

Shire Valley Transformation Program - Phase 1 (P158805)

EASTERN AND SOUTHERN AFRICA | Malawi | Water Global Practice | IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 13 | ARCHIVED on 28-Jan-2024 | ISR58664 |

Implementing Agencies: Ministry of Agriculture, Irrigation and Water Development, Ministry of Finance, Economic Planning & Development

Public Disclosure Copy

Key Dates

Key Project Dates

Bank Approval Date: 18-Oct-2017	Effectiveness Date: 19-Dec-2014
Planned Mid Term Review Date: 01-Sep-2021	Actual Mid-Term Review Date: 01-Sep-2021
Original Closing Date: 31-Dec-2023	Revised Closing Date: 31-Dec-2024

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The program development objective of the Shire Valley Transformation Program is to increase agricultural productivity and commercialization for targeted households in the Shire Valley and to improve the sustainable management and utilization of natural resources.

The project development objectives (PDO) of SVTP-I are to provide access to reliable gravity fed irrigation and drainage services, secure land tenure for smallholder farmers, and strengthen management of wetlands and protected areas in the Shire Valley of the Recipient.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Tabl

Name

Irrigation Service Provision:(Cost \$182.40 M) Land Tenure and Natural Resources Management Support:(Cost \$27.29 M) Agriculture Development and Commercialization:(Cost \$10.00 M) Project Management and Coordination:(Cost \$8.90 M) PPA repayment:(Cost \$6.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating	Moderate	Moderate

Implementation Status and Key Decisions

The irrigation infrastructure is under construction. While progress is being achieved, there are delays for each component. In order to speed up implementation so as to ensure gravity fed irrigation and drainage services are functional by end of 2024 in the first agricultural blocks, a summary





of priority actions were agreed and this is provided below: two abutments. This is fundamental for the construction of the irrigation intake, reconstruction of the main dam and fuse plug area, to ensure water is guided towards the power intake and that there is supply of water to the main canal so that water can reach the agricultural blocks when these are ready to receive the water. \checkmark Intake: the need for an interim solution (for the coming 3-4 years) and a permanent intake were agreed. Considering the intake will be an integral part of the dam, and Studio Pietrangelli (SP) is the owner's engineer (OE) contracted by EGENCO for the dam safety rehabilitation, it was agreed that the OE will prepare the designs and supervise the construction of the intake. Final designs for the interim conveyance solution are expected by March 2024 so that works could be carried out in 2024. For the final intake, this will be part of the dam design and assumed by EGENCO (see Section IV below). \checkmark Main canal works (1&2). First contract up to km 6 is 93% completed and second contract from km 6 to 52 is 50% completed. The latter is expected to finish by October 2024 (which is beyond the current closing date of SVTP-1). Progress is overall good, but some adjustments in the design are needed (some secondary offtakes not needed) and increasing emphasis on first completing main canal (MC1) (up to km 19.5) as this is the first priority area. \checkmark Coordination between the different components, and hence works involved in primary canals, secondary pipes and irrigation at block level needs to improve. Key strategic decisions are necessary in the coming months such as on irrigable area, discharge, and pressure at each new and existing agricultural block, \checkmark Secondary pipeline design was prepared with data available at that time, but recent consultations with several potential off-takers result in the need to update the designs. The option of having pressurized systems, an option discarded during the original design stage, will be brought back for consideration. This is a critical activity at this stage and the aim is to finalize the design by December 2023 and start the construction of the pipelines in March 2024. Prioritization of these secondary pipelines should be based on readiness by the blocks and existing irrigators plus Illovo with the signature of the Water Purchase Agreement (WPA) before works start for a particular secondary pipe. </ Irrigation development at block level and private sector. This also is at critical stage. It was agreed to focus on pressurized irrigation (mainly sprinklers and pivots) diminishing costs from US\$14.000 per ha to US\$4.000 per ha (difference of US\$10,000 per ha for 20,000 ha is more than US\$200 million). Five business plans for irrigated agriculture development are to be finalized by January 2024 defining the irrigable area, water demands, and location for water offtake. \checkmark Component 3 is at a critical stage and needs support at three levels (delays in the previous months the reason the downgrade from S to MS): (i) need to define the irrigable area in each of the first nine business plans and identify irrigation techniques which are compatible with the existing terrain (prevailing pressurized irrigation with pivots and sprinklers), the crop choices being made and within a realistic budget per hectare (to retrofit the secondary canal design); (ii) the matching grant manual, including finance mechanisms, needs to be finalized and approved so that funds transfer can start in certain Smallholder Owned Commercial Farm Enterprises (SOCFEs) in early 2024 and they can start recruiting farm managers; and (iii) there is need of a TA for investment coordination with agricultural, irrigation, and financial management (FM) capabilities to support the financing process to the SOCFEs. This team needs to be in place by March 2024. \checkmark There is an urgent need to issue the certificate for the consolidated customary estate for each of the first 10 blocks by end of January 2024. This is necessary before any funds can be transferred to the corresponding SOCFEs and before signing of the WPAs. mission observed that most of the positions agreed during previous implementation support mission (ISM) in April 2023 are still under procurement. It is important that these positions get filled within the coming 2-3 months.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Substantial	Moderate	Moderate
Macroeconomic	Substantial	Moderate	Moderate
Sector Strategies and Policies	Substantial	Moderate	Moderate
Technical Design of Project or Program	□High	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	High	Substantial	Substantial
Fiduciary	□High	Substantial	Substantial
Environment and Social	□High	□High	High
Stakeholders	Substantial	Moderate	Moderate
Other			
Overall	□High	Moderate	Moderate



