



NBD-CIWA/WB, Grant No. TF015834

***Engaging Civil Society for Social and Climate Resilience in the Nile Basin
Project (ECSSCRNBP)***

Implemented by:

THE NILE BASIN DISCOURSE

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Audited by:



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May 2018

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- *Statement of Expenditures (SoEs)*
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ACRONYMS/ ABBREVIATIONS

AF	:	Additional Financing
APO	:	Annual Plan of Operation
AusAID	:	Australian Aid
AWDF	:	African Women Development Fund
BAS	:	Baro-Akobo-Sobat
CIWA	:	Cooperation in International Waters in Africa
CSOs	:	Civil Society Organisations
CPA	:	Certified Public Accountant
CRM	:	Climate Risk Management
EC	:	Executive Committee
ECSSCRNBP	:	Engaging Civil Society in Social and Climate Resilience in the Nile Basin Project
ENTRO	:	Eastern Nile Technical Regional Office
ENSAP	:	Eastern Nile Subsidiary Action Programs
ESIA	:	Environmental and Social Impact Assessment
GA	:	General Assembly
GAAP	:	Generally Acceptable Accounting Principles
GERD	:	Grand Ethiopian Renaissance Dam
GWP-EA	:	Global Water Partnership Eastern Africa
IDA	:	International Development Agency
IDRC	:	International Development Research Centre
IGAD	:	Inter-Governmental Authority on Development
IFRs	:	Interim Financial Reports
ISA	:	International Standards on Auditing
IPSAS	:	International Public Sector Accounting Standards
JSA	:	Jasper Semu & Associates
KAM	:	Key Audit Matters
LDFs	:	Local Discourse Forums
MoU	:	Memorandum of Understanding
NBD	:	Nile Basin Discourse
NBDS	:	Nile Basin Discourse Summit
NBRs	:	Nile Basin Riparian States
NDF	:	Nile Discourse Forums
NELCU	:	Nile Equatorial Lakes Coordination Unit
NELSAP	:	Nile Equatorial Lakes Subsidiary Action Program
NTSEs	:	National Technical Support Experts
PESTLE	:	Political, Economic, Social, Technological, Legal and Environmental
RAP	:	Resettlement Action Plan
RECs	:	Regional Economic Communities
SoE	:	Statement of Expenditure
SWOT	:	Strengths, Weaknesses, Opportunities and Threats
TTL	:	Task Team Leader
US\$:	United States Dollars
WB	:	World Bank
WWCC	:	Women and Water in Communities for Change

1.0 BACKGROUND INFORMATION

Introduction

The Nile Basin Discourse (NBD) or 'the Organization' is a regional Network of networks of Civil Society Organizations (CSOs) in the Nile Riparian countries that was established in 2003. It is registered in Uganda with the Secretariat at Entebbe, Uganda. NBD promotes dialogue on sustainable equitable development and cooperation, peace, and mutual understanding on issues of the Nile, providing and facilitating exchange of information on development and cooperation activities and supporting research on issues for evidence base, that promote integrated water resources development, environmental, gender and pro-poor development agendas. The organization operates regionally and country-wide in each and every Nile Riparian state. Membership comprises of the National Discourse Forums (NDFs) in the eleven (11) Nile Riparian States, namely Burundi, D.R. Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda. Currently, ten (10) countries are active with the exception of Eritrea. NBD's extensive grassroots presence in the riparian communities makes it uniquely placed to link regional and local perspectives. The unique engagement has enabled contribution towards equitable and sustainable climate resilience growth in the region since the project cycle commencement date in 2013 up to the 1st project cycle that ended in 2016. Based on the good performance of the 1st cycle, NBD received an opportunity for Additional Funding (AF) for the period of 2017 – 2019.

Basically, the NDFs working through the National Technical Support Experts (NTSEs) and their Local Discourse Forums (LDFs) and CSOs' members, understand national issues and provide the NBD Network with the skills and support to enhance discourse on practical and sustainable policies, projects and programs that meet the real needs of the communities. The organization operates regionally and internationally to contribute towards change in policies and practices and ensures that issues of Nile cooperation and development are brought to the fore and are pivotal in reducing poverty in the countries. NBD seeks to engage and discourse on development processes in the Nile region with a primary focus on the development agendas of governments and development partners such as the Governments and the Inter- Governmental structures. The organization communicates through two pipelines: a vertical pipeline encompassing top-down and bottom-up advocacy flow, connecting the policy arm to the grassroots communities; and a horizontal pipeline connecting countries on trans-boundary agendas.

The NBD Vision

The NBD envisions "A Nile Basin in which there is sustainable and economic development for all people of the Nile Basin, free of conflict, leading to achievement of Justice, human rights, good governance, poverty reduction and protection of the environment".

The NBD Mission

Its mission therefore is "To ensure that a fully informed and basin-wide civil society develops and plays a key role in achieving the vision, through pro-active and critical influencing of projects, programs and policies of the Nile Basin Initiative and other development processes".

2.0 MANAGEMENT INFORMATION

2.1 Principal place of business

Plot 32, Nsamizi Road
P. O. Box 185
Entebbe, Uganda,

2.2 NBD Secretariat Personnel involved in the project

Dr. Helen Natu	-	Regional Manager
Herbert Wairugala	-	Regional Finance and Administration Officer
Ayenew Tessera	-	Regional Monitoring and Evaluation Officer
Jennifer Kurubeija	-	Regional Program Administrator
Fidele Niyigaba	-	Regional Communication and Media Officer
Mathias Nyanzi	-	Regional ICT and Social Media Officer

2.3 Bankers

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

2.4 Auditors

The auditors commissioned by The Nile Basin Discourse to audit the CIWA-WB Engaging Civil Society in Social and Climate Resilience in the Nile Basin Project (ECSSCRNBP) for the period ended 31 December 2017 in accordance with the terms of reference set out in the service contract are:



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3.0 PERFORMANCE HIGHLIGHTS – MANAGEMENT REPORT

Implementation of the APO 2017 and Outputs

January to December 2017, the NBD focused on implementing activities towards its three milestones that are stipulated under the Cooperation in International Waters in Africa (CIWA) Grant TF015834, (AF). The title of the Project is "Engaging Civil Society for Social and Climate Resilience in the Nile Basin". This is a Project running from February 2013 to December 2016 with Additional Funding (AF) of January 2017 to December 2019.

Project management is by the Secretariat with supervision and guidance from the 13 member NBD Board (10 Board members + 3 Co-opted women representation per cluster whereby the 10 NBRs are in 3 clusters of C1: Egypt, Ethiopia, South Sudan and Sudan; C2: Kenya, Tanzania and Uganda; and C3. Burundi, D.R. Congo, Rwanda. The NBD Secretariat receives closer supervision from the 4-member Executive Committee (EC) consisting of the Board Chair, Vice Chair, Treasurer and Secretary General. They hold meetings giving guidance to the Secretariat through Board Minutes. The Secretariat also benefits from missions of supervision and guidance by the CIWA/WB team led by the project Technical Team Leader (TTL) to the Secretariat, to discuss and guide, with written Aid Memoires at the end of missions.

MILESTONE 1: Strengthening the NBD Secretariat Planned

In 2017, NBD was focused on enhancing capacity of the Secretariat with activities that included: (i) developing NBD Strategy 2018-2022, (ii) mobilizing additional resources to ensure NBD's financial sustainability, (iii) implementing NBD's Strategies namely: the Communications, Advocacy and Outreach, Monitoring and Evaluation, and Financial Sustainability; and (iv) recruiting an Intern/Young professional from the basin countries, on cost-sharing basis towards implementation of planned resource mobilization activities of the running year.

