

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE**

Report No.: PIDISDSC16805

Date Prepared/Updated: 27-Jul-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Malawi	Project ID:	P158805
		Parent Project ID (if any):	
Project Name:	Shire Valley Transformation Program - I (P158805)		
Region:	AFRICA		
Estimated Appraisal Date:	04-May-2017	Estimated Board Date:	18-Jul-2017
Practice Area (Lead):	Water	Lending Instrument:	Investment Project Financing
Borrower(s):	Ministry of Finance, Economic Planning & Development		
Implementing Agency:	Ministry of Agriculture, Irrigation and Water Development, Ministry of Agriculture, Irrigation and Water Development		
Financing (in USD Million)			
	Financing Source		Amount
	BORROWER/RECIPIENT		0.00
	International Development Association (IDA)		160.00
	Total Project Cost		160.00
Environmental Category:	A - Full Assessment		
Concept Review Decision:	Track II - The review did authorize the preparation to continue		
Is this a Repeater project?	No		
Other Decision (as needed):			

B. Introduction and Context

Country Context

Malawi is one of the world's poorest countries with a Gross Domestic Product (GDP) per capita

of around US\$253. It is ranked 173 out of 188 countries on the United Nations Human Development Index (UNDP, 2015). As one of southern Africa's most densely populated countries, with a population growth rate of 2.8%, Malawi's young and growing population of 15 million is expected to reach 22.8 million by 2025. Approximately 85 percent of Malawi's population lives in rural areas with the majority engaged in smallholder, rain-fed agriculture production. Absolute poverty levels are not declining significantly and still above 50%. Malawi's recent years have been difficult with a number of government changes, weak fiscal policy, low investor confidence and importantly significant weather shocks with late arrival and early cessation of rains and major flooding having detrimental effects on agricultural output and food security. Malawi has very high inflation rates, second highest in Africa in 2015. The twin crises of vulnerability to climate shocks and fiscal management challenges are unrelated but have a combined impact on poverty levels and declining growth rates. Malawi's economic growth is closely correlated with hydrological variability.

Medium term prospects are positive, however, if the low level equilibrium can be overcome and short-term stabilization can be achieved. Malawi is well endowed with agricultural and water resources and Malawi's neighbors are experiencing growth, creating an enlarged demand base for Malawi's produce. Major new infrastructure, such as the Nacala Rail Line, connecting Malawi to the Indian Ocean have the potential to result in better regional integration of Malawi in the wider economy. Overcoming the economic impacts of weather shocks on the agriculture-based economy will be important, especially in disaster prone districts (particularly in the south) where over 80% of the population lives below the national poverty line and communities are frequently affected by both floods and droughts. In terms of Malawi's wealth accounting, it is clear that Malawi's natural assets, including agricultural land, comprise more than 50 percent of its wealth and the challenge will be to transform this into human and social capital, and managing this sustainably rather than depleting the country's resources.

Sectoral and Institutional Context

Agriculture is the main source of Malawi's economic activity, representing about 30 percent of GDP and over 80 percent of total export earnings. The sector is crucial for reducing the number of people living in absolute poverty, of which 96% are dependent on agriculture for their livelihood. The agricultural sector has experienced intermittent periods of strong growth and decline over the last decade. It is a priority sector for Malawi and public and private spending in the sector is significant. Growth and decline are closely related to climatic conditions and world prices for major commodities, particularly tobacco. Total cultivated land in Malawi is approximately 5.3 million hectares, the vast majority (over 95%) of which is rainfed. The agricultural sector is dualistic, comprising the smallholder subsector (2.7 million households) and the (private) estate subsector (approximately 30,000 farms). The predominantly subsistence smallholder farming system relies heavily on rainfall during the one short rainy season from November to March and is vulnerable to unreliable weather. More than 90 percent of the rural population are smallholder farmers on approximately 4.2 million hectares, cultivating small and fragmented pieces of land held under customary land tenure, from which they produce 75 percent of the agricultural output of the country, predominantly maize. Over 70 percent of all the farmers cultivate less than one hectare and a significant number struggle to produce enough food to meet their basic consumption requirements. In contrast, the estate farming subsector is characterized as a high input/high output sector. Estate land covers 1.1 million hectares and is mainly under freehold or leasehold tenure and farming is concentrated on tobacco, tea, sugar cane and coffee ? which are the main export crops.

