan Nile Discourse Forum	Ms. Nazik Dafalla	Board Member
10.	Tanzania Nile Discourse Forum	Mr. Christian Byamungu	Board Member

CO-OPTED MEMBERS

No.	Name Of NDF	Name	Title
1.	Egypt Nile Discourse Forum	Ms. Mai Elshafei	Cluster 1 Representative
2.	Uganda Nile Discourse Forum	Ms. Faith Namansa Balaba	Cluster 2 Representative
3.	Rwanda Nile Discourse Forum	Ms. Jeanne d'Arc Baranyizigiye	Cluster 3 Representative

EXECUTIVE COMMITTEE

No.	Name	Title
1	Ms. Verdiane Nyiramana	Chairperson
2	Rev. Peter Sabastian Mawa	Vice Chairperson
3	Mr. Joseph Peter Ngome	Secretary General
4	Ms. Agnes Gyaviira Namusiitwa	Treasurer

NBD SECRETARIAT PROJECT STAFF

No.	Name	Title
1	Ayenew Tessera Fenta	Acting Regional Manager & Regional Monitoring and Evaluation Officer
2	Herbert Wairugala	Regional Finance and Administration Officer
3	Jennifer Kurubeija	Regional Program Administrator
4	Mathias Nyanzi	Regional ICT and Social Media Officer

BANKERS

Stanbic Bank Uganda Limited
 Entebbe Branch
 P.O. Box 7131
 Kampala, Uganda

INDEPENDENT AUDITOR

PKF Uganda
 Certified Public Accountants
 Plot 1B, Kira Road
 P.O. Box 24544 Kampala, Uganda.

3. MANAGEMENT REPORT

3.1 Background

The Nile Basin Discourse (NBD) is an independent voice of grassroots people with over 600 CSO members. It links communities in 10 countries along the Nile with local and national governments as well as with intergovernmental organizations, informing and enriching projects, programs & policies at national and trans-boundary levels. It is a civil society network established in 2003 to strengthen civil society participation in NBI development projects, processes, programs and policies. Its member organizations are local and national CSOs/NGOs working and advocating on a range of issues relevant to Nile cooperation including but not limited to: climate security, environmental conservation, agriculture, energy, gender equity, livelihoods, poverty reduction, and other related fields. The CSOs/NGOs are members of chapters at national levels referred to as National Nile Discourse Forums (NDFs) established in each of the 10 Nile riparian states.

The NBD provides national and regional fora for dialogue on Nile issues to strengthen the influence of civil society in cooperative development and management of the water resources in the Nile Basin.

3.2 Key Initiatives

The Nile Basin Discourse (NBD) received US\$750,000 (Seven Hundred Fifty Thousand USD) from the Cooperation in International Waters in Africa (CIWA), a Trust fund administered by the World Bank (WB) under the project titled: "Nile Cooperation for Climate Resilience (NCCR) (P172848)." The NBD commenced the NCCR project in 2022 with the aim of strengthening stakeholder engagement to improve cooperation on and understanding of water resource management, specifically on two thematic areas (*flood and drought risk mitigation and leveraging platform for cooperation*), and two crosscutting issues (*Gender and communicating Benefits of cooperation and risks of non-cooperation*).

3.2.1 NCCR project Thematic Areas and NBD's role

The Nile Cooperation for Climate Resilience (NCCR) Project is a Five-Year (2021-2025) project that aims to improve mechanisms for cooperation on water resources management and development in the Nile Basin. The project is jointly implemented by the Nile-Sec, ENTRO, NELSAP-CU, LVBC, and NBD.

3.2.2 Project components and Thematic Areas:

The project has 5 components and 5 Thematic Areas and two cross cutting issues.

Project components:

1. Component 1: Advancing Nile Basin-wide Cooperation (Nile-Sec)
2. Component 2: Improving Mechanisms for Cooperation in the Equatorial Lakes (NELSAP)
3. component 3: Improving Mechanisms for Cooperation In the eastern Nile (ENTRO)
4. Component 4: Water Quality in the Lake Victoria sub-basin (LVBC)
5. Component 5: Enhancing Stakeholder Engagement in the Nile Basin (NBD)

Project Thematic Areas:

1. Thematic Area 1: Platform for cooperation, coordinated by Nile Sec
2. Thematic Area 2: Flood and drought risk mitigation, coordinated by ENTRO
3. Thematic Area 3: Dam safety capacity building, coordinated by NELSAP-CU
4. Thematic Area 4: Water quality investment planning and prioritization, coordinated by LVBC
5. Thematic Area 5: Innovative information services for climate-resilient investment planning, coordinated by Nile-Sec.

MANAGEMENT REPORT Continued...

NBD is responsible for Component 5 (Enhancing Stakeholder Engagement in the Nile Basin) and is engaged in Thematic Areas 1 and 2; as well as cross cutting issues of engendering the NCCR and communicating benefits of cooperation and risks of non-cooperation.

3.2.3 Thematic Area 1: Leveraging platforms and forums:

Under this thematic area, NBD is to organize and/or use existing ranges of platforms for facilitating inclusive stakeholder dialogue, and/or communicating benefits of cooperation and risks of non-cooperation for increased understanding of stakeholders for enhanced transboundary cooperation in the Nile Basin. NBD is to leverage on Council of Ministers (COM) and Technical Advisory Committee (TAC) platforms, Nile Days and other Platforms to contribute to dialogue towards decision making on key water management challenges of the Nile Basin by bringing civil society perspectives, approaches and experiences from the ground for uptake policy formulation and decision-making by the COMs, TACs, and other similar entities.

Key achievements under this thematic area:

i) NBD leveraged the 16th Regional Nile Day Celebrations 2022

NBD reached over 1,500 people constituting diverse stakeholders including, but not limited to: Ministers for water Affairs from the Basin countries, members of diplomatic corps, representatives of development partners, international and regional organizations, religious leaders, media houses, local communities, and members of parliament of the host country, and regional and district commissioners as well as public servants of the host country.

The NBD chairperson addressed the congregation with messages pertinent to the Nile Day 2022 theme and NBD's mandate. In her remark, she underlined that, the Theme of the Nile Day 2022, "*The Nile: Our Heritage for Peace and Prosperity*", is a timely reminder to Basin citizens on the shared heritage and importance of the Nile River with a sharp focus on how cooperative management and development of the common Nile Basin water and related resources is a foundation for peace and prosperity. Furthermore, the theme is also aligned with Agenda 2063: The Africa We Want, in which Aspiration number 4 states, "We aspire that by 2063, Africa shall have: an entrenched and flourishing culture of human rights, democracy, gender equality, inclusion and peace; prosperity, security and safety for all citizens; and mechanisms to promote and defend the continent's collective security and interests." She reminded the audience that since its inception to date the NBD Network has been complementing NBI on development and cooperation based on understandings agreed upon by the two organisations. She remarked that NBD's focus has been empowerment to enhance participation at grassroots level on trans-boundary shared waters of the Nile while NBI targets the Nile Basin countries as evidenced in the implementation of the joint Nile Cooperation for Climate Resilience (NCCR) project.

