



SADC Groundwater Management Institute



Financial Sustainability Report

Assessment, Findings & Options

May 2018



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LIST OF ABBREVIATIONS

SA	South Africa
SADC	Southern African Development Community
GCF	Green Climate Fund
GMI	Groundwater Management Institute
GEF	Global Environment Facility
CIWA	Cooperation in International Waters in Africa
CRIDF	Climate Resilient Infrastructure Development Facility
UFS	University of the Free State



1. INTRODUCTION

1.1 Background

Groundwater is increasingly becoming a resource of choice for decision makers in the SADC region as climate variability and pollution alter the availability and reliability of surface water that is fit for use. The sustainable management of groundwater is critical for the region, including in transboundary aquifers, and the Southern African Development Community Groundwater Management Institute (SADC-GMI) plays a critical role in supporting Member States to improve their groundwater management. The SADC-GMI was established in 2016 to provide capacity and support to SADC countries in addressing groundwater challenges in the region. To execute this mandate, the SADC-GMI has developed a Strategic Business Plan (2018-2023) that reinforces its Vision, Values and Strategic Goals. Parallel to the development of the Strategic Business Plan was the development of this Financial Sustainability Plan.

The SADC Secretariat received a GEF-CIWA grant of US\$10.2 million to support the implementation of the Sustainable Groundwater Management project in SADC Member States for a 5-year period, starting 1 July 2014 and ending 30 June 2019. The GEF-CIWA grant allocation is split into 4 project components, namely:

- **Component A** – Operationalising the SADC-GMI (US\$2.8m).
- **Component B** – Strengthening institutional capacity for the sustainable management of groundwater in SADC (US\$1.5m).
- **Component C** – Advancing knowledge on transboundary and national groundwater (US\$3.0m).
- **Component D** – Promoting groundwater infrastructure management and development (US\$2.9m).

The SADC-GMI is currently implementing this GEF-CIWA funded project, which is its primary source of funding and is due to expire at the end of June 2019. The initiation of this project was delayed for several reasons, with the result that a five-year programme has been compressed into just over two years, and implementation is considerably behind schedule. Of this funding, 26% of the Component A budget and less than 2% of the B, C and D components' budgets had been spent as at 25 January 2018. There is a possibility of a two year no-cost extension of this funding, which would enable the SADC-GMI to spend the funding more effectively over a longer period of time. These remaining months provide a small window to scale operations to levels of financial sustainability.

Component A, in particular, targeted the establishment of the core functions of the SADC-GM and is enabling it to build credibility in the SADC region and amongst key stakeholders in the groundwater sector. This Component is fundamental to building the foundations to support the Institute's financial sustainability, which ultimately requires a sufficiently reliable income stream to fund its mandated activities. This is a key element to help guarantee that the Institute will cover its running costs for the foreseeable future.

Total grant facility by component versus spend to Jan '18

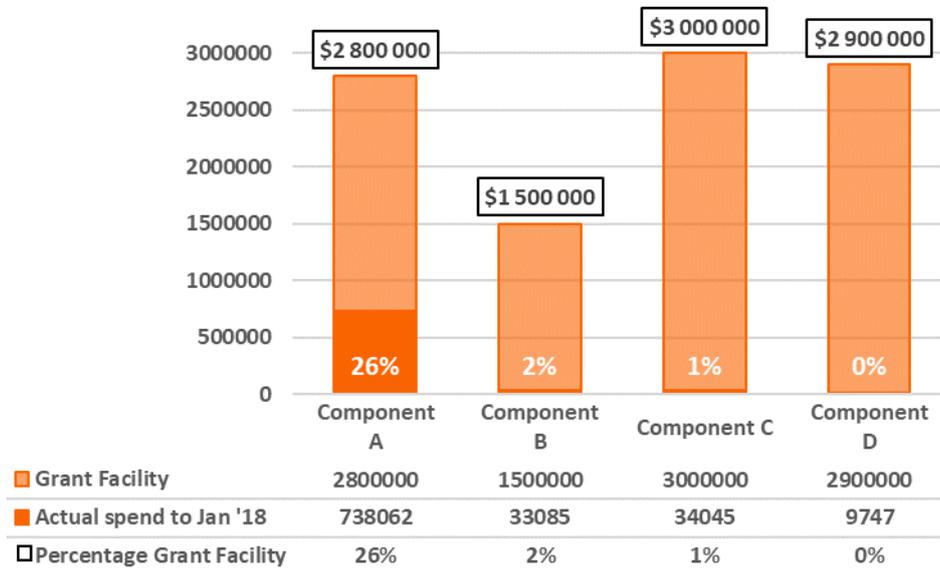


Figure 1: Total grant facility by component versus spend to January 2018

Since these results, the SADC-GMI has secured 3 additional projects to fulfil the GEF-CIWA mandate, within its specified timeframe, however, **a 2 year no-cost extension by the World Bank for the current GEF-CIWA facility would relieve some of the intense time pressure** on this project and assist the SADC-GMI to better prepare for a sustainable future. Such an extension will allow SADC-GMI to deploy the full budget allocated to Component A.

1.2 Purpose

The purpose of this Financial Sustainability Plan is to demonstrate that there is a sufficiently reliable income stream to fund the basic “core” organisational and administrative costs, showing that the SADC-GMI has a reasonable expectation of covering its running costs for the foreseeable future through a diversification of income streams, such as income through fees, donations, donor funding, amongst others.

This report quantifies the probable sources and quantum of income against the projected operational cost of SADC-GMI over its next 5 financial years, to illustrate that it could operate independently from the current GEF-CIWA establishment grant allocation in the future.

It should also be noted that this financial sustainability report should be read together with the SADC-GMI Business Plan (2018-2023), which clearly articulates the Institute’s vision, strategic direction and goals over the next 5-year period to strengthen itself institutionally and achieve financial sustainability.

2. METHODOLOGY

2.1 Overview of the Approach

A **base case** expenditure projection was developed as a starting point. Thereafter, the SADC-GMI staff contributed to defining **minimum spend** and **full capacity spend** scenarios (on a line-by-line basis), with appropriate consideration of discretionary expenses and those that are likely to escalate in a potential high-volume project implementation environment (see Figure 2):

- The **minimum spend** scenario includes only critical expenditure required to maintain operations and to implement a low project budget.
- The **base case spend** scenario includes conservative operational expenditure which is likely to be incurred to implement a medium project budget.
- The **full capacity spend** scenario is an ambitious scenario which assumes that project volumes justify the expansion of core activities/resources, which may be required if high project budgets were secured.

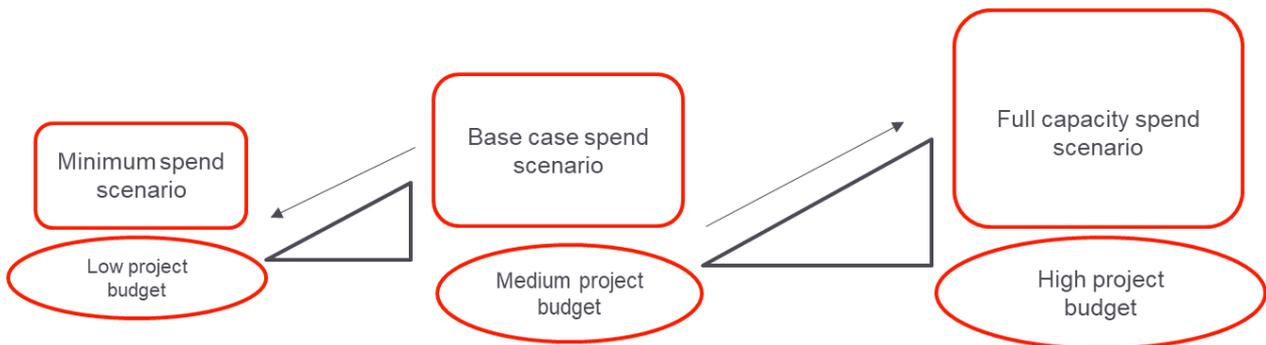


Figure 2: Spend scenarios combined with project budget scenarios

For the purposes of this financial sustainability plan, the focus was on financing the basic “core” *organisational* and administrative costs of SADC-GMI, including salaries of full-time staff, facilities, equipment, communications, and the direct expenses of day-to-day work. The assumption was made that project financing can be obtained from various sources over and above the core functions. An analysis of the likely core expenditure of the SADC-GMI over the next five years was conducted. It was based on an analysis of expenditure over the past two years, and a projection of likely staffing requirements and activities in the future. The following assumptions/criteria were applied:

- For the purposes of creating a reasonable forecast of core activity expenditure for the next five financial years, a bottom-up budget process was undertaken in conjunction with SADC-GMI’s management. This process entailed projecting the 2018/19 to 2022/23 financial year expenditures on a line-by-line



basis, in relation to the prior year (2016/17) financial results and to the current year actuals (i.e. for 1 April 2017 to 25 Jan 2018)¹.