Results

PDO Indicators by Objectives / Outcomes

Area provided with	irrigation and drainage services (ha) (Hectare(Ha), Corporate)		
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,700.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
□Area provided with	n irrigation and drainage services	- New (ha) (Hectare(Ha), Corp	orate Breakdown)	
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
□Area provided with	n irrigation and drainage services			End Torret
Value	Baseline 0.00	Actual (Previous) 0.00	Actual (Current) 0.00	End Target 1,700.00
value	0.00	0.00		1,700.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
Direct project benef	ficiaries (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	31,779.00	31,779.00	95,000.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
		mers have secured land tenure istered as cooperatives with 7,2		
Comments:				
	ies (Percentage, Custom Supple	ment)		
	ies (Percentage, Custom Supple Baseline	ment) Actual (Previous)	Actual (Current)	End Target
			Actual (Current) 0.00	End Target 50.00
□Female beneficiar Value	Baseline	Actual (Previous)		
□Female beneficiar Value Provide secure land te	Baseline 0.00	Actual (Previous) 0.00		



The World Bank Shire Valley Transformation Program - Phase 1 (P158805)

Value	0.00	12.00	12.00	10.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
Comments:	SOCFEs is more that		elve agricultural blocks. The ers are supporting SOCFEs v g issued to parcel owners.	

strengthen management of wetlands and protected areas in the Shire Valley of the Recipient					
► Conservation area brought under improved management regime (Hectare(Ha), Custom)					
	Baseline	Actual (Previous)	Actual (Current)	End Target	
Value	0.00	133,000.00	133,000.00	273,637.00	
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2023	

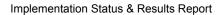
Intermediate Results Indicators by Components

Irrigation Service Provis	sion			
►SVIP Management,	Operation and Maintenance (MC	0M) financial and institutional fra	amework developed and in	operation (Text, Custom)
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
Comments:	operators. The man <i>The recruitment of a</i> delays in the design The PMT and officia regulate, and monito Cabinet Note, in par	and manual has been develope hual will be finalized when the p of private operator is ongoing. T of the secondary pipelines. Th als of the MoA on progress with or the SVTP infrastructure. The ticular on the composition and oA, PPPC, and PMT and will be	rivate operator has been re he tendering process was p is is to be re-started in Mar establishing a State-Owne e relevant Cabinet Committe financing of the SoE. An u	ecruited. put on hold in 2023 due to ch 2024 d Enterprise (SoE) to own, ee commented on a draft pdated Cabinet Note is

