Early Warning System

WB-P153205

Lilongwe Water Project

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Quick Facts

Countries	Malawi
Specific Location	Lilongwe and Dedza Districts
Financial Institutions	African Development Bank (AFDB), European Investment Bank (EIB), World Bank (WB)
Status	Canceled
Bank Risk Rating	A
Voting Date	2016-05-18
Borrower	Government of Malawi
Sectors	Hydropower, Water and Sanitation
Potential Rights Impacts	Healthy Environment, Housing & Property, Labor & Livelihood, Right to Health, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 71.00 million
Project Cost (USD)	$ 86.00 million

Project Description

The objective of the project is to improve water supply to Lilongwe and the operational and financial performance of the Lilongwe Water Board. The project will support the Lilongwe Water Program in expanding access to water services in Lilongwe through improved bulk water supply, improved distribution and improved capacity of the Ministry of Agriculture, Irrigation and Water Development and Lilongwe Water Board to better manage water services. The Diamphwe Multipurpose Dam will supply water to Lilongwe City and the surrounding areas until 2045 and support large scale irrigation and fish farming. Administratively the Project lies in the Central region between two Districts comprising of Traditional Authorities (TAs) Mazengela, Kalumbu and Chadza on the Lilongwe District (west) side; and Traditional Authorities Kaphuka and Chilikumwendo on the Dedza District (east) side.

Location: The Project is located approximately 35 kilometres south-east of Lilongwe on the lower Diamphwe River, a tributary of the Linthipe river that flows north-east to Lake Malawi. The Dam will be constructed approximately two kilometres upstream of the Diamphwe River Bridge on the Blantyre - Lilongwe M1 road.

Resources needed: The Project area will impact on a total of 2,682 hectares of land.

Early Warning System Project Analysis

Risk Assessment: Category A.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category A is assigned to a project only if it is likely to have “significant adverse environmental impacts that are sensitive, diverse or unprecedented.”

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Environmental Assessment OP/BP 4.01 - this safeguard is triggered due to the size and nature of the Project and its potential to cause significant adverse impacts potentially including the need for involuntary resettlement. The project involves building a large dam and related infrastructure which may involve environmental and social issues that accompany such a project.

Natural Habitats OP/BP 4.04 - this safeguard is triggered because the Project site contains a range of habitats that support a variety of terrestrial and aquatic animals, as well as providing ecological resources to local peoples. Important terrestrial habitat includes forest woodland and riverine (grassland dambo) vegetation. These habitats comprise of approximately 2 % (55 ha) of the permanently affected Project area. The riverine vegetation that provided diverse vegetation habitats, wildlife refuge areas; and habitats for many wildlife species will be inundated by the reservoir. A dam on Diamphwe River will likely interfere with upstream fish migration through blockage of their spawning migration routes leading to their decline in this river.

Pest Management OP/OP4.09 - this safeguard is triggered because the project may increase the prevalence of animal borne diseases and in particular the spread of malaria by mosquitoes.

Physical Cultural Resources OP/BP 4.11 - this safeguard is triggered due to a number of cultural heritage sites, including graveyards, which will potentially be affected by the Project. Loss of 21 heritage sites, including 16 archaeological sites of varying age, with 8 being evident settlements of the Iron Age. Loss of traditional (Dambwe) sites for Gule Wamkulu. Inundation of an estimated 14 graveyards and two isolated grave sites. Loss of 995 graves: 511 in Lilongwe District, and 484 in Dedza District. Loss of social support networks.

Involuntary Resettlement OP/BP 4.1 - this safeguard is triggered because the project will result in loss of land, other private assets and income, as well as requiring resettlement of directly affected peoples. A total of 5,178 Project Affected Persons have land and other assets that will be directly affected by the Reservoir and buffer zone. Relocation is required for an estimated 644 homesteads of approximately 3,050 people, from 41 villages (358 homesteads from 17 villages in Lilongwe District and 286 homesteads from 24 villages in Dedza District) Aside from the new Diamphwe Dam and reservoir, some resettlement or compensation for land taken might also be needed with respect to the water treatment plant, storage tanks, and/or water transmission pipelines.

Safety of Dams OP/BP 4.37 - this safeguard is triggered because the project is a major dam structure and all aspects related to design, construction and operational safety must be carefully assessed and managed by experienced and competent professionals. The proposed Diamphwe Dam (30 meters high) is considered a large dam under this standard requiring taking necessary precautions, including an independent panel of dam safety experts, dam safety plans, and periodic safety inspections during dam operation.

Projects on International Waterways OP/BP 7.50 - this safeguard is triggered because the Project is on a tributary that flows into Lake Malawi, which forms a boundary between a number of countries (Malawi, Mozambique and Tanzania).

