



5th Targeted Workshop for Regional GEF Projects in Africa

Financing of River Basin Organisations:

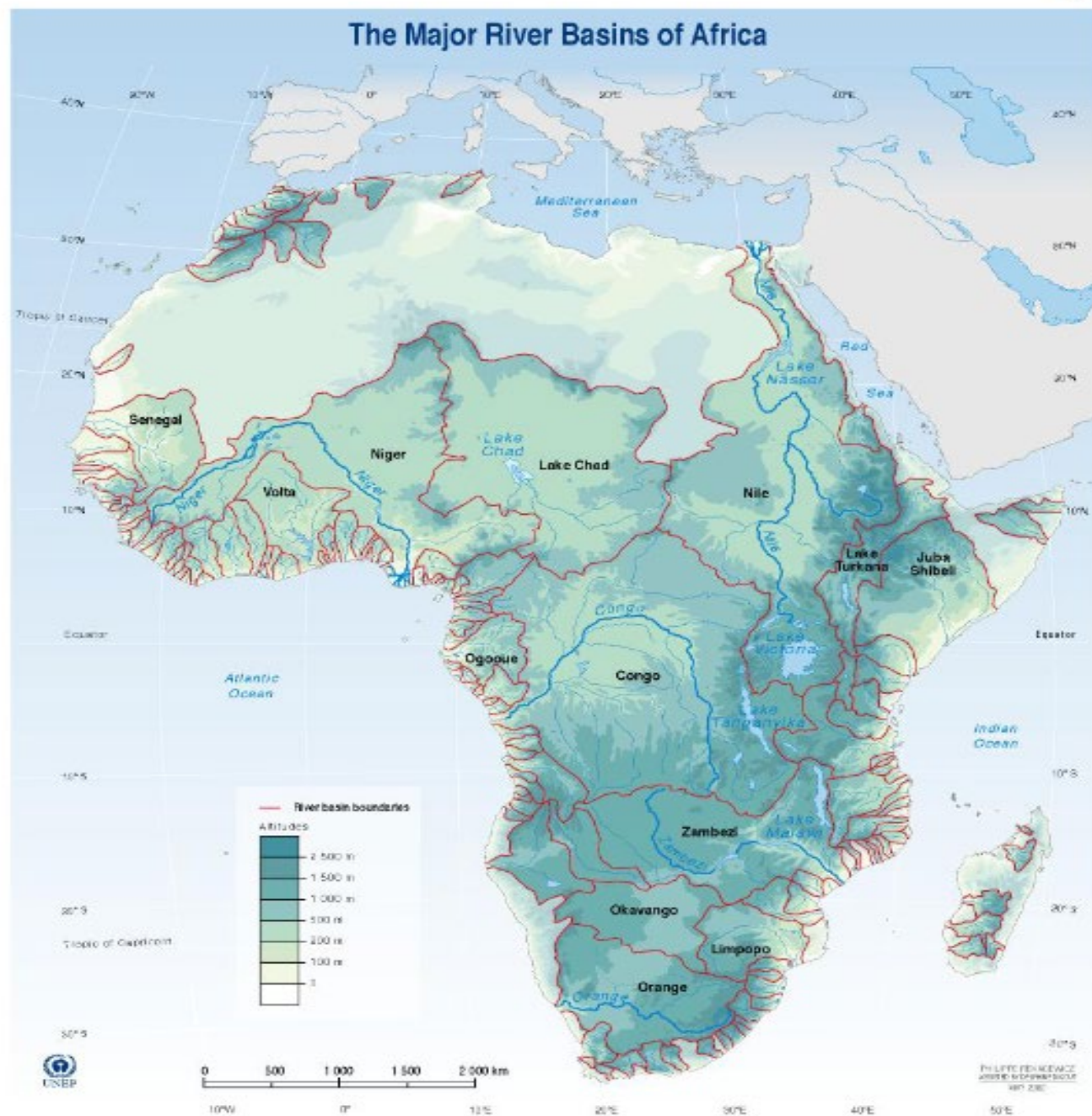
Experiences from the Orange Senqu River Commission

SADC Secretariat, Gaborone,. 530th May 2019.

