

**Press Release**

*For immediate release*

## **African Water Facility Supports the Development of Irrigated Agriculture to Increase Food Security and Economic Growth in Malawi**

**Tunis, Tunisia, January 7, 2014** – The [African Water Facility \(AWF\)](#) has offered a €1.8 million grant to the Government of Malawi to help prepare a project designed to expand irrigated agriculture in the Lower Shire Valley. The project will help overcome the adverse effect of prolonged dry spells and frequent flooding to improve and spread agricultural production.

It will also create opportunity for employment through the establishment of smallholder farming ventures and professionally operated irrigation services. Over 272,000 people are expected to benefit from this project.

Malawi depends largely on rain-fed agriculture to achieve food security and socio-economic growth. Agricultural productivity and production under rain-fed conditions are low and uncertain, however, in particular owing to unreliable rainfall and natural disasters such as erratic rains, dry spells, pest and diseases, droughts and floods. Since Malawi is endowed with underutilized water and irrigable land, the Government places a high priority on irrigation development to increase crop productivity and production for food security for both domestic and export markets.

The Lower Shire Valley is one of the most fertile areas of Malawi, boasting rich deep soils with important irrigation potential. The Government's plan is to develop this potential within the administrative districts of Chikwawa and Nsanje in various phases to cover a total of 42,500 hectares, by extracting water from the river and conveying it by gravity to the irrigable area mainly through open canals.

“The Government of Malawi has long wanted to develop irrigated agriculture in the Lower Shire Valley, but a number of challenges have stood in the way of project implementation,” noted Akissa Bahri, Coordinator of the African Water Facility. “In coordination with the World Bank, we are bringing our support to address these issues namely by assessing outstanding technical issues and supporting the Government in mobilizing financing. These studies will also help defining win-win ventures between smallholders and the private sector, so that this project can be economically sustainable and provide more benefits and jobs to local populations.”

The estimated total cost of the project preparation activities is €5.3 million, of which €1.8 million is covered by the AWF, €3.4 million by the World Bank, and €73,000 by the Government. The grant will be specifically used to finance a feasibility study and preparatory activities to mobilize financing for the first phase of the irrigation plan which will cover 21,000 ha of land area, which could cost up to €231 million.

The overall project will also explore a public-private partnership arrangement to mobilize private financing to cover part of the investment costs involved for the inlet and feeder canals.

**About the African Water Facility (AWF):** The AWF is an initiative of the African Ministers' Council on Water (AMCOW) hosted by the African Development Bank (AfDB), established in 2004 as a Special Water Fund to help African countries achieve the objectives of the Africa Water Vision 2025. The AWF offers grants from €50,000 to €5 million to support projects aligned with its mission and strategy to a wide range of institutions and organizations operating in Africa. Its three strategic priority activities are (1) **preparing investment projects** to mobilize investment funds for projects supported by AWF; (2) **enhancing water governance** to create an environment conducive for effective and sustainable investments; (3) **promoting water knowledge** for the preparation of viable projects and informed governance leading to effective and sustainable investments. Since 2006, AWF has funded 84 national and regional projects in 51 countries, including in Africa's most vulnerable states. It has mobilized more than €935 million as a result of its project preparation activities, which constitute 70 percent of its portfolio. On average, **each €1 contributed by the AWF has attracted €30** in additional follow-up investments. The AWF is entirely funded by Algeria, Australia, Austria, the Bill and Melinda Gates Foundation, Burkina Faso, Canada, Denmark, the European Commission, France, Norway, Senegal, Spain, Sweden, the United Kingdom, and the African

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Development Bank. The AWF is governed by a Governing Council representing its 15 donors, UN-Water Africa, the AU via NEPAD, AMCOW and the AfDB. For more information: [www.africanwaterfacility.org](http://www.africanwaterfacility.org)