

## Environmental and Social Data Sheet

### Overview

Project Name:	MALAWI NWB WATER EFFICIENCY PROJECT
Project Number:	2016-0106
Country:	Malawi
Project Description:	2016-2019 investment programme to optimise the use of available water resources and increase the water supply capacity to bridge the water supply-demand gap for the populations of the cities of Mzuzu, Ekwendeni, Chitipa and Mzimba in Malawi. The project's main components consist of upgrading and extending the water distribution system, upgrading of water treatment works, reduction of leakages, improving network management and water supply to low income areas.
EIA required:	No  If the Lunyangwa Dam raising is finally included under the scope of the operation, a full ESIA would be required for this component.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The components to be financed by the EIB concern to a large extent priority investments in water supply infrastructure upgrades or rehabilitation in the cities of Mzuzu and Ekwendeni. It will unlikely result in any significant negative social or environmental impact. Most impacts are expected to be site specific and have no significant and irreversible detrimental effect.

If located within the EU none of the components would fall under Annex I of the EIA Directive 2011/92/EU. Some components (e.g. the boreholes and the upgrade of the existing weirs) would be included in Annex II of the Directive. The exception might be the raising of the existing Lunyangwa Dam, alternative which is being currently studied. If technically and economically justified, this component would fall under Annex I of the EIA Directive, therefore requiring a comprehensive Environmental and Social Impact Assessment (ESIA). This study shall be approved by the competent authority, satisfactory to the Bank and to be published on its website. Thus no funds concerning the raising of the dam, other than for consultancy services, will be disbursed prior to the start of the works in case this component is finally included in the programme. The programme would not require a Strategic Environmental Assessment (SEA) according to the SEA Directive 2001/42/EC.

The Ministry of Irrigation and Water Development is responsible for the overall policy direction of water resources, water supply and sanitation sector in the country. The Government has also provided legislation for Water Boards in their respective areas to invest in viable water projects to increase the supply of safe and adequate water to the urban population. This will contribute to increasing the current service coverage in Urban Centres with piped water

<sup>1</sup> Only projects 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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systems and the percentage of the population with safe drinking water. The project is therefore compliant with all project related national legislation which include, but are not limited to, Government policy documents such as the National Water Policy 2005, the Environment Management Act 1996, the Water Resources Act 1969, the Water Works Act 1995, the Land Act, the Mines and Minerals Act 1981, the Forestry Act 1997 and the Malawi Poverty Reduction Strategy 2002.

A preliminary EIA for the programme (excluding Lunyangwa Dam raising) was conducted in 2008 in line with the requirements of the Malawian's Environment Management Act (1996). The competent authority defined that there was no need for a full ESIA report, which also applies to the current operation. An Environmental and Social Management Plan (ESMP) was approved in 2008 and used for the works implemented between 2009 and 2013.

Nonetheless, the ESMP needs to be updated to identify the environmental and social management and mitigation actions that shall be undertaken by the Promoter, the Northern Region Water Board (NRWB), and other key stakeholders to implement the components in accordance with the EIB standards and applicable national legislation and regulations of Malawi. Prior to the start of the works, the updated ESMP must be approved by the national competent authority and shall be to the satisfaction of the bank. Relevant provisions of the ESMP will be also incorporated into the works contract prior to the notification to the contractors to commence works.

NRWB's Environmental Unit will be responsible for implementing and monitoring environmental and social activities. NRWB is deemed to have adequate capacity to implement and monitor the programme as detailed in the ESMP and will be supported by international consultants during the implementation of the programme.

The Programme will result in improved water resources management and supply to the population, and therefore contributes to the Bank's objective of Climate Action (Adaptation).

### **Social Assessment, where applicable**

This operation will assist NRWB achieve improved management of the water resources and ensure the delivery of efficient, reliable, and sustainable water supply services. It will therefore have a positive social impact. Through the extension of the network to non-supplied areas, it is expected to improve health of the population through reduction of the incidence of waterborne diseases and reduction in mortality rates caused by the consumption of unsafe water. The project is not expected to trigger any involuntary resettlement as the land earmarked for expansion works already belongs to NRWB.

In accordance with Malawian law on labour standards and ILO obligations ratified by Malawi (Malawi ratified all ILO fundamental conventions), the works contracts will comply with ILO core labour standards. Contractors shall ensure occupational and community health & safety as part of their works contracts.

### **Public Consultation and Stakeholder Engagement**

NRWB will have to ensure that the relevant stakeholders, including potentially affected persons, will be consulted with regard to the potential impacts of the proposed construction and rehabilitation of infrastructure facilities and related project activities in line with EIB standards and applicable national legislation and regulations of Malawi.

During the preparation of an updated ESMP a new round of public consultation with disclosure will be conducted in accordance with the requirements set forth in Malawian legislation and in compliance with the Bank's guidelines.

Furthermore, if the Lunyangwa Dam raising is confirmed to be part of the operation, a new public consultation will be required as part of the full ESIA preparation process..

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## **Other Environmental and Social Aspects**

N.A.

## **Conclusions and Recommendations**

The programme is fully driven by environmental and health considerations and will assist the NRWB to achieve improved management of water resources and ensure the delivery of efficient, reliable, and sustainable water supply services that will benefit an increasingly larger number of the population in the region. Therefore, it is expected to have a major impact on Malawi's prospects for human, social and economic development as well as to support the attainment of SDG 6 (clean water and sanitation) by improving the quality and security of water provision as well as SDG 13 (Climate Action).

The Promoter will be subject to complying with the EIB's E&S standards and applicable national legislation and regulations of Malawi. As such, the operation is acceptable for EIB financing in environmental and social terms.

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