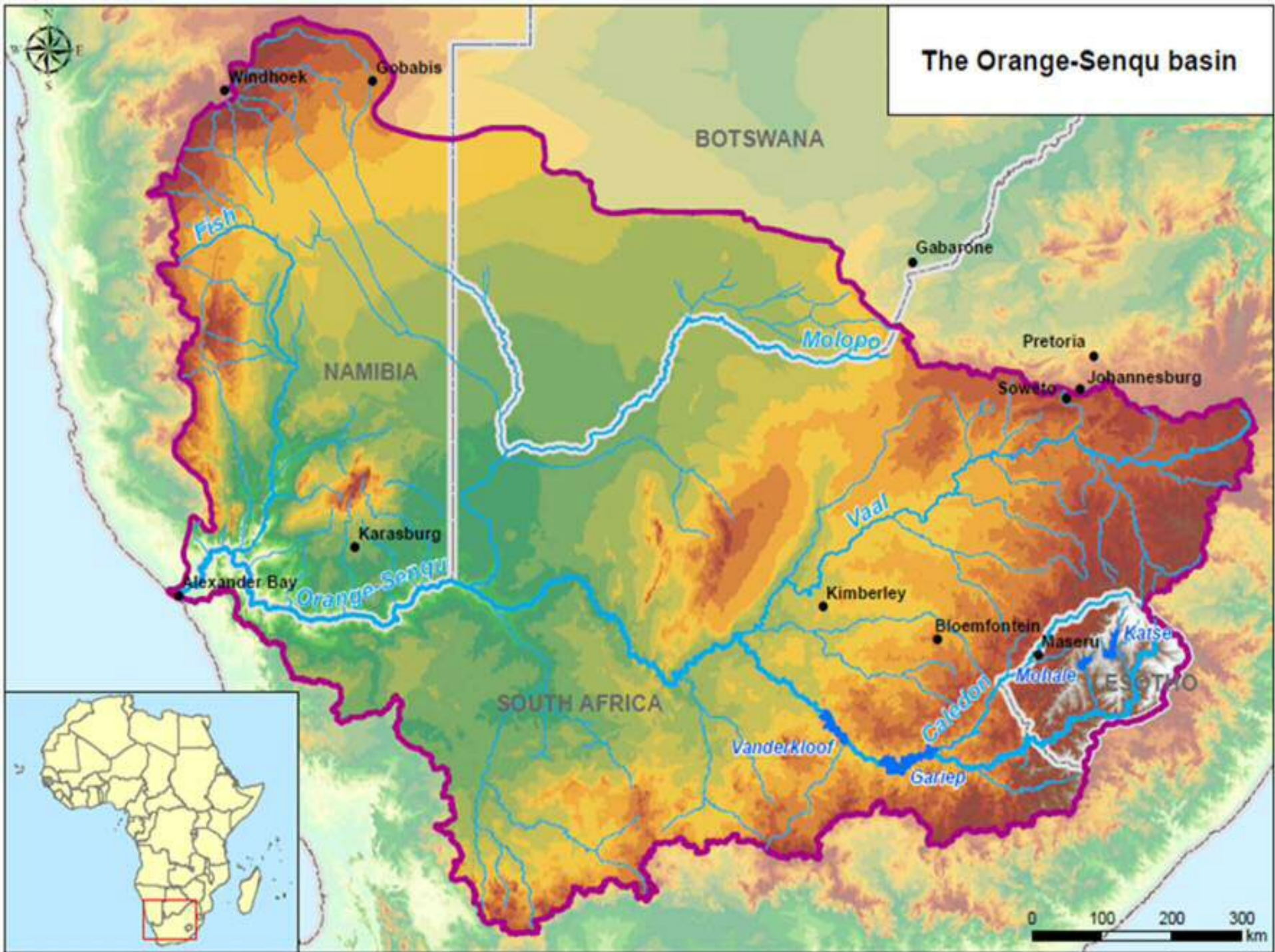
By: Lenka Thamae.

Executive Secretary

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Source: Aaron T. Wolf et al., 1996; Revenga et al., Watersheds of the World, World Resources Institute (WRI), Washington DC, 1998; Philippe Rekacewicz, *Atlas de poche, Livre de poche, Librairie générale française, Paris, 1996 (revised in 2001)*.



Orange-Senqu sources in highlands of Lesotho at around 3000 metres above mean sea level (alpine wetlands “sponges”) – very important for sustaining flows especially in dry season and during drought periods.



Confluence of Vaal and Orange/Senqu Rivers



The River Mouth along the border between Namibia and South Africa has been declared a Ramsar Site on both sides of the border.



6/4/2019



Alluvial diamond mining operations are also found on the lower Orange-Senqu, the estuary and along shallow sea bed of the Atlantic Ocean.