- Reductions were applied to the Professional Fees charged by UFS from 2021/22 onwards, when the current agreement expires, and management believe they will be capacitated to perform the current contracted services themselves.
- A conservative US\$-based inflationary assumption (i.e.1.5%) was applied to each expense item to extrapolate these items annually through to the 2022/23 financial year. This conservative inflation figure was adopted based on an assessment of likely inflation in South Africa versus likely changes in the dollar/rand exchange rate.

¹ The cost descriptions contained in the latest set of audited financial statements were used for this purpose, with due cognisance for the appropriate mapping of expenses, since SADC-GMI now internally report expenditure based on the World Bank project mandate description items.

3. PROJECT BUDGET AND EXPENDITURE SCENARIOS

Presented here is the application of the three expenditure scenarios and how it related to project related incomes, and the potential for subsidizing the SADC-GMI's core costs through its project implementation/facilitator role.

3.1 Three expenditure scenarios

The **base case spend** scenario includes US\$86,000 (or 15%) more annual expenditure than the **minimum spend** scenario whilst the **full capacity** spend scenario includes US\$172,000 (or 29%) more expenditure per annum than the **minimum spend** scenario.

The below tables set out the line-by-line expenditure projections under each of these three scenarios, as constructed in terms of the methodology described above.

Table 1: Base case expenditure projection

Annual expenditure: (Base Case)	2018/19	2019/20	2020/21	2021/22	2022/23
Auditors remuneration	\$5 000	\$5 075	\$5 151	\$5 228	\$5 307
Accommodation and allowances	\$50 000	\$50 750	\$51 511	\$52 284	\$53 068
Advertisements	\$15 000	\$15 225	\$15 453	\$15 685	\$15 920
Computer equipment	\$6 500	\$6 598	\$6 696	\$6 797	\$6 899
Consultation fees	\$40 000	\$40 600	\$41 209	\$41 827	\$42 455
Employee costs – executive	\$120 000	\$121 800	\$123 627	\$125 481	\$127 364
Employee costs – administrative	\$180 000	\$182 700	\$185 441	\$188 222	\$191 045
Entertainment and refreshments	\$3 500	\$3 553	\$3 606	\$3 660	\$3 715
Office alternations	\$2 500	\$2 538	\$2 576	\$2 614	\$2 653
Printing and stationery	\$12 500	\$12 688	\$12 878	\$13 071	\$13 267
Professional services – UFS	\$135 000	\$137 025	\$139 080	\$72 152	\$73 234
Small equipment	\$2 500	\$2 538	\$2 576	\$2 614	\$2 653
Souvenirs and gifts	\$500	\$508	\$515	\$523	\$531
Telephone and fax	\$2 500	\$2 538	\$2 576	\$2 614	\$2 653
Training costs	\$2 500	\$2 538	\$2 576	\$2 614	\$2 653



Travel costs (flight and car hire)	\$100 000	\$101 500	\$103 023	\$104 568	\$106 136
Total	\$678 000	\$688 170	\$698 493	\$639 955	\$649 554

Table 2: Minimum spend expenditure projection

Annual expenditure: (Min spend)	2018/19	2019/20	2020/21	2021/22	2022/23
Auditors remuneration	\$4 000	\$4 060	\$4 121	\$4 183	\$4 245
Accommodation and allowances	\$40 000	\$40 600	\$41 209	\$41 827	\$42 455
Advertisements	\$13 000	\$13 195	\$13 393	\$13 594	\$13 798
Computer equipment	\$5 000	\$5 075	\$5 151	\$5 228	\$5 307
Consultation fees	\$35 000	\$35 525	\$36 058	\$36 599	\$37 148
Employee costs - executive	\$120 000	\$121 800	\$123 627	\$125 481	\$127 364
Employee costs - administrative	\$155 000	\$157 325	\$159 685	\$162 080	\$164 511
Entertainment and refreshments	\$3 000	\$3 045	\$3 091	\$3 137	\$3 184
Office alternations	\$1 000	\$1 015	\$1 030	\$1 046	\$1 061
Printing and stationery	\$10 000	\$10 150	\$10 302	\$10 457	\$10 614
Professional services - UFS	\$120 000	\$121 800	\$123 627	\$56 467	\$57 314
Small equipment	\$2 000	\$2 030	\$2 060	\$2 091	\$2 123
Souvenirs and gifts	\$-	\$-	\$-	\$-	\$-
Telephone and fax	\$2 000	\$2 030	\$2 060	\$2 091	\$2 123
Training costs	\$2 000	\$2 030	\$2 060	\$2 091	\$2 123
Travel costs (flight and car hire)	\$80 000	\$81 200	\$82 418	\$83 654	\$84 909
Total	\$592 000	\$600 880	\$609 893	\$550 027	\$558 277

Table 3: Full capacity expenditure projection

Annual expenditure: (Full capacity)	2018/19	2019/20	2020/21	2021/22	2022/23
Auditors remuneration	\$6 500	\$6 598	\$6 696	\$6 797	\$6 899



Annual expenditure: (Full capacity)	2018/19	2019/20	2020/21	2021/22	2022/23
Accommodation and allowances	\$60 000	\$60 900	\$61 814	\$62 741	\$63 682
Advertisements	\$17 500	\$17 763	\$18 029	\$18 299	\$18 574
Computer equipment	\$7 000	\$7 105	\$7 212	\$7 320	\$7 430
Consultation fees	\$50 000	\$50 750	\$51 511	\$52 284	\$53 068
Employee costs - executive	\$120 000	\$121 800	\$123 627	\$125 481	\$127 364
Employee costs - administrative	\$200 000	\$203 000	\$206 045	\$209 136	\$212 273
Entertainment and refreshments	\$5 000	\$5 075	\$5 151	\$5 228	\$5 307
Office alternations	\$3 000	\$3 045	\$3 091	\$3 137	\$3 184
Printing and stationery	\$15 000	\$15 225	\$15 453	\$15 685	\$15 920
Professional services - UFS	\$150 000	\$152 250	\$154 534	\$87 837	\$89 155
Small equipment	\$3 000	\$3 045	\$3 091	\$3 137	\$3 184
Souvenirs and gifts	\$1 000	\$1 015	\$1 030	\$1 046	\$1 061
Telephone and fax	\$3 000	\$3 045	\$3 091	\$3 137	\$3 184
Training costs	\$3 000	\$3 045	\$3 091	\$3 137	\$3 184
Travel costs (flight and car hire)	\$120 000	\$121 800	\$123 627	\$125 481	\$127 364
Total	\$764 000	\$775 460	\$787 092	\$729 884	\$740 832

The key adjustments between these scenarios are illustrated below and include increases in travel costs, employee costs and fees payable to UFS for professional services:

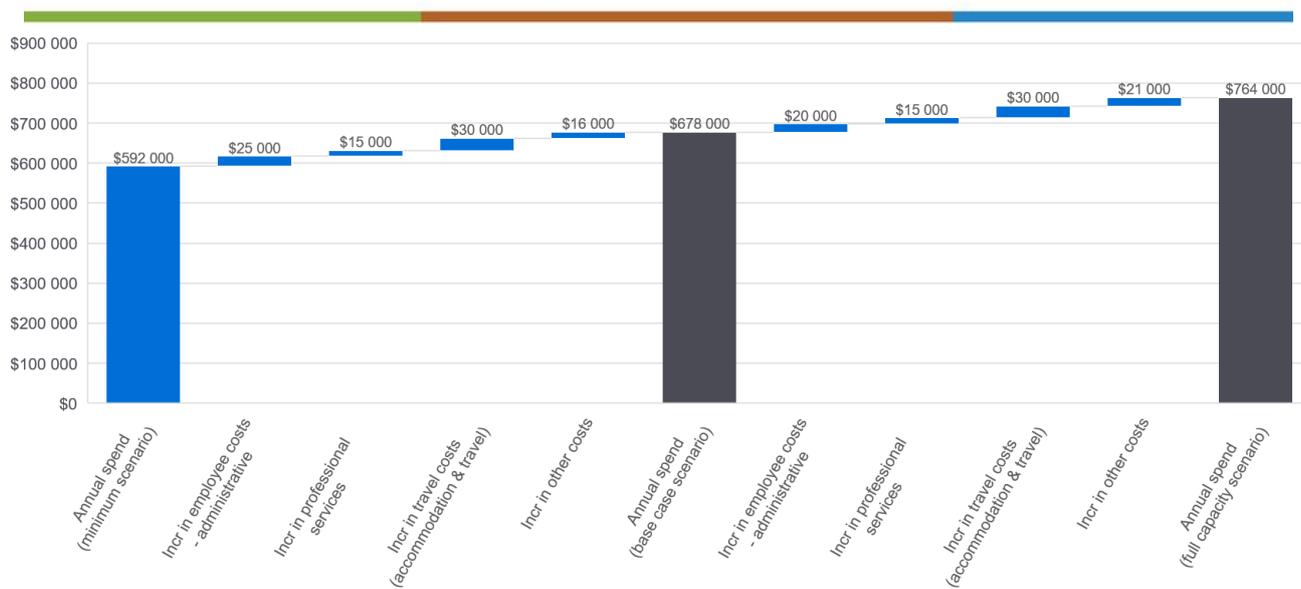


Figure 3: Incremental expenditure under the three annual spend scenarios

3.2 Project budget scenarios

In consultation with management and staff, the value of projects that the SADC-GMI is likely to attract over the next 5 years was quantified. These estimates were based on the current volume and size of projects in the SADC region and those that align with the Institute’s mandate.

