

# Part B

## Institutional Arrangements and Project Management

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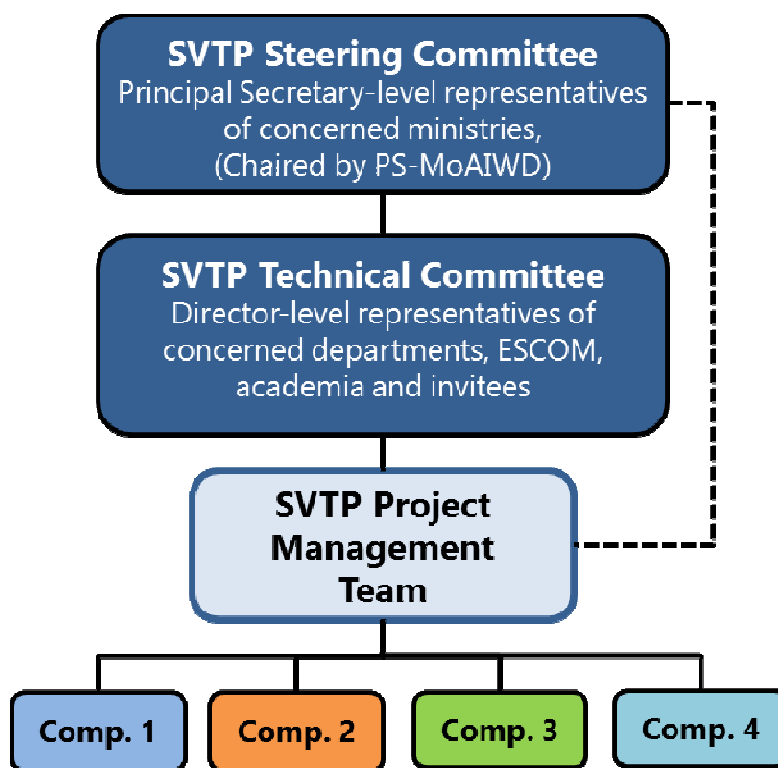
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# 1. Executing Agency & Organisational Roles

## 1.1 National and regional implementation arrangement

Implementation will be led by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD), with a key support role by the Ministry of Lands, Housing and Urban Development (MoLHUD). Under the MoAIWD, the Department of Irrigation is responsible for irrigation development, water-use efficiency, research, and irrigation management. The Ministry has extensive experience with WB-financed programs, has some exposure to PPPs, and is the implementing agency for several large and complex operations financed by the WB, including the multi-sectoral/multi-agency Shire River Basin Management Program (SRBMP). While the MoAIWD has a limited number of qualified personnel, capacity at district and central levels has significantly improved over the last 5 years. Existing capacity will be augmented by individual appointments and specialist technical assistance consultancies as needed for successful implementation.



The organogram of the national implementation arrangement is shown in Figure B-1 and a summary of the composition and organizational functions are described over the page.

Implementation of the SVTP is coordinated at national level by the *SVTP Steering Committee*, chaired by the Permanent Secretary of the MoAIWD.

The Steering Committee is supported on more technical aspects by the *SVTP Technical Committee* comprising director-level representatives from involved departments and key parastatal agencies.

Figure B-1: National-level Implementation Organogram of the SVTP

## **SVTP Steering Committee (PSC)**

*Provides strategic guidance, direction & oversight to the program*

**Chair:** MoAIWD PS

**Co-Chair:** MoFEPD PS for Planning

**Secretary:** Project Coordinator

**Members:** MoNREE, MoLHUD, MoLGRD, MIT, MTC, DNRDM & PPP Commission

Meet at least twice a year.

**Responsible for:**

- inter-sectoral coordination and facilitation
- annual programming of activities
- approval of work plan and budget
- monitoring implementation and results (including audits)
- policy guidance
- recommending corrective actions when necessary

## **SVTP Technical Committee (PTC)**

*Provides a multi-sector advisory and consultative platform*

**Co-Chairs:** MoAIWD Director of Irrigation Services & MoFEPD Director of Planning

**Secretary:** Project Coordinator

**Members:** Director-level representatives of MoLHUD, DWR, DoI, DNPW, DoE, EAD, DoS, DNRDM; representatives of ESCOM; MITC; SRBA/NWRA; Civil Society Organizations; private sector/agri-business; academia and invitees

Meet at least three times a year.

**Responsible for:**

- technical guidance and reviewing technical reports
- oversight of program activities
- reviewing and synthesizing suggestions and recommendations and submitting these to the PSC for review and decision
- information and insight on program preparation and implementation issues

The collaboration between the different Ministries on the Steering Committee and the Technical Committee is governed by a joint MOU, which spells out objectives, specific stakeholder roles, and the requirement to mainstream and to provide staff with time for implementation, knowledge management, and overall support.

The ***SVTP Project Management Team*** is responsible for all of the day to day project management activities of the entire project and reports to the SVTP Technical Committee.

## **Project Management Team (PMT)**

### *Day-to-day coordination and management of project components*

- Chair:** Project Coordinator
- reports directly to PS
  - acts as Secretary of the PSC and PTC

**Secretary:** M&E Officer

**Members:** Fully integrated project team; includes government employees from relevant departments as well as recruited professionals. This team works full-time as the lead project team and provides technical assistance on planning, management and monitoring and evaluation.

Meets weekly.

Based in MoAIWD (in Chikwawa or Blantyre).

Ministries and departments involved will need to reaffirm the MOU ahead of Project Effectiveness to:

- formalize existing working arrangements
- define roles and reporting modalities for program implementation.

**More details on the project management team (PMT) and related implementation procedures can be found in the PIM Part C4 - Project Management and Coordination.**

A fourth grouping, the Shire Valley Consultative Committee is discussed further in Part B, Section 1.3. This committee ensures liaison between a range of stakeholders in the sub-region and the PMT.

## **1.2 Government Department Involvement**

The PMT implements the program with and on behalf of the Ministries and works closely with the relevant line departments of multiple ministries. The level of involvement of the different departments is summarized in Table B-1 over the page as either *leading* or *supporting*, for the three different technical components (Component 4 being project management itself). Some departments have a regulatory role, some need to be informed, some need to act on a needs-only basis, coordinated by the PMT.

*Fiduciary responsibility* will remain with MoAIWD, while cost allocations for operating costs are made to sub-components rather than departments, based on needs which are directly associated with project activities. These are aligned with the annual project workplans with related specific activity budgets, reviewed by the PMT and the MoAIWD management for eligibility. The list of departments and their role in the different components is shown in Table B-1.

