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THE NILE BASIN DISCOURSE (NBD)

NILE COOPERATION FOR CLIMATE RESILIENCE (NCCR) PROJECT  
FINANCED BY WORLD BANK- CIWA GRANT NO. P172848  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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## 1.0 Acronyms

<b>CIWA</b>	Cooperation in International Waters in Africa
<b>COM</b>	Council of Ministers
<b>CSO</b>	Civil Society Organization
<b>ENTRO</b>	Eastern Nile Technical Regional Office
<b>FAQs</b>	Frequently Asked Questions
<b>GA</b>	General Assembly
<b>GAAPs</b>	Generally Accepted Accounting Principles
<b>ISA</b>	International Standard on Auditing
<b>ISM</b>	Implementation Support Mission
<b>LVBC</b>	Lake Victoria Basin Commission
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEL</b>	Monitoring, Evaluation and Learning
<b>NBD</b>	Nile Basin Discourse
<b>NBI</b>	Nile Basin Initiative
<b>NCCR</b>	Nile Cooperation for Climate Resilience
<b>NEL-SAP CU</b>	Nile Equatorial Subsidiary Action Program Coordination Unit
<b>NDFs</b>	Nile Discourse Forums
<b>NGOs</b>	Non-Governmental Organizations
<b>Nile-Sec</b>	Nile Basin Initiative Secretariat
<b>NSSF</b>	National Social Security Fund
<b>NTSEs</b>	National Technical Support Experts
<b>PAYE</b>	Pay as You Earn
<b>PDO</b>	Project Development Objective
<b>PFSS</b>	Project Financial Statements
<b>TACs</b>	Technical Advisory Committees
<b>ToRs</b>	Terms of Reference
<b>UGCs</b>	User Generated Contents
<b>WB</b>	World Bank
<b>US\$</b>	United States Dollar
<b>UGX</b>	Uganda Shillings



## 2.0 Organization Information

### 2.1 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 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. Gerard Nizigiyimana	Board Member
6	DRC Nile Discourse Forum	Ms. Therese 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 Sebastian Mawa	Vice Chairperson
3	Mr. Joseph Peter Ngome	Secretary General
4	Ms. Agnes Gyaviira Namusiitwa	Treasurer

### NBD Secretariat Project Staff

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

### 2.2 Bankers

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

### 2.4 Independent Auditors

Bawunha & Badebye,  
Certified Public Accountants,  
Plot 3992/4 Ntinda – Naalya Rd,  
Opposite Salz Hotel,  
Third Floor, Suite 3D,  
P. O. Box 9752,  
Kampala- Uganda



### **3.0 Director's Report**

#### **3.1 Background**

The Nile Basin Discourse (NBD) is described as an independent voice of grassroots people comprising over 600 Civil Society Organization (CSO) members. Established in 2003, the NBD aims to strengthen civil society participation in the Nile Basin Initiative's (NBI) development projects, processes, program and policies. It's noted that NBD links communities across ten countries along the Nile with local and national governments, as well as intergovernmental organizations, thereby informing and enriching projects, programs & policies at national and trans-boundary levels.

Members of NBD are local and national CSOs/NGOs that work and advocate on a range of issues relevant to Nile cooperation, including water resource management, climate security, environmental conservation, agriculture, energy, gender equity and equality, livelihoods, poverty reduction, and other related fields. These organizations form chapters at national level, known as National Nile Discourse Forums (NDFs), established in each of the Nile riparian states, which include: Burundi, D.R. Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda. Collectively, these NDFs constitute the NBD Network, coordinated by a Regional Secretariat based in Entebbe, Uganda.

Furthermore, the NBD network organizes national and regional fora for dialogues on Nile-related issues to enhance civil society's influence on the cooperative development and management of water resources in the Nile Basin.

#### **3.2 Key Initiatives**

The Nile Basin Discourse (NBD) received US\$750,000 (Seven Hundred Fifty Thousand US Dollars) 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 focusing on flood and drought risk mitigation and leveraging platform for cooperation as the two thematic areas. Additionally, the project addressed two crosscutting issues: gender and communicating benefits of cooperation and risks of non-cooperation.

During the Mid-Term Review in May 2023, it was found that the initial grant of US\$750,000 would be exhausted by August 2023. Subsequently, the WB and NBI Centres agreed to provide additional funds to NBD amounting to US\$466,000. This sum was to be sourced from different entities: US\$ 250,000 from Nile Sec, US\$ 150,000 from ENTRO, and US\$ 66,000 from NELSAP-CU.

The commitments of Nile Sec and NELSAP-CU are clearly detailed in the Mid-Term Review (MTR) Aide Memoire, while ENTRO's commitment was communicated through an email from its Executive Director. The Nile Sec has already remitted US\$ 112,500 to NBD. Using the contributions from NELSAP-CU, NBD commenced implementation of activities related to community mobilization and consultation in Water Quality (WQ) hotspot areas in Rwanda.

Additionally, NBD submitted a concept note and budget to ENTRO for two activities that ENTRO agreed to fund. The activities are related to mobilizing and consulting riverine flood prone communities to enable ENTRO to collect real-time data and information on flood occurrences, impacts, community preparedness and mitigation measures.



### 3.2.1 NCCR Project Thematic Areas and NBD's role

The Nile Cooperation for Climate Resilience (NCCR) 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, 5 Thematic Areas, and 2 cross cutting issues.

#### Project Components:

Project components and Implementing Entity	Project Thematic Areas	Cross Cutting Issues
<b>Component1:</b> Advancing Nile Basin-wide Cooperation (Nile-Sec)	<b>Thematic Area 1:</b> Platform for Cooperation	<ul style="list-style-type: none"> <li>▪ Gender</li> <li>▪ Communicating Benefits of Cooperation and Risks of Non-Cooperation</li> </ul>
<b>Component2:</b> Improving Mechanisms for Cooperation in the Equatorial Lakes (NELSAP)	<b>Thematic Area 2:</b> Flood and Drought Risk Mitigation	
<b>Component3:</b> Improving Mechanisms for Cooperation In the Eastern Nile (ENTRO)	<b>Thematic Area 3:</b> Dam Safety Capacity Building	
<b>Component4:</b> Water Quality in the Lake Victoria sub-basin (LVBC)	<b>Thematic Area 4:</b> Innovative information Services for Climate-Resilient Investment Planning	
<b>Component5:</b> Strengthening Stakeholder Engagement in the Nile Basin	<b>Thematic Area 5:</b> Water Quality Investment Planning and Prioritization	

### 3.2.3 NBD's Role in the NCCR Project

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

### 3.2.4 Key achievements under these thematic areas in the year 2023

#### a) Thematic Area 1: Platform for Cooperation:

##### Key achievements under this thematic area:

#### i) NBD leveraged the 17th Regional Nile Day Celebrations 2023

**Nairobi River cleaning:** As a precursor to Nile Day 2023, NBD participated in a community cleaning event of Nairobi River on the 21st February 2023. Alongside NBI, the Ministry of Water Resources - Kenya, local council leadership, students from Kenya Water Institute (KEWI) and the University of Nairobi, NBD contributed to raising awareness for the protection of water sources and promoting environmental conservation within the Nairobi community.