People Affected By This Project

OUR RISK ASSESSMENT

Right to Property & Adequate Housing

According to the bank documents, the project is likely to cause permanent loss of an estimated 733 private structures including 644 residential homesteads and 89 businesses 45 % of the land owned/used by Project Affected Persons lies within the Dam inundation area and is likely to affect a total of 223 villages in Lilongwe District and 147 in Dedza District through loss of their land (residential, agricultural and communal).

Right to Livelihood

The Project is likely to impact on land use with approximately 2,682 hectares of land permanently sterilized from further use. This includes an extensive area of approximately 2,328 hectares (ha) of predominantly cropping and grazing land that currently supports an estimated 26,149people that will be inundated by the reservoir. Communities also fear that they may not be able to continue fishing in the project area. These changes are likely to cause significant disruption in food security in the project area.

Right to a Healthy Environment

During the first 26 months of construction when major earthworks are being undertaken, there is potential for significant dust generation that may likely pose health risks to surrounding communities. In addition the influx of workers significantly increases potential for the spread of communicable diseases in the area with in-migration of people seeking construction work and commercial sex work. There is fear for flooding due to the dam blocking the river which may lead to an increase in waterborne vector diseases particularly malaria and bilharzia.

Right to Water

Proposed dam operations are likely to change the river flow and affect water availability and quality to downstream users and riparian habitats. Water from operational areas may be contaminated by pollutants like oils, solvents, paints, fuels and waste materials. The dam may also lead to increased salinity downstream because impeded river flow is likely to leave less amounts of water available to dissolve the salts in that section of the river. There may be increased siltation above the dam which could lead to higher levels of suspended solids in water due to erosion.

Investment Description

- African Development Bank (AFDB)
- European Investment Bank (EIB)
- World Bank (WB)

European Investment Bank ($101m)
Africa Development Bank ($55m)
Foreign Private Commercial sources ($40m)
Up to 10% of the total project cost ($23m) will be financed by the Government of Malawi

Contact Information

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Consultations with communities:

Project documents indicate that consultations were conducted with a range of project stakeholders including representatives of Traditional Authorities (TA), District Councils (DC), National and District level governmental institutions as well as Non-Government and Community Service Organizations. On site community meetings were held with village members, Dam Project Committee (DPC) members and Special interest groups. The team conducted ground-truthing for the project area involving an asset census, socio-economic surveys, specialist studies related to biodiversity, physical environment, health and cultural heritage and other resettlement-related activities. In all consultations, communities expressed concern over loss of their housing and farming land, trees, graveyards and break up of relations for the displaced communities.

Project Grievance mechanisms:

Responsibility for matters relating to grievance and dispute resolution lies with the Ministry of Agriculture, Irrigation and Water Development working in close collaboration with the National Water Development Project (NWDP) and the Lilongwe Water Board. However, it is recommended that, for this Project, a Grievance Officer (GO) be appointed within the Program Management Unit of the NWDP to co-ordinate all functions relating to grievances. The GO needs be based primarily at the Project Information Centre and would liaise closely with a Grievance Sub-Committee (GSC). As part of the proposed organizational framework, a specific GSC would be best placed to address grievances and disputes that are not resolved by the GO. Appropriate grievance and dispute resolution procedures and mechanisms will be established by which Project Affected Communities and Project Affected Persons can bring grievances and complaints on any Project-related aspect of land acquisition, compensation and resettlement to the Project for consideration and redress. These are essential tools for allowing affected individuals to voice concerns as they arise and, where appropriate, for corrective action to be taken expediently and in a satisfactory manner.

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. You can learn more about the Inspection Panel and how to file a complaint at:
http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx

Bank Documents

- Agreement for Advance [Original Source]
- Disbursement Letter for Advance [Original Source]
- Environmental and social impact assessment (English) [Original Source]
- Environmental and social impact assessment: Appendices [Original Source]
- Integrated Safeguards Data Sheet (English) [Original Source]
- Project Information Document (English) [Original Source]
- Resettlement Action Plan : Diamphwe Multipurpose Dam [Original Source]
- Ressettlement Action Plan (Vol. 2) : Annexures [Original Source]

Community Documents

- Community Outreach Report on Lilongwe Water Project
- Infographic on Lilongwe Water Project
- Infographic on Lilongwe Water Project (Chichewa) [Original Source]

Campaign Documents

- A Victory for Communities — Three Banks Withdraw from Harmful Project
- Blog: The Banks May be Gone but Communities Still Pay the Price for Poor Development Planning
- Community-led research in Malawi leads to changes in major World Bank project

Other Related Projects

- WB-P176995 Lilongwe Water and Sanitation Project- Additional Financing