**Detailed organograms for each component, along with descriptions of the organizational relationships, are shown in Part B – Section 2.**

**Table B-1: Role of Government Departments in Project Components**

Government Stakeholder	Role description	Comp 1	Comp 2	Comp 3
<b>Ministry of Agriculture Irrigation and Water Development (MoAIWD)</b>				
Department of Irrigation	Coordinate irrigation-related activities, technical oversight & implementation support for Component 1 and Component 3 (for design and construction supervision of on-farm works)	Lead	Support	Co-lead
Department of Water Resources	Coordinate water resources-related aspects, monitoring, complementary investments in water resource protection, and linkages to Shire Basin Management.	Support	-	-
Department of Crop Development	Monitor and foster linkages with all stakeholders involved in crop production.	-	-	Support
Department of Animal Health and Livestock Development	Advise on livestock intensification, mitigation of impacts on livestock, and integration into design.	Support	Support	Support
Department of Fisheries	Support aquaculture, fisheries measurements and Elephant Marshes conservation.	Support	Support	Support
Department of Agricultural Research	Advise on agricultural production and research, crop varieties, pest management, etc.	-	-	Support
Department of Land Resources and Conservation	Support land-use planning and catchment conservation activities.	-	Support	Support
Department of Agricultural Extension Services	Participate promoting and strengthening smallholder farmer organizations, co-operatives or companies.	-	Support	Co-Lead
<b>Ministry of Lands, Housing and Urban Development (MoLHUD)</b>				
Department of Surveys	Support land administration and land-use planning; be repository of spatial information for SVTP through Spatial Data Centre.	Support	Support	-
Department of Physical Planning	Ensure land-use planning under SVTP is consistent with national and district plans, and is enforced. Provide information to support land acquisition and compensation activities along the canal alignments.	Support	Support	-
Department of Lands	Support process of providing land tenure security; roll-out of the land regulatory framework.	-	Lead (SC 2.1)	-



Department of Housing	Concerned with the nation's house need		Support	
Department of Urban Development	Concerned with the Urban Physical Plans including trading centres		Support	
<b>Ministry of Natural Resources Energy and Mining (MoEM)</b>				
Department of Energy and Mines	Support EGENCO and ESCOM in strategic discussions (around power, Kapichira pond management coordination, etc.).	Support	-	-
Environmental Affairs Department	Coordinate GEF-related activities and supervise environmental compliance under SVTP.	Support	Support	Support
Department of Forestry	Support implementation of community- based forest management.	-	Support	Support
Department of Climate Change and Meteorological Services	Support coordination and access to meteorological data	Support	-	Support
Department of Parks and Wildlife	Coordinate activities related to protected areas; contribute to supervision of works in protected areas; advise on ESMP implementation, designs for Majete and Lengwe, fish barrier.	Support	<b>Lead (SC 2.2)</b>	-
<b>Ministry of Local Government and Rural Development (MoLGRD)</b>				
Department of Local Government	Support community engagement process and land consolidation activities, including CLCs.	Support	Support	Support
District Councils	Support relevant district level activities.	Support	Support	Support
<b>Ministry of Gender, Children, Disability and Social Welfare</b>				
Department of Gender Affairs	Facilitate provision, promotion and dissemination of gender-tailored information. Advise on implementation methodologies that increase access to agricultural resources for women and vulnerable groups.	Support	Support	Support
Department of Children Affairs	Promote the safety and wellbeing of the children	Support	Support	Support
Department of Disability Affairs	Develops the physical, mental and social capabilities of people with disabilities, and to ensure their full participation and enjoying equal rights with a view to promoting their integration into the community.	Support	Support	Support
Department of Social Welfare	Preserves and strengthens the family as a unit, to develop caring interpersonal relationships, to enable individuals and family members to prevent personal and family problems and to provide suitable services to meet needs that cannot be adequately met from within the family.	Support	Support	Support

		-		
<b>Ministry of Industry Trade and Tourism (MoITT)</b>				
<b>Malawi Investment and Trade Centre/ Department of Investment</b>	Provide specialized support to foreign and local investors in SVTP; play advisory role on trade and export promotion.	-	Support	Support
<b>Department of Trade</b>	Advise on business climate, business licenses etc.	-	-	Support
<b>Department of Cooperatives &amp; SMEs, and Department of Industry</b>	Support project in registering cooperatives; promote cooperative ventures and agribusiness linkages.	-	Support	<b>Lead</b>
<b>Ministry of Disaster and Relief Management (MoDRM)</b>				
<b>Department of National Relief and Disaster Management (DNRDM)</b>	Provide linkage between agricultural development and flood risk management in the basin.	Support	Support	-
<b>Parastatals</b>				
<b>EGENCO</b>	Support coordination of Kapichira pond management; provide access to intake location; support strategic discussions on SVTP power agreements.	Support	-	Support
<b>Shire River Basin Agency/National Water Resources Authority</b>	Advise on water resources allocation (permit) and operational management, full flow forecasting, incremental planning of water resources in the basin.	Support	-	-
<b>Public Private Partnership Commission</b>	Support all transaction-advisory processes and the finalization of contracts with the private party responsible for operations and Water Purchase Agreements under the project.	Support		
<b>Southern Region Water Board</b>	Support all planning and development arrangements for water supply to Chikwawa Town using the water from main canal.	Support		
			-	-

### 1.3 Shire Valley Consultative Committee and Community Advocacy and Liaison

Apart from project-specific steering and implementation, the nature of the program also requires a structured process of stakeholder consultations on various aspects of scheme development, land tenure organization and agricultural support. These consultations started during project preparation, and will become more systematic and institutionalized during project implementation, forming the backbone of information-exchange and an adaptive management strategy.

The Consultative Committee (CC) (Figure B-8) will be coordinated by a suitable NGO at District-level to avoid conflicts of interest and maximize wider social engagement. It will have representatives from multiple project stakeholders, first and foremost from future water users, as well as from civil society, the private sector, and communities. The committee will thus represent a breadth of perspectives on Shire Valley development, and serve as the platform for debate and information-exchange.

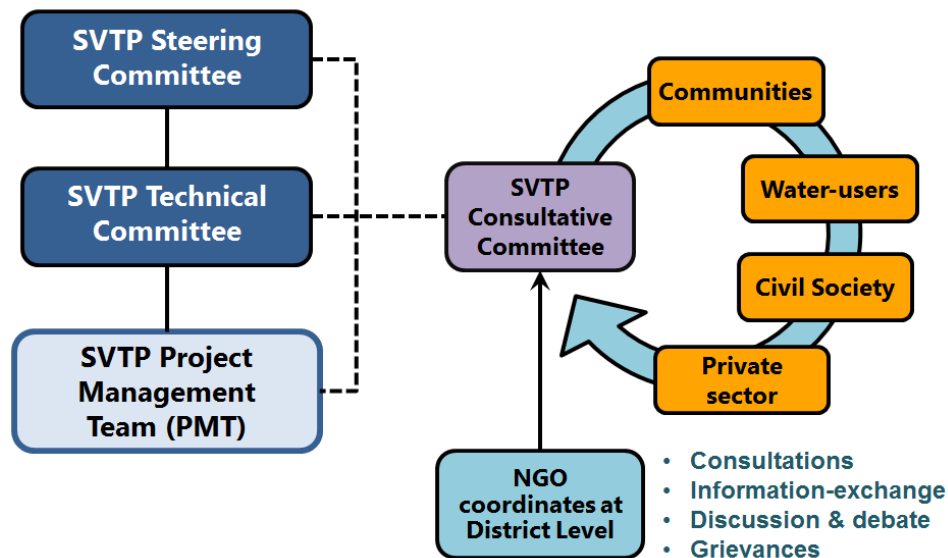


Figure B-8: The SVTP Consultative Committee

As districts will be involved in most sub-components to varying degrees, the following will also be represented on the CC: technical officers (from relevant departments at district and field extension level), Traditional Authorities, Village Development Committees, Group Villages, community groups, and committees such as Village Natural Resource Management Committees. The *Shire Valley River Basin Program* is one important ongoing intervention in the sub-region with a range of currently-involved stakeholders that would also be involved.

In addition to the formal committee, the project management team (PMT) will invest in community liaison structures to give voice to community concerns and questions, and generally be the information agency of the project. These structures will involve community facilitators well-embedded within the project management structure.

## 1.4 Policy Dialogue

The project, coordinated by the PMT, will participate in existing policy dialogue forums to improve dialogue and coordination. Of particular importance is coordination with the MoLHUD on the piloting of the new land act, with elements thereof funded by the European Union. The Voluntary Guidelines on Land Tenure (VGGT) are an important reference to inform implementation actions on this theme.

