



SG/E/2021/16A CHIPAMBO AND GEISHA

Malawi NRW Water Efficiency (Malawi)

Final monitoring report

15 December 2022

Complaint confidential: No

External distribution

Complainants
Promoter

Internal distribution

Relevant EIB project team

Disclaimers

This report is based on the information available to the EIB Group Complaints Mechanism up to 14 December 2022.

The objective of this final monitoring report is to provide an update on developments following the issuance of the dispute resolution report dated 22 August 2022,¹ specifically regarding the implementation of the listed action points.

¹ [Dispute resolution report SG/E/2021/16 A Chipambo and Geisha dated 22 August 2022.](#)

1 PROJECT

- 1.1 In November 2016, the EIB Board of Directors approved financing of up to €24.6 million for the Malawi NRW Water Efficiency project.² The total estimated cost of the project is €60.4 million. The project is being developed by the Northern Region Water Board (NRWB or the promoter).
- 1.2 The project involves the optimisation of available water resources to bridge the gap in water demand and aims to ensure a reliable water supply, primarily for people living in the Mzuzu and Ekwendeni areas in the northern region of Malawi. The project's main components consist in upgrading and extending the water distribution system, upgrading water treatment works, reducing leakages, and improving network management and the water supply to low-income areas. Certain plans are also expected to be carried out in the medium to long term, including a new water supply dam on the Lambilambi River.

2 COMPLAINT

- 2.1 On 9 July 2021, the EIB Group Complaints Mechanism (the Complaints Mechanism) received a complaint from members of several communities in the Mzuzu area (the complainants) regarding the Malawi NRW Water Efficiency project financed by the European Investment Bank (EIB). For easier understanding, this final monitoring report concerns the members of the Chipambo and Geisha communities only.
- 2.2 The Complaints Mechanism carried out an initial assessment to clarify and understand the concerns raised by the complainants and to determine if further work by the Complaints Mechanism was necessary and possible to address the allegations and resolve the issues raised by the complainants. In January 2022, the Complaints Mechanism issued the initial assessment report and proposed to proceed with collaborative dispute resolution.³

3 DISPUTE RESOLUTION PROCESS AND REPORT

- 3.1 Between December 2021 and March 2022, the parties engaged in two rounds of dialogue facilitated by facilitators appointed by the Complaints Mechanism. Despite some progress in implementing the agreement on the way forward, it quickly became apparent that full and timely implementation of a number of issues would be challenging. The Complaints Mechanism therefore continued to facilitate the dialogue between the parties beyond the initial agreement on the way forward. Between 3 and 5 July 2022, the Complaints Mechanism convened a final round of dialogue between the parties with the Regional Commissioner for Lands North present as an observer. However, on 4 July 2022, just before the planned joint dialogue session, the community representatives who formed the Grievance Redress Committee requested the Complaints Mechanism to close the complaint. To address the grievances of the community, the promoter undertook to pay compensation based on the new valuation and to address the issue of damage to structures. Based on this, the Complaints Mechanism closed this process and issued a dispute resolution report on 22 August 2022.⁴
- 3.2 Despite the withdrawal of the Chipambo and Geisha communities from the dispute resolution process, the Complaints Mechanism welcomes that various concrete actions were agreed as an outcome of earlier stages of the facilitated dialogue. In addition, the promoter took various steps to address the issues raised by the affected community members.

² Available at: <https://www.eib.org/en/projects/pipelines/all/20160106>.

³ [Initial assessment report dated 18 January 2022](#).

⁴ [Dispute resolution report SG/E/2021/16 A Chipambo and Geisha dated 22 August 2022](#).

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4 IMPLEMENTATION

4.1 Following the publication of the dispute resolution report, the Complaints Mechanism followed-up with the promoter on the implementation of the agreed or promised courses of action.

4.2 The table below lists each action point and its implementation status.

| No | Actions | Responsible for implementation | Implementation status |
|-----------------------------|--|--|--|
| Missing compensation | | | |
| 1. | Disclose the new valuations done by the Regional Commissioner for Lands North to the Geisha and Chipambo community member concerned. | Promoter and Regional Commissioner for Lands North | <p>On 6 July 2022, the community members concerned participated in a disclosure session where they verified the accuracy of their valuation and had the opportunity to raise any issues that they had with the valuation report. Out of 234 households assessed, 231 community members signed their valuations. Two were not present but were invited to sign their valuations later at the office of the Regional Commissioner for Lands North. One refused to sign the valuation.</p> <p>The Complaints Mechanism considers this action point closed.</p> |
| 2. | On 6 July 2022, it was agreed that after disclosing the valuation report to the community, the Regional Commissioner for Lands North would finalise it and submit it to the promoter by 13 July 2022. | Promoter and Regional Commissioner for Lands North | <p>The Regional Commissioner for Lands North finalised the valuation report and submitted it to the promoter on 11 July 2022.</p> <p>The Complaints Mechanism considers this action point closed.</p> |
| 3. | The promoter promised to start paying the compensation after receiving the final report. | Promoter | <p>Between 26 August and 21 September 2022, the promoter paid compensation to 219 community members. 15 community members have been notified to collect the payment from the promoter's offices. Nine members of the Grievance Redress Committee did not come to collect the payment.</p> <p>The Complaints Mechanism considers this action point closed.</p> |
| Damage to structures | | | |
| 4. | The promoter confirmed that it intended to adopt the same approach as for the Kazando community, which is to assess the damage to structures of the households concerned, evaluate the cost and then make the payment. | Promoter | <p>Between 23 September and 3 October 2022, the promoter assessed the damage to structures in Chipambo and Geisha. On 19 October 2022, the promoter disclosed the information to the community members concerned and explained how they calculated the cost estimate.</p> <p>On 13 December 2022, 20 out of the 38 community members concerned received payment for damage to structures. Eleven objected to the compensation payments because, from their perspective,</p> |

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| | | | <p>some of cracks were not included in the assessment of the damage. On the same day, the cracks which had allegedly been omitted, were assessed and the community members signed the respective disclosure sheets. The promoter committed to pay the compensation based on the revised assessments by the end of December. Three were not available to receive payment. One refused to receive payment because allegedly his house collapsed. The promoter will continue to engage with him to agree on the way forward. Three indicated that they would engage a private valuer to confirm the valuation before accepting any payment.</p> <p>Considering that the majority of the community members concerned were paid, the promoter's standing offer to pay and the process in place to deal with outstanding grievances, the Complaints Mechanism considers this action point closed. The promoter is requested to report to the EIB project team and the Complaints Mechanism on the outcome.</p> |
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- 4.3 In addition, the Complaints Mechanism has been informed that the promoter plans to grade a section of the road in the Geisha community as well.

5 OUTCOME

- 5.1 Given the above, the Complaints Mechanism considers its monitoring phase closed.