NBD mobilized a total of 33 members of which 18 (55%) were Females and 15 (45%) were Males. Out of the total 33 participants, 17 (8 Females and 9 Males) were community representatives from the host country-Tanzania, 8 (5 Females, 3 Males) were members of the Regional Board, 3 were Female cluster representatives, and 5 (2 Females, 3 Males) were NBD Secretariat Staff.

ii) NBD convened Regional Board meeting back-to-back with the Nile Day 2022

NBD Board held its meeting of the year 2022 at Peacock Hotel, Dar-es-Salaam-Tanzania, on the 21st February 2022, back-to-back with the Nile day 2022 celebrations where it approved the Minutes of the Previous Meeting and Matters Arising; discussed on the framework on the preparation of the ICR for the NBD-CIWA/WB Project 2014-2021; approved the annual work plan 2022 for the NCCR project; and Reviewed NBD's existing Governance Manuals and Policies.

iii) NBD leveraged the NILE-COM MEETING, 17th - 20th August 2022, Dar Es Salaam Tanzania

The Chairperson of the NBD Board delivered a speech at the plenary of the ordinary 30th Nile-COM, 25th NEL-COM, and 34th ENCOM annual meeting.

In her remarks, she underlined that NBD complements NBI's endeavour to the realization of its noble Shared Vision Objective: "to achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile Basin water resources," through community mobilization,

MANAGEMENT REPORT Continued...

awareness creation and capacity building for meaningful contribution to the successes of trans-boundary shared projects, programmes, and policies under the auspices of NBI and basin governments. She remarked that NBI and NBD have a time-tested partnership based on periodically renewed MoUs which has now advanced into the highest level where the two organizations have partnered to jointly implement the Nile Cooperation for Climate Resilience (NCCR) project running from 2021 to 2025; where NBD complements NBI's undertakings in the areas of: leveraging available platforms and forums by communicating benefits of cooperation and risks of non-cooperation on the trans-boundary shared water resource of the Nile; mobilizing grass roots communities to inform the NCCR project on the current utility of the flood and drought early warning system; mobilizing and establishing grassroots Women Networks to contribute to the operationalization of NBI's Gender mainstreaming Strategy, among others.

iv) NBD leveraged the World Water Week, Stockholm, Sweden (27th August, 2022- 1st September 2022)

NBD Board Chairperson, Ms. Verdiane NYIRAMANA, participated in the World Water Week, celebrated on the Theme "Seeing the unseen: The value of water." During the Week, the chairperson attended Stakeholders' meeting organized by NBI team and WB and approached various donors and managed to showcase what NBD is doing by making speeches and meeting different donors and other NGOs in Sweden. In her remarks, the Chairperson emphasized NBD's key role in complementing NBI's activities towards realizing its Shared Vision and Objectives.

v) NBD engaged Young Professionals from the Eastern Nile Countries under the pilot internship programme

Under the NBD-NCCR project, NBD is piloting internship programme in the Cluster 1 countries of Egypt, Ethiopia, South Sudan and Sudan based on ENTRO's experience. The goal of the internship program is to enhance NBD's outreach programme by linking young university graduates to the youth and Women at grassroots.

The specific objectives of the internship program are to: (i) enhance learning and increase experience of interns on how Civil Society engages with grassroots communities, inter-governmental and governmental bodies as well as other stakeholders on the Nile water resource management; (ii) enable gathering of real-time evidence from the grassroots youth and Women on the three thematic areas of the NBD-NCCR project mentioned above, especially on the concerns and priorities of grassroots youth and women with regard to policy, project and program formulation and implementation. The 4 interns are now placed in and working closely with the respective NDFs in the 4 countries.

vii) NBD leveraged COP27 in Sharm El-Sheikh-Egypt (8th -18th November 2022)

The Three (3) member delegates from NBD participated in the COP27. The NBD team used the platform for publicity, connectivity, and learning. The NBD Chairperson and the Acting RM made presentations and speeches at 5 side events organized by various entities (civil society, government, and research institutes). During their presentations and speeches at high-level panel, the chairperson and Acting RM shared NBD's achievements and experiences amassed for the last 20 years. Besides, the Regional ICT & SMO twitted all the side events that NBD participated; and also displayed NBD's pull-up and other publications in a booth shared with Egypt NDF.

NBD reached out several stakeholders and development partners and exchanged contact addresses with over 20 organizations. This would expand NBD's working opportunity in the future, apart from gaining updated information on climate actions which would be useful for designing NBD's future in terms of project and programme approach.

3.2.4 Thematic Area 2: Flood and drought Thematic area:

Under this thematic area NBD mobilized stakeholders to input ideas on the current utilization of the existing early warning system, identify gaps, and establish two-way communication for enhanced service delivery between communities and providers to improve stakeholder awareness of hydro meteorological hazard preparedness in the Nile Basin.

MANAGEMENT REPORT Continued...

Key achievements under this Thematic Area:

i) NBD participated and contributed to the Regional Flood and Drought Technical Working Group Workshop.

NELSAP Organized the First Regional Workshop for Flood and Drought Technical Working Group that took place from 23rd- 25th June, 2022 in Nairobi, Kenya. On 25th, the workshop was dedicated to planning and synchronizing of activity implementation by the implementing entities.

NBD leveraged the workshop to influence the methodologies of: (i) collecting preliminary information on frequent flash flood prone areas in the Nile Basin countries, (ii) discussing flash flood appropriate dissemination tools at national level, (iii) collecting available observed historical hydro-meteorological data; and (iv) discuss and approve the inception report on the Basin-Wide Flash Flood Assessment in the Nile Basin Member Countries that shall be prepared by consultants commissioned by NELSAP.

ii) NBD leveraged the regional workshop on drought gaps and needs assessment

The Eastern Nile Regional Technical Office (ENTRO) organized a Consultation Workshop on Drought Gaps and Need Assessment in the Nile basin that took place from 25th to 26th July 2022, in Bishoftu, Ethiopia.

The overall objective of the workshop was to introduce a Nile-wide Drought Risk Mitigation sub-project to the Nile Basin Flood and Drought Technical Working Group, the NBI three centers, NBD, and the WB experts. The workshop focused on drought gaps and needs assessments that are intended to strengthen the NBI regional offices' and Nile basin countries' capacity in drought monitoring and forecasting, and to provide information that is useful for decision-makers at both central government and local levels. NBD leveraged the workshop by bringing civil society views, concerns, and priorities with regard to the current utility of the existing early warning system; emphasizing the need to include community views in identifying gaps and needs in the early warning systems, and to establish a two-way communication for enhanced service delivery between communities and providers; NBD also influenced the drought gaps and needs assessment activity through mobilizing over 50 member CSOs in responding to an online Survey and participate in the virtual oral interviews organized by ENTRO consultant; capturing the views of the CSOs is to help the NBI design a comprehensive and effective drought early warning system that serves the benefits of the grassroots communities who are always the primary victims of drought hazards.

iii) NBD successfully mobilized flood prone grassroots communities for consultations: Ethiopia, October 2022

NBD mobilized flash flood prone grassroots communities from the selected flash flood prone sites in Ethiopia. The Team drawn from NELSAP-CU, NELSAP Consultant, the Ethiopian Federal Ministry of Water and Energy, NBD/Ethiopia NDF, and Natural Resource Management experts from the flood prone District, interacted with the designated community representatives from the selected flash flood prone sites. This was preceded by Stakeholder consultation meeting held on the 17th October with key Ministries, Agencies, and Departments of the Federal Democratic Republic of Ethiopia.

The above mentioned Team discussed with the Flood and Drought Technical Working Group (TWG) members from the Federal Ministry of water and Energy. The ministry staff briefed the team about flash floods incidents in Ethiopia in different parts of the country including the selected sites. The early warning information systems and how it reaches the affected communities and the preparedness were also explained. From the discussions, it was understood that, there is an early warning information generation by Meteorology Agency and disseminated by the Disaster Commission & local government structures to the flood prone communities via mainstream media (Radio, Television), and rarely via social media platform like Telegram.