Sasol Petrochemical Plant Secunda

*Produces >30% of SA's Petrol/Diesel
from coal*

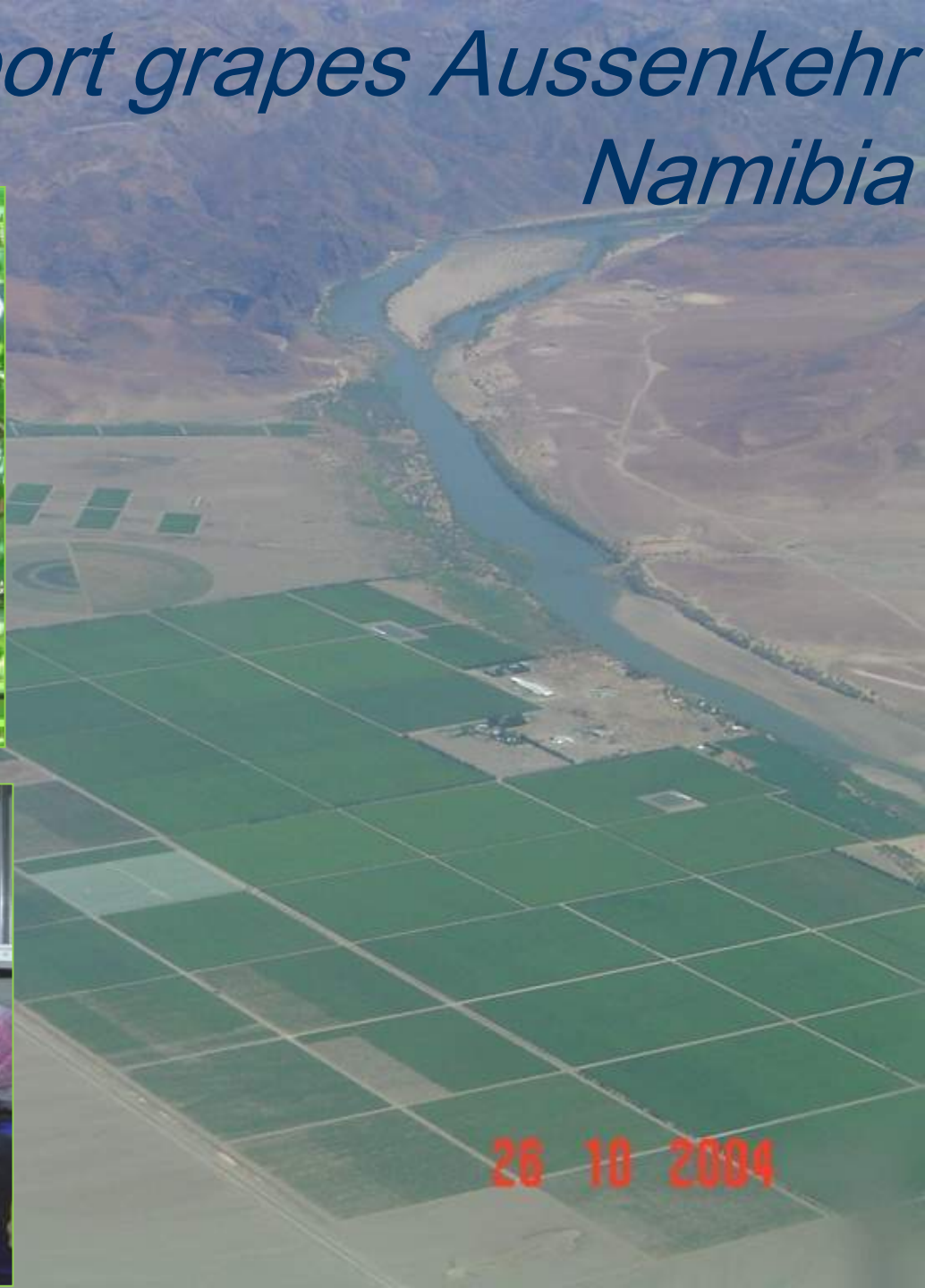


Sishen Iron Ore Mine

One of the largest single open pit excavation in the World