Outputs

OUTPUT 1.1 NBD Strategy 2018-2022 developed

Status: Output achieved

NBD launched the development of the Strategy 2018-2022 at a workshop entitled "Looking back, reflecting on the present and shaping the future", on 21st February 2017 Dar-ES-Salaam-Tanzania. Participants included the NBD Board members and the Secretariat staff. Discussions were guided by the facilitator Ms. Lesha Witmer.

Discussions under-pinned: the emerging global issues and opportunities; salient contents of the NBD Strategy 2013-2017; and the NBD SWOT and PESTLE analyses. The first draft of the Strategy was developed and presented at the Board, General Assembly (GA), and at the Nile Basin Discourse Summit (NBDS) meetings of 27th to 30th November 2017 in Entebbe - Uganda. Comments and suggestions for improvement were to be received. Based on which the strategy was to be fine-tuned to a final version. Once all the inputs were obtained from the three-layered presentations were incorporated, the final Strategy document was to be in place for implementation in early 2018.

Back to back, NBD convened its 17th Board meeting on 20th February 2017. Ten Board members representing the ten NDFs from Burundi, D. R. Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, and Uganda as well as the three female co-opted members of the Board (representing the three NBD clusters) attended the Board meeting. The Board was updated on both programmatic and non-programmatic activities implemented by NBD during 2015 and 2016. Based on the update, the Board delivered a number of key decisions and guidance to NBD's short-term, medium-term and long-term actions.

As short-term actions, the Board reviewed and approved the NBD Work plan 2017, revised NBD Finance & Administration Manual, revised the NBD Mission, approved NBD Strategies delivered in 2016 (Communication and Outreach, Monitoring and Evaluation, and Finance Sustainability).

As long-term strategic guidance, the Board discussed on the need for renewal of the NBD-NBI MoU, and approved the development of the NBD Strategy 2018-2022, stressing the importance for collective resource mobilization by the NBD Networks, thus the Secretariat and NDFs.

Finally, the Board elected its Vice chairperson Dr. Nadir Mohammed Awad, in place of the former Chairperson Mr. Jean Baptiste Habiaremye, who had passed away.

OUTPUT 1.2: Additional Resources Mobilized

Status: output partially achieved, is a continuing process

During the planned year, NBD made efforts to bring additional donors on board. Resources mobilization still remains a critical to the NBD network. Therefore, the NBD Secretariat made a number of efforts, putting proposals/CNs in the pipeline in the quest for resource mobilization. Such as:

(a) Partnership with IHE-DELFT

NBD is finalizing as a contracted party with IHE-Delft in an Agreement for assignment: *Women and Water in Communities for Change, (WWCC) project 106565*, a project that has received a grant as Seed Funding (SF) from the Coca-Cola Foundation with activities running in the period of 20 months, September 2017 – August 2019.

(b) African Women Development Fund (AWDF)

A proposal was submitted on “*Transforming agricultural value chains of the Nyimur basin rural economy to work for men and women*” to African Women Development Fund. Status: to receive response by May 2018.

(c) IDRC/AusAID

A concept note on “*Strengthening Women and Youth Networks of the Nile basin*” has been submitted to IDRC/AUSAID. Status: to receive response by May 2018.

(d) Started drafting a Concept Note: Further engagement of CIWA/WB

Towards (i) concretization of activities planned in the AF – 2019; and (ii) scaling up and advocacy to communities’ and governments’ ownership towards sustainability of best practices resulting from the outputs of the Initial and AF Phases of the CIWA.

OUTPUT 1.3.: NBD Strategies Implemented

Status: output achieved

▪ *Communications, advocacy and outreach strategy:* The strategy was successfully implemented. Promotional materials were printed and distributed, E-Newsletter of Nile Voices issued and shared, user generated contents gathered from NDFs and posted on the web and webinars conducted.

▪ *Monitoring and Evaluation Strategy:* The strategy was successfully implemented. Online M&E system developed and functional, indicators at goal, outcome, output and inputs levels developed and entered into the system, comprehensive data collecting and reporting template developed and inbuilt into the system, all the NBD Sec staff and NTSEs were provided with user IDs for accessing and using the system, the NTSEs were guided on how to use the system, data for monitoring progress NBD’s performance were collected, analyzed and interpreted with the help of the system.

Output 1.4: Intern Recruited

Status: output partially achieved process continues into 2018

Efforts have been made to recruit the first young professional from the basin countries to contribute towards implementation of planned activities in the NBD Work Plan of the year 2017. Accordingly, ToRs and selection criteria were developed by NBD Secretariat and sent out to all the NDFs. Only three countries (D.R. Congo, Rwanda, and Sudan) responded to the calls by sending one candidate each. The NBD Secretariat set up a panel and interviews were conducted via Skype. The panel found three of the candidates lacking in basic knowledge of what they were supposed to do. Besides, the language barrier was a challenge.

MILESTON 2: Improved Communication and Outreach

Planned

For the second milestone, the NBD focused on improving communication and outreach with the following activities.

i) Facilitation of stakeholder engagement in investment programs (face-to-face)

Included: Trans-boundary stakeholder engagement for:

- (a) Nyimur-Aswa Multi-purpose investment development, South Sudan and Uganda,
- (b) Baro-Akobo-Sobat Multi-purpose investment development, South Sudan & Ethiopia,
- (c) Blue Nile - Grand Ethiopian Renaissance Dam

In the three cases, communities, beneficiaries, governments, and inter-governmental stakeholders were to consult, discuss and communicate on emerging issues

ii) Nile Basin Discourse Summit (NBDS)

A regional multi-stakeholder platform expected to discuss on major issues (challenges and opportunities) involved in Nile cooperation and development investment.

iii) Partnerships and participation with regional/national organizations

Platforms to advocate on trans-boundary issues including: (a) NBD-NDFs Radio program (b) the regional Nile Day; (c) the Nile Basin Development Forum (NBDF), (d) the Nile Media Awards, (e) the Nile Wetlands Forum and (f) the IGAD Water dialogue

iv) Facilitation of stakeholder engagement in investment programs (virtual).

This was to include: Webinars (to be recorded/summarized and posted to YouTube), leveraging web portal – increasing user generated content and engagement, posting and sharing communiqués, and conducting Social media campaigns on emerging issues.

Outputs

OUTPUT 2.1: Stakeholder engagement in investment programs Facilitated (face-to-face)

2.1.1. Trans-boundary stakeholder engagement for Nyimur-Aswa sub-basin facilitated:

Status: output achieved

The Nyimur Multipurpose Trans-boundary project covers Lamwo district in Uganda and Magwi, Ayaci and Pageri Counties in South Sudan, for community based irrigation scheme, water reservoir, water supply, small hydropower production, and water and soil conservation components.

In addition to country specific platforms, NBD organized on 14th June 2017, at Waligo border in Lamwo district, a trans-boundary engagement platform involving both Uganda and South Sudan communities living in and around the Nyimur-Aswa catchment, the local government and inter-governmental stakeholders, where stakeholders discoursed on issues that were likely to directly and indirectly affect the beneficiaries on implementation of the project. The platform deliberations benefitted from 60 participants (22 or 37% were women).

As an outcome, the platform: (i) created a sense of community ownership of the Nyimur-Aswa project; (ii) sensitized the communities on the ESIA and RAP studies of project development; (iii) identified a fraction of the people who are living in the irrigation command area; and (iv) created a platform where local authorities listened to pertinent concerns of communities.

