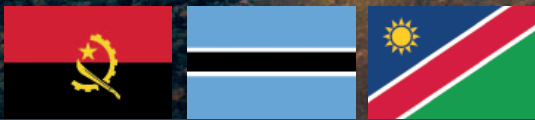


Cubango-Okavango River Basin Fund



Kostadin Luchansky, National Geographic Okavango Wilderness Project

A fully independent hybrid fund that aims to enhance livelihoods, improve ecosystem resilience and provide equitable benefits to the riparian states of Angola, Botswana and Namibia in the Cubango-Okavango River Basin (CORB).

INVESTMENT GOALS

Sinking vehicle: +US\$20 million

Endowment vehicle: +US\$250 million

WHAT IS THE CORB?

The CORB is a large river basin in Africa that extends across three countries, from the forested mountains of central Angola through the ecologically rich wetlands of north-eastern Namibia and northern Botswana, to the Okavango Delta. The Delta is the jewel of the CORB, recognised globally as a unique inland delta with a valuable ecosystem – epitomised by its status as a Wetland of International Importance (Ramsar Site) and UNESCO's 1,000th World Heritage Site. The Delta's source waters originate from a vast water tower in Angola and flow through the Cubango and Cuito Rivers, which are near pristine and supply the lifeblood to the CORB's ecosystems. These source waters are however at risk of degradation due to competing demands and ongoing threats.

COMPETING DEMANDS AND THREATS

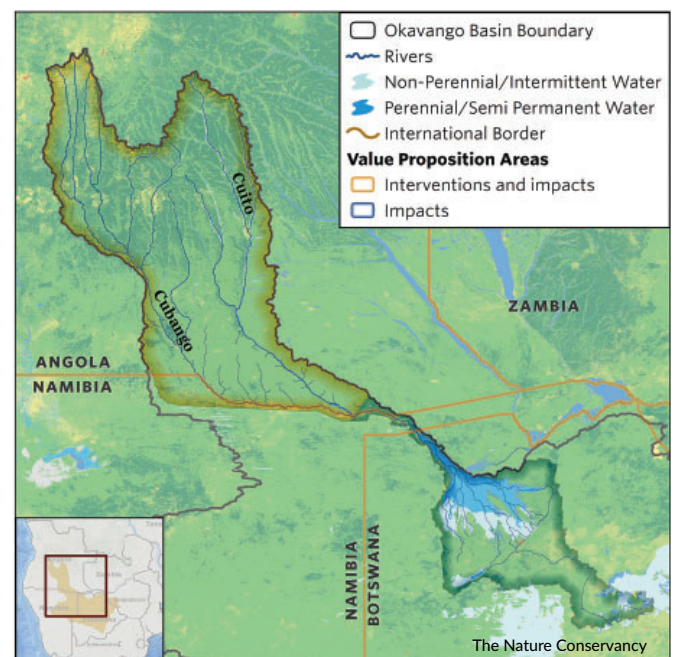
The competing demands on the CORB's natural resources include:

- Urban and energy development infrastructure
- Rapidly expanding population
- Significant planned water extraction
- Unsustainable commercial agriculture

In addition, extensive diagnostic studies show that the CORB's ecosystems are under substantial threat from:

- Widespread poverty
- Significant population growth
- Unsustainable commercial logging
- Climate change

The Fund sees numerous opportunities to respond creatively to these demands and threats, by supporting the sustainable use and conservation of water resources and betterment of livelihoods in the CORB.



KEY FACTS

Key interventions

- Small-scale water, food and energy security
- Enhanced agricultural practices
- Fishing and beekeeping management
- Reduction in deforestation and sedimentation
- Improved community-based natural resource management
- Education and awareness via local committees

Location

Cubango-Okavango River Basin

Riparian states

Angola, Botswana and Namibia

Fund originator

OKACOM: The Permanent Okavango River Basin Water Commission

Developmental and conservation impacts

- Poverty reduction
- Access to improved water, sanitation and energy
- Greater food security
- Protected fish habitat and fisheries management
- Sustained river flows and water quality
- Greater climate resilience
- Long-term ecological health and linked eco-tourism

Annual Project expenditure

- Years 1 and 2: US\$1–2 million
- Years 3, 4 and 5: US\$3 million
- Year 5 onwards: US\$10 million

Project preparation required

- Up to establishment: US\$500,000
- During stable operations: US\$300,000 per annum