**The 17th Regional Nile Day celebrations 2023:** NBD played a significant role in the event held in Nairobi, Kenya, on the 22nd of February 2023. The NBD Board Chairperson Ms. Verdiane Nyiramana, delivered a statement to approximately 300 attendees, emphasizing NBD's mission and its collaboration with NBI in celebrating Nile Day. The theme for the event was, "Deepening Nile Cooperation: Sustainable Development in a Changing Climate," with the Guest of Honour being H.E. Dr. Musalia Mudavadi, Prime Cabinet Secretary of the Republic of Kenya.

The event was attended by Ambassadors and High Commissioners of NBI member states, Diplomatic Corps, representatives of development partners, the Nile-COMs, Nile-TACs, former NBI EDs, NBI staff, Civil Society under the leadership of NBD, and school-going children. The NBD network was represented by 15 members (6 male and 9 females, 60%), including Board members from eight countries of (Burundi, DRC, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, and Uganda), four members from the NBD Secretariat, and three EC members of the Regional Nile Women Network.

The NBD Network showcased roll-up banners with messages addressing issues such as climate change, transboundary community engagement platforms on NBI Projects, women and youth empowerment in water decision making, and mentoring the young generation in environment conservation.

**NBD Board Meeting:** On the 21st February 2023, NBD held its 24th Board Meeting back-to-back with the Nile day celebrations. The Board reviewed and approved the Annual Report (narrative and fiscal) for 2022, the Annual Plan for 2023, and the NBD Strategy for 2023-2027. Additionally, the Board agreed to retain the existing Staff until the end of the NCCR project period in August 2023.

**ii) NBD leveraged the MTR platform of the NCCR (P172848) Project:**

A World Bank team conducted the Mid Term Review (MTR) mission for the Nile Cooperation for Climate Resilience Project (P172848) from May 15th to 19th, 2023. The objectives were to: (i) assess and document progress towards achieving the project Development Objective (PDO); (ii) evaluate the likelihood of the project achieving its PDO and identify obstacles; and (iii) agree on necessary improvements or adjustments.

The mission evaluated on-going and planned activities, focusing on technical aspects, procurement, financial management and disbursements, project management, M&E including the results indicators, coordination between implementing agencies, safeguards, and gender. Discussions were held with all five implementing agencies (IAs): Eastern Nile Regional Technical Office (ENTRO), Lake Victoria Basin Commission (LVBC), Nile Basin Discourse (NBD), Nile Basin Initiative Secretariat (Nile-SEC); and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU) at the Nile-SEC headquarters in Entebbe, Uganda.

NBD's accomplishments on Component 5 and thematic areas 1 and 2 together with 2 crosscutting issues (Gender and communication) were presented and reviewed. NBD reported achieving all planned activities for Thematic Area 1 (Platform for Cooperation) and the Cross-Cutting Theme on Gender, except for some activities related to the development of a flood management strategy, flood mitigation plan and basin-wide identification of flood prone communities for consultation meetings which were aligned with ENTRO's implementation schedule.



NBD fully met the target for Intermediate Results (IR) Indicator 3 (# of fit-for-purpose networks created or strengthened) and is on track to meet the target for IR Indicator 6 (# of community level stakeholders consulted for usability of flood warning notifications). According to MTR's Aide Memoire, NBD's implementation progress was rated Satisfactory.

**iii) NBD leveraged the high-level River/Lake Basin Organizations Meeting, 23rd - 26th May 2023, Kampala, Uganda:**

Over 50 Representatives drawn from the African Union Commission, the African Ministers' Council on Water (AMCOW), the African Regional Communities, the African Network of Basin Organisation (ANBO), the African Development Bank, GIZ, WB/CIWA, and other development partners attended the four-day high-level meeting. NBD was represented by the Board Chairperson and the Acting Regional Manager.

The purpose of the high-level meeting was to set the agenda and launch the continental campaign to ensure the effective implementation of the Blue Deal for Water Security and Sanitation for Peace and Development of the 9th World Water Forum, as well as the UN 2023 Water Action Commitments. Ms. Verdiane Nyiramana participated as a panelist in a discussion focused on water infrastructure. In her remarks, she emphasized the need for more investment in the water sector that considers the priorities and interests of local communities. The meeting concluded with the issuance of The Kampala Declaration on Transboundary Water Resources Management in Africa, with NBD as one of the signatories.

**iv) NBD leveraged the World Water Week platform in Stockholm (20th - 24th August 2023)**

Stockholm World Water Week, the leading conference on global water issues, has been held annually since 1991. It attracts a diverse mix of participants from various professional backgrounds and regions to develop solutions to the world's greatest water-related challenges.

In the 2023 World Water Week, NBD was represented by the Board Chairperson, who interacted with various donors to showcase and promote NBD's achievements. She attended key donor roundtable meetings with representatives from the African Development Bank, WB/CIWA, and GIZ.

**v) NBD leveraged the NILE-TAC and Nile-COM MEETING, October 2023, Munyonyo, Kampala-Uganda**

At the Nile-TAC meeting, NBD made presentations focusing on its contributions to Nile Cooperation, providing practical examples at both country and transboundary levels.

**vi) NBD leveraged the 7th Nile Basin Development Forum (NBDF)**

NBD as a key partner of NBI, actively engaged in the preparations for the forum, participating in both the National Organizing Committee (NOC) and the Regional Organizing Committee (ROC). The invitation to join these committees came from the Ministry of Water and Environment-Republic of Uganda and the NBI Secretariat respectively.