Consultations with flash flood prone grassroots communities: On the 18th October, 2022 the Team travelled to the district where flash flood prone sites are located; and discussed with the District Commissioner and experts thereof and briefed about the purpose of the field visits. After brief meeting at the District Office, the team travelled to the identified 4 sites below and interacted with the representatives of flash flood affected grassroots communities in each site.

MANAGEMENT REPORT Continued...

Dankore Kebele flash flood site: Designated grassroots community members (50% Female) attended Focus Group Discussion (FGD) and responded to questions directed to them from the NELSAP consultant and other team members.

Buta Dalecha Gada Kebele flash flood site: Designated community members (33% Female) attended FGDs and responded to questions directed to them from the NELSAP consultant and other team members.

Bekaktu Mome Kebele flash flood site: Designated grassroots community members (50% Female) attended FGDs and responded to questions directed to them from the NELSAP consultant and other team members.

Koka Gifawossen Kebele flash flood sites: Designated grassroots community members (66.6% Female) attended FGDs and responded to questions directed to them from the NELSAP consultant and other team members. Overall in 4 sites, 20 representatives of grassroots communities (50% Women) attended FGDs.

The Main issues discussed with grassroots communities in all the four sites visited were: (i) *Genesis of flash Floods*; (ii) *Impacts of Flash floods*; and (iii) *Communities' preparedness*.

Genesis of flash floods: As soon as heavy rain pours down, flood reaches to their homes, farms, and farmlands within 30 minutes, giving little or no preparation time to rescue their lives and properties.

Impacts of flash floods: Communities in all the Four (4) sites listed the following as the major impacts of flash floods. These include:

Loss of human and animal (livestock) lives: Community representatives interviewed in all the Four (4) sites asserted that several people and animals are being taken away by the sudden flash floods every year.

Damage to property: The frequent occurrences of flash floods have always resulted in the destruction of crops, farmlands, and the environment at large, causing low crop production and productivity, shortage of animal feed, and degradation of the environment.

Damage to infrastructure facilities: Roads damaged by flash floods since the flash floods created big gullies following landslides and heavy soil erosion; damaging roads & bridges which disconnected communities from reaching market places, churches/Mosques, local Administrative units, and schools.

Depletion of ground water and drinking water scarcity: The frequent occurrences of flash floods in the area have washed the topsoil away. This has resulted in the depletion of ground water. The communities in the area are suffering from lack of potable water, and thus, over 2,000 (Two Thousand) people in one area are forced to use only one water source for themselves and their animals.

Communities' preparedness: To prevent and protect impacts of flash floods, communities have been constructing check dams using gabion & stone, soil bund structures, water ways, constructing water ponds, Soil & Water Conservation structures and area closure & planting trees. Communities also made efforts to re-locate their houses to upland areas, and move their agricultural products & cattle to the upland areas whenever they feel that heavy rainy season is coming. The conservation works such as area closure, tree planting, gully treatment and pond construction in the kebeles around the mountains/upper catchment have to some extent minimized the intensity of the flood to the lower catchment communities.

Sustainable solutions proposed: (a) Structural solutions: Community representatives proposed that a sustainable solution to the recurrent flash flood hazards is not early warning system. Rather it is a structural solution (construction of check dam using gabion) which can at least reduce the speed of flash floods. They underlined this should be supported by biological solutions (like tree planting, area closure, etc.)

MANAGEMENT REPORT Continued...

Community representatives informed that the early warning information does not reach to communities in time, given the instant occurrences of flash floods which reach community homesteads and their farmlands within 30 minutes.

(b) **Connectivity:** Communities underlined connectivity is a challenge due to damage of road infrastructure; and thus, urgent need to rebuild damaged bridges to re-connect communities to their social and economic service centers.

NBD successfully mobilized flood prone grassroots communities for consultations: Sudan

NBD's Sudan Nile Discourse Forum in collaboration with the Sudan Ministry of Irrigation and Water Resources mobilized flood prone communities in Sudan to contribute to the preliminary study by NBI/NELSAP-CU for the creation of a Flash-Flood Early Warning System for the Nile basin countries. The site visit team included Officials from the Sudan Ministry of Irrigation and Water Resources, the NBI/NELSAP-CU, and NBD as the lead link to communities. This activity included a series of meetings with government entities in Sudan including: Ministry of Irrigation and Water Resources, the National Meteorological Agency, the ministry of Civil Defence, and the Hydraulics Research Centre (HRC). The visited flash-flood prone communities include: Wad Ramli, Wad Soba, Wad Hasib, and El Managil Plateau.

Meeting with officials at Ministry of Water Resources: During the meeting with the officials of the Ministry, the team explained the mission of the field visit and reminded of the officials about the exercise done earlier in Ethiopia and highlighting its outcomes. During the discussion, it was noted almost all Sudan is prone to Flash-floods and the years 2013, 2016, 2017 and 2021 were worse. The officials at the Ministry welcomed the idea of the flash-floods early warning system adding that riverine floods have been dormant for a while now but they are also influenced by heavy rains. An early warning system with an enhanced module to predict heavy rainfall would be of great importance.

Meeting with the National Meteorological Agency: During the discussion it was realized that the National Meteorological Agency (NMA) is the main source of weather prediction data for all institutions in Sudan. The NMA will still be the main source of data for the proposed Flash-Flood Early Warning System. The Agency is already preparing a flood risk area map of the country and this was identified as a benefit to the early warning system project. Data sharing for the input of the system also came up as an issue to look into as NBI has no direct working relationship with the National Meteorological Agency but instead with the Ministry of Irrigation; this would bring about challenges with data sharing. The ministry promised to have discussions with the two entities to have this solved.

Meeting with officials at High Council of Civil Defence: The High Council of Civil Defence is the supreme body that coordinates disaster management in Sudan and is the main decision maker in case of disasters. The Council is composed of 16 Ministries, the Governorate of Khartoum State and the Civil Defence Administration. It is a disaster response body and not a policy maker. It releases daily reports during flood seasons and monthly reports in non-flood seasons. The reports detail statistics on loss of lives, property, and public infrastructure as a result of the disaster.

Meeting the flash-flood prone Community of Wad Ramli: The team visited Wad Ramli village and the community shared experiences with flash floods. Ramli is a low land located between the Nile River bank and a higher altitude surrounding, from which water flows during heavy rains and thus floods into Wad Ramli. The village is mainly occupied by farmers who grow fruits, potatoes and onions along the banks of the river. The location of Wadi Ramli makes it face a double tragedy; Flash floods from one side and Riverine floods from the other.

Causes of flash floods: during the rainy season every August, floods are anticipated. While they always expect floods, the magnitude of the year 2021 was quite high. The 2021 floods were ferocious, covering almost 2 metres above the ground, destroying farm fields, homes, and property; People escaped without their property and lived in camps for 4 months. Some still live there because their houses were completely destroyed

Impacts of flash floods: As per the communities' information, the impacts of flash flood in the area are huge; (i) The Flash flood left about 600 houses partially or completely collapses; (ii) Floods forced

MANAGEMENT REPORT Continued...

residents to displacing to another area inside or outside the locality; (iii) floods brought about not only economic but also social impacts.

Preparedness and support communities received: Communities received relief aid from Red Cross and the Khartoum Oil Refinery but nothing directly from government. They have challenges accessing health services more so during flood seasons – the nearest health centre being half an hour to Khartoum; the community has pooled resources to build a health centre on their own. They need assistance to buy equipment and staffing for the facility. They are also using local knowledge such as piling barriers for flood control around the village to mitigate flooding into their homes. Government has provided alternative land for the village to relocate however the land is located near the oil refinery and the community claims that the surrounding is polluted by gasses from the oil refinery. Additionally, the community is not willing to relocate due to other reasons: - It is their ancestral land to which they have historical attachment. Being farmers, the land is adjacent to the Nile River and is very fertile for cultivation – they can hardly find such land elsewhere and they urge government to provide all the necessary support for them to stay in their land.