The private sector remains underdeveloped in rural areas and smallholders are poorly integrated in the marketing system for agricultural inputs, produce and value addition. The situation is compounded by lack of reliable irrigation water availability, weak agriculture extension and support services, limited market infrastructure, poor quality feeder roads, inadequate market information, and a lack of skills and facilities in post-harvest storage and agro-processing. Private investment in agriculture has faced several challenges in the country. Other critical concerns are resilience and productivity of smallholder livelihoods, and their linkages to markets in concentrated value chains. Expanding and diversifying agricultural exports and expanding commercial agriculture are high priorities of the GoM's Growth and Development Strategy II (MGDS-II, 2011-2016). While reliable supply of irrigation water, crop production, value adding, agro-processing and agricultural marketing services are critical for sustained growth of the agriculture sector, agriculture investments have so far mainly focused on direct food security and maize-based extension support.

A major binding constraint to stable commercial agriculture development in Malawi is irrigation and water management. Currently, total national irrigated perimeters in Malawi are low with only about 4 percent of crop land irrigated, yet the contribution of irrigation to agricultural sector GDP is around 10 percent and importantly supports food security, rural income generation and rural poverty reduction. Agricultural expansion has reached its limits as more and more fragile upper catchments are cultivated with resulting high erosion. The government and partners are joining in an effort to reverse this trend through better natural resources and integrated water resources management. Agricultural intensification through irrigation development is an integral part of this strategy. In the past 10 years irrigation has been promoted in agriculture and valuable lessons about approaches, technologies, and institutional and financial sustainability have been learned. In 2015, the Government adopted an Irrigation Master Plan and Investment Framework, which provides priorities for different business lines in irrigated agriculture and proposes specific investments, ranked against multi-criteria analysis. Land and water resources are sufficient to more than double the currently irrigated area in the foreseeable future.

Water resources play a critical role in Malawi's economy. The total renewable water resource (TRWR) available in Malawi is estimated at 17.3 km³/year. While overall availability of water resources is quite satisfactory, per capita water availability has been declining. Despite the noticeable surface water bodies in the country, in particular Lake Malawi, the second largest lake in Africa, the availability and reliability of surface water in Malawi is highly variable between wet and dry seasons and from year to year, and water storage infrastructure is very low even by regional standards. Water resources are also increasingly becoming degraded through sedimentation, biological contamination and effluents, and due to inadequate catchment/watershed management. Future irrigation development particularly upstream of hydropower plants may result in water use trade-offs and investments need to be made selectively to minimize impacts and favoring high-return investments in irrigation.

The Shire Valley Irrigation Project (SVIP) that this program supports would be located in the south of Malawi on the right (i.e. west) bank of the Shire River. The population of the Shire Valley, according to the 2010/11 census, is approximately 711,000 or about 155,000 households. Depending on the final footprint, approximately 55,000 households live in the project area. The area contains the highest incidence (75 percent) of extreme poverty in Malawi. Droughts and floods pose a persistent threat of famine. Eighty-eight percent of the project area is held under customary tenure and administered by traditional authorities. Approximately 10 percent is under

private lease or freehold and the remainder is public land. The most important developments in the area are the estates of Illovo and its outgrower schemes. Illovo produces cane on a total of 13,805 ha and also operates the only sugar factory in the area.

The Bank has a long history of engagement with the GoM supporting investments in the agriculture and irrigation sectors, and Bank supported programs have supported preparatory work for the proposed SVIP. The ongoing Agricultural Sector Wide Approach ? Support Project (ASWAp-SP) as well as the recently completed Irrigation, Rural Livelihoods and Agricultural Development Project (IRLADP) and community based land reform project have increased capacity for planning and implementing agriculture interventions, and supported a shift in thinking about diversification and modernization. The Bank is currently supporting GoM to adopt a comprehensive and integrated planning and development approach for the Shire River Basin through the Shire River Basin Management Program, which will help ensure the long-term sustainability of GoM's ambitious investment plans in the Basin. There is close coordination and alignment between the major development partners active in the sector.