Land Tenure and Natural Resources Management Support

► Land use and land tenure plans which include irrigation, developed and approved by village committees and Traditional Authorities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	38.00	38.00	35.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024
Comments:	committees. Five T	submission. A total of 38 villa raditional Land Management A going on 32 additional village la	reas have been surveyed a	and mapped, but not yet





► Management Effectiveness Tracker Tool Scores for conservation areas (Number, Custom)					
	Baseline	Actual (Previous)	Actual (Current)	End Target	
Value	175.00	282.00	282.00	377.00	
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2023	
Comments:Next assessment during second half of 2023. This will be reassessed during October 2023. It takes a few meetings and consultations.					

Agriculture Development	and Commercialization						
► Number of SOCFEs with financing plans developed and approved (Number, Custom)							
	Baseline	Actual (Previous)	Actual (Current)	End Target			
Value	0.00	0.00	0.00	12.00			
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	31-Dec-2024			
Comments:		ess plans is ongoing with the s ected by end of January 2024.	upport of Service Providers	s. Five business plans for			

Custom)	ed to and satisfactorily resolved	in relation to the delivery of proj	ect benefits according to si	andards (r ercentage,
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	57.00	57.00	80.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	30-Nov-2023
Comments:	grievances were res	s a changing target. Out of 422 solved in principle after Ministry of purposes, but payments are p	Of Lands validated the value	
	for temporary project	a purposes, but payments are p	enang.	

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	60.00	60.00	35.00
Date	01-Nov-2017	14-Jun-2023	29-Dec-2023	30-Jun-2023
Comments:		els is 46,328 of which at leas 22ha will be consolidated in S		women, and which cover

Performance-Based Conditions



Data on Financial Performance

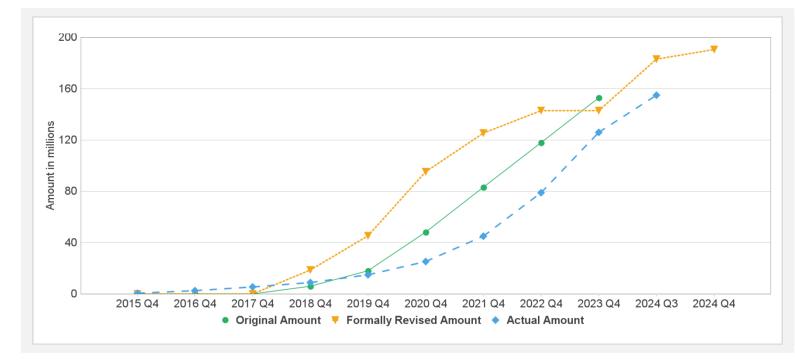
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% [Disbursed
P158805	IDA-61470	Effective	USD	160.00	160.00	0.00	149.33	4.99		97%
P158805	IDA-Q9550	Closed	USD	6.00	0.00	6.00	0.00	0.00		0%
P163582	TF-A5749	Closed	USD	5.59	5.59	0.00	5.59	0.00		100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P158805	IDA-61470	Effective	18-Oct-2017	02-Feb-2018	21-Mar-2018	31-Dec-2023	31-Dec-2024
P158805	IDA-Q9550	Closed	09-Dec-2014	19-Dec-2014	19-Dec-2014	30-Jun-2016	31-Jul-2018
P163582	TF-A5749	Closed	02-Feb-2018	02-Feb-2018	21-Mar-2018	31-Dec-2023	31-Dec-2023

Cumulative Disbursements



Restructuring History

Level 2 Approved on 18-Dec-2023



Related Project(s)

P163582-Lower Shire Valley Landscape Project