Sustainable Solutions Proposed: Displacing the population to another area to ensure that the disaster does not recur again (some residents agreed); making drains to drain rain and flash flood waters from Wad Ramli area; and establish an early warning unit. The discussion at Wad Ramli was attended by over 50 people (*Men: 13, Women: 16, and Children: 20+*)

Meeting the flash-flood prone Community of Wad Soba: Wad soba covers almost 45 villages and is within a semi desert climate with high temperatures. The land is flat with gentle slopes less than 5 degrees. This means there is low water flow in the valley. Water flows outside canals and streams of the valley in the form of surface runoff, thus causing flooding in the basin. The field team met the village development committee and some residents from the community, the residents spoke about the area's exposure to the danger of recurring flash flood since 2013.

Causes of flash floods: The area was exposed to flash floods that swept villages located in the course of the torrent, causing loss of property and lives. The residents spoke about the area exposure to the danger of recurring flash flood since 2013 due to heavy rainfall.

Impacts of flash floods: The 2013 floods caused the loss of property and lives, the flash floods were repeated in years 2016 – 2017 – 2020 – 2022, respectively, which affected in the resident lives in the all aspects (economic, social, environment, and health) in addition to the loss of public facilities (Schools – water station – health centers). The villages get to know about oncoming disaster mainly through phone calls from nearby villages that may have been affected first.

Community preparedness and support received: The residents of the area said that they did not receive any kind of aid from the government authorities, except for some helps from the residents themselves, neighboring areas and some organizations working in the field of relief.

Proposed solutions: The locals propose a periodic maintenance of the Wad Hasib Dam so that it can take up as much water as possible. When this was first constructed in 2016, it reduced the amount of flash floods in the area, although it did not eliminate it completely. The dam has been filled by erosion over time. The community also proposes a construction of a large drain gully to effectively drain water from the villages to counter flash flooding. The locals welcomed the idea of an early warning system that will help inform citizens of oncoming flash flood and reduce the population's exposure to disaster. The discussions at Wad Soba was attended by over 70 people (*Men: 12, Women: 11 & Children: 50+*).

Meeting the flash-flood prone Community of Wad Hasib: Wad Hasib is one of the villages in the East Nile locality, located approximately 80km from Khartoum city. The village is composed of close to 500 households and is majorly a settlement area without much economic activity. Most residents work away in the city of Khartoum.

MANAGEMENT REPORT Continued...

Causes of flash floods: According to the locals, the village has been exposed to heavy rains and flash floods in the years 2013, 2016, 2017 and 2021.

Impacts of flash floods: The resulting flash floods damaged houses and public facilities including schools and health centres.

Community preparedness and support received: The danger however decreased after the construction of Wad Hasib Dam in 2015-2016 just like in Wadi Soba. In 2013 the locals received no warning of oncoming flash floods disaster but in the later years, they receive warning by phone call from other villages between 6 to 12 hours before – depending on the magnitude of the rain. Usually, there is less time to prepare for escape. With water usually one metre high from the ground, the entire village takes refuge at a mosque in case of disaster because it is at raised ground compared to the surrounding. Government profiled the occurrence of 2013 and supported a few families with concrete blocks to rebuild their houses. There is a government health facility in place but it is not functional to take care of victims in case of disaster. They have to be taken to Khartoum city. The community has not received any training on how to respond to disasters. Each house hold responds based on how they think fit to save their lives.

Proposed solutions: The community requested government to help and widen drains to effectively evacuate rain and flash flood water and to increase the capacity of reserve dams to double the current so that floods are further reduced and the reserve water can in turn support in agriculture and household use. They also requested government to establish an emergency centre for early warning and refugee in addition to the mosque in case of flash flood disaster. They welcomed the idea of a flash-floods early warning system but also raised concern that lifesaving interventions are also very important during disasters, software alone is not sufficient to bolster people from the dangers of flash floods. They requested for assistance on developing a contour map of high and low places so that the village can place public buildings such as schools and health centres in high areas to reduce their exposure to future disasters. Over 90 people attended discussions at Wad Hasib site (*Men: 19, Women: 23 and Children: 50+*).

Meeting the flash-flood prone Community of El Managil Plateau: Managil is a city located in the state of Gezira in central Sudan, about 156 km from Khartoum and approximately 62 km from the city of Wad Medani. It is considered one of the largest industrial cities in Sudan but also forms the largest part of the Al-Gezira agricultural project.

Causes of flash floods: In 2022, the Managil area was exposed to heavy rains and flash floods, which led to a complete loss to many villages; affecting over 70% of farmland in the 2022 agricultural season. After the rains, the flood water stayed for about two months in the villages of Abboud, Um Daghina and Managil city. In addition to heavy rains, lack of water drains in the area, lack of gears to reduce the speed of water flow, and the presence of some villages in low-lying areas that collect all the run-off water from the higher areas around them. Lack of an early warning related to the citizens in the area; communities emphasized that the lack of an effective early warning mechanism to alert the community made the situation worse.

Impacts: Damages to human lives, animals and destruction of properties and infrastructure.

Proposed solutions: The community suggested the establishment of water storage stations to harvest the would-be flood water. Build larger drains with good specification; and run periodical maintenance of the drainage network in the Managil project. They suggested that authorities should increase the number of interception gear to reduce the flow-speed of water runoff and also establish an early warning unit at Shawwal station. Over 30 people attended discussions at El Managil site (*Men: 18, Women: 12 and Children: 8+*).

Meeting with Flash-floods Technical Working Group for debrief: The field team held a debrief meeting to share findings of the field trip with the floods technical working group at the Ministry of Irrigation and Water Recourses. During the debrief, participants shared their observations from the field trips, highlighting some of the issues raised by communities including the causes of the disastrous flash floods and proposed solution to remedy their occurrence or reduce on the effects.

3.3 CROSS CUTTING ISSUES:

1) Communicate benefits of cooperation and risks of non-cooperation: under this crosscutting issue NBD, as a civil society wing, used various platforms and forums to advocate for emerging issues related to benefits of cooperation and risks of non-cooperation; and mobilized communities and presented civil society's roles, perspectives and contributions to basin water resources management and climate resilience.

2) Gender aspects of the NCCR project: This is another crosscutting issue where NBD was tasked to mobilize Grassroots Women, and bring them together to form Networks to interact with NBD and NBI programmes as a new platform to contribute to broader community networks for use of the flood and drought early warning systems by creating 'fit-for-purpose Networks in the Nile basin. Grassroots Women mobilization will be done at national and regional levels.

Key achievements under this cross cutting issue:

Formation of grassroots women networks: NBD organized in-country grassroots women workshops in the ten (10) Nile Basin Countries and established National Nile Women Networks that would interact with NBD and NBI programmes as a new and sustainable platform to sustain the NCCR project outcomes and other integrated water resource management initiatives. The Networks are mainly to provide linkage to the grassroots in floods and droughts risk mitigation.

The plan for 2022 was to create and/or strengthen Three (3) Women Networks in the 3 cluster¹⁻² countries of Kenya, Tanzania and Uganda. However, the achievements have exceeded the plan; as NBD already established 10 grassroots Nile women's networks as seen below.

1. KENYA NATIONAL NILE WOMEN'S NETWORK: The Kenya National Nile Discourse Forum (KNDF) organized and conducted a one-day women workshop on the 27th July 2022 in Kisumu where 29 Women drawn from different localities attended. This one-day women's meeting reinforced the results of the 2021 training that KNDF provided for women on water for environmental sustainability and climate resilience in the Nile basin.