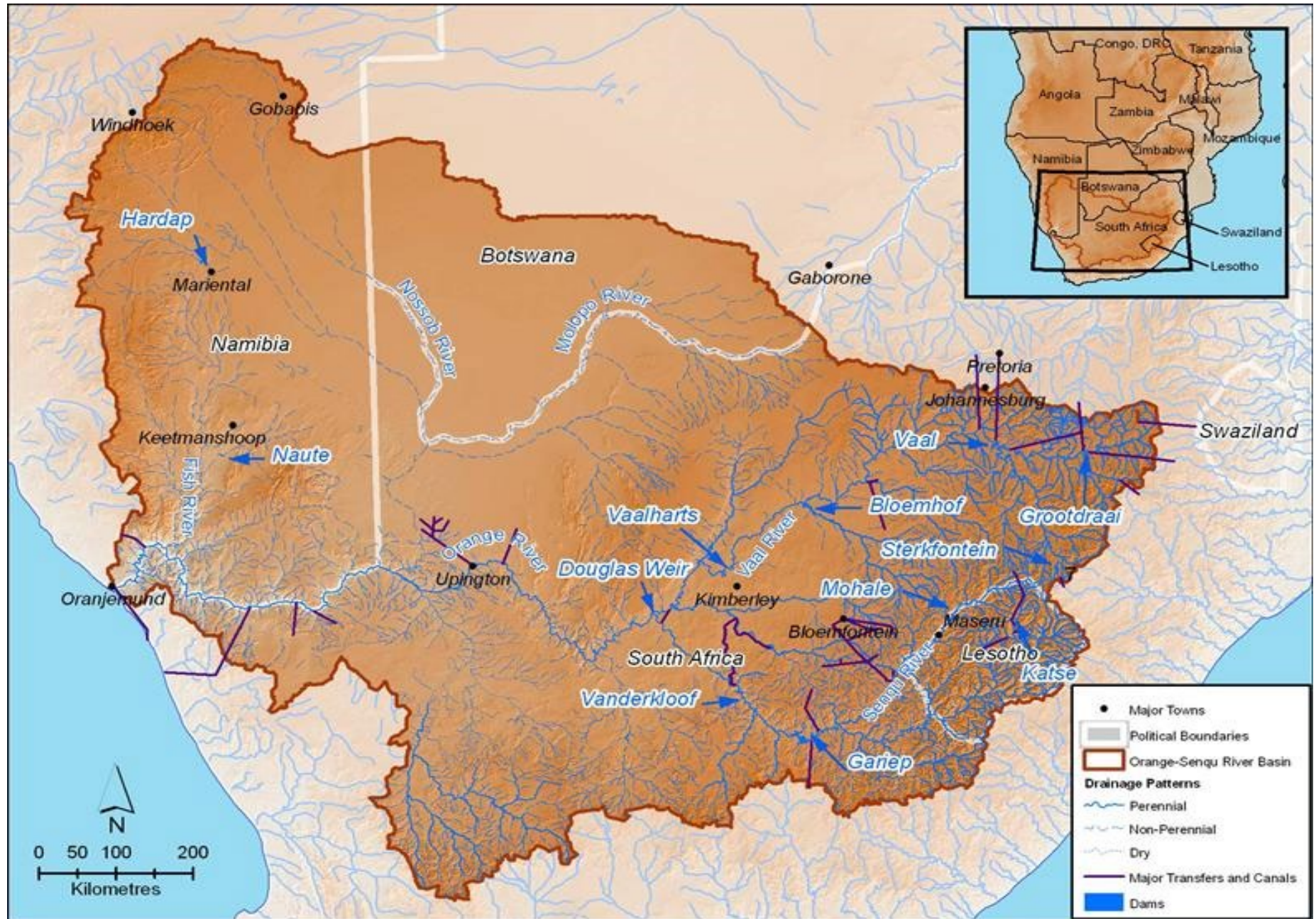
Export grapes AusSENkehr Namibia



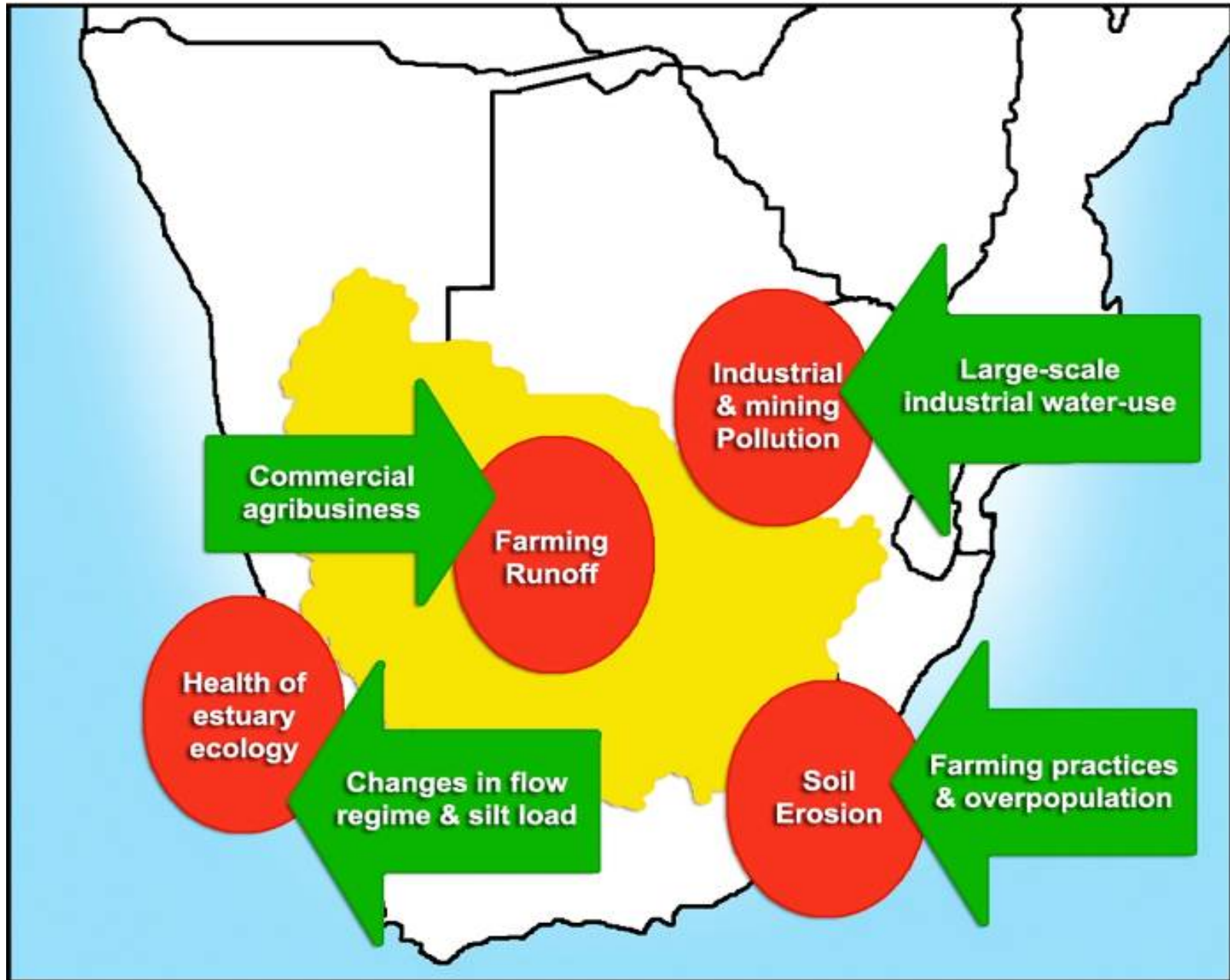
Reservoir Storage in the Orange-Senqu Basin



System of Water Transfers to address Demand