Three project budget scenarios were quantified as illustrated in Figure 4 below. It was assumed that the value of projects would increase by a third under the **high project budget** scenario and reduce by two thirds under the **low project budget** scenario. These three project budget scenarios were each paired with an expenditure scenario as illustrated in Figure 2.

Value of projects implemented annually	2018/19	2019/20	2020/21	2021/22	2022/23
Low project budget	\$500 000	\$1 250 000	\$1 500 000	\$2 250 000	\$2 500 000
Medium project budget	\$1 500 000	\$1 875 000	\$2 250 000	\$3 375 000	\$3 750 000
High project budget	\$2 000 000	\$2 500 000	\$3 000 000	\$4 500 000	\$5 000 000

Figure 4. Project budget scenarios

The GEF-CIWA management team believes that there is a strong possibility that a 1-year no-cost budget extension may be granted by the World Bank. This funding extension would allow the Institute to access unused grants up until 30 June 2020, whilst the programme is currently scheduled to end a year earlier (i.e. 30 June 2019).

As of 25 January 2018, US\$2.1m of the Component A grant remained unspent and a 2-year no-cost extension could theoretically cover the Institute’s major operational costs to March 2021, as illustrated in Figure 5, even if no additional revenues are earned.

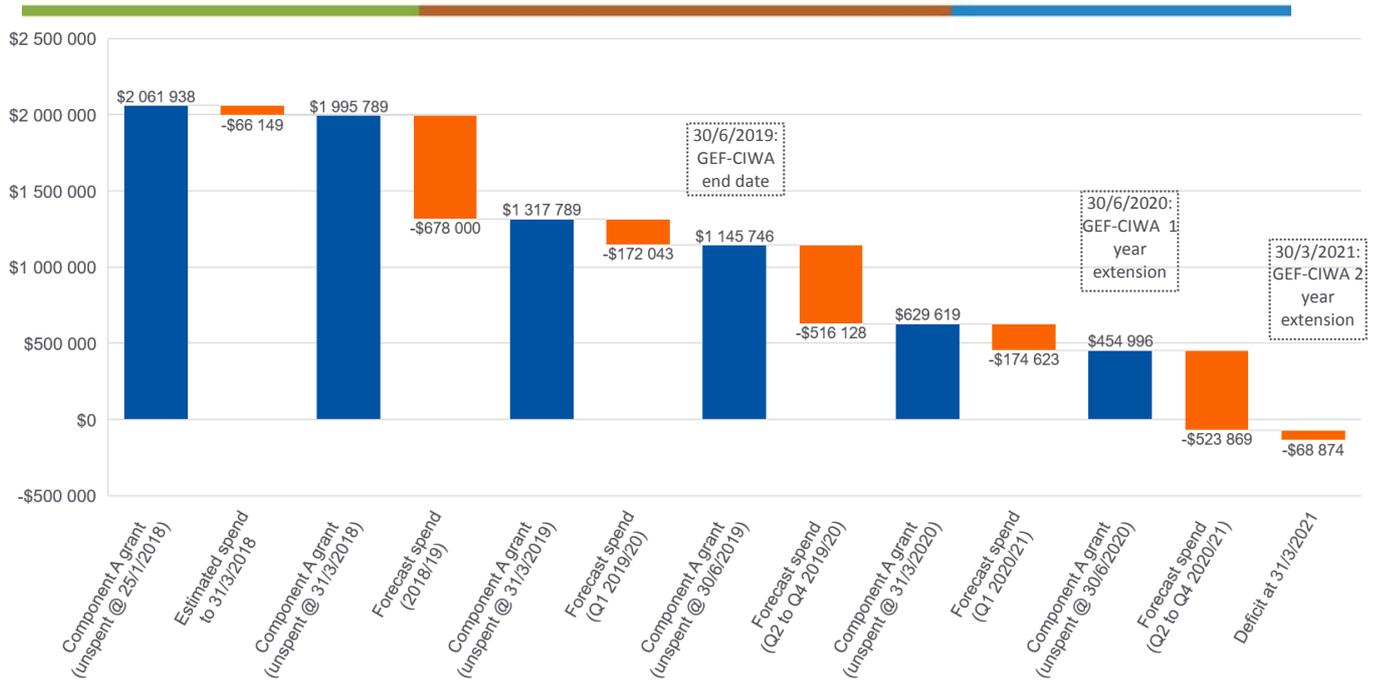


Figure 5: Utilisation of GEF-CIWA grant under base case expenditure projection

4. DIVERSIFICATION OF INCOME STREAMS

4.1 Streams for Income Generation

Diversification of the SADC-GMI's funding sources/income streams is critical to its financial sustainability, not only in terms of donor/partner funding, but also through other income generating initiatives. There are a number of options available to SADC-GMI to fund its core activities over the medium to long-term through various streams that incorporate fees collection for service offerings, donations and in-kind contributions, strengthening existing partnerships and establishing new ones, accessing additional grants and tapping into global funding and through publications (figure below). These are elaborated on below.

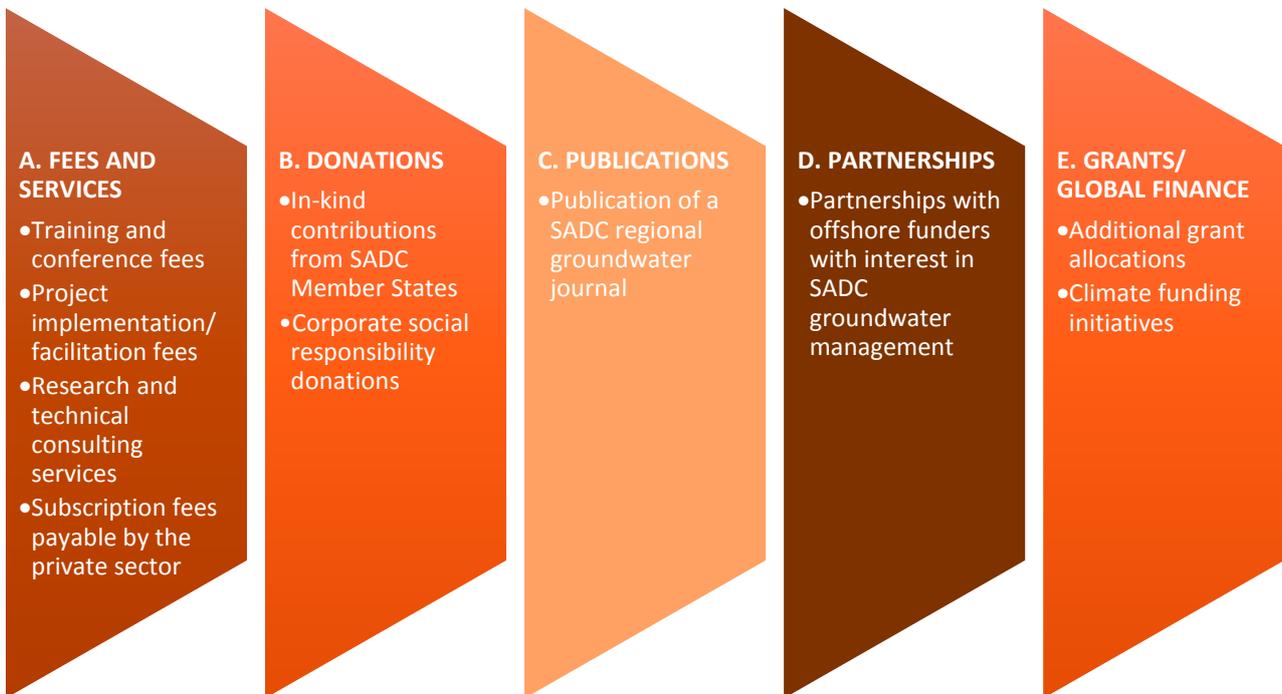


Figure 6: Options available for income diversification

4.2 Stream A: Income generated through Fees and Services

4.2.1 Training and Conference Fees

Several opportunities exist for the SADC-GMI to generate income from training/conferences over the next 5 years. These include:

- An **annual SADC Groundwater Conference** to be held in 2018, in partnership with key stakeholders. It is envisaged that up to 350 delegates across the SADC region will attend this event and that participants will be charged US\$400 each.

- **Hosting regional training events:** SADC-GMI is in negotiations with WaterNet to hold regional training events on topics relating to cost effective borehole drilling. These training events are expected to attract 25 to 30 attendees and training fees are expected to amount to US\$350 per attendee.
- **Bespoke Groundwater Courses:** Whilst Component C of the current GEF-CIWA programme sets aside US\$3m for advancing knowledge on transboundary and national groundwater, GIZ has awarded SADC-GMI a further €198,085 to present 4 courses across the SADC region between May 2018 and December 2018. This funding will enable SADC-GMI to build up a training track-record in the region.