During the one-day workshop, participants discussed the NCCR Project in general and Gender and water issues in particular, including flood and drought risk mitigation as well as benefits of cooperation and risks of non-cooperation in the Nile in order to capture their voices in the subject matter. They were also sensitized on Gender and climate/water issues in NBI institutions and on how to promote country level dialogues at all levels of NBI structures, national ministries and departments within Kenya to take action and mitigate vulnerabilities that cause gender imbalances in the water/climate sector. Participants were also briefed on efforts being taken by the department of gender and special programmes within the County Government of Kisumu towards mainstreaming gender across the departments such as developing and operationalizing the Gender Mainstreaming Policy in 2020, and establishing a Gender Committee that ensures all projects, especially within the water and agriculture sectors are gender-responsive. As a key **output** from the women's meeting, the National Nile Women's Network was formed and the Steering Committee members to lead the Network, composed of: Chairperson, Vice-Chairperson, and Secretary General, were elected.

2. SOUTH SUDAN NATIONAL NILE WOMEN'S NETWORK: The South Sudan Nile Discourse Forum (SSNDF) mobilized its Women-led organizations for a one-day workshop to discuss and establish the National Nile women's network in South Sudan. The one-day workshop, held at Juba Civil Engagement Centre Hall on 8th September 2022, was attended by 21 Women drawn from civil society organizations as well as government line Ministries.

The key outputs of the workshop included: (i) Women participants gained awareness on the challenges and opportunities presented to women in the water sector, including insights into the NCCR project

MANAGEMENT REPORT Continued...

objectives; (ii) National Nile Women Network established and leaders elected; and (iii) A WhatsApp group for active functioning of the Network was created.

3. TANZANIA NATIONAL NILE WOMEN'S NETWORK: The Tanzania Nile Discourse Forum (TNDF) in consultation with the NBD Secretariat organized and conducted a one-day women's workshop on the 2nd September, 2022 in Mwanza where 25 Women drawn from TNDF women Members, women representatives from Local Government Authorities (LGA), women representatives from Water User Associations (WUA), representatives from women farmers, representatives from small scale women miners, and small scale women horticulture farmers attended.

The participants of the workshop gained information from presentations made by experts about 'lift down a bucket of water from a woman's' head, a government project designed to benefit women in the country; the roles of Women in the water sector and need for gender responsive planning, implementation, budgeting and reporting at all levels in development projects; gender mainstreaming in the Nile Basin as per NBI's Gender Mainstreaming policy and Strategy; and impacts of flood and drought on Women.

Key outputs of the workshop were: (i) Formation of the National Nile Women Network (NNWN) in Tanzania; (ii) Resolution made to have a visiting study to Magu for fish caging in the lake; and invitation was offered by the Magu District Counsel; (iii) Awareness raised for the grassroots women on Gender and Water Resource Management, focusing on floods and drought mitigation around Lake Victoria Basin; and (iv) The Network members formed a WhatsApp group for information, knowledge, and experience sharing among themselves.

4. BURUNDI NATIONAL NILE WOMEN'S NETWORK: The National Discourse Forum of Burundi mobilized grassroots Women and conducted Women Network formation workshop on October 7, 2022, in the Caritas Burundi hall, where 28 Women participated.

At the workshop, papers were presented and discussions held on the definition of gender, roles of women in the water sector, roles of development projects in gender mainstreaming, and how to mitigate gender inequalities in the water sector. Participants underlined that culture ultimately plays a role in different areas, including the water sector. By assigning roles and responsibilities to boys and girls in the family, culture has installed inequalities between girls and boys from a young age until they become men and women. Gender then is defined as that which defines the roles, responsibilities and opportunities given to people in society, and very often determines what they can achieve. This determines one's relationship to water as it shapes the needs, access, use and benefits of this vital resource.

In order to eliminate gender inequalities in the water sector, participants envisaged the NBI gender mainstreaming policy that is developed to support gender mainstreaming activities within the NBI's organizational and investment program and projects. The policy serves as a framework for NBI and other stakeholders on gender mainstreaming in policies, programs, actions and investments since it is based on international standards, regional and national commitments to achieve gender equality and equity. As the key output of the workshop, the National Nile Women's Network was established and the Steering Committee members were elected to lead the Network.

5. THE D. R. CONGO NATIONAL NILE WOMEN'S NETWORK: The National Discourse Forum of D. R. Congo mobilized grassroots women and conducted women workshop and formed the Nile women Network in the Democratic Republic of Congo. The workshop was held on 21st September 2022 in Butembo city where 28 Women attended.

During the workshop, experts made presentations on women and water management for environmental sustainability and climate resilience; increasing women's participation in decision-making and negotiations on water management; Women, sustainability and better water management, causes and consequences of water scarcity and possible solutions; and actions to be taken to mitigate vulnerabilities causing gender imbalance in the water sector.

After the presentations, participants discussed the way forward for a sustainable and gender-inclusive management of water resources in the country.

MANAGEMENT REPORT Continued...

As the key output of the workshop, the National Nile women's network was established, and, using secret ballot, members of the Steering Committee were elected.

6. SUDAN NATIONAL NILE WOMEN'S NETWORK: The Sudan National Discourse Forum mobilized grassroots Women and conducted a workshop on the 15th September, 2022 where 26 Women participated and discussed the roles of women in water sector, the plans at the level of ministries that support the empowerment of women, the concept of gender mainstreaming and raising awareness of the principle of equal opportunities and gender equity, and strategies and development plans, taking into account a gender perspective.

Finally, the workshop was concluded by establishing the Sudan National Nile Women's Network and by electing the Steering Committee members that would lead and govern the network.

7. EGYPT NATIONAL NILE WOMEN'S NETWORK: The Egypt National Discourse Forum organized a grassroots women workshop on October 20, 2022 to exchange knowledge, experiences and best practices on issues related to the impact of climate change on water resources, especially floods and droughts. The launch of the National Nile Network for Women, which included a total of 30 Women drawn from members of the local forums, members of the National Forum, and several experts and media professionals were participated.

Presentations were made on the: role of Women in Achieving Sustainable Development in Africa and the Nile Basin; impact of Climate Change in the Nile Basin Countries, especially in the form of floods, torrential rains and droughts and their disastrous impact on women; and economic and Social Effects of Climate Change on Women. Finally, the workshop was concluded by formation of the National Nile Women's Network, and by electing the Steering Committee members to lead the network.

8. RWANDA NATIONAL NILE WOMEN'S NETWORK: The Rwanda National Discourse Forum mobilized grassroots Women and conducted a workshop to discuss on women and climate change impacts especially Flood and Drought Risks. The workshop was held in Better Life Motel-Kigali, on 23rd September 2022 where 26 participants attended drawn from representatives from feminist civil society organizations and NGOs (Women Headed CSOs/NGOs), selected champions from the 2021 Women training, Women with knowledge on Gender responsive planning, implementation, budgeting and reporting of development projects, Women journalists, Women Teachers/researchers, and Women from flood and/or drought prone areas.

The presentations were made focused on the: Gender linkages to integrated water resources management, collaborative framework between public institutions involved in water resources management and climate resilience, and need for gender responsive planning, implementation, budgeting and reporting at all levels in development water projects in Rwanda. At the end of the workshop, participants established of the National Nile Women's Network (NNWN) aiming to advocate for women's rights in the water sector in Rwanda; and elected Steering Committee members of the network.