During the forum, NBD took on the responsibility of caretaker and co-convenor for a webinar titled: *"The Role of Non-State Actors in Promoting Transboundary Water Cooperation"*. Notably, Professor Oweyegha-Afunaduula, former Chairperson of NBD (2008 to 2010), was invited as the keynote speaker. NBD, represented by its chairperson, delivered a speech at the opening session to an audience of over 500 participants, highlighting the story of a woman affected by climate hazards in the Nile Basin grassroots

Furthermore, NBD participated in a high-level panel discussion on "Regional Water Infrastructure as Drivers of Regional Cooperation, Regional Peace and Security, and Sustainable Development." Emphasizing the importance of involving local communities in water infrastructure development, NBD underscored the necessity of their participation for ensuring the quality and sustainability of such projects.

In addition to its active involvement in the forum, NBD participated in the ***Nile Media Award, & awarded the 1st and 2nd runner up in the Radio category.*** NBD also mobilized its Board members from across the ten Nile Basin countries to attend the NBDF for purposes of awareness-raising, networking, and experience sharing.

Taking advantage of the event, NBD convened its Board meeting alongside the NBDF on October 16th and 17th, 2023. During this meeting, discussions centred on key matters including the recruitment of NBD's Regional Manager, renewal of staff contracts, and the organization's financial standing and future plans.

#### **vii) NBD leveraged the 6th Implementation Support Mission (ISM) of the WB**

A World Bank team carried out the 6th implementation support mission for the Nile Cooperation for Climate Resilience Project (P172848) from 13th -15th November, 2023. The mission aimed to review the progress of activities that were agreed upon during the previous mission in May 2023 and to offer support to the implementing agencies to ensure timely and quality delivery. The mission held discussions with all the five implementing agencies (IAs) who gathered in Kigali, Rwanda.

NBD presented progress updates for the period and plans for the next 6 months on Component 5: Enhancing Stakeholder Engagement in the Nile Basin. The World Bank team rated NBD's progress in this component as satisfactory (S) and announced additional funds from the WB/CIWA for the years 2024 and 2025, as a result of NBD's leveraging efforts.

#### **viii) NBD engaged Interns from the Eastern Nile Countries under the Pilot Internship Programme**

NBD initiated a Pilot Internship Program under the Nile Cooperation for Climate Resilience (NCCR) project, specifically targeting young professionals from the Eastern Nile Countries (Egypt, Ethiopia, South Sudan, and Sudan). Four young female interns were brought on board for a six-month period, aiming to enhance NBD's outreach by connecting young university graduates with grassroots communities, particularly focusing on youth and women.

The specific objectives of the internship program were to: (i) Enhance the intern's understanding of how civil society engages with grassroot communities, intergovernmental organizations, governments, and other stakeholders. (ii) Gather real-time evidence from grassroot women and youth on flood and drought risks and mitigation approaches. (iii) Promote communication of the



benefits of cooperation and risks of non-cooperation to the grassroots communities. (iv) Contribute to NBD's activities in the NCCR Project by supporting and networking with National Technical Support Experts of the NDFs and NBD member CSOs/NGOs.

**b) Thematic Area 2: Flood and Drought Thematic area:**

**Key achievements under this Thematic Area:**

The Nile Basin Discourse (NBD) Network and Nile Equatorial Lakes Subsidiary Action Program (NELSAP –CU), in collaboration with the government of Tanzania and National Discourse Forum (NDF) Tanzania, conducted consultations with flash flood prone grassroots communities across several countries in the Nile Basin region. The aim was to gather data and insights to support the development of a Flash Flood Early Warning System (FFEWS) to mitigate the impact of flash floods on vulnerable communities. It also aimed at supporting national meteorological and hydrological services in the Nile Basin member states in disseminating reliable and effective flash flood early warning information.

**i) Flash Flood Prone Grassroot Communities' Consultation, Mwanza, Tanzania:**

In Mwanza, Tanzania, consultations were conducted from January 31st to February 3rd, 2023. Meetings were held with government entities such as the Lake Victoria Basin Water Board and the Tanzania Meteorological Agency. Site visits were made to Mirango, Pamba, Mabatini, and Mbugani Wards where the focus group discussions with local communities revealed their vulnerability to flash floods, the impacts they face, their preparedness and response, and proposed sustainable solutions.

*Communities' vulnerability to Flash floods:* The area is highly susceptible to flash floods, with inundation occurring within a remarkably short span of 20-30 minutes after rainfall onset, leaving little time for evacuation or preparation. Despite this imminent threat, communities lack access to early warning systems. Their only recourse is to rely on visual cues, such as observing the sky, to anticipate incoming rainfall. Additionally, soil erosion exacerbates the situation by depositing silt into the Mirango River, leading to overflow and further flooding.

*Impacts of Floods:* The devastating consequences of floods are harshly evident, as highlighted by the 2000 flooding event. Tragically, 12 lives were lost, and numerous homes were destroyed. Properties, including vehicles, crops, and businesses, suffered extensive damage, along with critical infrastructure such as bridges, electrical poles, and telecommunication facilities.

*Flood Response and Preparedness:* In the absence of organized government intervention, individuals are left to fend for themselves and their properties during flood events, representing a significant risk. Although some government assistance was provided during the 2000 flooding, such as evacuation and resettlement efforts, the long-term viability of these solutions was undermined by their disconnect from the affected communities' economic activities and livelihood centres.

*Sustainable Solutions Proposed by Communities:* Recognizing the urgency of the situation, communities have proposed a range of sustainable solutions to mitigate the impact of flash floods. These include: (i) Regular cleaning of the river to prevent overflow by removing debris. (ii) Strengthening catchment management through environmental committees equipped with tools like gabions and public address speakers to disseminate early warning information. (iii)



Infrastructure improvements such as upgrading bridges, constructing diversion channels, and implementing dykes. (iv) Implementation of an early warning system capable of providing timely and accurate information aligned with flood lead times, thereby enabling proactive response measures.

**ii) Flash flood prone grassroots communities' consultation: Mbale and Sironko Districts, Uganda:**

In Mbale and Sironko Districts, Uganda, consultations were conducted from March 7th to 10th, 2023. Meetings were held with government officials in the Ministry of Water and Environment, Kyoga Water Management Zone and Sironko District Local Government and visits were made to flash flood prone communities in Nabuyoga River – Mulembe Cell, Mbale City and Bukiise Sub-County, Sironko District. The consultations highlighted the recurrent nature of floods in the area and the need for long-term solutions such as environmental conservation and relocation of affected communities.