Relationship to CAS/CPS/CPF

The proposed project addresses many of the challenges identified under the WBG Country Assistance Strategy (CAS) for Malawi for the period FY13-FY17 and is aligned with theme (1) Promoting Sustainable, Diversified and Inclusive Growth; while also supporting theme (2) Enhancing Human Capital and Reducing Vulnerabilities. The proposed project addresses agricultural development using a growth pole approach by scaling up irrigation investment and development to enable productivity growth and high-return agriculture. The CAS recognizes the transformative potential of the proposed project in turning a poor and disaster-prone area into a high productive growth pole with regional significance, and highlights the potential ability of the project to support commercialization and draw in much needed foreign investment. As such it supports the twin goals of poverty reduction and shared growth. From identification in 2011, WB, IFC, and MIGA, have collaborated on this project, along with AfDB, which also highlights the proposed SVIP in its Country Partnership Strategy for Malawi.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

This PCN proposes a programmatic approach to the development of the Shire Valley Irrigation Project. This program - the Shire Valley Transformation Program (SVTP) - would comprehensively support development of SVIP through a longer term, phased and holistic approach, reflecting a) the size and complexity of the scheme and the time needed to develop irrigated and supporting infrastructure that would in turn allow for agricultural transformation; and b) high overall development costs that require the development of the program in phases. The programmatic approach allows flexibility not only for catalytic investments in infrastructure early on in the program, but also for modifications in downstream agricultural development and the second block of the scheme as agricultural and water challenges are progressively managed. Three phases are currently proposed, and these are presented in more detail in section III.A.1

The proposed program objective for the Shire Valley Transformation Program would be: to increase agricultural productivity and incomes for targeted households; and strengthen institutional capacity for irrigation service delivery and promotion of agricultural private investments in the Shire Valley.

The first project under this program (SVTP-I) will provide for a catalytic investment to provide the backbone of investment and proof of concept of downstream approaches and pave the way for agricultural commercialization. The Project Development Objective for SVTP-I would be to increase the water available and delivered for a future irrigation area of 40,000 ha; and strengthen institutional capacity for providing quality water service deliver in the target area. The SVTP-I would also support early investments in agricultural development and prepare for the investments under future phases of the program.

Key Results (From PCN)

For SVTP-I, success will be measured by:

- Water delivery capacity (at peak) (M3/s)
- Main infrastructure developed for command area
- SVIP O&M institutional framework and management structure established (with interim targets: roles and responsibilities clarified, staff and equipment in place, O&M plan prepared)
- Land Allocation and consolidation strategy implemented
- Operational water user associations and farmers' organizations created (No.) [core indicator]
- Land area consolidated for SVTP-II in-field development
- Training Days in various subjects
- Investment climate reforms (tbd)
- Project beneficiaries (No. and gender specific)

The program level results framework will also be developed, with many of the indicators only being realized during the SVTP-II and SVTP-III. Indicatively, these indicators would be:

- Increases in crop yield (for selected crops) and cropping intensity (%)
- Household incomes increased (comparing baseline incomes with project incomes (changes in crop yields, cropping intensity and profitability; \$)
- Reduction in power demand for irrigation abstraction in target area (kWh) (could possibly also be a SVTP-I indicator).
- Wage labor increase in production and agro-processing (\$)
- Number of beneficiaries including smallholder farmers holding land in the project area and employees of agribusiness enterprises (No and gender specific.) [core indicator]
- New area of production under forms of joint private-smallholder farming ventures (ha)
- Share of sustainable O&M costs billed and received from water users by professional Irrigation Service (%)

D. Concept Description

Following a holistic approach that combines infrastructure development with, from the very beginning, delivery of technical, institutional and marketing support services, the program will have focus areas in irrigation development and management; Smallholder-based Agricultural Modernization and Commercialization; and Investment climate support and coordination.

Overall, the program will aim to achieve the following in each of the focus areas:

Irrigation Development: The Program will finance the phased development of up to 42,500 ha of irrigation and drainage with associated irrigation services in the Lower Shire Valley as a necessary precondition for agricultural development. The scheme itself would consist of two major blocks:

Block 1 - covering about 21,000 ha currently partly irrigated with water directly pumped from the Shire river consisting of about a) 10,750 ha already developed and directly cultivated with Sugar cane under commercial production plus b) about 750 ha developed by out-growers operationally and commercially linked with Illovo; and c) another 9,300 ha of rainfed agricultural lands proposed to be developed for irrigated agriculture;

Block 2 - covering about another 21,000 ha of which: a) about 2,850 ha have already been developed for irrigated sugar cane with pumped water from Shire river; and b) the remaining area of about 18,150 ha of currently rainfed agricultural lands to be developed for irrigated agriculture.