The project team will seek close coordination with the Agricultural Commercialization Project which supports the same objectives at national level. Platforms include Joint Sector Reviews under the Agricultural Sector Wide Approach (ASWAP), Technical Working Groups (such as the Commercial Agriculture and Market Development of ASWAP), Water for Agriculture, and other relevant groups under the National Exports Strategy. The project team will also utilize existing Public Private Dialogue forums and other relevant commodity platforms.

## 1.5 Robust organisational design themes

Three major implementation themes are reflected in the management and organizational structures of the SVTP.

**1** The need for a *robust implementation mechanism for infrastructure and irrigation development*. For irrigation development, a strong project management team will be formed, and project monitoring established. Technical services will be outsourced. For irrigation management, the contract with the private operator will be based on commercial modelling and the financial and legal structuring of the overall project. The contracting authority will be (an agency of) the Ministry, and the Water Purchase Agreements will be drawn up with all prospective water users (per block).

**2** The need to strengthen local land governance for Customary land tenure administration, and the need for *structured stakeholder consultation and community development* to organize secure land tenure (and avoid elite capture and land-grabbing), and to facilitate land-use planning and community engagement. A support mechanism will be set up for citizen engagement and farmer organization support. This will include support in structured dialogue, grievance redress, and process monitoring.

**3** Project *implementation and success will rely primarily on its market and agri-business orientation, and on the ability of smallholders to secure land tenure*, as there is a need for highly profitable agricultural production. For the agricultural development aspects within the various smallholder co-operatives or companies that will be formed during the SVTP, many implementation responsibilities will be given to private investors and farmers organizations. The approach will be based on successes in Malawi and other countries in developing value chains that promote coordination among private stakeholders and deliver well-targeted services to help farmers comply with market requirements. The approach will be developed under the program and will be based on the model of challenge funds, in which private sector and marketing expertise is well-represented.

# 2. Project Management Organizational Arrangements

The project management organizational arrangements are set out in this section and organograms for the implementation of each component are presented. A brief overview of each component is provided for context, but the *full descriptions of the project component activities and approaches are detailed in Part C1 to C4 of the PIM.*

## 2.1 Component 1 – Irrigation Service Provision

### Sub-Component 1.1: Infrastructure development

Infrastructure development will be carried out by qualified contractors. Design and construction supervision will be outsourced to a design and supervising engineer (consultancy), who will represent the Government on all works supervision. The Ministry will provide general oversight through the PMT, which will have functions in contract management (see Figure B-2). The SVTP Consultative Committee (or a sub-committee thereof), comprising affected traditional authorities as well as current irrigators (including Phata, Kama and Kasinthula Cooperatives, and Illovo) and future irrigators, will be regularly briefed and involved in quality assurance.

If the bulk water operator is appointed ahead of construction completion (which is preferred), all information regarding ongoing and remaining construction works and equipment will be shared for feedback and advice. Formal supervision will remain with the design and supervising engineer.

Additional requirements apply for canal construction within the Majete Wildlife Reserve, as explained in the environmental safeguards section. These will be governed by an MOU between DNPW, MoAIWD and Africa Parks Foundation, and included in rules for the contractor. As per policy, no works shall commence on land for which compensation has not yet been fully paid. A RAP consultant will be recruited as soon as detailed design is ready. The consultant will work in liaison with the engineer to provide technical support to the GoM who are responsible for RAP development and implementation. The precise financial structure of private finance (separate SPV, ownership) will be determined during SVTP-I and will be completed prior to construction of the scheme infrastructure.

The MoLHUD needs to be centrally involved in the process from the start because there will be Government land purchases and land compensation on the canal route. A cut-off date for all local land transactions needs to be agreed *before* starting the canal construction to avoid land speculation. This needs to be done in close collaboration with the PMT, District and Traditional Authorities, and with intensive communication to all potentially affected community members.

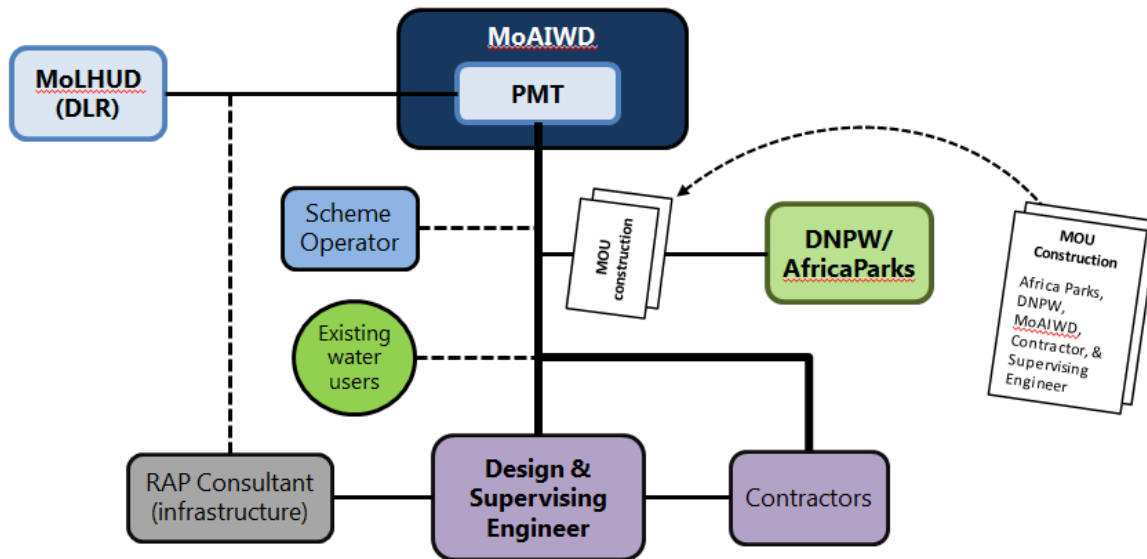


Figure B-2: Organogram for Component 1.1 – Infrastructure Development

### Existing sugar irrigators as key bulk-water clients

Existing agri-business in the Shire Valley include Illovo Sugar which has the largest area of irrigated sugar-cane in the valley, and a number of out-growers including the Phata, Kasinthula and Kama Cooperatives. These are prospective clients of the same irrigation bulk-water services as the newly irrigated areas. They would benefit from reduced pumping and intake maintenance costs after converting to a gravity water supply, for which they would be expected to meet a share of the development costs of the project commensurate with those associated with their connection and the benefits accruing to them.

**Existing irrigators will provide a guaranteed water market**

Approximately 1,400 smallholders, members of the existing out-grower scheme associations, would benefit from converting to gravity water supply, thus saving considerable pumping costs and increasing net incomes. Switching from pumped to gravity irrigation would also benefit the economy, as a significant share of hydropower produced in Malawi is used by Illovo Sugar for irrigation pumping. The resulting energy saving of 4-14 MW per annum would therefore become available for other users.

## Sub-Component 1.2: Support effective and sustainable irrigation management, operation and maintenance

A long-term, performance-based management contract will be established with the private sector to incentivize high-quality management, operation and maintenance of the SVIP. It is foreseen that a government entity, such as an asset-holding company/contracting authority or similar vehicle, will be established within MoAIWD, with the responsibility of ensuring the sound management and oversight of government infrastructure assets, and to act as counterpart for the service-provision arrangement. During the implementation of SVTP this institutional arrangement will be established and the necessary skills and capacity will be developed within government, supported by PPP specialists in the Public Private Partnership Commission (PPPC) and PMT. The organogram is shown in Figure B-3.

The Government has requested IFC transaction advisory services to assist the PPPC with financial structuring, and setting up performance management contracts and Water Purchase Agreements. In addition, the establishment and formal recognition of the Water User Federation will, over time, also be supported under this component, using the same process.