*Community Experience with Floods:* The communities in Mbale have been grappling with floods since 1997, with the most severe incidents occurring in 2019 and 2022. Rainfall exceeding three hours often heralds the onset of floods, prompting the community to seek refuge with relatives until the waters recede. The root causes of these floods are multifaceted, including agricultural encroachment on mountain slopes and rampant deforestation.

*Emergency Evacuation and Communication:* In times of impending disaster, the community relies on various communication channels to receive early warnings. Information is disseminated through media platforms such as radio and television, as well as through phone calls and door-to-door communication from neighbouring villages. These efforts contribute to facilitating emergency evacuation procedures.

*Long-Term Solutions Proposed by Communities:* To address the recurring flood challenges, the community advocates for proactive measures aimed at mitigating future risks. They call upon the National Environment Management Authority (NEMA) to undertake awareness campaigns highlighting the environmental consequences of destructive practices. Furthermore, they emphasize the importance of relocating individuals residing along riverbanks, advocating for reforestation efforts and the expansion of riverbanks. Additionally, the community proposes the establishment of designated areas for waste disposal to prevent blockages in water channels caused by plastic debris. These sustainable solutions aim to enhance resilience and minimize the impact of floods on the community.

**iii) Flash flood prone grassroots communities' consultation in Rwanda:**

Consultations in Rwanda took place from April 4th to 6th, 2023, involving discussions with government officials in the Ministry of Environment, and the Rwanda Water Resources Board and visits to flood-prone communities in Muganza cell – Runda Sector, Nyagacyamu village in Kamonyi district and Cyome cell, Nyakagezi village, Gatumba Sector in Ngororero district.

*Impact of Community Practices on Floods:* During consultations with local communities, it became evident that unplanned constructions on slopes have significantly contributed to environmental degradation and increased the frequency of floods. Despite efforts to construct canals, limited resources have hindered progress, leaving the community vulnerable to floods and



property damage. In response, the community has initiated the construction of local channels to redirect water downstream, particularly in areas lacking proper infrastructure.

*Consequences of Flood Disasters:* Flood disasters have had far-reaching consequences, including the destruction of infrastructure such as roads and bridges, as well as agricultural crops. The resulting communication breakdown between communities further exacerbates the challenges faced during emergencies.

*Government Intervention and Programs:* The government has implemented measures to mitigate flood impacts, including the construction of channels to manage fast-moving water and the establishment of an agricultural crops' insurance program. However, the compensation provided through this program may not be sufficient to address the full extent of the damages incurred by farmers.

*Community Alert Systems and Mitigation Efforts:* To enhance preparedness, the community relies on alert messages disseminated through radio broadcasts and direct communication from the Ministry of Environment to heads of households. Additionally, labour-intensive efforts to create terraces aim to prevent soil erosion and expand arable land for cultivation.

As a sustainable solution, the community proposes the construction of water harvesting tanks to minimize water flow downhill. Moreover, the adoption of technological advancements for early warning systems is welcomed as a means to bolster disaster resilience.

#### **iv) Flash flood prone grassroot communities' consultation in Burundi:**

In Burundi, consultations occurred from April 11th to 15th, 2023, revealing the devastating impact of floods on agriculture and livelihoods. Climate change and poor infrastructure were identified as key factors exacerbating flood risks. These were preceded with meetings with different officials from relevant offices (Ministry of Environment, Agriculture and Livestock, Ministry of Interior, Community Development and Public Security, and Directorate of the Geographic Institute of Burundi).

During our field visit and discussions with local communities, our team discovered that rainfall in the area is particularly intense during the month of April compared to other rainy months. This heightened rainfall often leads to floods that inflict damage upon plantation fields, disrupt the local economy, and adversely affect both the environment and the country's development. Communities residing along the Ruvyironza River and the Mubarazi River are especially impacted, with rice fields being extensively damaged and certain areas rendered unsuitable for farming due to surface water accumulation. Consequently, some farmers are unable to harvest their crops due to the inundation caused by floods. Despite their efforts, communities face challenges in implementing protective measures, primarily due to financial constraints.

These floods are primarily attributed to climate change, torrential rains, rising groundwater levels, and the absence of protective measures for hills, mountains, and watersheds. The combination of these factors, compounded by unfavourable topography, inadequate infrastructure, and environmental degradation, has left local communities susceptible to flash floods. The resultant damage to plantation fields exacerbates environmental degradation, leading to food insecurity, malnutrition-related illnesses, and waterborne diseases such as malaria. Additionally, the economic stability of families is disrupted, often resulting in familial disintegration.



**v) Flash-flood prone Communities' consultations in Kenya:**

Consultations in Kenya from April 16th to 20th, 2023, highlighted the diverse methods used for disseminating early warning messages and proposed long-term mitigation measures including infrastructure improvements and community resettlement.

Prior to the field visit, a team of experts from NELSAP-CU, the Water Resource Authority-Kenya, the Kenya National Discourse Forum, and the Ministry of Water, Sanitation, and Irrigation-Kenya, conducted briefing sessions with pertinent government offices. During these consultations, local communities conveyed the impacts of floods and emphasized the necessity for disseminating early warning messages and implementing sustainable solutions.

*The Impacts of Flash Floods:* on local communities were outlined, including the destruction of grazing lands leading to the relocation of animals to rescue centres, devastation of farmlands, destruction of residential and commercial structures, disruption of transportation due to damaged roads, and an increase in waterborne diseases among others. Late arrival of rescue missions, attributed to poor road networks, compelled affected victims and their families to undertake evacuation efforts themselves, exposing vulnerable groups such as children and women to heightened risk.

*Dissemination of Alert Messages:* Various mechanisms are employed for the dissemination of alert messages and response to floods, including the use of motorbikes for mobility within downstream villages, local FM radio stations broadcasting in native languages, community health volunteers liaising with the Kenya Red Cross through a toll-free line, and the dissemination of bulk SMS alerts by the Red Cross through mobile phone providers, Water Resource User Association (WRUA) members, and local administration/chiefs.