The currently irrigated areas would be converted to a gravity water supply, thus saving significant pumping costs considering that the sugar estate is currently the largest electricity consumer in the country because of its pumped irrigation system.

The preliminary cost estimates for irrigation scheme development are at about US\$200 million for the main infrastructure and US\$340 million for Block 1 as a whole (including tertiary and on-farm development). These figures are to be confirmed with feasibility studies prior to appraisal.

Smallholder-based Agricultural Modernization and Commercialization and investment climate - Agricultural development under the Program would be based on promoting development of productive and competitive ventures between agribusiness and producer's organizations and through the provision of demand-driven agricultural services as extension, applied research, mechanization, training, input/output marketing, value adding and storage, etc. These services could be provided through a range of approaches including promoting service delivery within farmer organizations, contracting out to services providers, organizing joint services between private agribusiness investors and farmer groups, and PPPs in agriculture service delivery. Smallholder farmers would be assisted to organize themselves, through a participatory planning and development process, into consolidated blocks of irrigable land. Initial scoping showed private sector interest in irrigated agriculture in the lower Shire, as it is relatively close to transport links and markets, and has very favorable agro-ecological circumstances. Experience with successful cane outgrowers and cotton contract growers shows substantive capacity of smallholder farmers to be engaged in commercial production. These farmers and other farming communities in the command area will be the primary beneficiaries and this land will be consolidated into irrigation blocks and farmers organized into the WUAs. The program will also specifically support private investment and look at targeted reforms in the investment climate in which the scheme operates.

Institutional support, program coordination - Specific attention needs to be given to communication, partnership and support to parallel investments. This includes costs for project management and the transition from project based support to a sustainable institutional set-up; as well as sector and cross-sector coordination with the agriculture, water, industry, trade, environment sector plans and frameworks, and facilitate interministerial collaboration on tackling implementation challenges. During the feasibility stage a prototype taskforce is established, but this needs to be formalized for the project stage. This program will finance the implementation of the communication strategy and grievance redress system, which will be critical in view of context and history of project development.

The program would also support the development of an effective institutional set-up for scheme operation and management. It is foreseen that the new bulk water supply system would be governed by a membership-based apex organization of water users associations with strong representation from the Government in an unprecedented institutional set-up in the country, of which the form, nature and legal and operational modalities are currently being defined. The program will also include provisions for ensuring capacity is maintained and that clear contracting and operating arrangements are in place that reflect the farmers as well as the public interests. The scheme would be operated and maintained by a private operator, likely in a PPP arrangement, either as a concession, a lease or as a management contract, depending on the partner's interest in project financing, as well as further assessment of the willingness to pay.

Description of the first phase project for the Shire Valley Transformation Program (SVTP-I)

This Project would be the first in a series. It is therefore inseparable from the overall program and Government and financiers will need to commit to a longer term engagement. The section below will present the specific investments to be financed during SVTP-I. Since discussions with other financiers are ongoing, more downstream activities may be brought forward, this will be finally determined once the financing needs and resources are determined.

Component 1: Irrigation development. This component would finance the detailed designs and construction for main infrastructure and Block 1. Project preparation will support identification of early investments that can be implemented soon after effectiveness, while detailed design and resettlement for main scheme are organized. Subsequent phases will invest in the tertiary and on-field development as well as the second Block (downstream of Lengwe NP).

Block 2 main infrastructure will not be developed under the project, but provisions will be made now in terms of canal dimensions, right of way, and preparatory studies. With financing sources combined, there is sufficient financing for phase I main infrastructure development. The project would finance consultancies, works, goods/equipment in support of scheme construction, either through public procurement or a PPP arrangement.

Component 2: Preparing agricultural investments

This component will focus on early tertiary and on-farm development: communication, farmer organization, land allocation and resettlement, demonstration and incubator farms on irrigated production (on smaller schemes in the area or temporary facilities in the future command area); private sector dialogue and preparation of critical investments in terms of access, basic services (electricity, storage) to be undertaken in SVTP-II and parallel financing. The agricultural development strategy is currently being developed and investment approaches and models will be assessed during preparation and appraised.