9. UGANDA NATIONAL NILE WOMEN'S NETWORK: Uganda Nile Discourse Forum (NDF) mobilized and conducted Women workshop where 22 women participated. The workshop was held on the 16th August 2022.

Presentations were made on: actions to be taken to eliminate vulnerabilities that cause gender imbalances in the water sector in Uganda; the need for gender responsive planning, implementation, budgeting and reporting at all levels in development projects in Uganda; importance of women networking such as advocacy for Gender equity at all levels, and other related matters with regard to gender and women in Uganda.

The workshop participants finally established a National Nile Women Network in Uganda with elected Steering Committee members that will advocate for Gender equity at all levels (local, national and regional)

MANAGEMENT REPORT Continued...

in alignment with the NBI Gender mainstreaming Strategy and provide a platform for the identification and selection of women who will represent UNDF at the Regional Women's Network.

10. ETHIOPIA NATIONAL NILE WOMEN'S NETWORK: The Ethiopia National Discourse Forum mobilized 29 women participants from 20 civil society organizations working in the areas of water resource development, climate resilience, gender mainstreaming, and integrated development areas. The workshop was held a workshop on October 24, 2022.

During the workshop, participants gained awareness on the NCCR project, gender equality in development, Gender analytical tools, and the importance of networking. Finally, a National Nile Women's Network was established and 7 steering committee members were elected from the 10 candidates with full support from the participants.

3.4 Engaging the National Discourse Forums (NDFS): NBD procured the National Technical Support Experts (NTSEs) for the 10 NDFs to serve as the focal persons essential for engaging NBD Network members in the NCCR project via the NDFs, and facilitating knowledge generation, management and sharing through monthly User Generated Content (UGCs).

The NTSEs have thus been crucial for mobilizing grass roots stakeholders to inform the NCCR project, especially flood - prone communities, recruiting young interns, grassroots women, and in preparing and submitting monthly User Generated Contents (UGCs). Out of expected total 60 UGCs for the period from June-November 2022, NTSEs have submitted 53 UGCs (88.3%) which are reviewed and edited by NBD Secretariat team and uploaded in the website.

3.5 NBD External Audit Processes 2021 And Outcomes



NBD's current auditors, PKF Uganda started the audit field-work on May 26th 2022, and the entire audit review process was ended on June 23rd 2022 and the draft NBD Audited Accounts shared by management to the EC of the NBD Board for their further review and guidance. The final audited account documented was signed uploaded onto World Bank's Client Connection portal.

Conclusion

Despite many challenges NBD made great effort to implement planned activities and achieve intended results. In the year 2022, NBD implemented activities in the NCCR project with other Implementing Entities (IEs), synchronizing implementation timelines, especially for activities under thematic area 2 (Flood and Drought Risk Mitigation) has been a challenge. NBD also implemented all the planned activities amidst the existence of a vacuum created by the resignation of the Regional Communication and Media Officer and the recent passing on of the Regional Manager.

NBD needs to practically enhance its resources mobilization capacity at Board, Secretariat and NDFs levels. Policy influencing, awareness raising, and capacity building works take time and therefore need continuous and sustainable funding base beyond project duration to ensure that the work is not interrupted. In the year 2022, the NBD has been working more closely with the Nile-Sec, ENTRO, NELSAP, and LVBC, and NBD's governance, especially the Executive Committee to enhance synergy, efficiency, and opportunity for knowledge and resource sharing.

Regional Manager

4. OBJECTIVES OF THE AUDIT

The objective of the audit of the Project Financial Statements (PFSs) was to enable the auditor to express a professional opinion on the financial results of the project at the end year, and on funds received and expenditures incurred for the year ended 31 December 2022.

The project books of accounts provided the basis for preparation of the PFSs by the Nile Basin Discourse and are established to reflect the financial transactions in respect of the project. The implementing agency maintains adequate internal controls and supporting documentation for transactions

5. SCOPE OF THE AUDIT

The audit of the project was carried out in accordance with International Standards on Auditing (ISAs) promulgated by the International Federation of Accountants (IFAC), and included such tests and auditing procedures as the auditor considered necessary under the circumstances.

Special attention was paid to whether;

- a) The World Bank financing was used in accordance with the conditions of the relevant grant agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- b) The goods, works and services financed were procured in accordance with the relevant financing agreement including specific provisions of the World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016;
- c) All necessary supporting documents, records, and accounts were maintained in respect to all project activities, including expenditures reported using Statements of Expenditure (SOEs) or Unaudited Interim Financial Reports (IFRs) methods of reporting;
- d) Designated accounts were maintained in accordance with the provisions of the grant agreement and funds disbursed out of the accounts were used only for the purpose intended in the financing agreement;
- e) National laws and regulations were complied with, and that the financial and accounting procedures approved for the project (e.g. operational manual, financial procedures manual, etc.) were followed and used;
- f) Financial performance of the project is satisfactory;
- g) Assets procured from project funds, exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement;
- h) Ineligible expenditures included in withdrawal applications are identified and reimbursed to the Designated Accounts;
- i) Funds were disbursed to other implementing agencies outside NBD, and representative samples included in the audit;

SCOPE OF THE AUDIT Continued...

In complying with International Standards on Auditing, particular attention was paid to the following matters:

- **Fraud and Corruption:** Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240:
- We identified and assessed risks (of material misstatement of the financial statements) due to fraud, obtained sufficient appropriate audit evidence about the assessed risks; and responded appropriately to identified or suspected fraud;
- **Laws and Regulations:** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;
- **Governance:** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of NBD as required by International Standard on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- **Risks:** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by International Standard on Auditing 330: The Auditor's Procedures in Response to Assessed Risks.

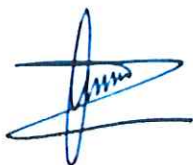
6. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of The Nile Basin Discourse has prepared and is responsible for the Project Financial Statements (PFS) which give a true and fair view of the state of affairs of the Nile Cooperation for Climate Resilience Project as at the end of the financial year. The Board is also required to ensure that proper accounting records are maintained which disclose with reasonable accuracy the financial results of the project. The Board is also responsible for safeguarding the assets of the project.

The Board accepts the responsibility for the project financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the accounting policies set out on page 23-24.

The Board is of the opinion that the project financial statements give a true and fair view of the state of the financial affairs of the Project as at 31 December 2022 and the operating results for the year then ended. The Board further confirms the accuracy and completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial controls.

Approved by the Board on 27/06/ 2023 and signed on its behalf by:



Board Chairperson



Board Treasurer



Regional Manager

7. REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE NILE BASIN DISCOURSE

Opinion

We have audited project financial statements of Nile Cooperation for Climate Resilience Project - CIWA Grant No. P172848 set out on pages 21 to 28 which comprise the Statement of Fund Balance as at 31 December 2022, Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies.

In our opinion, the accompanying project financial statements present fairly in all material respects the financial position of Nile Cooperation for Climate Resilience Project as of 31 December 2022, and financial performance for the year then ended in accordance with the basis of accounting policies described in Note 10 (a) to the accompanying project Financial Statements and comply in all material respects with the provisions governing the Agreement between The Nile Basin Discourse and World Bank for the year ended 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of financial statement of the current year.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board is responsible for the other information. The other information comprises; the schedule of other operating expenditure and any other reports including the annual report but excludes the project financial statements and our auditor's opinion.

Our opinion on the project financial statements does not cover the other information and we don't express any form of assurance and conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF THE NILE BASIN DISCOURSE Continued...