An MOU with DNPW will govern the rules related to canal operation for the contractor and Bulk Water Operator of the section in Majete Wildlife Reserve. Another MOU and operational arrangement will govern the specifics of Kapichira pond management (information-sharing, maintenance, operation, operational decision support on water allocation, scheduling, etc.).

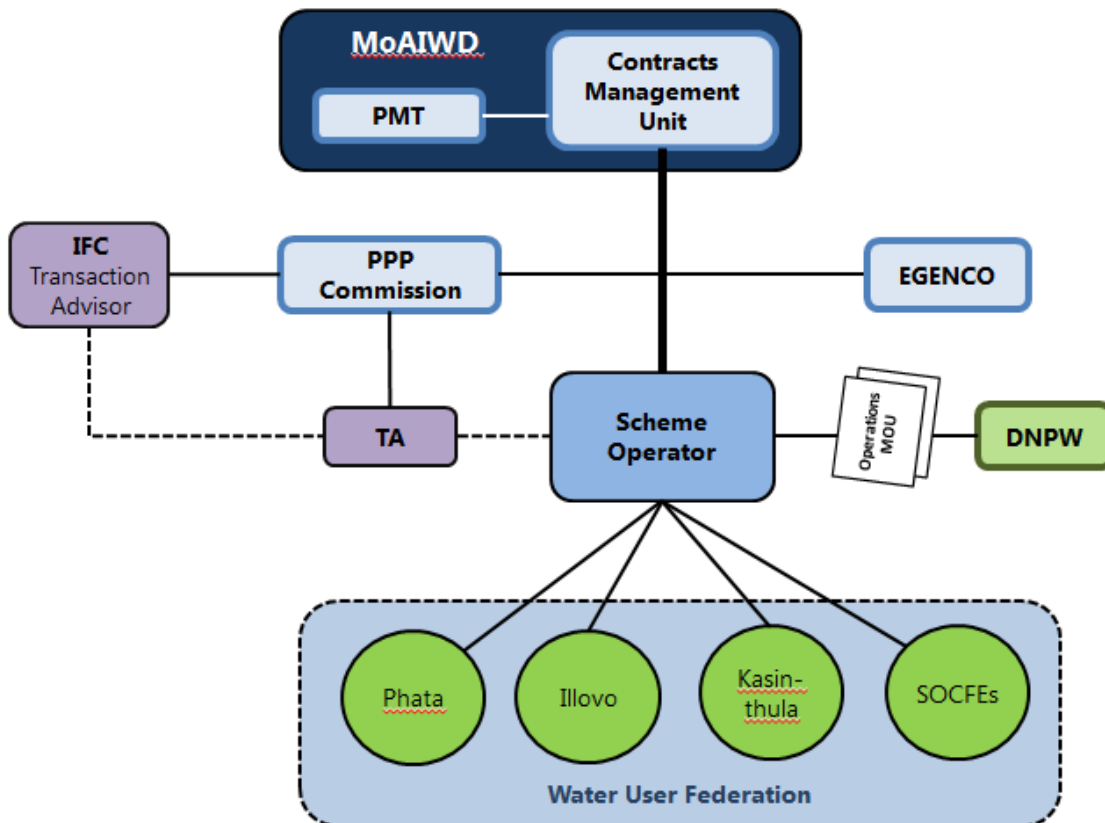


Figure B-3: Organogram for Component 1.2 – Sustainable Irrigation Management, Operation and Maintenance

## Role of the International Finance Corporation

The IFC has been engaged the development of SVTP and is supporting the government to assess possible PPP options for the project. The GoM has requested that IFC PPP Advisory Services be engaged as transaction adviser to provide:



1. Strategic advice on structuring of the commercial aspects of the program, including the water purchase agreements; and
2. Transaction advice for the PPP to operate and manage the irrigation infrastructure.

The water purchase agreement will leverage commercial financing to support the operation and maintenance of the entire scheme and possibly capital investment to ensure the sustainability of the scheme. This support will be coordinated with component 1.2 of the project.

The IFC has ample experience financing agriculture and agribusiness activities in Malawi. It is providing support through the WBG T&C Malawi Agricultural Commercialization Project (P158434) which is also of strategic relevance to SVTP as it supports the overall investment framework for commercial agriculture which is a key objective of this program. The IFC is providing advisory services on operations of agribusiness work, and required tools for ensuring an effective linkage between off takers and producer organizations through AGCOM.

During project implementation, the IFC will explore the potential for and develop a pipeline of private sector agriculture and agribusiness projects that could leverage the planned IDA activities in the SVTP. These could likely involve private sector companies acting as anchor investors in farms or agro-processors that could engage with SOCFEs emergent commercial small farmers and outgrowers in the Shire Valley area using a value chain approach and productive alliances. Proposed activities could include:

- Support select sizeable anchor projects and platform investments through IFC financing and potentially PSW funds if necessary, and IFC Advisory Services;
- Build sustainable value chains to stimulate private sector investment and inclusion;
- Improve access to finance and business literacy and develop value chain finance tools by working with local financial institutions and industry leaders.



## 2.2 Component 2 – Land Tenure and Natural Resources Management Support

### Sub-Component 2.1: Preparing land-based investments

Implementation of this component will be supported by a firm with demonstrated expertise in smallholder rural development, specifically in community mobilization around land tenure issues and capacity-building of poor agrarian communities. The organogram for the component is shown in Figure B-4. This technical assistance consultancy will include the centrally important aspect of project outreach and communication with local stakeholders leading to the formation of 'group-owned' customary estates through an intensive participative process. The communication outreach will start the process of developing local land governance capability, farmer identification and finally, group formation. The iterative process will result in land consolidation and the formal registration of customary estates under the provisions of the new Customary Land Act.