For the purposes of this financial sustainability evaluation, a conservative bottom up costing exercise was undertaken to forecast both the training/conferencing revenues and costs over the next 5 years, based on the assumption of between 2 to 8 training sessions per annum and one annual conference. The net annual revenue that GMI could potentially earn, after adjusting training and conference fees for associated costs, is set out in Table 4.

Table 4: Training and conference income

	2018/19	2019/20	2020/21	2021/22	2022/23
Net annual estimated revenue	\$28 645	\$44 230	\$60 275	\$62 450	\$63 387
Number of training events	2	4	6	8	8
Number of conferences	1	1	1	1	1

4.2.2 Project implementation/facilitation fees

It was recommended that SADC-GMI seeks to recover some of its operational or core costs from project funders via facilitation/implementation fees, but that these fees do not exceed more than 10% of project costs. Donors may be receptive to these recharges, provided that funders understand the value-add that SADC-GMI brings as a facilitator or implementer.

The financial sustainability assessment allocated percentages of the Institute’s operational spend, that could be recharged to projects via a facilitation/implementation fee as summarised in Table 5. These recharges are expected to grow from 10% in year 1 to 50% in year 5 of the Institute’s operational costs under the base case spend and medium project budget scenarios.

SADC-GMI is currently in negotiations with the DBSA around a new 5-year project aligned to its current objectives, under the auspices of the DBSA’s climate change mandate and the Green Climate Fund. If successful, this US\$20m project would unlock US\$3.75m (or US\$750k per annum) of funding for the Institute’s core activities, as well as a 5% annual project implementation fee.

The DBSA climate funding opportunity was not included in the financial sustainability forecasts as the opportunity was considered to be too embryonic to be included. However, should this opportunity materialise, the Institute could benefit from significant surpluses over the next 5 years.

Table 5. Growth in recharge percentages under different scenarios

Project budget and spend scenarios	Year 1	Year 5
Low project budget + minimum spend	8%	40%
Medium project budget + base case spend	10%	50%
High project budget + maximum spend	20%	55%

4.2.3 Research and Technical Consulting Services

The strategic position that SADC-GMI fulfils allows it to offer a number of unique consulting services, aside from those that arise directly through project grants, namely:

- Consulting services in **collaboration with academic and other research institutions** such as the UFS. SADC-GMI and UFS could jointly apply for academic research grants whereby SADC-GMI can provide access to technical expertise and source data in the SADC region.
- An opportunity exists for **SADC-GMI to conduct in-depth research on behalf of a private sector consortium**, due to the variety of private sector industries that are directly influenced by groundwater matters. The Institute holds a particular niche position to assist the private sector and national governments in understanding the consequences of certain practices such as fracking.
- The Institute’s experience and **unique access to specialist groundwater information** further allows it to offer technical consulting services to a variety of industries in the SADC region, especially in the agriculture, mining and energy sectors.

The financial sustainability assessment’s forecast includes US\$30 000 of revenue per annum, net of costs, in respect of technical consulting services as management believes that it can undertake five of these assignments per year. Demand and topical matters are expected to drive the annual impact of this potential revenue stream considerably, but it is recommended that SADC-GMI is appropriately geared to offer these services on a continuous basis to expand its credibility.

4.2.4 Subscription fees

It is envisaged that as SADC-GMI becomes more established that it will set up an association for groundwater practitioners in the SADC region. This initiative will offer practitioners from the SADC region an opportunity to be accredited by the Institute in exchange for an annual subscription fee.

Whilst the accreditation scheme’s main audience is likely to be individual groundwater practitioners, there is an opportunity to allow private enterprises to also affiliate with the Institute. This service would be offered to companies that operate in the broader groundwater sector and would benefit from accreditation from a regional institute such as SADC-GMI. This accreditation would enhance their credibility and give them access to the latest research, trends and groundwater related news.

For the purposes of this financial sustainability assessment, subscription revenue was recognised based on a series of participation and price assumptions as set out in the tables below.

Table 6: Subscription revenue assumptions

Assumptions	Annual fees	2018/19	2019/20	2020/21	2021/22	2022/23
Professional membership	US\$250	-	20 members	100 members	160 members	240 members
Companies subscription	US\$500	-	30	60	120	180

Table 7: Subscription revenue forecast

Subscription income	2018/19	2019/20	2020/21	2021/22	2022/23
Professional membership	\$-	\$5 000	\$25 000	\$40 000	\$60 000
Companies subscription	\$-	\$15 000	\$30 000	\$60 000	\$90 000

4.3 Stream B: Income generated from Donations

4.3.1 Member State in-kind contributions

Donors often expect that contributions from Member States will fund a significant portion of the core costs and that these contributions will meet their co-funding targets when committing project funding. However, recent examples in the SADC region suggest that Member States are often reluctant to make contributions over and above their existing contributions to the SADC secretariat and to river basin organisations. **Member States have been and will continue to be willing to make in-kind contributions** such as providing event venues and covering their own travel costs; however, in the foreseeable future, Member States will not be in a position to fund the SADC-GMI's core costs.

For the purposes of our financial sustainability evaluation, conservative estimates of in-kind contributions from SADC Member States have been made:

- Each Member State will make in-kind contributions of US\$1,500 per annum in respect of venues and other ad hoc costs which would result in US\$24,000 of funding per annum. However, in light of the uncertainty attached to these contributions, a 25% probability was applied to the income source, reducing the forecast funding to US\$6,000 per annum.



- Each Member State will progressively settle a greater portion of its regional representatives' travel costs for attending the SADC-GMI board and steering committee meetings once the current GEF-CIWA grant window closes. These costs are currently borne by the Institute and funded by GEF-CIWA.

Table 8 Member State contribution assumptions

Member State contributions	2018/19	2019/20	2020/21	2021/22	2022/23
In-kind contributions (venues and other ad-hoc costs), after applying 25% probability	US\$6,000	US\$6,000	US\$6,000	US\$6,000	US\$6,000
Percentage of travel and accommodation costs to be incurred by Member States	-	-	25%	50%	100%

4.3.2 Corporate social responsibility contributions from SA entities/individuals

SADC-GMI's non-profit registration status in South Africa allows it to issue s18A donation tax certificates to South African entities and individuals seeking suitable institutions to invest their CSR budgets in. This opportunity is likely to grow in line with the Institute's reputation but would need to be actively managed to target likely funders.

4.4 Stream C: Income generated from Publications

Three further alternative sources of income were identified by management which are discussed in more detail below. No revenue has been assumed in the forecasts in respect of these opportunities given their nascent status.

4.4.1 SADC Groundwater Journal

SADC-GMI is currently considering the establishment of a regional groundwater journal that will be made available in both printed and digital form. This publication will focus on the SADC region and will publish academic research as well as industry news and developments.

Design and editorial assistance is likely to be provided by the Institute's host, UFS. Higher education institutions in the SADC region and affiliated private sector enterprises are likely to contribute to the publication by writing articles.



At the time of this financial sustainability evaluation, revenue and costs associated with the publication were not available and have therefore not been included in the forecasts. However, it is expected that advertising revenue will cover the publication's costs.

4.5 Stream D: Income generated through Partnerships

4.5.1 Cooperation with offshore funders

An opportunity exists for SADC-GMI to cooperate with the Climate Resilient Infrastructure Development Facility (CRIDF), a DFID funded programme currently in its second phase. The Institute could act as the implementation agent for groundwater projects that CRIDF will be funding in the SADC region. It is recommended that this opportunity is explored with the CRIDFII team as a matter of urgency.

4.6 Stream E: Income generated through Grants/Global Finance

4.6.1 Climate change funding

The Institute could potentially access grant funding from either the Green Climate Fund (GCF) or the Global Environment Fund (GEF) to implement adaptation projects in the SADC region.

The Green Climate Fund

The GCF is an international fund for disbursing grants and concessional finance for low emission climate resilient development. It aims to achieve a balance of disbursements between adaptation and mitigation (50% each) and has a sustained focus on least developing countries, small island states and African countries.

SADC-GMI is currently working with the Development Bank of Southern Africa (DBSA), who is an accredited entity of the GCF, to apply for US\$20 million of project funding. This opportunity could unlock US\$3.75m (or US\$750k per annum) of funding for the Institute's core activities as well as a 5% annual project implementation fee.

GCF applications require a significant amount of commitment from both the implementing agent and the accredited entity, as a funding application needs to be supported by a detailed business case or feasibility study that clearly demonstrates the forecast benefits of the project. GCF applications also require an explanation of measurement and verification approaches that will be implemented once the funding is made available.

Global Environment Fund

The GEF provided SADC-GMI with US\$2.07 million of its current Category A funding to operationalise the Institute (as part of the larger US\$10.2 million GEF-CIWA funding window).