*Long-Term Mitigation Measures:* Community members proposed long-term mitigation measures, including the construction of check dams, concrete water channels, footbridges, riverbank protection, and the implementation of on-farm water and soil conservation techniques. Additionally, they suggested the permanent relocation of communities to safer, higher ground, with compensation from the government for their land, as a sustainable solution to mitigate the impacts of floods.

**vi) Community consultations in flash-flood prone areas in South Sudan:**

In South Sudan, consultations occurred from April 24th to 28th, 2023, revealing the challenges faced by communities due to recurrent floods and inadequate infrastructure. Issues such as waste management and the incorporation of indigenous knowledge in infrastructure planning were discussed.

Ahead of consultations with flash flood prone grassroots communities, NBD together with other invited guests attended country consultation meetings to discuss revitalizing Nyimur/Limur Multipurpose Water Resource Development project, progress updates on Flood and Drought Risk Mitigation and Dam Safety Capacity Building of the NCCR project, and the upcoming Regional Climate Resilience Programme in the Southern and Eastern Africa.



*The consultations with grassroots communities prone to flash floods:* revealed several issues causing flooding in their area. These included the construction of new roads that are too low in height and have small culverts, which get blocked by waste and debris, causing water to flash back into homesteads and submerge houses.

Since 2014, floods have occurred every year from April to October, lasting for one day (24 hours) and raising water levels up to one meter. These floods destroy houses made from local materials (wood and mud), food supplies, utilities, and halt the movement of people, including children attending school. They also expose people to waterborne diseases such as malaria and diarrhoea.

Floods also destroy infrastructure, including water supply facilities and roads. Women, children, and the disabled suffer the most from the recurrent floods, especially as the floods halt movement and result in food and drinking water shortages. The communities do not receive any early warning messages; the rains are unpredictable, with a shift in timing from March to April this year. They watch the clouds to anticipate heavy rains. Community self-rescue mechanisms, such as constructing dykes around their houses and waste collection and disposal activities, continue but are not adequate to protect them from floods.

In summary, floods are common and recurrent in South Sudan, especially in urban and semi-urban areas. During infrastructure construction, there is a significant gap in integrating indigenous and conventional scientific knowledge, with local knowledge often ignored by engineers. There is also a substantial challenge in waste collection and disposal in South Sudan. Waste, especially plastic bottles, from homes, municipalities, and industrial complexes is thrown on the streets, blocking river and stream channels and causing flooding.

#### **vii) NBD leveraged Stakeholders consultations in the Democratic Republic of Congo**

NBD participated in stakeholders' consultations in the D.R. Congo, focusing on flood risk management and disaster preparedness. Challenges such as poor disaster response mechanisms and inadequate weather forecasting were discussed. This was preceded by meetings with NELTAC members, the Technical Working Group members at Ministry of Water offices, the Office in charge of Disaster Preparedness and risk response, and the National Meteorology Agency.

The meeting with officials at the Ministry of Environment and Sustainable Development, Directorate of Water Resources, focused on clarifying the objectives of the country consultations. These objectives were to: a) discuss flood risk vulnerability, management, and preparedness in D.R. Congo; b) discuss dissemination tools at the national level; c) establish contacts with custodians of available data; and d) collect information on flash flood locations and catchment characteristics.

The meeting with officials at the Ministry of Interior, Civil Protection Affairs, responsible for Disaster Risk Management, revealed that the disaster response mechanisms in the country are new and inadequate due to resource limitations. It was disclosed that the last catastrophic flood occurred in May 2023 in Bukavu, a city in Eastern Democratic Republic of the Congo, located at the extreme southwestern edge of Lake Kivu. This disaster resulted in the deaths of 400 people, with an additional 5 million people unaccounted for, forcing the government to designate the area as a risk zone.



The meeting with officials at the National Meteorological Agency primarily centred around the availability of weather stations in D.R. Congo, the models used for forecasting, forecast resolutions/spatial scale, and the dissemination of weather information to end users. It was learned that the Met Agency does not run a forecasting model but uses already forecasted data from global satellite stations. The country has five automatic weather stations; however, they are used only for observations, not for predictions. The Met Agency disseminates weather information to the Disaster Response Office in major towns daily via email.

**viii) NBD mobilized grassroots communities' consultations in selected water quality hotspot sites in Rwanda**

NBD spearheaded the field visit activities, starting with site visits to: (i) Akagera River at Kanzenze Bridge, (ii) Mugesera Lake, (iii) Rice Farmers Cooperatives (COOPRIKI-CYUNUZI), (iv) Akagera River at Rusumo, and (v) Kirehe District Office.

The team of 16 people included representatives from NBD (4), NELSAP (6), the Ministry of Environment and RWB (3), LVBC (1), and consultants (2). They first visited the Akagera headwaters, immediately after the confluence of the Akanyaru and Nyabarongo Rivers. It was observed that water quality in the Akagera River is generally poor due to sedimentation and siltation, primarily caused by soil erosion in the highland and upstream areas. The river is also affected by water hyacinth.

At the Akagera River site, the team noted a sugar cane plantation, a commercial farm owned by an Indian company. Heavy trucks frequently visit the area to load sugar cane for transport to a processing factory.

It is anticipated that the sediments in the river might contain metals, posing risks to human health and the natural environment. The heavy sediment transported by the river during the rainy season also poses a challenge to the Rusumo Hydropower Plant, potentially affecting the lifespan of the dam.

**ix) Virtual Extraordinary General Assembly (GA) Meeting:**

NBD held its virtual extraordinary General Assembly (GA) meeting on 19th December 2023. The main agenda item was to extend the tenure of the current Board for another 12 months.

As per its constitution, NBD is required to hold its GA meeting every two years. However, due to resource limitations, NBD could not hold its GA planned for December 2023. Consequently, the tenure of the current Board had expired, which would create a significant gap in the governance of the NBD Network.

GA delegates from the 10 Nile Basin countries virtually assembled, acknowledged the challenges posed by resource limitations, and discussed the importance of extending the tenure of the current Board.

Accordingly, the GA delegates unanimously agreed to extend the tenure of the current Board for another 12 months, effective from 19th December 2023 until 18th December 2024.



**c) Communication and Gender**  
**Key achievements under this area**

**Communication:** under communicating benefits of cooperation and risks of non-cooperation, NBD used various platforms and forums to advocate for emerging issues related to benefits of cooperation and risks of non-cooperation such as Nile Days, NBI governance meetings, Nile Basin Development Forums, and World Water Weeks. NBD packaged its messages through knowledge products such as Banners, Annual Report 2022, FAQs, Speeches, and NBD in the NCCR briefs.