Responsibilities of Board and those charged with governance of the organization

The Board is responsible for the preparation and fair presentation of the project financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAPs) and NBD accounting policies on modified cash basis of accounting described in Note 10 (a) and the requirements of the financing agreements, and for such internal control as the Board determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the project financial statements, the Board is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF THE NILE BASIN DISCOURSE Continued...

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is:



Charles Oguttu (P0141)
Engagement Partner



Certified Public Accountants
Kampala

Date 29/6/2023

Ref: CO/T089/0182/2023



8. STATEMENT OF INCOME AND EXPENDITURE

	Notes	2022 Budget US\$	2022 Actual US\$
Income			
Donor funding (NCCR)	11.1	492,036	567,791
Other income (Forex Gains)		-	323
Total available income		492,036	568,114
Expenditure			
Program Costs	11.2	204,784	187,329
Personnel Costs	11.3	254,708	234,975
Administration costs	11.4	32,544	61,798
Total expenditure		492,036	484,102
Surplus for the year		-	84,012

The project financial statements were approved by the Board on 27/06/2023 and signed on its behalf by:



Board Chairperson



Board Treasurer



Regional Manager

The notes set out on pages 24 to 28 form an integral part of these project financial statements

Report of the independent auditor on pages 18 to 20

9. STATEMENT OF FUND BALANCE AS AT 31 DECEMBER 2022

	Notes	2022 US\$
At start of year		-
Surplus for the year		84,012
At end of year		84,012
Represented by:		
Current assets		
Cash at bank and in hand	11.5	107,183
Receivables	11.6	10,784
		117,967
Current liabilities		
Payables	11.7	33,955
		84,012
Net current assets		84,012

The project financial statements were approved by the Board on 27/06/2023 and signed on its behalf by:



Board Chairperson



Board Treasurer



Regional Manager

The notes set out on pages 24 to 28 form an integral part of these project financial statements

Report of the independent auditor on pages 18 to 20

10. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of Preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAPs) and NBD accounting policies on modified cash basis of accounting.

b) Receipts

Donor funds are recognised as income in the project financial statements in the year in which they are received. Interest income, if applicable, on bank deposits is recognised as and when it is credited to the entity's bank account.

c) Expenditure

Expenses are recognized in the project financial statements in the year in which they are incurred.

d) Prepayments and accruals

Prepayments and accruals are recognized as assets and liabilities respectively at the end of the financial year for reporting purposes. At the close of project year; prepayments are expensed and funds for outstanding obligations are transferred to an escrow account.

e) Fixed assets

Fixed assets are expensed in full in the year of acquisition/purchase. A fixed asset register is maintained as a monitoring tool for the assets. Fixed assets purchased and held at year end are not recognized in the Statement of Fund Balance.

f) Foreign Currency Transactions and translations

The base currency for the program is US Dollars. Transactions denominated in other currencies are translated into US Dollars at the rates ruling on the date of the transaction. Monetary assets and liabilities held at year-end which are expressed in other currencies are translated into US Dollar at rates ruling at that date. The resulting differences (if any) are dealt with in the statement of receipts and payments.

Exchange rates used were as follows:

	Currency	Average	Closing
1 US \$	UGX	3,693	3,661

g) Staff Gratuity

Staff gratuity is 6% of the employee's monthly salary contributed by the organization and is payable when the project either closes or under any other circumstances that result in the cessation of the contract before the project's scheduled end date. The amount is accrued on a monthly basis and is recognized as an expense when paid.

SIGNIFICANT ACCOUNTING POLICIES Continued...

h) Post-employment benefits

Nile Basin Discourse (NBD) and its employees contribute to the National Social Security Fund (NSSF), a statutory defined saving scheme registered under the NSSF Act. Staff contribute 5% and the organization contributes 10% of the gross salary paid to each staff. The organisation's contributions to the scheme are charged to the Statement of Income and Expenditure statement in the year to which they relate.

i) Current tax

The organization is a not for profit organization and therefore falls within the definition of exempt category under The Uganda Income Tax Act Part 1 Section 2 (bb). NBD has not yet been issued with a written ruling by the Commissioner stating that it is an exempt organization. No tax provision or liability has been incorporated in the Financial Statements for the year ended 31 December 2022.

j) Comparatives

Where necessary comparative figures are adjusted to conform to changes in presentation in the current year.

11. NOTES TO THE PROJECT FINANCIAL STATEMENTS

11.1 Donor funding

The receipts from NBI during the year ended 31 December 2022 are detailed below.

Date	Description	Amount (US\$)
09/02/2022	Funds received from CIWA_World Bank - NCCR Project	191,014
28/07/2022	Funds received from CIWA_World Bank - NCCR Project	28,777
07/09/2022	Funds received from CIWA_World Bank - NCCR Project	101,222
15/11/2022	Funds received from CIWA_World Bank - NCCR Project	94,797
15/12/2022	Funds received from CIWA_World Bank - NCCR Project	151,981
	Total	567,791

NOTES TO THE PROJECT FINANCIAL STATEMENTS Continued...

	2022 Budget US\$	2022 Actual US\$
11.2 Program Costs		
Flood and Drought Risk Mitigation		
Improved stakeholder awareness of hydro meteorological hazard preparedness		
Participating at the development of the flood management strategies and Developing a Flood Mitigation Plan for the flood prone communities	1,900	1,250
Planning and Mobilizing Basin-wide communities for the upcoming identification meetings of flood – prone communities	10,000	-
Basin-wide Identification Meetings of Flood – Prone Communities	66,000	30,852
Sub total	77,900	32,102
Platform for Cooperation		
Leveraging platforms and forums		
Leveraging on Council of Ministers and Technical Advisory Committee platforms and decision-making by the COMs and TACs	4,500	5,905
Participating and providing expertise in NCCR-related Steering Committee Meetings	1,200	-
Piloting Internship Program to contribute to results of the implementation of the NCCR project	14,184	1,219
World Water Week 2022	5,000	7,569
Sub total	24,884	14,693
Cross-Cutting Actions		
Communication and Engendering		
Communicating Benefits of Cooperation and Risks of non-cooperation and Participating in Regional Nile Day 2022	23,600	22,871
Mobilizing Grassroots Women for participation in the upcoming meeting discussions towards formation of Grassroots Women's Network	2,000	2,000
Identifying women networks at grassroots in the ten countries at the first national grassroots meetings towards creating a Regional Women's Network	22,000	17,500
Holding a Regional meeting towards creating a Regional Women's Network	54,400	98,163
Sub total	102,000	140,534
Total Program Costs	204,784	187,329

NOTES TO THE PROJECT FINANCIAL STATEMENTS Continued...

	2022 Budget US\$	2022 Actual US\$
11.3 Personnel costs		
Personnel costs – Operations and Support staff	136,274	129,893
Personnel costs - Program Staff	118,434	105,082
Total Personnel costs	254,708	234,975
11.4 Administration costs		
External Audit Services	15,000	14,042
Rent, Utilities and Related Costs	10,900	13,707
Office Consumables	245	746
Communication	3,294	8,389
Travel and Travel-related costs	2,781	16,792
Equipment Supplies and Software Maintenance	-	562
Bank Charges	324	3,182
Other Core Costs (excluding External Audit)	-	3,881
Forex Losses (Includes Invoice Rounding off)	-	497
Total Administration costs	32,544	61,798

Note: Budget Utilization

1. The under-utilization of the budget for the expenditure line related to the Basin-wide Identification Meetings of Flood-Prone Communities under Flood and Drought Risk Mitigation Thematic Area was caused by the scheduling delays of ENTRO, one of the Implementing Entities and responsible for Riverine flood and drought component of the Thematic area. The original scheduled plan from ENTRO to engage in Riverine Flood and Drought components of the thematic area activities with NBD was to start implementing the activities in the 2nd Quarter (Apr-June 2023).