Basin Challenges



Climate – temperature change

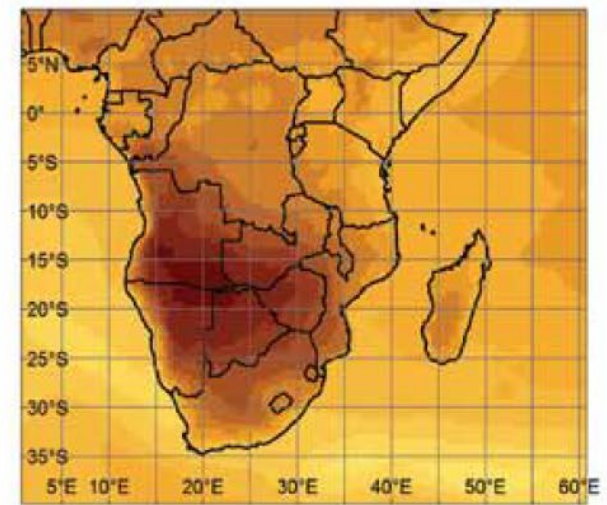
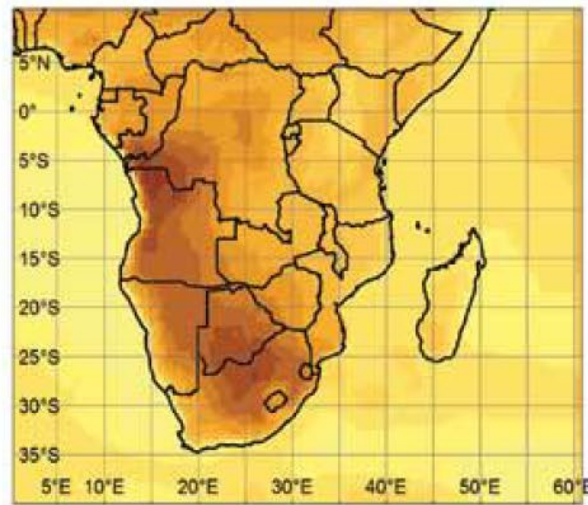
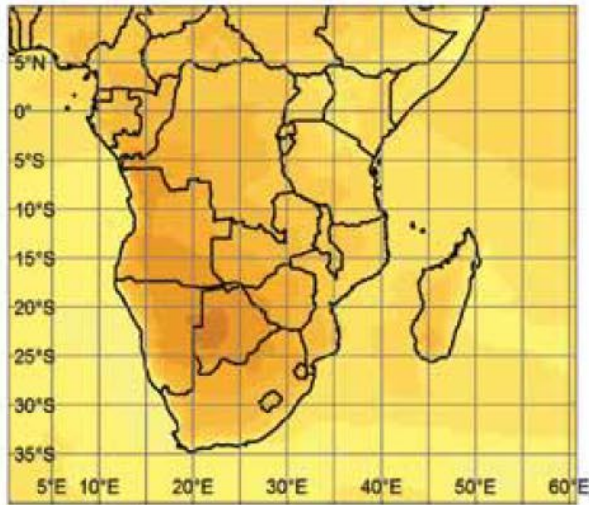
By 2050