Future funding from the GEF is likely to be allocated to projects rather than to the operationalisation of the Institute; therefore, the SADC-GMI is likely to attract limited to no project management/facilitation fees from

the GEF. The Institute should instead include relevant operational costs in the project budget submitted to GEF.

4.7 Summary of the Revenue Profiles

This section highlights a number of potential revenue sources that SADC-GMI could utilise to fund its core activity expenditure and the table below illustrates the estimated quantum and timing of the forecast revenue under the base case spend scenario. The financial plan assumes that the white blocks above (Projects, Training, Services and Scholarships) are all able to generate their own revenue. Moreover, they are expected to generate surpluses which contribute to the core costs of the Institute.

Tables 9, 10 and 11 illustrate the quantum and timing of the forecast revenue under the three scenarios. Achievement of these forecasts will be dependent on the Institute's ability to:

- Negotiate a 2-year cost extension with GEF-CIWA
- Grow its project funding portfolio and to negotiate facilitation and implementation fees with project funders;
- Secure in-kind contributions from Member States; and
- Grow other service/membership fees.

Table 9: Projected sources of revenue (minimum spend + low project budget scenario)

Sources of revenue	2018/19	2019/20	2020/21	2021/22	2022/23
Grant income (GEF/CIWA)	\$547 900	\$511 357	\$488 739	-	-
Facilitation fees	\$44 100	\$89 523	\$121 154	\$163 753	\$221 613
Training/ conferences income	\$28 645	\$44 230	\$60 275	\$62 450	\$63 387
Professional membership fees	-	\$5 000	\$25 000	\$40 000	\$60 000
Private sector subscription	-	\$15 000	\$30 000	\$60 000	\$90 000
Technical consulting and research services	-	\$30 000	\$30 000	\$30 000	\$30 000
In-kind Member State contributions	\$6 000	\$6 000	\$24 544	\$43 644	\$82 418
Total revenue	\$626 645	\$701 110	\$779 712	\$399 847	\$547 418

Table 10: Projected sources of revenue (base case spend + medium project budget scenario)

Sources of revenue	2018/19	2019/20	2020/21	2021/22	2022/23
Grant income (GEF/CIWA)	\$610 700	\$551 551	\$525 157	-	-
Facilitation fees	\$67 300	\$136 619	\$173 335	\$253 891	\$322 124
Training/ conferences income	\$28 645	\$44 230	\$60 275	\$62 450	\$63 387
Professional membership fees	-	\$5 000	\$25 000	\$40 000	\$60 000
Private sector subscription	-	\$15 000	\$30 000	\$60 000	\$90 000
Technical consulting and research services	-	\$30 000	\$30 000	\$30 000	\$30 000
In-kind Member State contributions	\$6 000	\$6 000	\$29 180	\$53 056	\$101 523
Total revenue	\$712 645	\$788 400	\$872 947	\$499 397	\$667 034

Table 11: Projected sources of revenue (maximum spend + high project budget scenario)

Sources of revenue	2018/19	2019/20	2020/21	2021/22	2022/23
Grant income (GEF/CIWA)	\$612 500	\$544 801	\$513 953	-	-
Facilitation fees	\$151 500	\$230 659	\$273 138	\$325 389	\$403 663
Training/ conferences income	\$28 645	\$44 230	\$60 275	\$62 450	\$63 387
Professional membership fees	-	\$5 000	\$25 000	\$40 000	\$60 000
Private sector subscription	-	\$15 000	\$30 000	\$60 000	\$90 000
Technical consulting and research services	-	\$30 000	\$30 000	\$30 000	\$30 000
In-kind Member State contributions	\$6 000	\$6 000	\$33 816	\$62 467	\$120 627
Total revenue	\$798 645	\$875 690	\$966 182	\$580 306	\$767 677

5. FINANCIAL SUSTAINABILITY PLAN

Financial sustainability implies that SADC-GMI receives a sufficient and reliable income stream to fund its operations and is able to deliver on its mandate. Whilst it is not possible to forecast the future beyond what is currently considered probable and envisaged, a trajectory of income sufficient to cover (and hopefully exceed) core operational costs would indicate an ability to remain financially sustainable in the medium to long-term. The projections for SADC-GMI were limited to the next five years and accordingly the scenarios used in our assessment were deemed likely to materialise within this timeframe.

This section provides a concise output on the three scenarios that our evaluation has revealed as likely to materialise, depending on the scale of project implementation that SADC-GMI can secure and the consequent profile of core operating costs necessary to support this.

5.1 Minimum spend & low project budget scenario

Under the minimum spend scenario, the aggregate expenditure budget ranges between US\$550k and US\$610k per annum over the next 5 years as summarised in Table 12. The scenario assumes a low project budget of between \$0.5m and \$2.5m of project funding per annum.

Annual revenue is forecast to range between \$399k and \$780k per annum between 2018/19 and 2022/23 under this scenario, giving rise to material surpluses in the first three years. The revenue forecast assumes that a 2 year no-cost extension is granted by GEF-CIWA and that the Institute is allowed to carry forward surpluses. The dip in total income in the last two years results from the lapse of the GEF-CIWA grant and facilitation/implementation fees are forecast to account for more than 40% of revenue in those two years.

Under this scenario significant surpluses are forecast to arise in the first three years that will need to be used to meet funding shortfalls in the last two years.

Table 12: Minimum spend & low project budget scenario

	2018/19	2019/20	2020/21	2021/22	2022/23
Total income (including GEF-CIWA 2 yr. extension)	\$626 645	\$701 110	\$779 712	\$399 848	\$547 418
Total operating expenditure	\$(592 000)	\$(600 880)	\$(609 893)	\$(550 027)	\$(558 277)
Surplus/(deficit) for the year	\$34 645	\$100 230	\$169 819	\$(150 179)	\$(10 859)
Surplus - beginning of year	-	\$34 645	\$134 875	\$304 694	\$154 515
Surplus - end of year	\$34 645	\$134 875	\$304 694	\$154 515	\$143 655

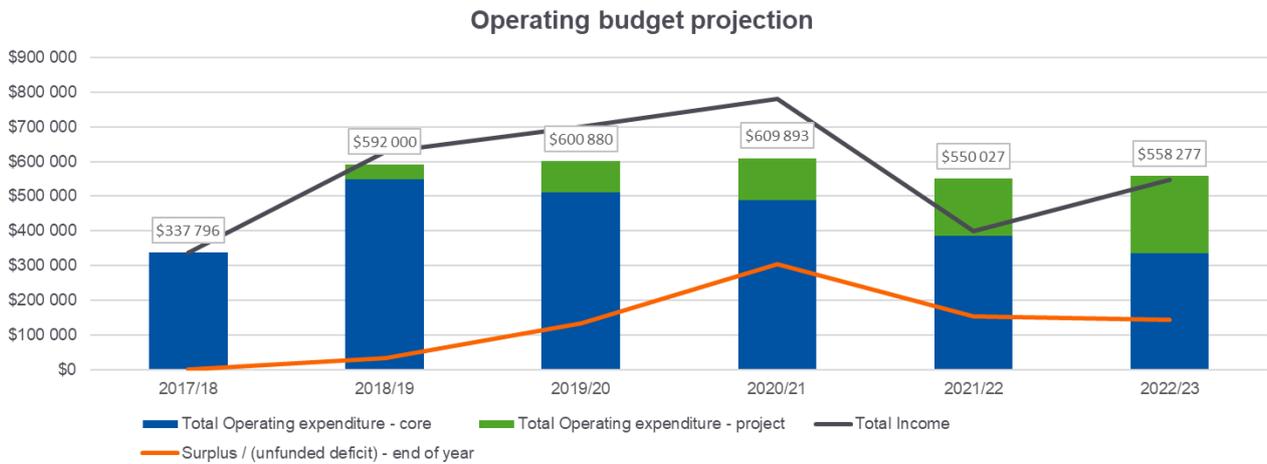


Figure 7: Minimum spend & low project budget scenario projection

5.2 Base case spend & medium project budget scenario

Under the base case spend scenario, annual expenditure is forecast to range between US\$640k and US\$698k per annum over the next 5 years as summarised in Table 13. Annual revenue is forecast to range between \$499k and \$873k per annum between 2018/19 and 2022/23 under this scenario, giving rise to material surpluses in the first three years when the GEF-CIWA grant is assumed to be available. Income declines in the last 2 years when it is assumed that GEF-CIWA funding has been depleted.

The scenario assumes a medium project budget and that between \$1.5m and \$3.75m of project funding is implemented per annum. Facilitation/implementation fees, linked to the project budgets, are forecast to account for almost 50% of revenue in the last 2 years.

Surpluses are assumed to build up over the first 3 years that can be used to meet a funding shortfall in 2021/2022 before the Institute becomes self-sufficient in 2022/23.