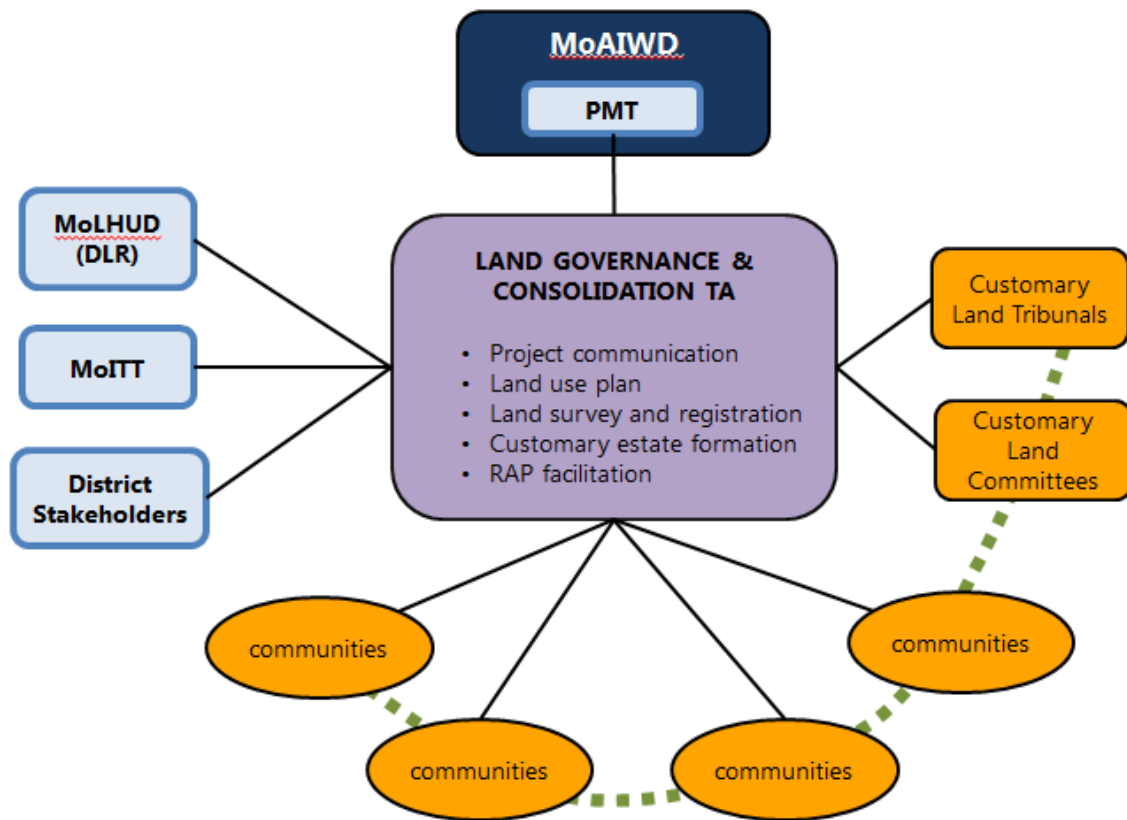


Figure B-4: Organogram for Component 2.1 – Preparing Land Based Investments.

The service provider will work with and strengthen the District Registries, Traditional Land Management Authorities and local land committees, as well as the local offices of the MoLHUD in land administration. It will facilitate land-use planning, land surveying, land adjudication and land consolidation, with the Resettlement Action Plan (RAP) development fully integrated into the process. *Details of this centrally important task for the SVTP are set out in the PIM Part C2 (Component 2).* The

rationale is to have a fully-informed and integrated process during which farmers can make informed decisions on their changes in land tenure and be protected from possible negative impacts. The process is fully interlinked with irrigated agriculture development activities in Component 3 where many of the potentially negative social impacts of the land consolidation process are addressed. Safeguards are thus integrated into the core economic and social development program activities.

The service provider will form an extensive team to engage with and support communities and groups in decision-making with close involvement of the PMT. Group or village-level facilitators will support the process from the identification of farmers to the formation of the consolidated Customary Estate.

Major advantages of this integrated approach are: the coordination risks are smaller; holistic development plans can be drawn up; and the planning process engages those who opt in and those who opt out equally. Possible land disputes related to the adjudication process would be addressed at by the Land Tribunal at TLMA level. There will also be an independent GRM under the PMT to ensure adequate checks and balances in the system. Details of the legal steps and development stages in the land consolidation process are described in the PIM Part C3 (Component 3), including the central role of the MoLHUD in the entire process, and the role of TLMA-level Customary Land Tribunal and the functions of the District Land Registry.

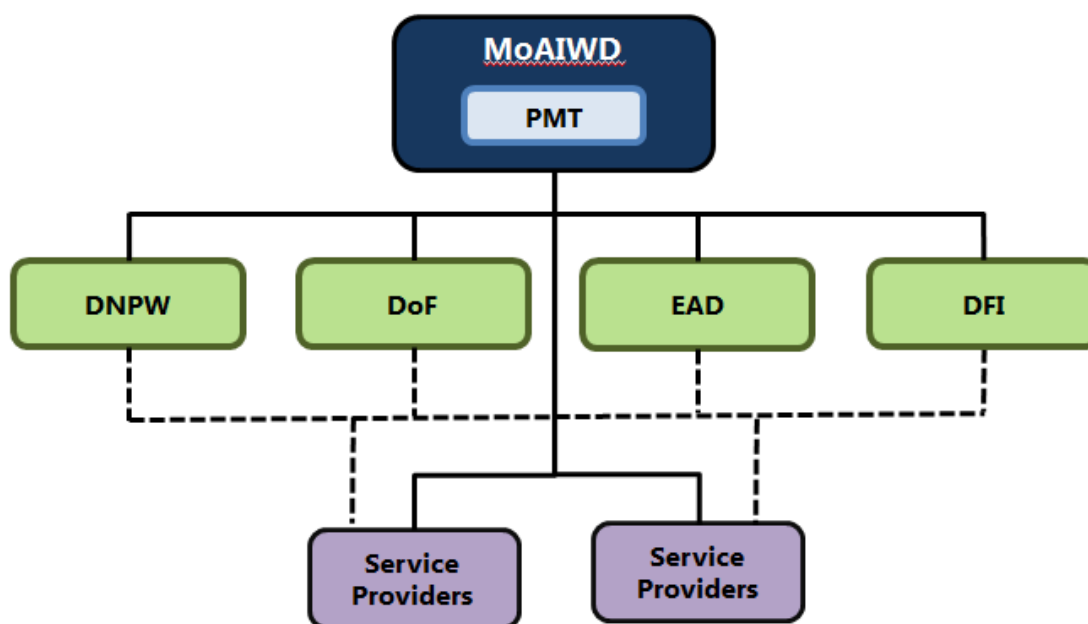
## **Sub-Component 2.2: Natural resources management**

Following good practice of the Shire River Basin Management Program which is currently underway, a Sub-Committee will be established to review activities related to ecological management, when necessary. The Sub-Committee will include: department members (e.g. DNPW, DOF, EAD) directly involved with biodiversity and the management of natural habitats; academic institutions with ecological expertise; and private or non-governmental organizations involved in field conservation in the Shire Valley. Its role will be to coordinate and provide technical review on cross-agency tasks such as basin-wide ecological surveys, biodiversity knowledge products, regional eco-tourism development strategy, and strengthening management coordination between protected areas in the basin.

The management of natural habitat blocks will be implemented by DNPW within National Parks and the Elephant Marshes, and by DOF within the forest reserve, working through Village Natural Resource Management Committees (VNRMCs) where appropriate, which should strengthen these committees.

Implementing agencies will be supported by a range of specific technical assistance inputs and a long-term advisor who focuses on protected area management and community participation. While sub-component 2.2 activities will be embedded in the overall SVTP PMT, the implementation modalities will be relatively autonomous as they involve a different group of agencies than the rest of the project.

DNPW's regional presence and mandate will allow it to facilitate coordination and support across different conservation sites in the Shire, including with the African Parks Foundation. Where possible, synergies will be explored with the community-based activities under SRBMP and SVTP so that natural habitat area management is merged into land-use planning where appropriate, and that flood risk management activities in and around the Elephant Marshes and ecosystem management continue to be planned in unison. This will be arranged at District and PMT levels through regular project monitoring.



FigureB-5: Organogram for Component 2.2 – Natural Resources Management

## 2.3 Component 3 – Agricultural Development and Commercialization

The Project has adopted a farmer-driven approach around a model of Smallholder-Owned Commercial Farm Enterprises (SOCFEs) and productive alliances, meaning that a variety of stakeholders will be involved (e.g. producers, off-takers, brokers, services providers, independent evaluators and financial institutions). Details of the approaches and sequence of activities are described in Component C2 (PIM Part C2), and elaborated further in the TOR for the Land Governance and Consolidation Technical Assistance Consultancy (PIM Annex 2). The organogram for Component 3 is shown in Figure B-6.

From early in the project the PMT will recruit a service provider, ie. the Land Governance and Consolidation TA, to work with communities to:

- explain the project proposition,
- identify farmer groups through the processes defined in Component 2.1 (PIM Part C2)
- help define pathways, and
- support business planning, broker linkages, and agribusiness partnerships at cooperative or individual level (depending on the pathway).