Projected change in mean annual maximum temperature based on 6 dynamically downscaled GCMs

10th percentile

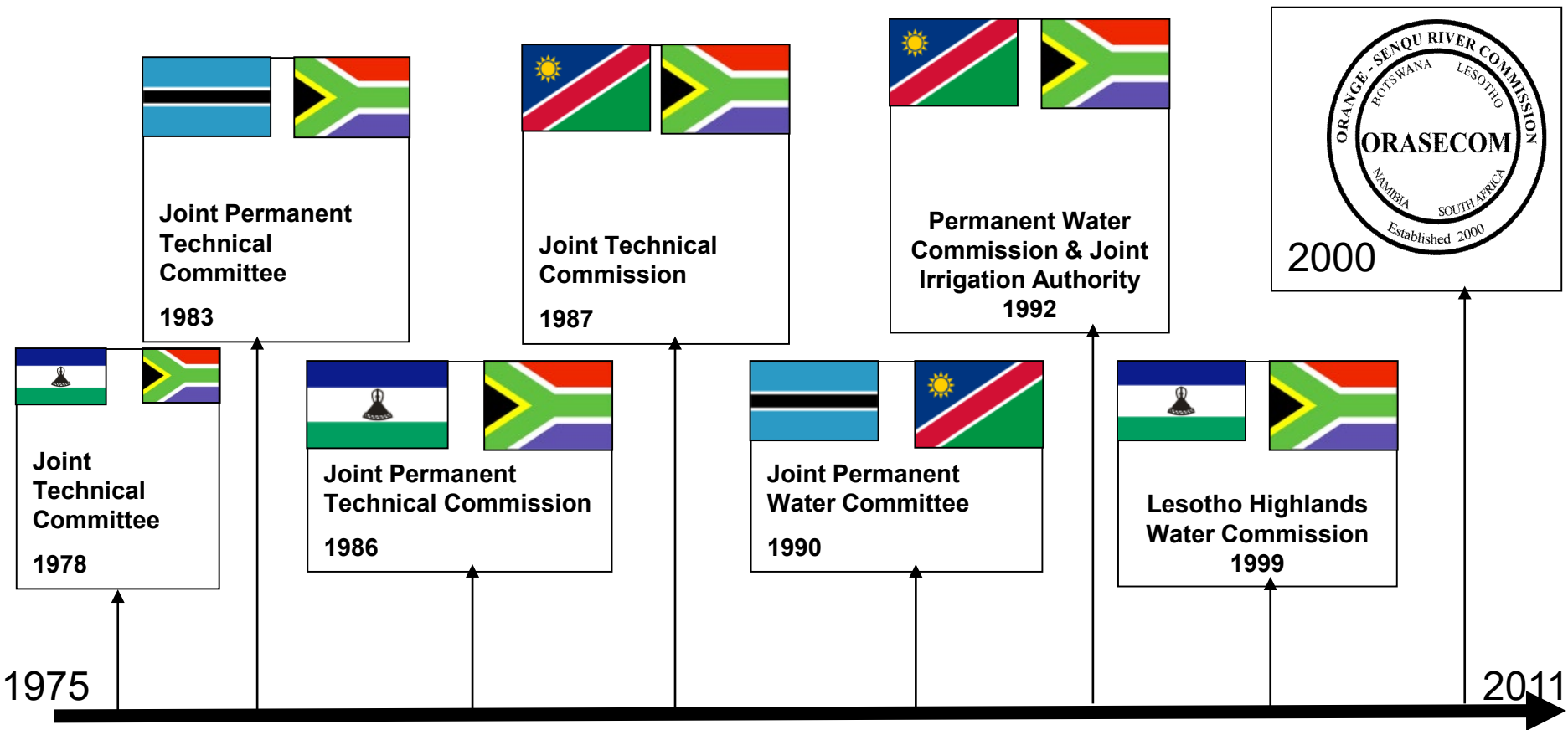
Median

90th percentile



degrees C per annum





Botswana



Lesotho