Component 3: Institutional support and coordination

This component will finance the multiple coordination and management needs of a project of this scale and focus on the roll out of the communications strategy and manage grievance redress mechanisms, as well as day-to-day management of the project. The project will establish a detailed M&E system to track progress and measure impacts over the lifetime of the program.

The project would also finance the implementation of the environmental and social management

plan (ESMP). A broad based training program for engineers, operators, farmer trainers, will also be included in this component.

The project will finance consultancy, technical assistance, training, operating costs to support these activities.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project area encompasses portions of the lower Shire River Valley in the Chikwawa and Nsanje Districts of southern Malawi. The project's civil works would extend from north to south, beginning with the irrigation water intake just upstream of the existing Kapichira Dam on the Shire River and continuing south to the cultivation areas on the right bank of the Shire River. The project's area of influence includes two important protected areas, Majete Wildlife Reserve and Lengwe National Park; portions of both would likely be crossed by the main irrigation canal. The project's net irrigable area (both Phases I and II) would encompass up to 42,500 hectares (ha), of which some 12,000 ha are already under irrigation (mostly sugar cane) and the balance (roughly 30,000 ha) is currently under a combination of rain-fed crops, fallow, and natural or modified woodland and savanna vegetation (none within existing or proposed protected areas).

As per the last Integrated Household Survey (2010) the population of Chikwawa is 461,705 and that of Nsanje 250,159 people. Nsanje District has the highest incidence (76 percent) of extreme poverty of all 28 districts in Malawi, followed closely by Chikwawa (65.8 percent). The predominantly subsistence smallholder farming system relies heavily on rainfall and is vulnerable to unreliable weather. Like elsewhere in the country, the vast majority of the rural population (90 percent) consists of smallholder farmers on, cultivating small and fragmented pieces of land held under customary land tenure. Despite the size of the rural population, settlement in the Valley is scattered. Small villages are generally concentrated on higher grounds along the river bank or beside the roads. Housing conditions are poor. Maize is the staple food in the area, but sorghum and millet are also important. Yields and cropped areas are often insufficient to meet household requirements. Droughts and floods pose a persistent threat of famine. The total area of the two districts is approximately 6,700 km², the large majority of which is under customary tenure. The Shire Valley is the most important cotton production area in the country, and it is home to sugar estates and outgrowers, which are characterized by high input-high outcome agriculture, and Illovo is the largest employer in the Valley.

While this proposed project would only support the construction of Phase I, the SVIP's environmental and social safeguards analysis will encompass both phases; this is because the completion of Phase I would make the development of Phase II very likely and will be designed to accommodate this second phase (owing to economies of scale).

B. Borrower's Institutional Capacity for Safeguard Policies

The ministry that would be primarily responsible for project implementation is the Ministry of Agriculture, Irrigation and Water Development (MoAIWD). Other Government agencies that would have specific roles in project implementation include the Ministry of Lands and Housing (responsible for surveys, land registration and titling and resettlement/compensation within the irrigation areas); Environmental Affairs Department (EAD, responsible for environmental reviews and approvals); Department of Antiquities (DoA, responsible for cultural heritage) and National Parks and Wildlife

(responsible for the Majete and Lengwe protected areas). All of these entities have recent experience with the Bank's Safeguard Policies, based on other projects currently under implementation or recently closed, including the Irrigation, Rural Livelihoods and Agricultural Development Project (IRLADP), Agriculture Sector Wide Approach – Support Project (ASWAp-SP), Shire River Basin Management Project (SRBMP), National Water Development Program (NWDP), and the GEF-funded Nyika and Nkhotakota protected areas projects. In particular, staff in MoAIWD have been exposed to several training sessions on Bank Safeguard Policies. EAD has also undertaken harmonized safeguards training at the national and district levels, emphasizing Government requirements as well as the Bank policies.