**Gender aspect of the NCCR project:** As part of addressing this crosscutting issue, NBD mobilized grassroots women to form networks to interact with NBD and NBI programs. This new platform aims to contribute towards realizing flood and drought early warning systems.

**Achievements:**

**i) NBD Finalized the Formation of the Regional Nile Women's network**

The second Regional Nile Women's Network Workshop was held on 20th February 2023 at the Swiss Lenana Mount Hotel in Nairobi, Kenya. The overall objective of the workshop was to discuss and agree on the Terms of Reference (ToRs) and the sustainability strategy for the Regional Network, in synergy with the activities of the National Nile Women's Networks and other strategic partners. The workshop approved the ToRs and Strategic Objectives of the Regional Nile Women's Network, along with an action plan synchronized with the activities of the National Nile Women's Networks and other strategic partners.

**ii) NBD launched digital webinar series for the Regional Nile Women's Network**

The Executive Committee of the Regional Nile Women's Network (RNWN), during its meeting in February 2023 in Nairobi, Kenya, resolved to launch a monthly digital webinar for the RNWN. Following this resolution, the NBD Secretariat began collecting CVs of volunteer speakers along with their topics of interest. Two CVs from each National Nile Women's Network, which are constituent members of the RNWN, were collected along with their topics of interest. Additionally, the NBD Secretariat requested the RNWN members to discuss and agree on the main theme of the webinar. The members agreed on "WATERING WOMEN" as the main theme for the monthly webinar series.

The main objectives of the webinar were to: (i) Share knowledge and information among the members; (ii) Build the profile of the Network; and (iii) Generate ideas for future resource mobilization and project planning.

**3.3 ENGAGING THE NATIONAL DISCOURSE FORUMS (NDFS)**

NBD recruited National Technical Support Experts (NTSEs) for the 10 NDFs to serve as focal persons for engaging NBD Network members in the NCCR project. The NTSEs facilitated knowledge generation, management, and sharing through monthly User Generated Content (UGCs).

From March to August 2023, NTSEs submitted monthly UGCs and mobilized members and stakeholders for various activities. By the end of August 2023, a total of 53 UGCs were received, distributed as follows: (i) Burundi: 6; (ii) DRC: 5; (iii) Egypt: 6; (iv) Ethiopia: 6; (v) Kenya: 6; (vi) Rwanda: 6; (vii) South Sudan: 6; (viii) Sudan: 0; (ix) Tanzania: 6; and (x) Uganda: 6.



#### **3.4 FINANCIAL MANAGEMENT: NBD EXTERNAL AUDIT PROCESSES AND OUTCOMES**

NBD organized a virtual Board scoping meeting to discuss the commencement of external auditing for the fiscal year 2022. The meeting included members of the NBD Board, NBD Secretariat staff, and a team of auditors from PKF Uganda. Discussions centred on preparations for the audit, leveraging previous experiences, determining the due date to start field work, and setting expectations and intended outcomes for the auditing process.

The PKF Uganda team began their field visit at the NBD Secretariat Office in May 2023. On completion of the audit processes, an exit meeting was organized by the NBD Secretariat on 23rd June 2023, during which the team from PKF Uganda presented the draft audited accounts to the NBD Board for comments and endorsement.

The audited financial statements were signed on 29<sup>th</sup> June 2023 alongside the management letter and subsequently shared with the donor (WB/CIWA) for uploading onto the World Bank's Client Connection portal.

#### **3.5 NBD joined Nationally Determined Contributions (NDC) Global Partnership: Empowering Collective Climate Action**

In 2023, as part of its efforts to broaden its resource base through strategic partnerships, NBD became a member of the NDC Global Partnership. This partnership comprises over 200 members united in facilitating a transformative response to achieving the objectives of the Paris Agreement and advancing sustainable development. Open to countries and international institutions committed to ambitiously implementing their nationally determined contributions (NDCs) under the Paris Agreement and the 2030 Sustainable Development Goals, the NDC Partnership serves as a collaborative platform.

By joining this coalition, NBD gains access to various benefits, including financial resources, enhanced knowledge sharing, and learning opportunities. The NDC Partnership's Knowledge Portal plays a crucial role in accelerating climate action by providing members with easy access to data, tools, guidance, best practices, and funding opportunities.

#### **3.6 Conclusion**

In conclusion, despite encountering numerous challenges, NBD demonstrated commendable commitment in executing planned activities and achieving desired outcomes in 2023. Collaboration with other Implementing Entities (IEs) in the NCCR project was notably productive, albeit with synchronization issues, particularly in thematic area 2 (Flood and Drought Risk Mitigation). The organization successfully executed all planned activities despite facing disruptions due to the resignation of the Regional Communication and Media Officer and the passing of the Regional Manager.

Moving forward, NBD ought to benefit from bolstering its capacity for resource mobilization across Board, Secretariat, and NDFs levels. Given the time-intensive nature of policy influencing, awareness raising, and capacity building efforts, sustained and reliable funding beyond project lifecycles is imperative to prevent interruptions in crucial workstreams.



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In 2023, NBD intensified collaboration with key stakeholders such as Nile-Sec, ENTRO, NELSAP, and LVBC, leveraging the Executive Committee's governance framework to foster synergy, efficiency, and knowledge/resource sharing opportunities.

By addressing resource mobilization challenges and fostering continued collaboration, NBD can enhance its effectiveness in advancing its mission and contributing to regional development goals in the Nile Basin.

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Regional Manager

27 / 06 / 2024



#### **4.0 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 of the year and on funds received and expenditures incurred for the year ended 31 December, 2023.

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.

#### **5.0 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;



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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.



## **6.0 Statement of Director's Responsibilities**

The Uganda Companies Act, 2012 requires Directors to prepare Project financial statements for each financial year, which give a true and fair view of the state of affairs of the organization as at the end of the financial year and of its operating results for that year. Directors are also required to ensure the Project keeps proper accounting records, which disclose with reasonable accuracy the financial results of the Project. Directors are also responsible for safeguarding the assets of the Project.

Directors are ultimately responsible for the internal control. Standards and systems of internal control are designed and implemented by Project management to provide reasonable assurance as to the integrity and reliability of the Project financial statements and to adequately safeguard, verify and maintain accountability of the Project's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Directors accept 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 25-26.