Table 13: Base case spend & medium project budget scenario

	2018/19	2019/20	2020/21	2021/22	2022/23
Total income (including GEF-CIWA 1.5 yr. extension)	\$712 645	\$788 400	\$872 947	\$499 396	\$667 033
Total operating expenditure	\$(678 000)	\$(688 170)	\$(698 493)	\$(639 955)	\$(649 554)
Surplus/(deficit) for the year	\$34 645	\$100 230	\$174 455	\$(140 559)	\$17 479
Surplus - beginning of year	-	\$34 645	\$134 875	\$309 330	\$168 771
Surplus - end of year	\$34 645	\$134 875	\$309 330	\$168 771	\$186 250

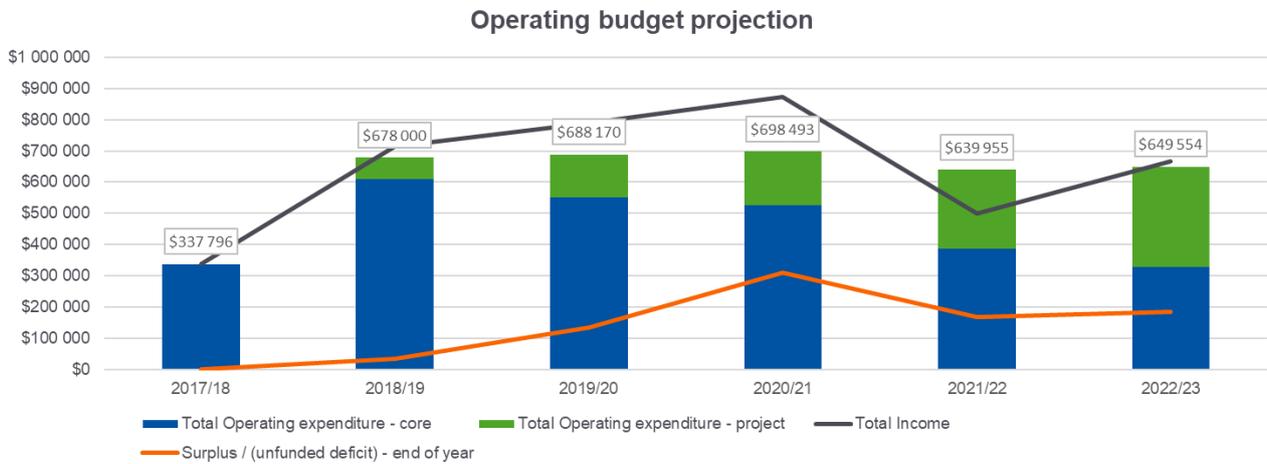


Figure 8: Base case spend & medium project budget scenario

5.3 Maximum spend & high project budget scenario

Under this scenario, expenditure is forecast to range between US\$741k and US\$787k per annum over the next 5 years as summarised in Table . Annual revenue is forecast to amount to between \$580k and \$966k per annum, giving rise to material surpluses in the first three years, assuming that a 2 year no-cost extension is granted by GEF-CIWA and that the Institute is allowed to build up surpluses.

By year 5, it is forecast the Institute could be self-reliant provided that it secures the forecast project budgets, of between \$2m and \$5m per year and successfully negotiate facilitation/implementation fees which are forecast to account for more than 50% of revenue in the last 2 years.

Table 14: Maximum spend & high project budget scenario

	2018/19	2019/20	2020/21	2021/22	2022/23
Total operating expenditure	\$798 645	\$875 690	\$966 183	\$580 306	\$767 677
Surplus/(deficit) for the year	\$(764 000)	\$(775 460)	\$(787 092)	\$(729 884)	\$(740 832)
Surplus - beginning of year	-	\$34 645	\$134 875	\$313 966	\$164 388
Surplus - end of year	\$34 645	\$134 875	\$313 966	\$164 388	\$191 234

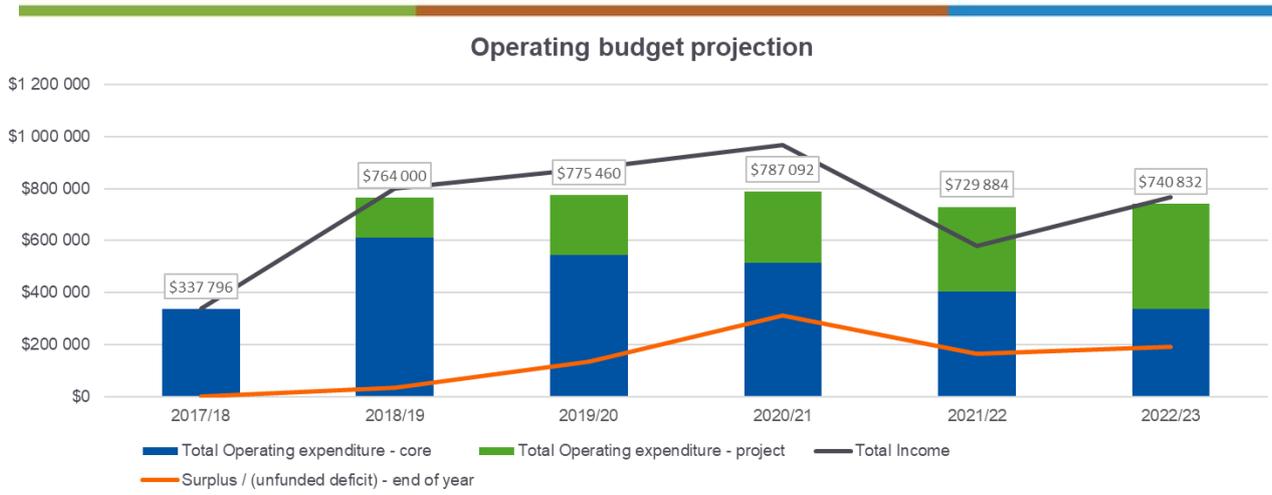


Figure 9: Maximum spend & high project budget scenario



6. CONCLUSION

The establishment of SADC-GMI has suffered considerable delays against the GEF-CIWA grant funding mandate that gave rise to it. The remaining contract period presents a challenge the management and staff of the SADC-GMI to deploy the significant remaining funding balances across all four Components. The successful implementation of new initiatives aimed at gathering and attracting additional funding will ultimately guide the financial sustainability of the Institute. This relies on the ability of the Institute to build necessary relationships to launch projects around training platforms, research assignments, certification and to build project leadership in groundwater management in the SADC region. SADC-GMI has already moved forward towards finalising projects related to its business development, a capacity building needs assessment of the region, a communication strategy, strengthening the regional and national regulatory frameworks for groundwater management as well as information on monitoring for groundwater. A 2 year no-cost extension by the World Bank for the current GEF-CIWA facility would assist to relieve some of this pressure and assist the Institute to better prepare for a sustainable future.

Based on the projected expenditure and revenue streams, a **funding surplus of US\$186k could be built up by the close of the 2022/23 financial year** under the base case spend scenario. Projected revenue from non-grant funding sources is expected to exceed operational costs at that stage, will ensure financial sustainability beyond the five years projected. However, as set out in this report, these independent revenue sources will require dedicated endeavour to realise their full potential.

In conclusion, this report demonstrates that the SADC-GMI will be financially sustainable over the next 5-year period, and beyond. The leadership and commitment of the SADC-GMI staff contributed and continue to contribute to the success of this fledgling institution. This, in addition to strict cost controls, appropriate budgeting, diversifying its income streams and implementation of the SADC-GMI Business Plan will see the SADC-GMI realise financial stability for its core functions, contributing to its overall financial sustainability as an organisation.

APPENDIX A: Projected Budget and Income

Projected budget and income over 5 years (USD and Rands) under a medium expenditure forecast without 2-year extension of GEF-CIWA funding