Nonetheless, the SVTP will be a complex and challenging project for Government to address in terms of environmental and social safeguards. With respect to surface area irrigated, the scheme (at full development) would be about 50 times the size of the largest existing public irrigation project in Malawi (Bwanje Valley Irrigation Scheme). Accordingly, the project's Environmental and Social Management Plan (ESMP) would specify additional training and other activities to strengthen Government's capacity to address environmental and social safeguards issues in large-scale irrigation projects. The ESMP would also outline a robust system for environmental supervision of civil works construction, to help overcome any existing gaps in Government's environmental regulatory capacity.

C. Environmental and Social Safeguards Specialists on the Team

Boyenge Isasi Dieng (GSU07)

George Campos Ledec (GEN01)

Helen Z. Shahriari (GSU05)

D. POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project involves a number of interventions and investments that are range from large scale infrastructure support to agricultural intensification and associated services. The potential footprint of the project is generally well known, and a number of impacts can be predicted already. The complexity of this multi-sector operation will require a number of safeguard tools to properly minimize and mitigate potentially adverse environmental and social impacts generated by specific project investments. This Category A project will involve the preparation of an independent Environmental and Social Impact Assessment (ESIA), including an Environmental and Social Management Plan (ESMP). ESIA preparation will include extensive stakeholder consultations, including on the ESIA terms of reference and the draft ESIA report itself. The ESMP will include Environmental Rules for Contractors (ERCs) that cover (i) site-specific Technical Specifications; (ii)

		<p>Rules of Conduct for all construction personnel; (iii) special precautions for any construction work within the Majete and Lengwe protected areas; and (iv) transparent penalties for non-compliance. The ESIA will indicate how the project would comply with all applicable rules and guidelines, including (i) all triggered World Bank Safeguard Policies; (ii) relevant World Bank Group Environmental, Health and Safety Guidelines; (iii) World Bank Africa Region's Interim Guidelines for Safeguards Application in Agricultural Water Management Projects; (iv) IFC's Performance Standards (relevant for public-private partnership [PPP] implementation arrangements); (v) African Development Bank's environmental and social standards; and (vi) the Malawi EAD's Guidelines for Environmental Impact Assessment and Guidelines for Environmental Management System and Environmental Auditing for Irrigation and Drainage Operations.</p>
Natural Habitats OP/BP 4.04	Yes	<p>To help ensure compliance with OP 4.04 (Para. 4), the ESIA will need to demonstrate how the scheme could be built without causing significant degradation of Majete Wildlife Reserve or Lengwe National Park. The project's planned footprint within Majete has already been greatly reduced by locating the irrigation canal intake at Kapichira Dam (rather than Hamilton Rapids, which would have cut off a large part of the park from the Shire River). In Lengwe, the proposed canal alignment would cut through the Park for about 10 km. The ESIA will examine options for minimizing adverse impacts and ideally producing a net gain from a conservation standpoint (Currently, Lengwe suffers from chronic water shortage, it being cut off from the Shire River by the existing sugar estates) -including modified canal design, developing additional wildlife watering areas, and support for improved Park protection and management. Any SVTP support to Lengwe National Park would be additional and complementary to the support expected under the ongoing SRBMP. Within the irrigation command area, the project would support "strategic habitat retention" (as per OP 4.04, Para. 5) of some remaining areas of natural vegetation in multi-purpose Reserve Areas. The ESIA would also carefully assess the expected impacts of abstracting 30-50 m³/s of irrigation water on the Elephant</p>

		Marsh, a large wetland along the lower Shire River which harbors impressive biodiversity, as well as providing fishing and other livelihoods for thousands of local residents. The ESMP would recommend feasible mitigation measures to help maintain and enhance the Marsh, in coordination with the measures planned under the SRBMP.
Forests OP/BP 4.36	Yes	Native project-area woodlands (largely within the Majete and Lengwe protected areas) fall within the definition of “forests” under OP 4.36. However, since SVTP is not a forestry project, OP 4.36 imposes no additional requirements beyond those of OP 4.04.
Pest Management OP 4.09	Yes	The ESIA will include a Pest Management Plan (PMP) that will cover (i) promotion of Integrated Pest Management (for irrigated crops) and Integrated Vector Management (for malaria, schistosomiasis, etc.); (ii) safe handling, storage, transport, and disposal of pesticides, including technical assistance (TA) to out-grower farmers; and (iii) criteria and procedures for safer pesticide selection. The PMP will be based on the harmonized PMP set up in Malawi for projects in the agricultural sector, and set up as a “living document”, with procedures for periodic revision, as the crop mix changes over time and new pest issues might emerge.
Physical Cultural Resources OP/BP 4.11	Yes	The proposed scheme is located in an area of known historic habitation and trade, and has landscape elements of cultural value. During ESIA preparation and (as needed) in the early stages of implementation, a systematic survey will be carried out by qualified professionals of the main canal right-of-way and other planned civil works sites, to check for archaeological relics, fossils, human graves, shrines, sacred trees or groves, and other physical cultural resources (PCR). Items of cultural interest will be systematically recorded and salvaged as appropriate. The specific locations of some civil works might need to be adjusted to minimize conflicts with PCR. The ERCs will specify Chance Finds Procedures, in case further PCR are discovered during project construction.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	Within the future SVIP irrigation area, some people will lose their houses or (more commonly) rain-fed