Directors are of the opinion that the Project financial statements give a true and fair view of the state of the financial affairs of the Project and of its operating results. Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the Project has occurred during the year.

Directors have a reasonable expectation that the Project has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the Project financial statements.

The Project financial statements which appear on pages 23 to 34 were approved by the Board on 27 / June / 2024 and signed on its behalf by:

**Board Chairperson**

**Board Treasurer**

**Regional Manager**



## 7.0 INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF NILE BASIN DISCOURSE

### REPORT ON THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2023

We have audited the financial statements of Nile Cooperation for Climate Resilience Project - CIWA Grant No. P172848, set out on pages 23 to 30, for the year ended 31 December 2023. The financial statements comprise of the statement of fund balance, the statement of income and expenditure for the year then ended, the statement of accounts reconciliation and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial affairs of the Nile Cooperation for Climate Resilience Project as at 31 December 2023, and of its financial performance for the year then ended in accordance with the NBD accounting policies and the provisions governing the Subsidiary Agreement between The Nile Basin Discourse and Nile Basin Initiative.

#### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. 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 Organisation 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 in Uganda, 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 the Project financial statements. Key audit matters are selected from the matters communicated with Management but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the Project financial statements as a whole. We have determined that there are no key audit matters to communicate in our report.

#### Other Information

Project management 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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Project financial statements in accordance with the generally acceptable accounting principles 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, management is responsible for assessing the Project'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the Project 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 carry out the following procedures:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Project management.
- Conclude on the appropriateness of the 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 entity's ability 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Project or activities to express an opinion on the financial statements. We remain solely responsible for our audit opinion.



- Communicate with those charged with governance among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that the auditor identified during the audit.
- Provide the Project management with a statement that we have compiled with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

As required by Companies Act 2012, we report to you, based on our audit, that:

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) In our opinion, the Organization has kept proper books of accounts, as far as appears from our examination of those books; and
- 3) The Organization's statement of fund balance and statement of income and expenditure agree with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Fred Bawunha-P0150.

*Bawunha & Badebye*

**Bawunha & Badebye  
Certified Public Accountants  
Kampala**

*[Signature]*

**CPA Fred Bawunha  
Engagement Partner**

Date 28/6/2024



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8.0 Statement of Income and Expenditure

Particulars	Notes	31-December-2023	31-December-2023	31-Decemer-2022
		Budget US\$	Actual US\$	Actual US\$
<b>Income</b>				
Donor funding (NCCR)	11.1	386,210	294,709	567,791
Other income (Forex Gains)	11.2	-	671	325
<b>Total available income</b>		<b>386,210</b>	<b>295,379</b>	<b>568,116</b>
<b>Expenditure</b>				
Program costs	11.3	156,172	106,855	187,331
Personnel costs	11.4	175,687	171,130	234,975
Administrative costs	11.5	54,351	50,256	61,799
<b>Total Expenditure</b>		<b>386,210</b>	<b>328,240</b>	<b>484,104</b>
(Deficit)/Surplus for the year		-	(32,861)	84,012

The Project Financial Statements were approved by Board on 27<sup>th</sup> / June /2024 and signed on its behalf by:

Board Chairperson

Board Treasurer

Regional Manager



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9.0 Statement of Fund Balance

Particulars	Notes	31-December-2023 US\$	31-December-2022 US\$
<b>At start of year</b>		84,012	-
Surplus for the year	10.8	(32,861)	84,012
<b>At end of the year</b>		<b>51,151</b>	<b>84,012</b>
<b>Represented by:</b>			
<b>Current Assets</b>			
Cash at bank	11.6	68,244	107,182
Receivables and prepayments	11.7	2,230	10,784
<b>Total current assets</b>		<b>70,474</b>	<b>117,966</b>
<b>Current Liabilities</b>			
Payables	11.8	19,323	33,954
<b>Net Current Assets</b>		<b>51,151</b>	<b>84,012</b>

The Project Financial Statements were approved by Board on 27 / June /2024 and signed on its behalf by:

Board Chairperson

Board Treasurer

Regional Manager



## **10.0 Significant Accounting Policies**

The principle accounting policies adopted in the preparation of the Project financial statements are set out as below:

### **a) Basis of Preparation**

The Project financial statements are prepared in accordance with the NBD accounting policies and the provisions governing the Subsidiary Agreement between The Nile Basin Discourse and Nile Basin Initiative .

### **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 Project'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 income and expenditure.

Exchange rates used were as follows:

	<b>Currency</b>	<b>Average rate</b>	<b>Closing rate</b>
1US\$	UGX	3,691	3,782



**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.

**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 organization's contributions to the scheme are charged to the Statement of Income and Expenditure 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 2023.

**j) Comparatives**

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



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**11. Notes to the Project Financial Statements**

**Note 11.1: Income**

The receipts from NBI during the year ended 31 December 2023 are detailed below.

**2022:**

<b>Date</b>	<b>Particulars</b>	<b>Amt US\$</b>
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
	<b>Total</b>	<b>567,791</b>

**2023:**

<b>Date</b>	<b>Particulars</b>	<b>Amt US\$</b>
13.05.2023	Funds received from CIWA_ World Bank - NCCR Project	316,797
22.05.2023	Refund to NBI of funds over advanced to NBD	(151,981)
02.11.2023	Funds received from CIWA_ World Bank - NCCR Project	129,893
	<b>Total</b>	<b>294,709</b>

**Note 11.2: Other Income**

<b>Particulars</b>	<b>31-December-2023 US\$</b>	<b>31-December-2022 US\$</b>
Foreign Exchange Gain	671	323
<b>Total</b>	<b>671</b>	<b>323</b>

**Note 11.3: Program costs**

<b>Particulars</b>	<b>31-December-2023 Budget US\$</b>	<b>31-December-2023 Actual US\$</b>	<b>31-December-2022 Actual US\$</b>
<b>Flood and Drought Risk Mitigation</b>			
Participating at the development of the flood management strategies and developing a flood mitigation plan for the flood prone communities	-	-	1,250
Basin-wide identification meetings of flood- prone communities	27,366	27,366	30,852
<b>Sub total</b>	<b>27,366</b>	<b>27,366</b>	<b>32,102</b>



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**Platform for cooperation**