SADC - GMI

Budgetary Projections

	US\$	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	R	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Value of projects implemented		-	1 500 000	1 875 000	2 250 000	3 375 000	3 750 000		-	19 500 000	24 375 000	29 250 000	43 875 000	48 750 000	
Recharged costs as % of project value			0,0%	0,0%	0,0%	0,0%	0,0%			0,0%	0,0%	0,0%	0,0%	0,0%	
Operational Costs:															
	Category														
Auditors remuneration	Core	12 499	5 000	5 075	5 151	5 228	5 307		162 492	65 000	65 975	66 965	67 969	68 989	
Accommodation and allowances	Core	16 206	50 000	50 750	51 511	52 284	53 068		210 683	650 000	659 750	669 646	679 691	689 886	
Advertisements	Core	3 259	15 000	15 225	15 453	15 685	15 920		42 361	195 000	197 925	200 894	203 907	206 966	
Computer equipment	Core	3 942	6 500	6 598	6 696	6 797	6 899		51 244	84 500	85 768	87 054	88 360	89 685	
Consultation fees	Core	75 459	40 000	40 600	41 209	41 827	42 455		980 968	520 000	527 800	535 717	543 753	551 909	
Employee costs - executive	Core	-	120 000	121 800	123 627	125 481	127 364		-	1 560 000	1 583 400	1 607 151	1 631 258	1 655 727	
Employee costs - administrative	Core	53 992	180 000	182 700	185 441	188 222	191 045		701 896	2 340 000	2 375 100	2 410 727	2 446 887	2 483 591	
Entertainment and refreshments	Core	7 093	3 500	3 553	3 606	3 660	3 715		92 210	45 500	46 183	46 875	47 578	48 292	
Office alternations	Core	1 458	2 500	2 538	2 576	2 614	2 653		18 950	32 500	32 988	33 482	33 985	34 494	
Printing and stationery	Core	511	12 500	12 688	12 878	13 071	13 267		6 648	162 500	164 938	167 412	169 923	172 472	
Professional services - UFS	Core	101 400	135 000	137 025	139 080	141 157	143 234		1 318 200	1 755 000	1 781 325	1 808 045	1 835 174	1 862 303	
Small equipment	Core	611	2 500	2 538	2 576	2 614	2 653		7 937	32 500	32 988	33 482	33 985	34 494	
Souvenirs and gifts	Core	-	500	508	515	523	531		-	6 500	6 598	6 696	6 797	6 899	
Telephone and fax	Core	116	2 500	2 538	2 576	2 614	2 653		1 505	32 500	32 988	33 482	33 985	34 494	
Training costs	Core	17 949	2 500	2 538	2 576	2 614	2 653		233 333	32 500	32 988	33 482	33 985	34 494	
Travel costs (flight and car hire)	Core	43 301	100 000	101 500	103 023	104 568	106 136		562 913	1 300 000	1 319 500	1 339 293	1 359 382	1 379 773	
Auditors remuneration	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Accommodation and allowances	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Advertisements	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Computer equipment	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Consultation fees	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Employee costs - executive	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Employee costs - administrative	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Entertainment and refreshments	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Office alternations	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Printing and stationery	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Professional services - UFS	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Small equipment	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Souvenirs and gifts	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Telephone and fax	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Training costs	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Travel costs (flight and car hire)	Project	-	-	-	-	-	-		-	-	-	-	-	-	
Total Operating expenditure		337 796	678 000	688 170	698 493	639 955	649 554		4 391 342	8 814 000	8 946 210	9 080 403	8 319 417	8 444 208	
<i>Total Operating expenditure - core</i>		<i>337 796</i>	<i>678 000</i>	<i>688 170</i>	<i>698 493</i>	<i>639 955</i>	<i>649 554</i>		<i>4 391 342</i>	<i>8 814 000</i>	<i>8 946 210</i>	<i>9 080 403</i>	<i>8 319 417</i>	<i>8 444 208</i>	
<i>Total Operating expenditure - project</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Income:															
Grant Income - WB/CIWA		337 796	678 000	-	-	-	-		4 391 342	8 814 000	-	-	-	-	
Grant Income - Climate Change (DBSA)		-	-	-	-	-	-		-	-	-	-	-	-	
Member state contributions		-	-	-	-	-	-		-	-	-	-	-	-	
Other income		-	-	-	-	-	-		-	-	-	-	-	-	
Facilitation / Implementation fees		-	-	-	-	-	-		-	-	-	-	-	-	
In-kind contributions from the host (UFS)		-	-	-	-	-	-		-	-	-	-	-	-	
In-kind member state contributions		-	-	-	-	-	-		-	-	-	-	-	-	
Training / Course surplus income		-	-	-	-	-	-		-	-	-	-	-	-	
Surplus / (unfunded deficit) carried forward		-	-	-	(688 170)	(1 386 663)	(2 026 618)		-	-	-	(8 946 210)	(18 026 613)	(26 346 030)	
Further contributions required - funding gap		-	-	688 170	1 386 663	2 026 618	2 676 172		-	-	8 946 210	18 026 613	26 346 030	34 790 239	
Cumulative Surplus / (unfunded deficit)		-	-	(688 170)	(1 386 663)	(2 026 618)	(2 676 172)		-	-	(8 946 210)	(18 026 613)	(26 346 030)	(34 790 239)	

Summary

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Income	\$ 337 796	\$ 678 000	\$ -	\$ -	\$ -	\$ -
Total Expenditure - Core	\$ 337 796	\$ 678 000	\$ 688 170	\$ 698 493	\$ 639 955	\$ 649 554
WB Grant: Component A - unused closing balance	\$ 1 724 142	\$ 1 046 142	\$ 1 046 142	\$ 1 046 142	\$ -	\$ -

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Income	R 4 391 342	R 8 814 000	R -	R -	R -	R -
Total Expenditure - Core	R 4 391 342	R 8 814 000	R 8 946 210	R 9 080 403	R 8 319 417	R 8 444 208
WB Grant: Component A - unused closing balance	R 22 413 852	R 13 599 852	R 13 599 852	R 13 599 852	R -	R -



Projected budget and income over 5 years (USD and Rands) under a medium expenditure forecast with 2-year extension of GEF-CIWA funding

	US\$						R						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Value of projects implemented	-	1 500 000	1 875 000	2 250 000	3 375 000	3 750 000	-	19 500 000	24 375 000	29 250 000	43 875 000	48 750 000	
Recharged costs as % of project value		4,5%	7,3%	7,7%	7,5%	8,6%		4,5%	7,3%	7,7%	7,5%	8,6%	
Operational Costs:	Category												
Auditors remuneration	Core	12 499	5 000	5 075	5 151	5 228	5 307	162 492	65 000	65 975	66 965	67 969	68 989
Accommodation and allowances	Core	16 206	45 000	40 600	38 633	31 370	26 534	210 683	585 000	527 800	502 235	407 815	344 943
Advertisements	Core	3 259	13 500	12 180	11 590	9 411	7 960	42 361	175 500	158 340	150 670	122 344	103 483
Computer equipment	Core	3 942	5 850	5 278	5 022	4 078	3 449	51 244	76 050	68 614	65 291	53 016	44 843
Consultation fees	Core	75 459	36 000	32 480	30 907	25 096	21 227	980 968	468 000	422 240	401 788	326 252	275 955
Employee costs - executive	Core	-	108 000	97 440	92 720	75 289	63 682	-	1 404 000	1 266 720	1 205 363	978 755	827 864
Employee costs - administrative	Core	53 992	162 000	146 160	139 080	112 933	95 523	701 896	2 106 000	1 900 080	1 808 045	1 468 132	1 241 795
Entertainment and refreshments	Core	7 093	3 150	2 842	2 704	2 196	1 857	92 210	40 950	36 946	35 156	28 547	24 146
Office alternations	Core	1 458	2 250	2 030	1 932	1 569	1 327	18 950	29 250	26 390	25 112	20 391	17 247
Printing and stationery	Core	511	11 250	10 150	9 658	7 843	6 634	6 648	146 250	131 950	125 559	101 954	86 236
Professional services - UFS	Core	101 400	121 500	109 620	104 310	43 291	36 617	1 318 200	1 579 500	1 425 060	1 356 034	562 784	476 022
Small equipment	Core	611	2 250	2 030	1 932	1 569	1 327	7 937	29 250	26 390	25 112	20 391	17 247
Souvenirs and gifts	Core	-	450	406	386	314	265	-	5 850	5 278	5 022	4 078	3 449
Telephone and fax	Core	116	2 250	2 030	1 932	1 569	1 327	-	1 505	26 390	25 112	20 391	17 247
Training costs	Core	17 949	2 250	2 030	1 932	1 569	1 327	233 333	29 250	26 390	25 112	20 391	17 247
Travel costs (flight and car hire)	Core	43 301	90 000	81 200	77 267	62 741	53 068	562 913	1 170 000	1 055 600	1 004 469	815 629	689 886
Auditors remuneration	Project	-	-	-	-	-	-	-	-	-	-	-	-
Accommodation and allowances	Project	-	5 000	10 150	12 878	20 914	26 534	-	65 000	131 950	167 412	271 876	344 943
Advertisements	Project	-	1 500	3 045	3 863	6 274	7 960	-	19 500	39 585	50 223	81 563	103 483
Computer equipment	Project	-	650	1 320	1 674	2 719	3 449	-	8 450	17 154	21 764	35 344	44 843
Consultation fees	Project	-	4 000	8 120	10 302	16 731	21 227	-	52 000	105 560	133 929	217 501	275 955
Employee costs - executive	Project	-	12 000	24 360	30 907	50 193	63 682	-	156 000	316 680	401 788	652 503	827 864
Employee costs - administrative	Project	-	18 000	36 540	46 360	75 289	95 523	-	234 000	475 020	602 682	978 755	1 241 795
Entertainment and refreshments	Project	-	350	711	901	1 464	1 857	-	4 550	9 236	11 719	19 031	24 146
Office alternations	Project	-	250	508	644	1 046	1 327	-	3 250	6 598	8 371	13 594	17 247
Printing and stationery	Project	-	1 250	2 538	3 219	5 228	6 634	-	16 250	32 988	41 853	67 969	86 236
Professional services - UFS	Project	-	13 500	27 405	34 770	28 861	36 617	-	175 500	356 265	452 011	375 189	476 022
Small equipment	Project	-	250	508	644	1 046	1 327	-	3 250	6 598	8 371	13 594	17 247
Souvenirs and gifts	Project	-	50	102	129	209	265	-	650	1 320	1 674	2 719	3 449
Telephone and fax	Project	-	250	508	644	1 046	1 327	-	3 250	6 598	8 371	13 594	17 247
Training costs	Project	-	250	508	644	1 046	1 327	-	3 250	6 598	8 371	13 594	17 247
Travel costs (flight and car hire)	Project	-	10 000	20 300	25 756	41 827	53 068	-	130 000	263 900	334 823	543 753	689 886
Total Operating expenditure		337 796	678 000	688 170	698 493	639 955	649 554	4 391 342	8 814 000	8 946 210	9 080 403	8 319 417	8 444 208
<i>Total Operating expenditure - core</i>		<i>337 796</i>	<i>610 700</i>	<i>551 551</i>	<i>525 157</i>	<i>386 064</i>	<i>327 431</i>	<i>4 391 342</i>	<i>7 939 100</i>	<i>7 170 163</i>	<i>6 827 044</i>	<i>5 018 838</i>	<i>4 256 599</i>
<i>Total Operating expenditure - project</i>		<i>-</i>	<i>67 300</i>	<i>136 619</i>	<i>173 335</i>	<i>253 891</i>	<i>322 124</i>	<i>-</i>	<i>874 900</i>	<i>1 776 047</i>	<i>2 253 360</i>	<i>3 300 579</i>	<i>4 187 610</i>
Income:													
Grant Income - WB/CIWA		337 796	610 700	551 551	525 157	-	-	4 391 342	7 939 100	7 170 163	6 827 044	-	-
Grant Income - Climate Change (DBSA)		-	-	-	-	-	-	-	-	-	-	-	-
Member state contributions		-	-	-	-	-	-	-	-	-	-	-	-
Other income		-	-	50 000	85 000	130 000	180 000	-	-	650 000	1 105 000	1 690 000	2 340 000
Facilitation / Implementation fees		-	67 300	136 619	173 335	253 891	322 124	-	874 900	1 776 047	2 253 360	3 300 579	4 187 610
In-kind contributions from the host (UFS)		-	-	-	-	-	-	-	-	-	-	-	-
In-kind member state contributions		-	6 000	6 000	29 180	53 056	101 523	-	78 000	78 000	379 341	689 722	1 319 795
Training / Course surplus income		-	28 645	44 230	60 275	62 450	63 387	-	372 390	574 985	783 573	811 852	824 030
Surplus / (unfunded deficit) carried forward				34 645	134 875	309 330	168 771			450 390	1 753 375	4 021 289	2 194 024
Further contributions required - funding gap													
Surplus / (unfunded deficit)			34 645	134 875	309 330	168 771	186 250						
			712 645	788 400	872 947	499 396	667 033						
Summary													
<i>Total Income</i>		<i>\$ 337 796</i>	<i>\$ 712 645</i>	<i>\$ 788 400</i>	<i>\$ 872 947</i>	<i>\$ 499 396</i>	<i>\$ 667 033</i>	<i>R 4 391 342</i>	<i>R 9 264 390</i>	<i>R 10 249 195</i>	<i>R 11 348 317</i>	<i>R 6 492 153</i>	<i>R 8 671 435</i>
<i>Total Expenditure - Core</i>		<i>\$ 337 796</i>	<i>\$ 610 700</i>	<i>\$ 551 551</i>	<i>\$ 525 157</i>	<i>\$ 386 064</i>	<i>\$ 327 431</i>	<i>R 4 391 342</i>					
<i>WB Grant: Component A - unused closing balance</i>		<i>\$ 1 724 142</i>	<i>\$ 1 113 442</i>	<i>\$ 561 891</i>	<i>\$ 36 734</i>	<i>\$ -</i>	<i>\$ -</i>	<i>R 22 413 852</i>	<i>R 14 474 752</i>	<i>R 7 304 589</i>	<i>R 4 775 545</i>	<i>R -</i>	<i>R -</i>