		<p>croplands and grazing lands to make room for project civil works, including canals, roads and other structures. The Resettlement instrument will determine number of impacted people, and assets and develop appropriate compensation for loss of assets (preferably land-for-land).</p> <p>In addition, there will be need for land redistribution and consolidation to enable the shift to irrigated agriculture (re-alignment with canals, accommodating PAPs affected by infrastructure development, receiving irrigated land-for-land compensation, entrance of new agribusiness ventures within the area, etc.). These impacts are more indirect than direct resettlement and are linked to increased risk of indebtedness, new rules of use, as well as a physical shift of plot boundaries. Even though much of this may be voluntary (with the ultimate benefit of increased production, land value and stability of livelihoods in mind), it will be very critical that decisions are taken based on a detailed understanding of current land tenure arrangements, including their gender aspects, and that potential project beneficiaries opt in or out based on informed consent. The available options for people living in the proposed irrigation area could include (i) participating in the irrigation scheme as an irrigation farmer, (out grower or otherwise) or employee; (ii) relocating onto alternative (non-irrigated) land identified by the project; or (iii) cash compensation (especially for PAPs without land-based livelihoods and/or the tenants). A detailed Resettlement Policy Framework (RPF) will be prepared prior to project appraisal. Although the general project area is known, precisely which households will be affected (and by how much) will only be known upon completion of the Final Design, expected during Year 1 of project implementation; at that point, a specific Resettlement Action Plan (RAP) will be prepared to ensure that the livelihood of all impacted households is restored. The Project will establish a grievance redress mechanism to ensure people are well informed and there are feedback mechanisms where required.</p>
Safety of Dams OP/BP 4.37	Yes	<p>Although the SVTP will not build any dams, it depends upon the existing Kapichira Dam on the Shire River for its effective functioning. SVTP will also depend upon the operation of Kamuzu Barrage</p>

		and the Nkula and Tedzani run-of-the river hydropower plants (further up-river) for its effective functioning. The Kamuzu Barrage is due to be upgraded under the ongoing SRBMP; a Dam Safety Panel of Experts is closely involved with this undertaking. Accordingly, SVIP includes a Dam Safety Assessment for the Kapichira, (and to a lesser extent the) Nkula and Tedzani dams by independent specialists, consistent with OP 4.37.
Projects on International Waterways OP/BP 7.50	Yes	As per OP 7.50, the Shire River is international waterway (a tributary of the Zambezi River). Accordingly, a standard legal notification needs to be provided to the other Zambezi Basin riparian states during preparation; a similar notification process has been routinely carried out in Malawi water related projects.
Projects in Disputed Areas OP/BP 7.60	No	

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

31-Jan-2017

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The Environmental and Social Impact Assessment (including Environmental and Social Management Plan and Pest Management Plan) and Resettlement Policy Framework have commenced and will be completed (as good quality drafts) prior to Appraisal. The notification under OP/BP 7.50 as well as the Safety of Dams Assessment will be undertaken prior to Appraisal, and reflected in the PAD Stage ISDS, which will be prepared prior to the decision meeting for Appraisal.

III. Contact point

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V. Approval

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<i>Approved By</i>		
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Practice Manager/ Manager:	Name: Jonathan S. Kamkwalala (PMGR)	Date: 21-Mar-2016
Country Director:	Name: Preeti Arora (CD)	Date: 26-Oct-2016

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.