2.1.2. Trans-boundary stakeholder engagement for Baro-Akobo-Sobat sub-basin facilitated:
Status: output partially achieved and process to continue in 2018.
The BAS Multi-purpose project covers South Sudan & Ethiopia,

The year 2017, saw the NBD Network representation from the NBD Secretariat and the Ethiopia and South Sudan NDF Chairpersons, actively participating and contributing in high-level task force platforms coordinated by the relevant governments of Ethiopia and South Sudan; and inter-governmental structures. NBI and ENTRO, local authorities and opinion leaders and community representatives, in the discussions that led to the finalization of the Environmental, Social and Strategic Impact Assessment (ESSIA) by which identification of potential short-term and long-term projects for the two countries of the BAS were made. As a follow-up, the NBD Network is to continue the process in 2018, by bringing together the grassroots communities of the two countries at a trans-national platform to inform and consult on the ESSIA and the identified trans-boundary projects, any emerging issues, and the way forward.

2.1.3. Trans-boundary stakeholder engagement on the GERD facilitated
Status: output partially achieved and process to continue in 2018.

This activity was planned to engage stakeholders from Ethiopia, Sudan and Egypt to meet together and make constructive dialogue towards enhancing cooperation in the Blue Nile sub-basin with focus on the Dam, and on the Nile River resources in general, and share outcomes to wider stakeholders in the network. The implementation of this activity benefits from the MoU the NBD has with ENTRO and collaboration with governments.

In 2017, the NBD Network (NBD Secretariat, NDFs of Egypt, Sudan and Ethiopia) contributed to discussions at various fora set up by ENTRO and NBI Secretariat on the hydro politics of the Nile that also covered the Blue Nile and the GERD as well. As a follow-up, the NBD Network is to continue the process in 2018, by bringing together the grassroots communities of the three countries at a tri-national platform to inform and consult on the hydro-politics, and the emerging issues.

OUTPUT 2.2: Stakeholder awareness and engagement increased through NBDS:
Status: Output achieved

This Nile Basin Discourse Summit (NBDS) was a regional multi-stakeholder platform aimed at discoursing on major issues (challenges and opportunities) involved in Nile cooperation and development. It was the first of its kind organized on the THEME: *'Integration and Inclusion: New Ideas for collaboration in River Basins.'* The summit took place from 29th to 30th November 2017, in Entebbe-Uganda, and mobilized representatives of civil society, governments, inter-governmental, experts in water resources, researchers, development partners, and media houses. About 140 participants (of which 44 or 31.4% were women) came from across the basin, Africa and beyond.

OUTPUT 2.3: Participation in and partnerships with regional/national organizations enhanced:

2.3.1. Regional Nile Day Celebrations, 2017

Status: output achieved

NBD joined the governments and the inter-governmental participants at the 11th regional Nile Day of 22nd February 2017 in Dar es Salaam, Tanzania. NBD participated at the preparation as the NBD Secretariat in the Regional Organizing Committee (RoC) as well as the Tanzania-NDF in National organizing Committee (NoC), and the execution of the celebrations. The NBD facilitated participation of the Tanzania – NDF members at the Nile Day.

2.3.2. NBD-NDFs Radio Program:

Status: Output partially achieved process to continue in 2018

NBD had planned to transmit Trans-boundary media-ring through radio on emerging issues on cooperation and development. In 2017, the NBD Secretariat contributed to discussions in the development of the NBI's Communication Strategy that covered various communication media outlets including radio. NBD contributed to the radio program elements that led to the success in selecting the winners of the Radio Awards letter in the year.

2.3.3 NBD in Nile Basin Development Forum:

Status: Output achieved

From 23rd-25th October 2017, the NBD attended the 5th Nile Basin Development Forum (NBDF) held in Kigali, Rwanda. The event attracted representatives of governmental, inter-governmental, civil societies, private sector, researchers, water scholars, media houses, and development partners. NBD together with CSOs members captured the opportunity to exhibit and show-case efforts of CSOs grassroots best practices in agriculture for food security and off-farm livelihood enhancement. The show-casing attracted interest from participants. Exhibited were agricultural outputs of improved small scale farming towards reduced malnutrition and craft works towards enhanced livelihood for women, youth and family. This is as a follow-up on capacity building received on Climate Risk Management (CRM) under the NBD-CIWA/WB Project: "Engaging Civil Society for Social and Climate Resilience in the Nile Basin"

2.3.4. NBD participated in and partnered with NBI- for Nile Media Awards (2017):

Status: Output achieved

NBD partnered in the preparation and execution of the Nile-Media Award, an event that took place in October 2017. NBD was involved not only in the process of organization, but in evaluation and selection of contestants. Among the various proposed media awards, NBD selected the radio category and awarded the Radio Ndera Agakura - Burundi. The award was handed over by the NBD Board Chair representing the NBD Network.

2.4.1. Webinars summarized and posted on YouTube-2/year:

Status: Output achieved

Two web-based discussions were conducted, on pertinent issues during the planned year 2017. The group email-based discussion formed the best method to allow participants in regions of internet challenges give views. In the 2nd webinar, PowerPoint and video uploads were prepared in advance to enhance the discussions on the platform.

2.4.2. User generated contents for member engagement increased-1 from each country/quarter:

Status: Output achieved

In 2017, 64 User Generated Contents emanated from 8 NDFs (Eth-NDF and South Sudan NDF did not submit any due to in-country/national contextual issues). The contents covered several topics related to the Nile, and about 30% out of 64 submitted were uploaded on the communities' page of the website. The contents are instrumental for knowledge and information sharing among those accessing NBD's website, and showcasing the practices of member organizations. See the NBD website: www.nilebasindiscourse.org

2.4.3. Communiqués posted and shared-4/year:

Status: Output partially achieved process continue in 2018

NBD planned to issue communiqués to be posted on the web and accessed by the wider stakeholders for knowledge and information dissemination that would be useful for facilitating stakeholder engagement in investment programs that were especially trans-national. The communiqués were to be issued after the end of stakeholder consultations on the Nyimur-Aswa project, the BAS project, the GERD, and the NBDS. A report was prepared and uploaded on the trans-national grassroots meeting of the Nyimur/Aswa. See the NBD website: www.nilebasindiscourse.org

As way forward in 2018, the NBD is to discuss and arrive at appropriate modalities of arriving at agreed-upon communiqués, especially under circumstances where the platforms are held in the field/grassroots, and has to consider the local and trans-national context.

2.4.4. Conducting Social media campaigns-2/year:

Status: Output partially achieved.

NBD planned to conduct two social media campaigns on emerging issues related to basin-wide cooperation and development in the Nile river basin. In 2017, the NBD seized the opportunity to conduct social media campaign on “Integration and Inclusion” “One Nile – One Family” at the Nile Basin Discourse Summit that took place in November 2017. More effort planned for 2018.

MILESTON 3: Capacity Building for NBD Members

Planned

Activities planned under this milestone are to enlighten members on the processes of member engagement in the climate risk management (CRM) and provide updated information and data to members as a follow-up of the 2015 capacity building on CRM, paving the way for members’ experience sharing, and advocating for best practices to decision makers in the network. In addition, NDFs’ governance issues were to be discussed.