Leveraging on council of ministers and technical advisory committee platforms and decision making by the COMs and TACs	-	-	5,905
Participating and providing expertise in NCCR-related steering committee meetings	1,200	1,200	-
Piloting internship program to contribute to results of the implementation of the NCCR project	6,490	6,490	1,219
World water week 2022	-	-	7,569
World water week 2023	7,761	7,761	-
Participation at NBDF and Nile Media Award	8,361	8,361	-
<b>Sub total</b>	<b>23,812</b>	<b>23,812</b>	<b>14,693</b>

**Cross-cutting Actions**

Communicating benefits of cooperation and risks of non-cooperation and participating in regional Nile day 2023	529	529	22,871
Mobilizing grassroots women for participation in the upcoming meeting discussions towards formation of grassroots women's network	-	-	2,000
Identifying women networks at grassroots in the ten countries at the first national grassroots meetings towards creating a regional women's network	-	-	17,500
Holding a regional meeting towards creating a regional women's network	64,464	19,148	98,163
Retaining the NTSEs for 2023 (for 8 months)	40,000	36,000	-
<b>Sub total</b>	<b>104,993</b>	<b>55,676</b>	<b>140,534</b>

**Total- Program costs**

<b>156,172</b>	<b>106,855</b>	<b>187,331</b>
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**Note 11.4: Personnel costs**

Particulars	31-December-2023	31-December-2023	31-December-2022
	Budget US\$	Actual US\$	Actual US\$
Operations and support staff	112,627	109,209.33	129,893
Program staff	63,060	61,920.66	105,082
<b>Total- Personnel costs</b>	<b>175,687</b>	<b>171,130</b>	<b>234,975</b>



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**Note 11.5: Administrative costs**

<b>Particulars</b>	<b>31-December-2023</b>	<b>31-December-2023</b>	<b>31-December-2022</b>
	<b>Budget US\$</b>	<b>Actual US\$</b>	<b>Actual US\$</b>
External audit services		-	14,042
Rent, utilities and relatable costs		11,441	13,707
Office consumables		710	746
Communication		11,911	8,389
Travel and travel-related costs	54,351	15,690	16,792
Equipment supplies and software maintenance		2,521	562
Bank charges		3,117	3,182
Other core costs (excluding external audit)		4,791	3,881
Forex losses (includes invoice rounding off)	-	75	497
<b>Total- Administrative costs</b>	<b>54,351</b>	<b>50,256</b>	<b>61,799</b>

**Note 11.6: Cash at bank**

<b>Particulars</b>	<b>31-December-2023</b>	<b>31-December-2022</b>
	<b>US\$</b>	<b>US\$</b>
US\$ account	67,015	105,883
UGX account	1,229	1,299
<b>Total- Cash at bank</b>	<b>68,244</b>	<b>107,182</b>

**Note 11.7: Receivables and prepayments**

<b>Particulars</b>	<b>31-December-2023</b>	<b>31-December-2022</b>
	<b>US\$</b>	<b>US\$</b>
Work advances	182	9,550
Prepaid Expenses	2,048	1,234
<b>Total- Receivables &amp; prepayments</b>	<b>2,230</b>	<b>10,784</b>



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**Note 11.8: Payables**

<b>Particulars</b>	<b>31-December-2023</b>	<b>31-December-2022</b>
	<b>US\$</b>	<b>US\$</b>
NSSF Payable	1,892	1,899
PAYE Payable	3,968	5,005
Provident Payable	3,768	9,223
Audit fees Payable	-	14,042
Other Creditors	9,695	3,785
<b>Total- Payables</b>	<b>19,323</b>	<b>33,954</b>



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

The Board of Directors  
Nile Basin Discourse (NBD)  
Plot 2, Cemetery Lane, Entebbe  
P.O. Box 185 Entebbe, Uganda

We have audited the Statement of Special Account Reconciliation of Nile Cooperation for Climate Resilience Project for the year ended 31 December, 2023.

### 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 on 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 32 below and; notes thereon fairly present in all material respects the account operations for the year ended 31 December 2023 in accordance with the basis of accounting policies described under note 10 (a) of this report.

*Bawunha & Badebye*  
**Bawunha & Badebye**  
Certified Public Accountants  
Kampala

*Fred Bawunha*

**CPA Fred Bawunha**  
Engagement Partner

Date: *28/01/2024*



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**13.0 STATEMENT OF SPECIAL ACCOUNT RECONCILIATION AS AT 31 DECEMBER 2023**

Particulars	2023	2023	2023
	US\$	UGX	Total US\$
Opening cash book balance as at 1 January, 2023	105,883	1,299	107,183
<b>Add:</b>			
Total Replenishments by World Bank (through NBI)	294,709	-	294,709
Transfers to UGX bank account	(81,700)	81,700	-
<b>Funds available during the year under review</b>	<b>318,892</b>	<b>82,999</b>	<b>401,891</b>
<b>Less:</b>			
Expenditures paid from DA Account	200,718	81,543	282,261
Work advances to staff- Secretariat	37,842	227	38,069
Work advances to NDFs- 10 Riparian States	13,317	-	13,317
<b>Total payments during the year</b>	<b>251,877</b>	<b>81,770</b>	<b>333,647</b>
<b>Closing cash and bank balance as at 31 December, 2023</b>	<b>67,015</b>	<b>1,229</b>	<b>68,244</b>



**14.0 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.**

*From the work done and tests carried out, the funds received in the year ended 31 December 2023 were 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.**

*From our sample, goods and services financed were 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.**

*From our sample of the project expenditures, the expenses had all necessary supporting documents*

**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.**

*The designated account has been used in accordance with the required provisions included in the grant agreement and funds disbursed were verified to have been used for the intended activities & purpose.*

**v) Identify, evaluate and report on the Project's Internal Control Structure.**

*With exception of the findings elaborated in the management letter, other internal controls tested were found effective and contributed greatly to the accuracy and reliability of the financial information presented.*

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

*Through preparation of checklists to check NBD's compliance to laws and regulations in the industry in which it implements the NCCR Project and the grant agreement guidelines, we were able to ascertain its compliance with exception of the findings reported in the management letter.*



**vii) Determine the eligibility and correctness of the financial transactions during the year and fund balances at the end of 31 December, 2023.**

*In light of the audit tests carried out on all account item balances presented in the financial statements (Statement of income and expenditure and fund balance), the financial transactions have been determined to be correct and eligible.*