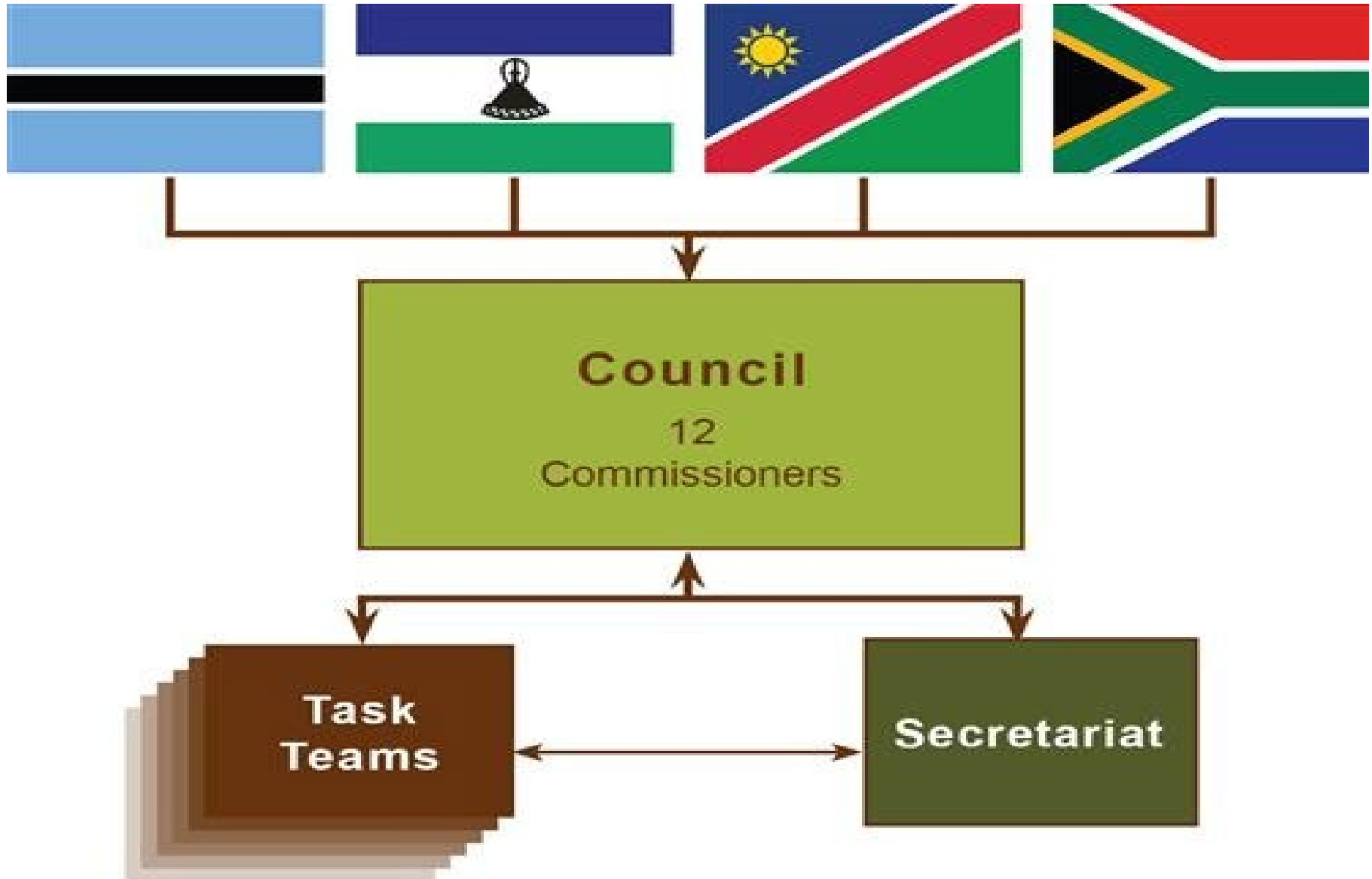
Namibia



South Africa

History of Trans-boundary Cooperation in the Orange-Senqu Basin since 1970s

ORASECOM Institutional Structure



Task Teams: technical, legal, communications, finance, hydrogeology.