Under this milestone, country entry-points the NTSEs, through NDFs were to be revitalized for identifying the stakeholders that participate in training exercises, provide guidelines on ‘rules of behavior’ or ‘codes of conduct’ that are to be followed to achieve effective communication and consultation, provide assistance in facilitating discussions, making language translations, writing workshop reports, facilitating the increase in monthly in-country user generated content and engagement, contribute to data and information, evidence-base for project focal points web-based M&E.

Milestone activities also aimed at connecting members to existing resources related to capacity development and potential sources of fundraising, in addition to connecting members to online and other virtual resources, the component was to identify and support key face-to-face training activities and peer-to-peer learning sessions on the priority topics identified.

Outputs

Output3.1. NBD members’ capacity enhanced (face –to-face trainings):

3.1.1. Country level capacity building trainings conducted:

Status: output achieved

NBD conducted 9 out of 10 (90%) planned country-level capacity-building trainings. Trainings were carried out on the processes of member engagement in CRM as a follow-up to, and updating information & data after, the 2015 capacity building trainings on CRM, paving the way for experience sharing, and advocating for best practices to decision makers in the network. Due to internal contextual issues, NBD could not conduct planned national training and governance workshop in South Sudan due to in-country contextual issues.

Overall, about 353 participants organization representatives, 114 (32%) of which were women representing female-gender led organizations attended the in-country capacity building facilitated by the In-country climate experts contracted in consultation with the NDFs. The trainings enhanced the knowledge and skills of participants in the processes of CSOs engagement in CRM implementation and monitoring process.

3.1.2. Links with the Country Entry-Points for NDF National Technical Support Experts (NTSE) Revitalized:

Status: Output achieved

NBD was able to sign contractual agreements with the National Technical Support Experts (NTSEs) for all the 10 NDFs. The NTSEs were recruited by the NDFs’ Board in consultation with the NBD Secretariat and approved by the development partner (CIWA/WB). The NTSE for South Sudan cancelled the contract with NBD on personal reasons, and the South Sudan NDF was not able to recruit a successor in 2017.

The rest of the NTSEs spearheaded the preparation and organization of the in-country trainings; wrote training reports; assisted NBD Secretariat in providing guidelines on 'rules of behavior' or 'codes of conduct' that were to be followed to achieve an effective communication and consultation between the NBD Sec and member CSOs; provided appropriate assistance in facilitating country level discussions on NBD Strategy 2018-2022; facilitated the increase in monthly in-country user generated contents and engagements; encouraged (and some recruited) potential CSOs to join NBD Network; and contributed to data and information/evidence collection for NBD's web-based M&E.

It was observed that the grassroots, the NBD Network members were focusing on environmental protection, integrated water resources management, agriculture and food security, WASH programs, gender and youth inclusivity, education, advocacy, media, etc. It was noted that environmental protection was high at the grassroots as a follow-up on capacity building on Climate Risk Management (CRM) under the NBD-CIWA/WB Project 2015 and 2017: *"Engaging Civil Society for Social and Climate Resilience in the Nile Basin"*

Output 3.2: NBD's member capacity enhanced (Virtual dialogue)

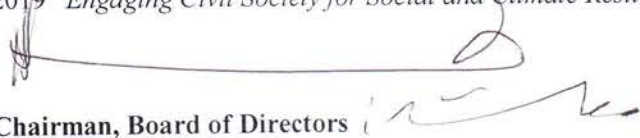
Status: Output achieved

NBD conducted two web-based discussions on pertinent issues in the year 2017. The first webinar was conducted on 'Indicator 1' of SDG 13, target 3. The discussions of this webinar focused on how improved education, awareness-raising and human and institutional capacity can contribute to climate change mitigation, adaptation, impact reduction, and early warning. The webinar brought 41 participants on board from the 10 Nile riparian countries. The webinar took place from 16th to 20th January 2017. The discussions focused on countries' status on education on climate change, awareness raising as well as human and institutional capacity building. The participants discussed the situation of climate change impacts mitigation and adaptation in the region; the role of civil society organizations; consideration of integration of climate change adaptation, mitigation and early-warning in school curricula (primary, secondary and tertiary).

In July 2017, NBD held the second edition of the webinar entitled *"Matching The Diversity Of Resources With Inclusive Development Aspiration In The Nile Basin."* 67 members subscribed to the webinar. The webinar brought together Civil society Organization members, Nile Discourse Forums, NBD Partners both governmental and inter-governmental, researchers, journalists, individuals, etc from across the basin and beyond. The discussion of the topic was aligned to the keynote presentation video and power point documents that were shared to trigger discussion. See the NBD website: www.nilebasindiscourse.org

Summary

The NBD achieved fully, or partially on all the activities that were planned for 2017 or in progress to 2018 respectively. It also put concerted effort at resource mobilization by initiating concept notes that were put in the pipe line, with the understanding that the success of which was to lead towards organizational sustainability and achievement of its mandate. NBD retained its key partnerships and embarked on formation of new ones with the aim of enhancing its resource mobilization. The NBD is to follow closely the strategic directions of its Financial Strategy (2016) to enhance its sustainability. The organization has also agreed on cost-effective value for money strategies of implementation of activities, such as undertaking two or more activity on the same monetary unit spent, and leveraging on co-partnerships and contract-partner arrangements. Most of all, NBD is to closely follow through the strategic directions as stipulated under the NBD Strategy 2018 – 2022, which is being put in place under the NBD-CIWA/WB Project AF 2017 – 2019 *"Engaging Civil Society for Social and Climate Resilience in the Nile Basin"*


Chairman, Board of Directors
The Nile Basin Discourse

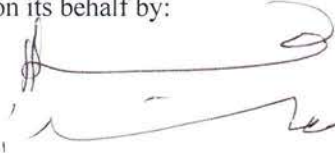
4.0 MANAGEMENT ASSERTIONS ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2017

This section presents Nile Basin Discourse management's confirmation of its responsibility for information in the financial statements and information provided during the course of the audit.

NBD management is required to prepare financial statements that give a true and fair view of the state of affairs of the Project and of its operational results that comply with the funding guidelines under the grant agreement. Management is responsible for keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the Project. Management is also responsible for safeguarding the assets of the Project.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the Generally Accepted Accounting Principles; and the World Bank guidelines. Management is of the opinion that the financial statements for the period ended December 31, 2017 gives a true and fair view of the state of affairs of the Project and of its operations. Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal controls.

These assertions are certified by management of NBD on21 June 2018..... and signed on its behalf by:



.....
Chairman, Board of Director
The Nile Basin Discourse



.....
Regional Manger
The Nile Basin Discourse

5.0 AUDIT METHODOLOGY AND PROCEDURES

5.1 Audit objective

The objective of the audit of the financial statements of each project is to enable the auditor to express a professional opinion(s) on the financial position of the project and the statement on the funds received and expenditures incurred for the period ended December 31, 2017.

The specific objectives of the audit are to:

- ◆ Audit the financial statements relating to CIWA, ECSSCRNBP to obtain reasonable assurance that they are fully compliant with the grant agreement and other pertinent regulations;
- ◆ Express an opinion on the adequacy or otherwise of the financial management and operations of the project.