Based on the model of the Agricultural Commercialization Project (AGCOM), the service provider will be contracted to support productive alliance-building and business planning, and will facilitate linkages between producer associations and off-takers. Producer associations will be provided with support in preparing their business plans and liaising with off-takers around contractual terms and

conditions. Service providers with the requisite capabilities and experience will undergo a competitive tender process that is managed by the PMT

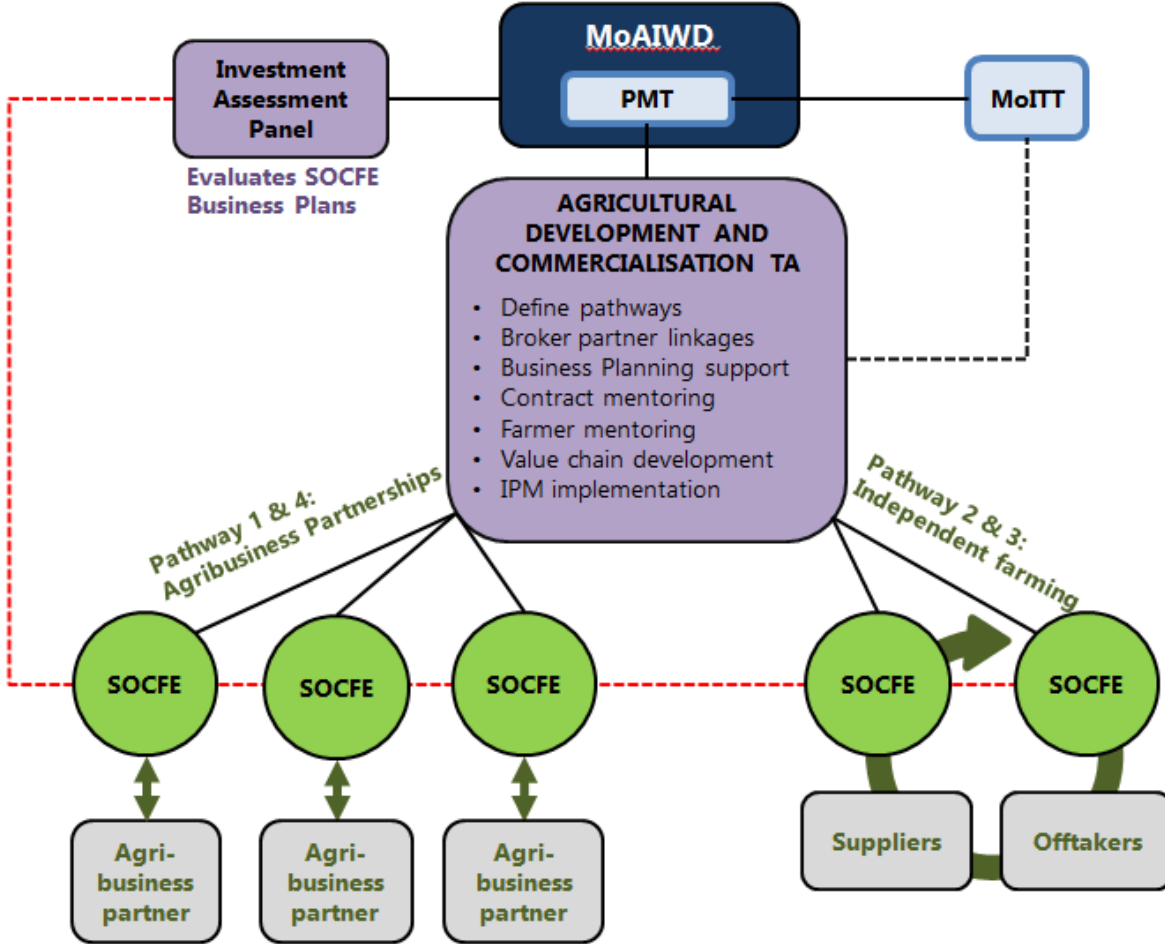


Figure B-6: Organogram for Component 3 – Agricultural Development and Commercialisation

The PMT will form partnerships with competent stakeholders and will contract, on a competitive basis, evaluators and service brokers who are given clearly-detailed roles and responsibilities.

The PMT will also form an independent Investment Assessment Panel (IAP) to assess funding requests from the Smallholder-Owned Commercial Farm Enterprises (SOCFEs). SOCFE businessplans will be prepared with the assistance of strategic agricultural partners and with involvement of the Agricultural Development and Commercialization TA consultant.

The panel will review plans submitted from the SOCFEs, and recommend their suitability for inclusion in the program. Under the productive alliance, a **matching grant** scheme will support irrigation and agricultural capital investments within the SOCFE boundary. The projects will support successful business plans (sub-projects) with grants for technical assistance and matching grants for capital investments (detailed in Component 3, Part C3 of the PIM). The development on SOCFEs, such as land-clearing and levelling,

### Criteria for funding of business plans

- technical feasibility
- financial viability
- market linkage strength
- capacity of alliance partner
- social aspects (e.g. job creation)
- environmental sustainability
- management of production risks

provision of irrigation water delivery and farm roads etc., is financed under the program through matching grants. The same approach will be followed with non-moveable farm equipment. Moveable equipment (tractors, farm machinery, vehicles, moveable irrigation equipment such as center pivots, etc.) will be financed through the matching grants, based on business plans and, when appropriate, complemented by commercial loans/lease finance. Compensation processes for harvest losses during the construction of the irrigation systems in the blocks will also be established.

Financing of the matching grant will also be supported by a regional challenge fund that is being considered and to which the program will be aligned, if the challenge fund is realized. Several financiers (debt and equity providers) have expressed interest in this fund, which will be operationalized in the first few years of the program and will grow to scale under SVTP-II. The project support of working capital for overheads and production costs will be a combination of start-up grant financing (for overhead costs) and commercial financing, linked explicitly to off-taker agreements. For all financing support, business plans will be tested for financial viability.

## 2.4 Component 4 – Project Management and Coordination

The project will provide funding to establish the Project Management Team (PMT) who will be responsible for day to day implementation activities. The PMT will be located in Blantyre with a project office in Chikwawa. An organogram is shown in Figure B-7.

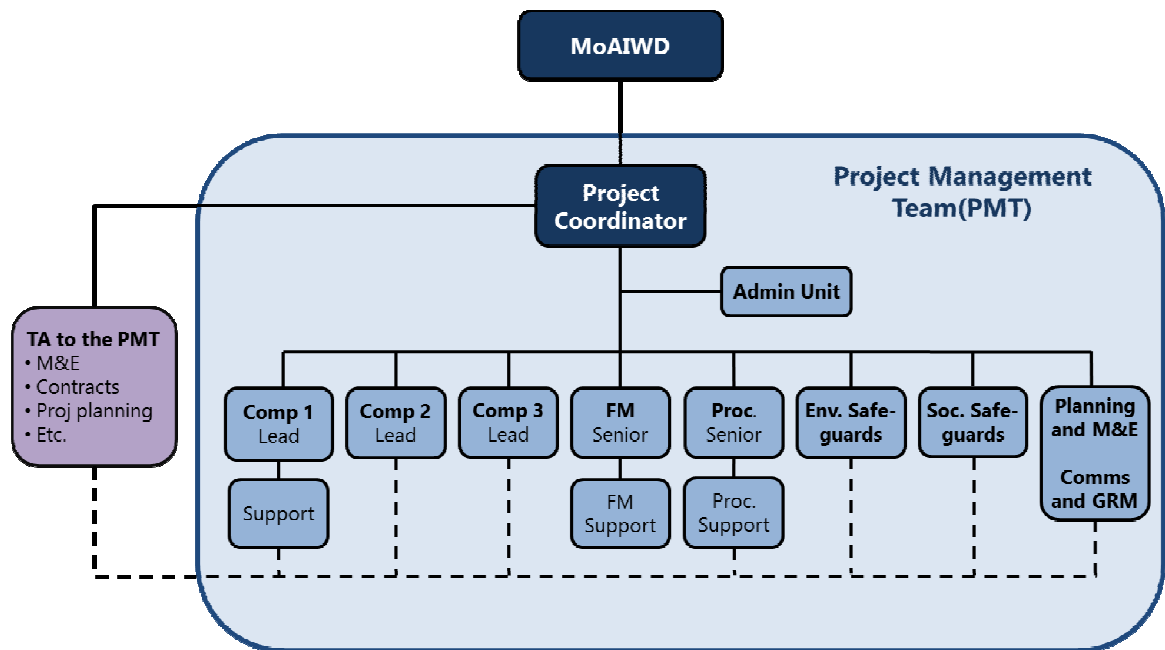


Figure B-7: Organogram for Component 4 – Project Management

The PMT will contract professional and support staff in addition to Government personnel to strengthen capabilities and facilitate effective project management. This will include:

- **Professional staff** – a Project Coordinator, leads for Components 1,2 and 3, fiduciary staff, environmental and social safeguards specialists, M&E, communications and GRM staff.
- Strong **technical assistance**(TA) to the PMT in the areas of contract management, monitoring and evaluation and planning.
- An **administration unit** with support staff.

Under the guidance of the PMT, required staff will be hired under short-term consultancy or Technical Assistance contracts. PMT incremental operating costs, as well as incremental operating cost budgets by sub-component, are to be administered by the PMT, based on annual work plans and specific activity plans.

**Details of the activities involved in Component 4 are provided in PIM Part C4, and other administrative processes and modalities for the PMT can be found in the PIM Part D.**

### **3. Other Agencies and Partners**



The GOM intends to pull together resources from different development partners to achieve the Program objectives. Individual partners will finance different projects/activities in parallel under the umbrella of the Program. It is anticipated that local NGOs will also be involved, particularly to monitor implementation of the Resettlement Action Plan and the Grievance Redress Monitoring Strategy, and

to coordinate the SVTP Consultative Committee at District level.

The World Bank and AfDB have jointly supported and financed the preparatory phases, and will provide catalytic funding to the first phase. Project phases can be overlapping, and there is both donor and private sector interest in investing in agricultural development within the scheme, as well as in associated services. The WB, IFC, and Multilateral Investment Guarantee Agency (MIGA) have collaborated on the identification and preparation of this project. Collaboration between the World Bank and the IFC on an advisory basis has occurred at different levels in the assessment of viable role for private sector in the program, and it is foreseen to continue during implementation.

The GEF will co-finance investments in support of improved natural resources management, including support for conservation areas, and actions to tackle illegal logging and wildlife crimes (more details are provided in the PIM Annex 3). The program has been prepared in close coordination with other DPs and civil society in the agriculture and water sectors, and will continue during implementation. Coordination with EU- and FAO-supported programs in land governance will be important in the piloting stage. Financiers who have expressed interest in financing future phases of the program (downstream investments) will be closely engaged.

## **4. Stakeholder Identification Processes**



An important part of the SVTP institutional and organizational development process is to appraise the full range of stakeholders who have interest in the project. The stakeholder identification process describes a systematic framework and presents working guidelines on how to assess the nature of stakeholders' interests. The outcome of the analysis informs the level of engagement and the kind of communication that is needed between the PMT and the wide range of parties who have vested interest in the SVTP.

## 4.1 Overview

Stakeholders are any organization or individual who is involved in or affected by the planning, implementation and ongoing operations and maintenance of the SVTP.

It is obvious that the involvement of stakeholders is a precondition for the success of any participatory process, but surprising how often this is not done systematically or thoroughly. The proper planning and engagement of relevant stakeholders must take place because these:

- provide a platform of engagement that leads to better definition of shared challenges;
- ensure that people affected by decisions have a say over how the project affects their lives;
- provide for knowledge-exchange and the development of appropriate solutions; and
- increase the chance of implementation success.

This essential process has some challenges in that it can be time-consuming, requiring specialist facilitation and communication expertise, and involves some risks, such as leaving out important stakeholders. The guidelines for stakeholder processes included here give direction to all implementers working on the SVTP and covers the four stages outlined in Figure B-9.

**stakeholder  
involvement is a  
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any  
participatory  
process**



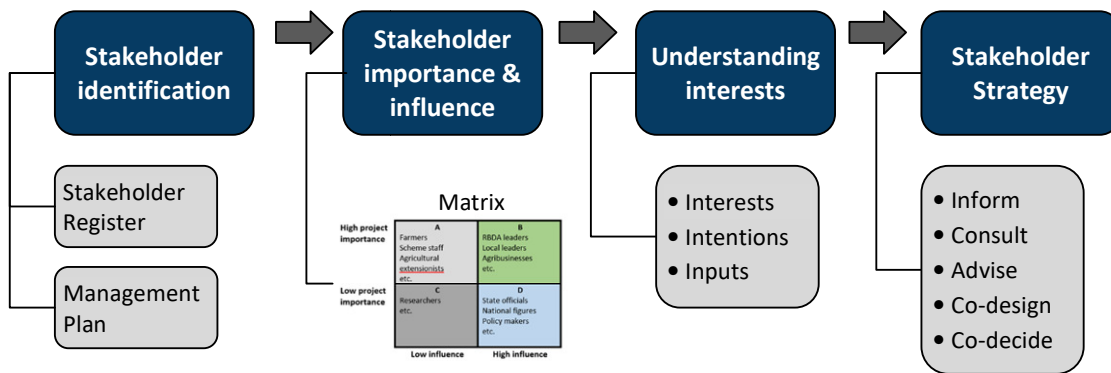


Figure B-9: Steps in developing a stakeholder strategy

## 4.2 Stakeholder Identification

This is the process of identifying all people or organizations impacted by the project, and documenting relevant information regarding their interests, involvement, and impact on the project success.

**leave out a stakeholder ... and you leave out a risk *and* an opportunity**

The main questions asked about stakeholders are:

- Who are the people, groups and institutions that are interested in the SVTP?
- What is their role? Are they farmers, government officials, suppliers, service providers etc.?
- Who are the people directly and indirectly benefiting from the project?
- Who might be adversely affected or impacted? What constraints does this imply?
- Who has the power to influence the SVTP during implementation?

### Techniques and strategies

The best way to identify stakeholders is to go about it in several ways, leading to logical groupings and sub-groupings.



A good start is to brainstorm with a group of people and develop 'mind-maps', simply writing down names and linking them. This can be an untidy and somewhat chaotic process, but enables creative thinking, leading to more inclusive identification of relevant parties.



Whoever is providing project financing, personnel or physical resources at national and district levels is important to include.

Individuals who sign off local and higher-level approvals of any kind (access to security areas, legal processes, fieldwork allowances, authorizations etc.) need to be identified.

### Follow the signatures



Take a good look at other similar projects which have been implemented, review their stakeholder lists, and include potential stakeholders from there.

Speak to people systematically, as well as informally in the corridors. This is still one of the best and most effective ways to identify important parties and spread the inclusive net of stakeholder engagement more widely.



In an ongoing process throughout the project, but most importantly when analyzing the initial stakeholder list, these questions can be asked:

- Have all potential supporters and opponents of the project been identified?
- Have gender aspects been considered properly to ensure that women are both identified to participate, and that they can in fact participate in the future processes, given cultural and local practices, and precedent?
- Are there any new stakeholders that are likely to emerge?