ORASECOM historical revenue and cost structure (2)

- Revenues / contributions :
 - Since its inception, member states provide equal contributions of ZAR 500K/member state.
 - Contribution raised to ZAR 800K/member, effective as from FY 16/17
 - No backlog in member state contribution at the end of the fiscal year.
 - South Africa as host of Secretariat provides in kind contribution towards Centurion office rent @ ZAR 1 million/year.
- Costs & surplus/deficit :
 - Mainly comprised of remuneration & travel expenditure.
 - Steady growth in expenditure, to ZAR 4 million in FY 16/17 (budget).
 - Annual (cash) deficits incurred which have been absorbed by accumulated cash reserves as a result of paid in member state cash contributions during initial years, while no secretariat was operational yet.
- The Programme of Work has attracted financing from International Cooperating Partners

Short term Proposal for Financing

- In the short term (next 2-3 years)
 - Continue with transfers in cash and in kind, but ensure prior increase in Member State cash contribution through multi-year budgeting.
 - Explore / further detail the need for an allocation key of cash contributions.
 - Develop a roster of project specific staff , employed on a fixed term contract basis only and ensure this is included in the relevant project / activity budget.
 - Further explore potential to charge project management fees for bilateral / nationally funded projects.

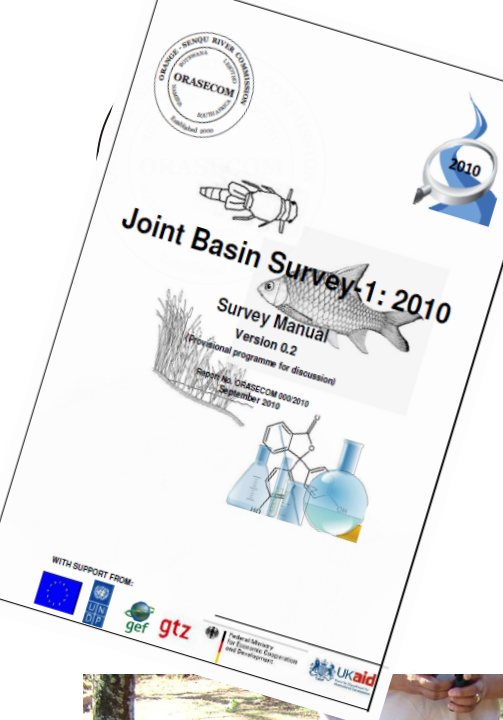
Allocation key contribution mechanism (medium to long term)

- Setting a floor of equal contributions equivalent to the existing allocation of member state and apply a new allocation mechanism only to the cash contributions exceeding this existing ZAR 800K / member state allocation.
- Including voluntary additional contributions by state Parties.
- Identifying key allocation drivers and weighting as basis for incremental additional state Party Contribution. Examples of these are:
 - Catchment area
 - Population in basin
 - Water Use
 - Per capita GDP
 - Other?

ORASEECOM Joint Basin Survey

- **ORASECOM'S Joint Basin Survey** was modelled on a similar survey of the Danube River done by the ICPDR.
- The planning of JBS-1 was undertaken by a 'Core Team' made up of 2 experts from each Member State. Supported by specialists from the ICP supported programmes.
- Five main elements of JBS: Aquatic Ecosystem Health; Water chemistry; POPs and metals; Inter laboratory benchmarking and Public events at five sites.





Financing the ORASECOM JBS

- The 2010 JBS was financed by ICPs including GEF, EU, GIZ with additional contributions from the Lesotho Highlands Water Project, and in kind contributions from state Parties.
- The 2015 JBS was financed by ICPS including GEF, GIZ and CRIDF with additional financing from the LHWP and both cash and in-kind contributions from state Parties – State Parties covered at least 12% of the funding cost.
- The 2020 JBS is currently in planning and state Parties are expected to contribute in cash and in-kind.
- The main key to attracting state Party cash contributions hinges on timing of the JBS planning and timely communication of plans and results.



Thank you.



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