5.2 Audit Scope

The audit was carried out in accordance with International Standards of Auditing (ISA). In conducting the audit, special attention was paid to whether:

- ◆ The World Bank grant was used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency and only for the purposes for which the grant was provided;
- ◆ Counterpart funds were provided and used in accordance with the relevant grant agreement, with due attention to economy and efficiency, and only for purposes for which they were provided;
- ◆ Goods and services procured were in accordance with the grant agreement and in accordance with the World Bank rules and procedures;
- ◆ All necessary supporting documents, records and accounts were kept well in respect of all project activities, including expenditures reported using Statement of Expenditures (SOE) or Interim Financial Statements (IFS) methods of reporting;
- ◆ Designated Accounts were maintained in accordance with the provisions of the relevant grant agreement and funds disbursed out of the Designated Accounts were used only for the purpose intended in the grant agreement;
- ◆ National laws and regulations were complied with, and that the financial and accounting procedures approved for the project were followed and used;
- ◆ Financial Performance of the project was satisfactory;
- ◆ Assets procured from project funds existed and there was verifiable ownership by the implementing unit or beneficiaries in line with the grant agreement;
- ◆ Ineligible expenditures (if any) included in withdrawal applications were identified and reimbursed to the designated Accounts;
- ◆ There are adequate/effective accounting and internal control systems to enable efficient and effective monitoring of expenditures, other financial transactions and effective management of project assets and liabilities;

5.3 Audit Methodology and Procedures

The audit was guided by a strategically driven audit approach to meet audit objectives and some of the audit procedures carried out included; strategic, operational and compliance reviews as described below;

- ◆ Reviewed terms of reference after signing the contract and oriented the audit team towards achieving the audit objective within the agreed time frame and agreed work plan with management.
- ◆ Prepared a strategy audit document including tailored audit programmes and checklists to meet audit objectives.

- ◆ Reviewed background information including the Grant Agreement and the addendums.
- ◆ Identified and reviewed possibilities for relevant strategic risks and evaluated the strategic control environment.
- ◆ We conducted systems based audit - tests to assess the effectiveness of the internal control system.
- ◆ We performed an overview of the Microsoft Navision software for suitability, efficiency and effectiveness to meet recording and reporting requirements of the project.
- ◆ Reviewed the progress in the implementation of agreed prior year audit recommendations where applicable.
- ◆ We carried out substantive tests on the significant project cycles as below;

5.3.1 Receipts from the World Bank

- ◆ Through enquiry, we documented the process of recording receipts from the World Bank and confirmed that a separate bank account (the Designated Account) was opened for the funds disbursed through withdrawal applications.
- ◆ Through enquiry, documented the process of recording receipts from the World Bank disbursed through direct payment withdrawal applications that do not pass through the special account.
- ◆ We agreed all receipts of funds from the World Bank to the copies of the withdrawal application forms, bank statements, the Client connection website and the cashbooks.
- ◆ Reconciled the application totals to bank receipts and confirmed completeness of recording.

5.3.2 Counterpart contributions and other receipts (if any)

- ◆ We obtained understanding of the account, agreed balances to the ledgers, analysed their respective ledgers whilst obtaining explanations and tested the transactions to supportive documents for validity.

5.3.3 Payments

- ◆ Vouched payments from cashbooks and ledgers against respective invoices, and against evidence of receipt of goods or services and whether they were checked by management for arithmetic accuracy, pricing, condition, authorisation and eligibility.
- ◆ Checked completeness of recording and confirmed appropriate categorisation of costs to correct eligible codes.
- ◆ Assessed and confirmed official use of exchange rates in recording foreign exchange transactions.
- ◆ Reviewed all payments to ascertain whether the relevant taxes were paid.

5.3.4 Bank balances

- ◆ Agreed the reported balances to the cashbook and the reconciled bank statements.

- ◆ Traced clearance of un-presented cheques by reference to bank statements after the closing date of December 31, 2017.
- ◆ Obtained explanations for long outstanding reconciling items not cleared at the time of audit.
- ◆ We reviewed to confirm whether bank reconciliations are performed on a regular basis and reviewed by a senior official.

5.3.5 Other audit procedures

- ◆ We received minutes for management meetings and project management meetings during the year for corroborative evidence to confirm assertions of the financial statements.
- ◆ We reviewed internal controls as a basis for detection and reporting of frauds and suspicious transactions.
- ◆ We reviewed the ongoing contracts and computed the reviewed the levels of completion of the contracts and the outstanding payments as of December 31, 2017.
- ◆ We made inquiries to establish evidence of any pending litigations for or against the Project and verified information for evidence of any related party transactions.
- ◆ We reviewed the financial statements for compliance with GAAP and performed tasks to ensure reporting compliance.

Audit results

Results from the audit are presented under: the auditor's reports on compliance on page 14; the auditor's report on financial statements on pages 15 to 17, auditor's report on Special Account operations on page 18; the audited financial statements on pages 19 to 20 and the management letter appended to this report. All these reports form one integral audit report.

6.0 AUDITOR'S REPORT ON MANAGEMENT COMPLIANCE WITH THE KEY COVENANTS OF THE GRANT AGREEMENT

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 answers are inserted immediately after each instruction in italics.

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

We concluded that all funds received in the period ended December 31, 2017 were used in accordance with the relevant funding agreement provisions.

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

We concluded that 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.

Having reviewed all quarterly accountability reports and the respective support documents, we concluded that all necessary supporting documents, records and accounts have been kept in respect of all project expenditures. Monthly reports were provided for review and the audit found them adequately supported.

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.

We concluded that the designated account has been maintained in accordance with the provisions of the relevant grant financing agreement and funds disbursed out of the account were used only for the purpose intended in the grant agreement.

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

We reviewed the internal control structure of the Project. We concluded, based on our review, that the internal control structure was generally adequate.

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

We concluded that there were no known instances of material non-compliance with agreement terms, applicable laws and regulations.

vii) Determine the eligibility and correctness of the financial transactions during the period and fund balances at the end of December 31, 2017.

Our audit enabled us conclude that the financial transactions were eligible. The closing balance as at December 31, 2017 on the project bank accounts was correctly reported.



JASPER-SEMU & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS
(7th Floor, Conrad Plaza Plot 22, Entebbe RD)

NBD-CIWA/WB Grant No. TF015834
Reports and financial statements
for the period ended 31 December 2017

P. O. Box 8294 Tel: 256-414-231577/250177/256-31-2262632 Fax: 256-414-251069 E-mail: jasper@infocom.co.ug KAMPALA, UGANDA

7.0 INDEPENDENT AUDITOR'S REPORT IN RESPECT TO THE FINANCIAL STATEMENTS OF NBD CIWA/WB GRANT NO TF0185834 FOR THE YEAR ENDED DECEMBER 31, 2017

NBD Regional Manager
Plot 32, Nsamizi Road
Entebbe- Uganda

Opinion

We have audited the financial statements of the Engaging Civil Society and Climate Resilience in the Nile Basin Project (ECSSCRNBP) which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income for the twelve months period ended 31 December 2017, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 22 to 25.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the project for the year ended 31 December 2017 and of its operational results for the year then ended, and are in accordance with the Significant Accounting Policies in Note 11 and the CIWA-WB guidelines for Accountable Grant Agreement No. TF0185834.

Basis for 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 NBD 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.

Going Concern

These financial statements have been prepared on a going concern basis because The Nile Basin Discourse secured funding of US\$ 1 million from the World Bank through the Cooperation in International Waters in Africa (CIWA) covering a 3 year period, 2017 – 2019 to implement the "Engaging the Civil Society for Social and Climate Resilience in the Nile Basin Project". The Nile Basin Discourse is currently implementing the approved 2018 Work Plan.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there were no key exceptional audit matters to communicate in this report.

Responsibilities of Management and those charged with Governance for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Policies described in Note 11 of these financial statements and the CIWA-WB Financing Agreement. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial



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statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance. Management is also responsible for determining the appropriate financial reporting framework for the preparation of these financial statements.

