

Early Warning System

IFC-40830

InfraV-Mpatamanga Hydro

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Quick Facts

Countries	Malawi
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Borrower	Government of Malawi
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 7.50 million

Project Description

According to bank documents, IFC will provide investment in the form of: (i) up to US$ 3.5 million through its InfraVentures facility and, (ii) up to US$ 4.0 million in its capacity as implementing partner of the Global Infrastructure Facility funding for the joint development of between 208-309MW Mpatamanga hydroelectric power project in Malawi on the Shire River. The joint development between IFC and the government of Malawi is expected to bring the project to bankability and allow the government to go for tender and select the project developer under a Public Private Partnership. The project will contribute to reducing energy shortages and enhancing energy security, the major impediments to Malawi's economic development.

The nature of this operation is complex and has the potential to generate significant environmental and social (E&S) impacts. This is expected to be a Category A operation once mainstreamed, as the potential E&S impacts and risks include but are not limited to (i) environmental impacts over natural and potentially critical habitats, and social impacts on downstream riparian communities, as a result of flow fluctuation twice a day to meet demand during peak hours, (ii) economic and physical displacement of approximately 90 households from the area to be flooded by the project's reservoir, and (iii) potential contribution to the cumulative E&S impacts and risks from existing and planned cascading hydropower projects, other infrastructure projects (e.g. irrigation, water treatment/potabilization) as well as social pressures/deforestation and climate change elated uncertainties that may impact or aggravate E&S vulnerabilities of the Shire River watershed. Key gaps identified in the project's Environmental and Social Impact (ESIA - 2018) were (iv) no environmental flow (eFlow) study nor sensitivity analysis to assess the magnitude of the potential downstream E&S impacts of peaking, nor Critical Habitat Assessment (CHA) were performed, (vi) the Land Acquisition, Livelihood Restoration Resettlement Action Plan (RAP) was very preliminary and based on aerial photography instead of field surveys and did not include potential downstream impacts, and (vii) no Cumulative Impact Assessment (CIA) nor Climate Risk Assessment (CRA) were performed. InfraV resources will be used to update the RAP and ESIA to international standards and perform a CIA and CRA. The ESIA update will include a CHA and a comprehensive eFlow study and sensitivity analysis to ensure incorporation of E&S considerations into the final project design.

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Contact Information

Contact information not provided at the time of disclosure

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Media

- Press Release: The Government of Malawi, IFC, Scatec JV and EDF Sign a Binding Agreement to Develop

Other Related Projects

- WB-P165704 Mpatamanga Hydropower Project
- WB-P174226 Mpatamanga Hydropower Project
- WB-P099626 Energy Sector Support Project
- IFC-43014 Mpatamanga