Fund preparation co-funding

A total of US\$900,000 has been secured, as follows:

- Angola, Botswana and Namibia – US\$50,000 for Fund origination and establishment, as in-kind contributions
- OKACOM – US\$250,000 for Fund origination and its financial, legal and institutional structuring
- UK-Aid DFID, Climate Resilient Infrastructure Development Facility (CRIDF) – US\$250,000 for Fund's registration, governance structuring and business case development
- The Nature Conservancy (TNC) – US\$200,000 for the Fund's business case development and establishment support
- USAID Resilient Waters Program – US\$150,000 for the specialist Fund Advisor

CAPITALISATION PLAN

Three phases are envisaged to capitalise the independent CORB Fund.

- **Phase 1:** The Demonstration Phase, commencing directly after fund registration for a two-year period, with the purpose of seeding and fully capitalising the sinking vehicle. This two-year phase targets +US\$20 million from bilateral and multilateral development organisations, such as OKACOM's development partners. US\$500,000 will also be sought from each of the three riparian states. The sinking vehicle will be fully depleted within the first five years of the Fund's operation.
- **Phase 2:** The Fundraising Phase, commencing once the Fund has established a track record, and running for two to three years. The purpose of this phase is to capitalise the endowment vehicle and begin to use its annual net income for projects. Donations and investment will be sought primarily from high-net-worth individuals, foundations and impact investors, with an endowment target of +US\$250 million.
- **Phase 3:** The Investment Phase, commencing after the endowment target has been reached and the Fund's organisation is operating efficiently. It is envisaged that this phase will run into perpetuity, whilst active fundraising can continue to achieve higher operational efficiencies and greater leverage for donors and investors.

TECHNICAL

The Fund shall prepare, fund and monitor both livelihoods and ecosystem interventions.

1. Livelihoods interventions include:

- Potable water supply and communal sanitation
- Small- and utility-scale solar photovoltaic units
- Conservation agriculture practices
- Efficient cookstoves
- Dwelling and communal lighting

2. Ecosystem interventions include:

- Sustainable forest management
- Sediment runoff reduction through agricultural management
- Fire controls and management
- Fishing and beekeeping management
- Enhanced protected areas and linked eco-tourism



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GOVERNANCE STRUCTURE

The Fund will be registered as a fully independent Company Limited by Guarantee in Botswana, with three distinct management levels:

1 | **Five Members**

One from each riparian state, one non-government livelihoods anchor and one non-government ecosystems anchor, who are the highest decision-making body and meet annually

2 | **Seven Board Directors**

One from each riparian state and four independent, non-government experts, who meet quarterly to oversee the business and affairs of the company, and ensure it delivers on its purpose

3 | **One Executive Officer**

Employed by the Board of Directors, responsible for the day-to-day activities of the Fund and its operational efficiency



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ACTIVE PARTNERS SUPPORTING THE ESTABLISHMENT OF THE CORB FUND

OKACOM

The Permanent Okavango River Basin Water Commission is a tripartite technical commission that advises the three riparian states about the best possible use of the river's natural resources, whilst promoting coordinated and environmentally sustainable regional water resources development. Contact OKACOM's Executive Secretary, Phera Ramoeli: phera@okacom.org



OKACOM

The Permanent Okavango River Basin Water Commission

CRIDF

The Climate Resilient Infrastructure Development Facility (CRIDF) is a UK Aid-funded programme. CRIDF works with public and private organisations in Southern Africa to build climate resilience by promoting cooperation in the sustainable development and management of transboundary waters. Contact CRIDF's Mobilising Finance team member, Michael Vice: michael.vice@cridf.com

CRIDF



TNC

The Nature Conservancy (TNC) is a global environmental non-profit organisation working to create a world where people and nature can thrive. TNC has been a leading partner in the creation of 35 water funds in 12 countries around the world. Contact TNC's Okavango Basin Program Director, Sekgowa Motsumi: sekgowa.motsumi@tnc.org



Resilient Waters Program

A USAID-funded five-year project, which aims to build more resilient and water secure Southern African communities and ecosystems through improved management of transboundary natural resources and increased access to safe drinking water and sanitation services. Contact Resilient Waters Program Project Manager, Lauren Redfield: lredfield@chemonics.com



USAID

FROM THE AMERICAN PEOPLE

RESILIENT WATERS PROGRAM