In preparing the financial statements, management is responsible for assessing the project/entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Entity'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 project to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the 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.

We also provide those charged with governance with a statement that we have complied 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We report to you based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts have been kept by NBD for the ECSSCRNBP in so far as appears from our examination of those books;
- (iii) The project financial statements are in agreement with the books of account;
- (iv) The proceeds from the World Bank were used in accordance with the conditions set out in the financing agreement and only for the intended purposes;
- (v) Goods and services were procured in accordance with the World Bank loan agreement provisions; and
- (vi) The statement of financial position and statement of comprehensive income are in agreement with the books of account.

Name of the Partner

The Engagement Partner responsible for this audit resulting in this independent auditor's report is CPA Charles Gerald Mugerwa, Partner of Jasper-Semu & Associates, Practicing No. P0060 and Certificate No. F222/18.

Jasper-Semu & Associates

Jasper-Semu & Associates
Certified Public Accountants
P.O. Box 8294
Kampala

Date.....

22 June 2018



JASPER-SEMU & ASSOCIATES

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8.0 INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL ACCOUNT OPERATIONS

NBD Regional Manager
32, Nsamizi Road
Entebbe- Uganda

We have audited the Special Account Reconciliation Statement of Engaging Civil Society in Social and Climate Resilience in the Nile Basin Project (ECSSCRNBP) for the period ended December 31, 2017.

Management's responsibility for the financial statements

The Management of NBD, the implementing agency of the project 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 Management 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 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 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 management, 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 Special Account Statement contained in note 11.0 and; notes thereon fairly presents in all material respects the account operations for the period ended December 31, 2017 in accordance with basis of accounting described under note 12 of this report.

Jasper-Semu & Associates

Jasper-Semu & Associates
Certified Public Accountants
P.O. Box 8294
Kampala

Date... *22 June 2018*

9.0 STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE NBD CIWA
GRANT NO TF0185834 FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Notes	Budget	Actual	Actual
		2017	2017	2016
		USD	US\$	US\$
Income				
Donor funding (CIWA)	13.1	514,324.00	491,725.94	332,979
Other income (Forex Gains)		0.00	90.75	164
Total Income		514,324.00	491,816.69	333,143
Expenditure				
Project expenditure	13.2	514,324.00	520,379.18	341,748
(Deficit) for the year***		0	-28,562.49	-8,605.00

N.B: The reported deficit was due to the total outstanding obligations (invoices) rightly reflected in 2017 as referenced in Section 13.5. These payables were cleared and settled after receiving the first tranche of funds in 2018.

The Financial Statements on pages 19 to 21 were approved by NBD management

on 21 June 2018 and signed on its behalf by



.....
Chairman, Board of Director
The Nile Basin Discourse



.....
Regional Manger
The Nile Basin Discourse

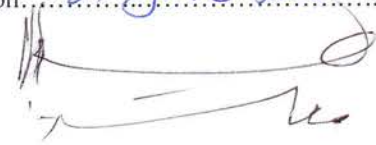
The significant accounting policies and the notes on pages 22 to 25 form part of the financial statements.

10.0 STATEMENT OF FUND BALANCES FOR THE NBD CIWA/WB, GRANT No. TF015834 AS AT DECEMBER 31, 2017

Particulars	Notes	Actual	Actual
		2017	2016
		US\$	US\$
At start of year	Prior audit	158.51	8,764.00
(Deficit)/Surplus for the year	9.0	-28,562.49	-8,605.00
At end of period		-28,403.98	159.00
Represented by:			
Current assets			
Cash at bank and in hand	13.3	-37.46	159.00
Receivables	13.4	1,011.99	-
		974.53	159.00
Current liabilities			
Payables	13.5	29,378.51	-
Net current Assets		-28,403.98	159.00

The Financial Statements on pages 19 to 21 were approved by NBD management

on 21 June 2018 and signed on its behalf by;



.....
Chairman, Board of Director
The Nile Basin Discourse



.....
Regional Manager
The Nile Basin Discourse

The significant accounting policies and the notes on pages 22 to 25 form part of the financial statements.

**11.0 NBD CIWA/WB GRANT No. TF015834 SPECIAL ACCOUNT
 RECONCILIATION STATEMENT AS AT 31 DECEMBER 2017**

Particulars	2017
	USD
Opening DA Bank Balance as at January 1, 2017	123.51
Opening UGX Bank Balance as at January 1, 2017	35.00
Petty Cash Balance as at January 1, 2017	-
Un-credited cheques as at January 1, 2017	-
Outstanding cheques as at January 1, 2017	-
Opening Cash Book Balance as at January 1, 2017	158.51
Add:	
Total Replenishments by World Bank	491,725.94
Funds Available during the audited period to December 2017	491,884.45
Less:	
Transfers to UGX Bank Account	119,960.00
Expenditures paid from DA Account	273,903.28
Work Advances to Staff - Secretariat	98,345.00
Staff Advances	-
Total Payments during the Year	492,208.28
Closing DA Cash Book Balance as at December 31, 2017	- 323.83
Add:	
Closing Cash Book Balance (UGX) as at December 31, 2017	286.37
Add:	
Closing Cash Book Balance (Petty Cash) as at December 31, 2017	-
Closing Cash and Bank Balance as at December 31, 2017	- 37.46

12.0 SIGNIFICANT ACCOUNTING POLICIES

12.1 Accounting Entity:

The Nile Basin Discourse (NBD) works through a decentralized system, (NBD General Assembly, NBD Board, NBD Regional Secretariat, National Discourse Forums and Local Discourse Forums), and is both a non- Governmental Organization with a Secretariat based in Entebbe, and as a regional network of networks of Civil Society Organizations (CSOs) in the Nile Basin,. Since its launch in 2003, the organization still operates regionally and country wide in each and every Nile Basin Country. NBD's full membership comprises of the National Discourse Forums (NDFs) in the eleven (11) Nile Basin Riparian States(NBRS) namely: Burundi, D.R. Congo, Egypt, Ethiopia, Eritrea, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. Currently, ten (10) NBRS are active with the exception of Eritrea. Three members from each NDF form part of the regional General Assembly of the NBD, that also includes representation from partners. According to the NBD constitution, the Board functions under the General Assembly and is composed of one member from each NDF chosen by that country.

Funding to NBD was made available under the multi-donor trust fund, Cooperation in International Waters in Africa (CIWA) and administered by World Bank under accountable grant agreement number TF015834 as per Amendment to the Letter of Agreement signed on December 20, 2016. These Financial Statements are for CIWA-WB funding received under the grant agreement and present transactions through the following project bank accounts:

Account Name	Currency	Bank	Account Number
<i>The Nile Basin Discourse (ECSSCRNBP)</i>	United States Dollars	Stanbic Bank Uganda Limited	9030007104161
<i>The Nile Basin Discourse (ECSSCRNBP)</i>	Uganda Shillings	Stanbic Bank Uganda Limited	9030007104099

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

12.2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

a. Accounting convention

The financial statements are prepared under the historical cost convention.

b. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting whereby receipts and expenditures are accounted for as and when received and paid respectively. Modifications to this policy include: advances to staff are recognized as receivables until they have been accounted for and audit fees, office rent, staff salaries, utility bills and other statutory obligations are recognized as expenses when incurred as opposed to when they were paid. Advances to other projects are recognized as receivables until they are recovered. However, prepayments and accruals are recognised as assets and liabilities.