APPENDIX B: International Donor Institutions

Relevance and Rating

Criteria	Weighting	100 points	67 points	33 points
Groundwater relevance	50%	Groundwater explicitly mentioned in mandate	Water in general mentioned in mandate	No specific reference to water in mandate
SADC funding appetite	30%	SADC region a focus area	Africa in general a focus area	No specific reference to Africa/SADC
Recent relevant projects	20%	Groundwater related project funded/delivered in SADC countries in the last 5 years	Water related project delivered in African countries in last 5 years	No evidence of water related projects delivered on African continent

Scorecard

Score	70-100	50-69	0-49
Rating as a donor for SADC-GMI	Good 	Moderate 	Not Ideal 

Name of the Donor	Score	Groundwater Relevance	SADC funding appetite	Recent relevant projects
Australian Agency for International Development (AusAID)	33			\$
Austrian Development Cooperation (ADC)	77			\$ \$
Directorate General for Development Cooperation (DGIC)	43			\$
Enabel (prev. Belgian Technical Cooperation BTC)	77			\$ \$
Canadian International Development Agency (CIDA)	60			\$
Danish International Development Agency (DANIDA)	77			\$ \$
French Development Agency (AFD)	33			\$



Name of the Donor	Score	Groundwater Relevance	SADC funding appetite	Recent relevant projects
GIZ - Deutsche Gesellschaft für Zusammenarbeit GmbH	70			
Irish Aid - Development Cooperation Division	77			
Italian Directorate General of Development Cooperation	77			
Japan International Cooperation Agency (JICA)	53			
Lux Development S.A.	33			
Ministry of Foreign Affairs (The Netherlands)	33			
Norwegian Agency for Development Cooperation (Norad)	77			



Name of the Donor	Score	Groundwater Relevance	SADC funding appetite	Recent relevant projects
Portuguese Institute for Development Assistance (IPAD)	77			
Spanish Agency for International Cooperation (AECI)	33			
Swedish International Development Cooperation Agency (Sida)	83			
Swiss Agency for Development and Cooperation (SDC)	83			
UK Department for International Development (DFID)	33			
US Agency for International Development (USAID)	77			

Summary

Austrian Development Cooperation (ADC)

Equal access and use rights to natural resources, especially for marginalised and vulnerable population groups, are thus indispensable for an inclusive and sustainable development in the partner countries.

Funding Mandate	Water and climate
Size of Relevant Funding	Approximately € 5 million for countries in SADC
Recent Relevant Project Funding	Funding a climate change and water resources management project in Africa worth € 1.5 million



Enabel (Formerly Belgian Technical Cooperation)

Efforts to access to water and sanitation and its affects on public health, gender equality, the environment and economic processes.

Funding Mandate	Water, environment and climate
Size of Relevant Funding	Approximately € 28 million in SADC
Recent Relevant Project Funding	Funding a water resource, supply and management project in Mozambique worth € 9 million



Danish International Development Agency

investing in inclusive, sustainable growth and development in the developing countries, focusing on energy, water, agriculture, and food.

Funding Mandate	Infrastructure development
Size of Relevant Funding	Approximately US\$ 65 million in water and sanitation
Recent Relevant Project Funding	Funded a water resilience project in Tanzania worth US \$1.5 million. (Funding a ground water treatment plant worth US \$ 200 million in Bangladesh.)



Ireland Aid - Development Cooperation Division

The aim of our aid programme is to reduce poverty, hunger and humanitarian need, with a particular focus on sub-Saharan Africa.

Funding Mandate	Water and Sanitation
Size of Relevant Funding	Approximately € 6 million in SADC
Recent Relevant Project Funding	Funded a climate change project in Tanzania worth € 1.5 million.





Norwegian Agency for Development Cooperation

Climate change and loss of biodiversity are among the most serious environmental issues. This is why climate change and the environment are main focus areas of Norwegian development policy.

Funding Mandate	Environment and climate
Size of Relevant Funding	Approximately NOK 35 million for institutions in Sub-Saharan Africa
Recent Relevant Project Funding	Funded a groundwater project in South Africa worth NOK 12 million.





GROUNDWATER MANAGEMENT INSTITUTE

Swedish International Development Cooperation Agency

Sida is part of a global cooperation in which Sweden is one of many participants. Sida cooperates with Swedish government agencies, organisations and international bodies like the UN, EU and World bank.

Funding Mandate	Environment and climate
Size of Relevant Funding	Approximately SEK 800 million in 2015 for Water and Sanitation
Recent Relevant Project Funding	Funded a transboundary cooperation freshwater project in Africa worth SEK 114 million.





Swiss Agency for Development and Cooperation (SDC)

Switzerland's specific actions in development cooperation, humanitarian aid, multilateral cooperation, the global programmes, development policy, and research and culture.

Funding Mandate	Water, environment and climate change
Size of Relevant Funding	Approximately CHF 100 million for countries in SADC
Recent Relevant Project Funding	Funded a water policy project in Africa worth CHF 4.5 million



USAID

USAID is the lead U.S. Government agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential.

Funding Mandate	Water, environment and climate change
Size of Relevant Funding	Approximately US\$ 63 million for countries in SADC
Recent Relevant Project Funding	Funded a water supply project in Tanzania worth US\$ 18 million