**NB: people who are important in society may not be important as project stakeholders**

## Grouping of interests

Stakeholders can be grouped in various ways, some of which might emerge from the brainstorming or mind-mapping process. Once stakeholders have been divided into logical groups and sub-groups, the importance of each, along with their influence and power, can be assessed. One practical way of establishing groupings is through categories such as:

- National Government institutions
- Regional and District institutions
- Traditional Authorities
- Farmers and land-rights entitlement holders
- Farmer associations and co-operatives
- Women's groups
- Local Authorities (Decentralized Government)
- Opinion leaders (political, religious and civil society leaders)

- Non-Governmental Organizations

This is a simple initial approach which can then be followed by more complicated ways of grouping, such as listing out and ranking the issues of the stakeholders, and then grouping them according to common priority issues. This sophistication is attractive, but should follow the first round of stakeholder identification and the development of the initial strategy.

### 4.3 Assessing Importance and Influence

Once the stakeholders are identified and grouped logically, their importance and influence and power can be detailed.

#### Importance

This reflects the priority given by the project implementing team to each stakeholder (the intention to meet the stakeholder’s needs and concerns) in relation to the defined aims and objectives of the project. ‘Importance’ is not about how important these stakeholders are generally in society, but how important they are in relation to the project-specific processes and objectives.

#### Influence & Power

This affects the ability of the stakeholder to affect the implementation of a project due to his or her strength or force. This must be assessed in terms of potential positive and negative influence. It is important to understand how each stakeholder can take action (within the collective of stakeholders and outside of it), how they can be involved, how they can contribute, or be provided with appropriate information to maximize project gains.

There are different ways to assess importance, influence and power, noting these are always subjective and qualitative. One of the easier ways is to use a simple matrix, as shown next.

High project importance	<b>Box A</b> Farmers District personnel Extension officers Women’s groups	<b>Box B</b> PMT personnel Trad. leaders Agri-business Consultants
	<b>Box C</b> Researchers	<b>Box D</b> State officials Policy makers
Low project importance	Low influence	High influence

Figure B-10: Typical example of an Influence and Importance matrix

Priorities and strategies for engagement can then emerge from this matrix, guided by the implications of being placed in one of the following four boxes:

<b>Box A</b>	This group will require special initiatives to protect their interests and facilitate an active role in the project.
<b>Box B</b>	A good working relationship with this group is of high strategic importance to the project.
<b>Box C</b>	This group may have some limited involvement in evaluation, but are of low priority for short-term implementation targets.
<b>Box D</b>	This group may be a source of risk and will need careful monitoring of various related initiatives that could impact on the project, as well as active management as issues arise.

It may be necessary, in developing the matrix, to list out all the stakeholders and then brainstorm why the project is important to them, and the extent of their likely influence and power. This can also be done in table form.

**Table B-2: Example of stakeholder importance and power descriptions**

Stakeholders	Importance of the project to the stakeholder	Influence and power on the project
<b>Farmers</b>	<ul style="list-style-type: none"> <li>To increase their farm-based livelihoods assets and incomes.</li> <li>To manage risks through active participation in irrigation services.</li> </ul>	<ul style="list-style-type: none"> <li>A primary water user who must pay for services and work collaboratively with other farmers to maintain and operate selected irrigation infrastructure.</li> </ul>
<b>Scheme-level staff</b>	<ul style="list-style-type: none"> <li>Facilitate their agency through new institutional mechanisms for more effective scheme services management.</li> <li>Growth in technical knowledge and strengthened capability to deliver to farmers as per local expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Hold substantial local operational, historical and technical knowledge that is a foundation for future improved operations (knowledge = power).</li> <li>Have long relationships with other key stakeholders, including local leaders, and can positively or negatively influence necessary changes.</li> </ul>

The above table, when expanded for all stakeholders, is very useful as an ongoing reminder of who is involved and why. It is useful to develop a large poster that is kept in a place visible to the PMT. This will help the key people driving the project implementation maintain a deeper insight into various perspectives, and better understand issues which unfold in the stakeholder engagement process.

## 4.4 Understanding Stakeholder Interests

This is an extension of the previous table, but one that unfolds through the actual participative processes with the stakeholders, leading to a greater understanding of stakeholders' intentions, interests and inputs, and could be included as a third column of Table 2.

### Interests

are the visible and explicit reasons why stakeholders are involved (e.g. farmers want a more reliable water supply, dam operators want clarity on actions for different hydraulic scenarios, etc.).

### Intentions

are the implicit or sometimes hidden motivations that inform the interest, or a parallel intended outcome that is not communicated explicitly (participative processes can be used for political objectives, financial motivation can be a hidden driver, etc.).

### Inputs

are useful if expanded on as they provide a good indication of what the stakeholder is committing to the project, and thereby gives perspective to their interests, intentions, importance and influence.

Questions that can help with stakeholder engagement and expansion of these themes are:

- What are the stakeholders' expectations of the project?
- What benefits are there likely to be for the stakeholders?
- What resources is the stakeholder willing to commit (or not commit) to the project?
- What other interests does the stakeholder have which may conflict with the project?
- How does the stakeholder regard other stakeholders?

## 4.5 Developing a Stakeholder Strategy


Based on the information collected and analyzed as set out above, the stakeholder strategy is developed to guide the project implementing and communications teams on how to interact with each of the identified stakeholders, as individuals and as part of stakeholder groups.

The strategy will define who should participate in various levels of activities, and provide a basis for building and maintaining positive relationships. The strategy should address:

- Contact and facilitation approaches to involve stakeholders in various levels of activities.
- Ways to influence stakeholders to the project's advantage.
- Best methods for communication with various groups of stakeholders.
- Ways to neutralize or manage negative impacts that some stakeholders might have on the project.

The main instrument in developing the strategy is a stakeholder **participation matrix** (indicative layout shown in Figure 3). This has two scales: the vertical axis presents the implementation activity and the horizontal axis the 'participation level.

**TableB-3: Implementation participation matrix for stakeholder involvement and communication strategy**

		Increasing participation level 			
Implementation Activities	Description	Inform	Consult	Collaborate	Co-decide
<b>Component A</b>					
Subcomponent 1		Relevant stakeholder names	Relevant stakeholder names	Relevant stakeholder names	Relevant stakeholder names
Subcomponent 2		etc.	etc.	etc.	etc.
etc.					

**Participation level** can be viewed as a continuous scale, ranging from low to high depending on how interested the stakeholders are in their hoped-for outcomes from the project, and on how much the PMT wants their participation for tactical or practical reasons. There are four general levels.

**Inform** – To provide balanced and objective information to enable people to understand the issues, alternatives and likely solutions. Participation is minimal.

**Consult** – To obtain stakeholder feedback on analysis, alternative and or decisions. It involves acknowledging concerns and providing feedback on how various stakeholder input has influenced various decisions reached.

**Collaborate**– To work as a partner with the stakeholders on each aspect of the decision, including the development of alternatives and the final solution.

**Co-decide** – Tocapacitate appropriate stakeholders on specific issues, through involvement and *collaboration*, to make informed decisions and take responsibility for consequences that arise.

**Implementation activities** are either the phases of the project that require various levels of participation (above), or they can be defined to the component or sub-component level.

In this way, the full list of stakeholders can be aligned with the full set of components, sub-components and activities, and the participation levels can then be defined. This will result in a table showing elements of the project as they will be implemented (activities), and lists of stakeholders who fall under 'inform', 'consult', 'collaborate' or 'co-decide'.

**The stakeholder strategy that emerges will inform the communication strategy, which is an essential tool for effective stakeholder awareness, involvement and responsiveness (see PIM Part C4).**