These financial statements are therefore not intended to be presented in conformity with International Financial Reporting Standards.

c. Receipts

Receipts are recognised as Income in the financial statements in the period in which they are received. Interest income, if applicable, on bank deposits is recognised as and when credited to the entity's bank account.

d. Expenditure

Expenditure is recognised in the financial statements in the period in which it is paid rather than incurred. Therefore, no provision for accrued expenses is made in the financial statements. Prepayments and accruals are recognized as assets and liabilities at the end of the financial period for reporting purposes.

e. Fixed assets

Fixed assets are expensed in full in the year of acquisition/purchase and not capitalized. A memorandum fixed assets register and stores system to monitor and control the inventory movements is however maintained. Fixed assets both purchased and donated, held at period end are not recognised in the statement of fund balances.

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.

g. Staff Gratuity

Staff gratuity is computed as a percentage of the employee's monthly salary and is payable when the employee leaves the organization. The amount is accrued on a monthly basis and is recognized as an expense when paid.

13.0 NOTES TO THE FINANCIAL STATEMENTS

13.1 Project funding NBD-CIWA/WB GRANT No. TF015834

Detailed disbursements

This represents transfers from the World Bank to the designated account of the ECSSCRNBP project. The receipts during the period ended December 31, 2017 are detailed below

Posting Date	Document No.	World Bank Remittances in 2017 (US\$)	Actual Amount Received on the DA (US\$)
14/02/2017	NBD/USD/W-BANK/014	132,000.00	131,993.00
12/05/2017	NBD/USD/W-BANK/015	103,943.32	103,936.32
08/08/2017	NBD/USD/W-BANK/016	60,000.00	59,993.00
11/10/2017	NBD/USD/W-BANK/016A	137,817.62	137,810.62
19/12/2017	NBD/USD/W-BANK/017	58,000.00	57,993.00
Total		491,760.94	491,725.94

13.2 Project Expenditure

Particulars	Budget	Actual	Actual
	31-Dec-17	31-Dec-17	31-Dec-16
	USD	USD	USD
Personnel costs – <i>Operations and Support staff</i>	125,661	125,403	121,735
Rent, Utilities and Related Costs	12,292	12,039	12,617
Office Consumables	1,690	893	1,070
Communication	6,143	5,172	3,728
Travel and Travel-related costs	43,397	42,983	7,750
Equipment Supplies and Software Maintenance	3,750	3,285	5,445
Bank Charges	3,500	3,313	1,695
Other Core Costs	4,500	4,331	19,215
Personnel costs - <i>Program Staff</i>	143,330	143,058	140,873
Strengthening the NBD Secretariat Functions	7,000	5,706	3,000
Improved Communications and Outreach ****	91,061	102,709	-
Capacity Development of NBD Members	72,000	71,425	23,416
Forex Losses (Includes Amount and Invoice Rounding off)	-	63	1,204
Total	514,324	520,379	341,748

**** The adverse variance under Improved Communications and Outreach was due to a mismatch in planning and procurement notably for the Nile Basin Discourse Summit activity. There was an unplanned change in the volume of activity and an unexpected change in prices of various items procured including but not limited to: e-tickets and IEC materials used during the Summit.

13.3 Cash and bank balances

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
Cash in hand	0.00	0.00
Cash at bank	-37.46	159.00
Total cash at bank balances	-37.46	159.00

13.4 Receivables

The receivables represent work advances. These are as detailed in the table below;

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
Work Advances	1,011.99	0.00
Total receivables	1,011.99	0.00

13.5 Payables

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
NSSF Payable	2,902.19	-
PAYE Payable	6,103.59	-
Provident Payable	12,881.52	-
Accruals and Payables	2,554.00	-
Other Creditors	4,937.21	-
Total	29,378.51	-

13.6 Contingent liabilities

There were no known contingent assets/ liabilities that qualify for accrual or disclosure as at December 31, 2017.

13.7 Related party transactions

There were no known reportable related party transactions for the period ended December 31, 2017.

13.3 Cash and bank balances

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
Cash in hand	0.00	0.00
Cash at bank	-37.46	159.00
Total cash at bank balances	-37.46	159.00

13.4 Receivables

The receivables represent work advances. These are as detailed in the table below;

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
Work Advances	1,011.99	0.00
Total receivables	1,011.99	0.00

13.5 Payables

Particulars	Actual	Actual
	31-Dec-17	31-Dec-16
	USD	USD
NSSF Payable	2,902.19	-
PAYE Payable	6,103.59	-
Provident Payable	12,881.52	-
Accruals and Payables	2,554.00	-
Other Creditors	4,937.21	-
Total	29,378.51	-

13.6 Contingent liabilities

There were no known contingent assets/ liabilities that qualify for accrual or disclosure as at December 31, 2017.

13.7 Related party transactions

There were no known reportable related party transactions for the period ended December 31, 2017.

Annexes

1. *Statement of Expenditures (IFRS)*
2. *Management Letter*



JASPER-SEMU & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS
(7th Floor, Conrad Plaza Plot 22, Entebbe RD)

NBD-CIWA/WB Grant No. TF015834
Reports and financial statements
for the period ended 31 December 2017

P. O. Box 8294 Tel: 256-414-231577/250177/256-31-2262632 Fax: 256-414-251069 E-mail: jasper@infocom.co.ug KAMPALA, UGANDA

Report of factual findings in connection with the Interim Financial Reports (IFRs) of the Nile Basin Discourse for Engaging Civil Society for Social and Climate Resilience in the Nile Basin Project for the year ended 31 December 2017

We have performed the procedures agreed with you and enumerated below with respect to the statement of expenditures of the Engaging Civil Society for Social and Climate Resilience in the Nile Basin Project (ECSSCRNBP) implemented by The Nile Basin Discourse (NBD) for the year ended 31 December 2017, 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 number TF015834.

Specifically, we performed the following procedures:

- We compared the Statement of Expenditures to the Interim Financial Reports (IFRs) submitted to the World Bank for each of the quarters ended 31/03/2017, 30/06/2017, 30/09/2017 and 31/12/2017.
- 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 statement of the project for the year ended 31 December 2017.

As agreed we only performed the above agreed upon procedures in respect to the Interim Financial Reports. Our factual findings with respect to procedures 1 and 2 above are included below;

- With respect to item 1 we found the Interim Financial Reports submitted to the World Bank for withdraw application purposes to be in agreement with the books of account and statement of expenditures.
- With respect to item 2 we found the total expenditures in the statement of expenditures to be equal to the total per category of expenses reported under expenditures in the statement of cash receipts and expenditures of the year ended 31 December 2017.

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 nor does it extend to the financial statement of The Nile Basin Discourse and is not to be distributed to any other parties except to the World Bank without our express written consent.

Jasper-Semu & Associates

Jasper-Semu & Associates
Certified Public Accountants
P.O. Box 8294
Kampala

Date.....