However, NBD since learnt that ENTRO scheduled their activities to be implemented in 2024. As a result, the World Bank, during their 4th Implementing Support Mission (ISM), expressed concerns and advised NBD to review and reprioritize the activities in the work plan such as bringing the activities forward on Gender and on flash floods with NELSAP-CU. The World Bank team also suggested NBD to come up with a proposed budget estimate that is needed to sustain the basic business function of the NBD since the operational budget was actually very meager. To address the basic business functions, NBD re-distributed the budget and utilized the remaining funds from the Flood and Drought Risk Mitigation Thematic Area.

2. The overspend on the expenditure line for holding a Regional meeting to establish a Regional Nile Women's Network was a result of the original plan to hold two Regional Network Meetings, with the first scheduled in FY2022 (to initiate the creation of a Regional Women's Network) and the second and final in FY2023 (to finalize the establishment of the Network and also engage in discussions with a consultant regarding its sustainability and resource mobilization roadmap). However, upon further evaluation by the program team, it was determined that the primary objective of forming a Regional Women's Network could be accomplished through organizing a single comprehensive main event. Consequently, the funds allocated for FY2023 were combined

NOTES TO THE PROJECT FINANCIAL STATEMENTS Continued...

	2022 US\$
11.5 Cash and bank balances	
US\$ account	105,883
UGX account	1,299
Total Cash and Bank balances	107,183
11.6 Receivables and prepayments	
Work advances	9,550
Prepaid Expenses	1,234
Total Receivables	10,784
11.7 Payables and accruals	
NSSF Payable	1,899
PAYE Payable	5,005
Provident Payable	9,223
Audit fees payable	14,042
Other Creditors	3,785
Total Payables and accruals	33,955

12. INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL ACCOUNT OPERATIONS

The Board of Directors
Nile Basin Discourse (NBD)
32, Nsamizi Road
Entebbe - Uganda

We have audited the Statement of Special Account Reconciliation of Nile Cooperation for Climate Resilience Project for the year ended 31 December, 2022.

Directors' Responsibility for the financial statements

The Board of NBD is responsible for the preparation and fair presentation of the special account statement on the basis of cash deposits and withdrawals for the purpose of complying with the Grant Agreement and for such internal controls as the Board determines is necessary to enable the preparation of the statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility for the financial statements

Our responsibility is to express an opinion on the Special Account Statement, 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 special account statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Account Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial statements, 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 project financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements. 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 receipts were properly accounted for and withdrawals were made for the purposes of the project in accordance with the Grant Agreement. The Statement of Special Account reconciliation No.13 page 25 below and; notes thereon fairly presents in all material respects the account operations for the year ended 31 December 2022 in accordance with the basis of accounting policies described under note 10 (a) of this report.



Charles Oguttu (P0141)
Engagement Partner



Certified Public Accountants
Kampala

Date

29/6/2023

Ref: CO/T089/0182/2023

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

13. STATEMENT OF SPECIAL ACCOUNT RECONCILIATION AS AT 31 DECEMBER 2022

	2022 US\$	2022 UGX	2022 Total (US\$)
Opening Cash Book Balance as at January 1, 2022	-	-	-
Add:			
Total Replenishments by World Bank (through NBI)	567,791	-	567,791
Transfers to UGX Bank Account	(105,000)	105,000	-
Funds Available during the year under review	462,791	105,000	567,791
Less:			
Expenditures paid from DA Account	237,231	103,701	340,933
Work Advances to Staff - Secretariat	86,332	-	86,332
Work Advances to NDFs - 10 Riparian States	33,345	-	33,345
Total payments during the year	356,908	103,701	460,610
Closing Cash and Bank Balance as at December 31, 2022	105,883	1,299	107,182

Report of the independent auditor on Special Account on page 29.

14. AUDITOR'S REPORT ON MANAGEMENT COMPLIANCE WITH AGREEMENT TERMS AND APPLICABLE LAWS AND REGULATIONS

The audit was guided by the checklist presented under (i) – (viii) to review compliance with the key Terms of Reference for the audit. Audit instructions on the checklist and audit findings are presented below. Audit instructions are bolded whilst audit conclusions and our response is inserted immediately after each instruction in italics.

i) Determine that all funds have been used in accordance with conditions of the relevant funding agreements.

According to our audit tests, there is nothing to indicate that funds received in the year ended 31 December 2022 were not used in accordance with the relevant financing agreement provisions.

ii) Determine whether goods and services financed have been procured in accordance with relevant financing agreement provisions.

Based on our work done, there is nothing to indicate that goods and services financed were not procured in accordance with the World Bank Procurement Guidelines.

iii) Determine that all necessary supporting documents, records and accounts have been kept in respect of all project expenditures.

We reviewed quarterly financial reports and the respective supporting documents and based on the results of our tests, there is nothing to indicate that supporting documents, records and accounts have not been kept in respect of all project expenditures.

iv) Determine whether the designated account has been maintained in accordance with the provisions of the relevant financing agreement and funds disbursed out of the account were used only for the purpose intended in the financing agreement.

Base on the results of our tests, there is nothing to indicate that the designated account has not been maintained in accordance with the provisions of the relevant grant financing agreement and funds disbursed out of the account were not used solely for the purpose intended in the grant agreement.

v) Identify, evaluate and report on the Project's internal control structure.

We carried out tests of controls to review the internal control structure of the project. Based on the results of our tests, there is nothing to indicate that the internal control structure is not effectively working except for the issues highlighted in our Management Letter.

vi) Determine whether NBD project management complied in all material respects with agreement terms and applicable laws and regulations.

Based on our work done, there is nothing to indicate that NBD did not comply with the agreement terms and applicable laws and regulations except for the issues highlighted in our Management letter.

vii) Determine the eligibility and correctness of the financial transactions during the year and fund balances at the end of 31 December, 2022.

Based on the audit tests performed, there is nothing to indicate that the financial transactions during the year and the fund balance are ineligible and incorrect.

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

15. REPORT OF FACTUAL FINDINGS IN CONNECTION WITH THE INTERIM FINANCIAL REPORTS (IFRs) FOR THE YEAR ENDED 31 DECEMBER 2022

We have performed the procedures agreed with you and enumerated below with respect to the statement of expenditures of the Nile Cooperation for Climate Resilience in the Nile Basin Project implemented by The Nile Basin Discourse (NBD) for the year ended 31 December 2022, set forth in the Terms of Reference. Our engagement was undertaken in accordance with the ISRS 4400- Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. Our examination was performed solely to assist the World Bank in respect of Grant Agreement.

Specifically, we performed the following procedures:

- 1) We compared the Statement of Expenditure to the Interim Financial Reports (IFRs) submitted to the World Bank to the expenditure reported in the books of account and statement of expenditures.

With respect to item 1, there were no material differences between the Interim Financial Reports submitted to the NBI for withdraw application purposes and the books of account and statement of expenditures.

- 2) We compared the total expenditure in the statement of expenditures to the total amounts and categories reported under NBD expenditures in the statement of cash receipts and expenditures within the financial statements of the project for the year ended 31 December 2022.

With respect to item 2, we found no material differences between the total expenditures in the statement of expenditures and the total per category of expenses reported under project expenditures in the statement of cash receipts and payments within the financial statements of the project for the year ended 31 December 2022.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose and is not to be distributed to any other parties except to the Nile Basin Initiative without our express written consent.



Charles Oguttu (P0141)
Engagement Partner



Certified Public Accountants
Kampala

Date 29/6/2023
Ref: CO/T089/0182/2023

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)