

Environmental and Social Data Sheet

Overview

Project Name: Lilongwe Water Resources efficiency Programme

Project Number: 2013 0566

Country: Malawi

Project Description: Medium term investment programme to optimise available water resources to bridge the gap in water demand in Malawi's fast growing capital city. The project's main components consist of upgrading a dam that is Lilongwe's primary water source, extension of water treatment works, reduction of leakages and improving network management.

EIA required: yes

The necessity to raise one of the reservoir dams that supply water to Lilongwe is currently under investigation. Should that review confirm the need a full ESIA will be carried out.

Project included in Carbon Footprint Exercise¹: no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

Investment components are largely confined to replacement of existing pipes and rehabilitation of storage facilities. Therefore the operation would unlikely result in any significant negative social or environmental impact. The exception is the proposed raising of the existing Kamuzu Dam I that supply water to Lilongwe by approx. 5m, which requires a comprehensive Environmental and Social Impact Assessment. This proposal is currently under review and will only be included for financing if the need will have been fully justified. A preliminary ESIA has already been carried out under World Bank supervision and the methodology applied satisfies EIB criteria. In case the EIB will finance the dam raising a full ESIA and Resettlement Action Plan will be carried out and their review and publication will follow EIB procedures.

The project will lead to a significant increase of water supply to low income areas in and around Lilongwe and will therefore have a positive social impact. As most measures will improve the cost efficiency of water supply to customers the project will not lead to tariff increases that exceed the affordability of especially low income households.

The project is acceptable for Bank financing.

Disbursement conditions and Undertakings related to environmental/ social issues:

All disbursements

¹ Only project Investment components are largely confined to replacement of existing pipes and rehabilitation of storage facilities. Therefore the operation would unlikely result in any significant negative social or environmental impact. The exception is the proposed raising of the existing Kamuzu Dam I by approx. 5m height, which requires a comprehensive Environmental Impact Assessment. The necessity to raise one of the reservoir dams that supply water to Lilongwe is currently under review and will be only included for financing if the need will have been fully justified. In that case a full EISA will be carried out that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

No funds other than for consulting services may be disbursed on the raising/ rehabilitation of Kamuzu Dam I until a satisfactory related Environmental and Social Management Plan has been accepted by the competent authority and the EIB.

Undertakings

LWB undertakes not to use EIB funds for sub-projects that may require an ESIA without seeking prior confirmation/ consent from the EIB.

Environmental and Social Assessment

Environmental Assessment

Malawi has an established procedure regarding the preparation of ESIA's for projects that receive IFI financing. Approval for ESIA is the responsibility of the Environmental Affairs Department. Approval for water abstraction and waste water discharge is the responsibility of the Ministry of Water Development and Irrigation. The Ministry is empowered under the Water Resources Act of 2013 and the National water Policy of 2005 to issue water abstraction permits/rights for surface and ground water and waste water discharge.

In case the EIB is going to finance the raising of Kamuzu Dam I it would require a full Environmental and Social Impact Assessment including Resettlement Action Plan. A preliminary Environmental and Social Impact Assessment (ESIA) was commissioned in order to facilitate the integration of the environmental and social issues into the proposed project activities in order to achieve sustainable development. The preliminary ESIA reviewed environmental policies, regulatory and administrative procedures and other pieces of legislation in relation to the implementation of the project; identified necessary statutory and regulatory approvals and licences to be obtained from government licensing agencies to ensure that the project is in line with sound environmental and social management practices; assessed the physical, biological and socio-economic conditions of the project impact area; identified significant/beneficial potential environmental and social impacts of the project; and identified and recommended measures to manage the negative and positive environmental and social impacts. The preliminary findings indicate that the project would have an impact on the following:

- Flora and Fauna around the dam site,
- Land use activities in the project area
- Socio economic Activities of the Area
- Water Quality

Social Assessment, where applicable

The project will lead to a significant increase of water supply to low income areas in and around Lilongwe and will therefore have a positive social impact. As most measures will improve the cost efficiency of water supply to customers the project will not lead to tariff increases that exceed the affordability of especially low income households. The project was subject to internal EIB screening. Positive social impacts by far outweigh the assessed negative impacts that would mainly result from construction activities.

If the raising of the Kamuzu Dam I will be financed from EIB resources a proper social assessment will be carried out and implemented. The respective documents will then be made public according to the applicable EIB policy.

Public Consultation and Stakeholder Engagement, where required

If the raising of the Kamuzu Dam I will be financed from EIB resources a proper Public Consultation will be carried out. The respective documents will then be made public according to the applicable EIB policy.