22 June 2018

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Sources and Uses of Funds (Receipts and Payments) Statement

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[illegible]

[illegible]

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Sources and Uses of Funds (Receipts and Payments) Statement

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[illegible]

(as per Legal Agreement classification)										
STRENGTHENING THE NBD SECRETARIAT IMPROVED COMMUNICATIONS AND OUTREACH		31,997.37	42,959.38	10,962.01	803,577.47	815,350.60	11,773.13	24,797.77		
		37,341.14	47,386.30	10,045.16	549,023.25	556,310.42	7,287.17	27,353.16		
		3,387.29	13,597.64	10,210.35	337,899.35	364,282.30	26,382.95	7,849.07		
CAPACITY BUILDING FOR NBD MEMBERS										
Total Uses of Funds/ Payments by Category		72,725.80	103,943.32	31,217.52	1,690,500.07	1,735,943.32	45,443.25	60,000.00		
Expected Closing Cash Balance (Rows 26-36)		45,408.23	14,190.71	(31,217.52)	45,345.25	-	(45,345.25)	-		
Actual Cash Balances										
IDA USD-Designated account		38,368.11	-	38,368.11	232,062.31	0	232,062.31			
Project Local Account		6,307.42	-	6,307.42	79,903.60	0	79,903.60			
Others (e.g Imprest, advances etc)		732.70	-	732.70	1,012.82	0	1,012.82			
Actual Total Closing Cash Balance (Cf Row 38)		45,408.23	14,190.71	(31,217.52)	45,345.25	-	(45,345.25)	-		

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Sources and Uses of Funds (Receipts and Payments) Statement

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[illegible]

[illegible]

Interim un-audited Financial Report (IFR)

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Project No.: P132448

Sources and Uses of Funds (Receipts and Payments) Statement

for the period ended November 30, 2017

[illegible]

[illegible]

[illegible]



THE WORLD BANK
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***Engaging Civil Society for Social and Climate Resilience
in the Nile Basin Project (ECSSCRNBP)***

**REPORT ON PROJECT PROCEDURES AND CONTROLS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Prepared by:



Jasper – Semu & Associates
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SCOPE AND OBJECTIVE

We have completed the audit of the financial statements of CIWA ECSSCRNBP and we wish to report on the twelve months period ended 31 December 2017. We appreciate the assistance given to us by your management and staff.

The primary purpose of our audit was to enable us to express an opinion as to whether or not the financial statements fairly present, in all material respects, in accordance to the organisation's accounting policies and procedures.

We reviewed and evaluated the system of internal accounting controls only to the extent we considered necessary, in order to establish the nature, timing and extent of auditing procedures necessary for expressing an opinion on the financial statements.

Our audit of the financial statements for the period ended 31 December 2017 would not necessarily disclose all weaknesses in the system because it is based on selective tests of accounting records.

This report summarises certain observations and recommendations which resulted from our audit. The implementation of these recommendations should assist management in improving internal accounting controls.

The Regional Manager

Nile Basin Discourse

Plot 32, Nsamizi Road, Entebbe, Uganda

Date: 28 May 2018

Dear Dr. Hellen Natu

Engaging Civil Society for Social and Climate Resilience in the Nile Basin Project (ECSSCRNBP) Audit management letter for the twelve months period ended 31 December 2017

During our audit for the twelve months period ended 31 December 2017, we examined certain aspects of the project's systems of internal control and other related matters.

Accompanying this letter is a report containing our observations and recommendations and management comments thereon on possible ways in which the weaknesses in the program's internal control system can be improved. The report is presented in two sections;

- Section A: Issues arising in the current year;
- Section B: Status of issues raised in the previous year.

It must be appreciated that the matters dealt with in this management report came to our attention during the conduct of our normal audit procedures which are designed primarily with a view of expressing our opinion on the financial statements of **ECSSCRNBP**.

Our examination of the accounting records were carried out on test basis and should not be relied upon to disclose errors and irregularities, which are not material in relation to the financial statements.

Our comments cannot, therefore, be expected to include all possible improvements in internal controls, which are more extensive special examination might develop. In particular, it must be emphasized that weaknesses in the system of accounting and internal control may facilitate errors and irregularities, which our normal audit test checks will not necessarily detect.

Our findings represent matters we came across at the time of the audit and we have not checked these matters subsequently.

Should there be any matters referred to in this report on which you would like us to provide further explanation or assistance in implementing our recommendation, please do not hesitate to contact us.

We would like to take this opportunity to express our appreciation to you and all members of staff for the assistance accorded to us during the course of our work.

Yours faithfully,

Charles Gerald Mugerwa

Partner

EXECUTIVE SUMMARY OF THE KEY FINDINGS

Introduction

This Section presents details of the audit findings. The audit was guided by strategically driven audit approach to meet audit objectives and some of the audit procedures carried out included; strategic, operational and compliance reviews.

Categorisation of findings

The findings are categorised into financial findings and management controls findings. Financial findings are those with financial implications (Ineligible costs) and management controls relate to any other controls. The findings are ranked into 3 categories from level 1 to level 3, where;

Level 1: Urgent remedial action is required;

Level 2: Prompt specific action is required; and

Level 3: Specific remedial action is desirable

- **Level 1:** The key controls are absent or are not complied with on a regular basis. There is a fundamental weakness or deficiency in control which involves a substantial risk of either error, or irregularity or fraud. There is a substantial risk of failure to achieve the objectives of ECSSCRNBP which concern the reliability of financial reporting for the entity, the effectiveness and efficiency of the entity's operations and activities and compliance with the laws and regulations. Remedial action should be taken urgently.
- **Level 2:** There is a weakness or deficiency in control which, although not fundamental, relates to shortcomings which exposes individual areas of the internal control system to a less immediate level of risk of either error, or fraud. Such risk could impact on the effectiveness of ECSSCRNBP project and on its operational objectives and should be of concern to ECSSCRNBP's management. Prompt specific action should be taken.
- **Level 3:** There is a weakness or deficiency in control which individually has no major impact but the entity would benefit from improved controls and/ or where ECSSCRNBP programme would have the opportunity to achieve greater effectiveness and / or efficiency. There is a possibility of undesirable effects at the process level, which, combined with other weakness, could give cause for concern.

SUMMARY OF KEY FINDINGS (Rankings)

No	Description of findings	JSA's Evaluation (Risk Level)	Page No
1.	Absence of a formalized risk management process	Level 3	1

A ISSUES ARISING FROM THE AUDIT FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Risk Management Process

Observation – Absence of a formalized risk management process and risk register	
The organization does not have a formalized risk management process. Such a process would detail the various risks that the organization is exposed to, their significant impact, likelihood of occurrence and their management strategy.	
Risk/Implication	
The organization may be exposed to various operational risks that if not detected and addressed on a timely basis, may negatively impact on the organization's future plans, strategies, goals and objectives.	
Recommendation	
Management may wish to consider setting up an internal risk management committee composed of senior personnel with reference to organisations policies. This team shall help in designing and setting up a detailed risk matrix which shall be periodically updated by every department.	
Management response and action plan	
The Secretariat is to strategically translate the informal risk management process that already exists into a formalized risk management process before end of 2018, as a desirable remedial action to guide mitigation measures.	
Risk Level	
3	

B COMMENTS ON PREVIOUS PERIOD AUDIT RECOMEDATIONS

No	Observation Noted	Recommendation	Status
1	Late remittance of statutory deductions	It had been recommended that statutory deductions should be remitted not later than the 15 th of the month following the one in which the deduction was made.	Resolved; <i>all statutory deductions were remitted on time as per the submission regulations.</i>
2	Errors in computation of deductions	Computation of statutory deductions should always be done as per the provisions of the Taxation and NSSF acts to avoid any penalties.	Resolved; <i>No errors were noted during the period under review while calculating deductions.</i>
3	Use of pass codes & constant change of pass-codes	It was recommended that pass-codes should be changed often by all the staff to avoid the access to the organization's information by unauthorized persons.	Resolved; <i>The security measures around the system and IT function were noted to be satisfactory.</i>