

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)  
ADDITIONAL FINANCING**

**Report No.:** PIDISDSA19787

**Date Prepared/Updated:** 06-Sep-2016

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Malawi	<b>Project ID:</b>	P160519
		<b>Parent Project ID (if any):</b>	P133620
<b>Project Name:</b>	Second AF for Strengthening Safety Nets Systems Project MASAF IV (P160519)		
<b>Parent Project Name:</b>	Strengthening Safety Nets Systems - MASAF IV (P133620)		
<b>Region:</b>	AFRICA		
<b>Estimated Appraisal Date:</b>	02-Sep-2016	<b>Estimated Board Date:</b>	07-Nov-2016
<b>Practice Area (Lead):</b>	Social Protection & Labor	<b>Lending Instrument:</b>	Investment Project Financing
<b>Borrower(s):</b>	Government of Malawi		
<b>Implementing Agency:</b>	Local Development Fund - Technical Support Team (LDF-TST)		
<b>Financing (in USD Million)</b>			
	<b>Financing Source</b>		<b>Amount</b>
	International Development Association (IDA)		70.00
	Financing Gap		0.00
	Total Project Cost		70.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>	The review did authorize the team to appraise and negotiate		
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

## **B. Introduction and Context**

### **Country Context**

The Republic of Malawi continues to suffer from persistent volatility in terms of macroeconomic policy and performance, with a stop-go cycle that has damaged private sector investment and job creation and hampered efforts to diversify the economy. In the short-term at least there are likely to be growth consequences resulting from fiscal consolidation and/or monetary tightening, as Government is forced to undertake adjustments within a tight fiscal framework. Improving macroeconomic management is an essential pre-requisite if Malawi is to succeed in meeting the twin goals of ending extreme poverty and boosting shared prosperity.

Malawi is a largely agricultural country, with about 85 percent of its population living in rural areas, and ranking as the 16th least developed country in the world according to the 2015 UNDP Human Development Report. It is a landlocked country neighboring Tanzania, Zambia, and Mozambique. Over 70 percent of the population lives below the income poverty line, and 29.8 percent are considered in severe poverty. Although poverty is more widespread in rural than urban areas, income inequality is significantly more pronounced in urban areas. Almost 80 percent of the work age population is employed, with 85.7 percent men and 74.3 percent women constituting Malawi's labor force. Malawi's economy is predominantly agrarian, with 85.1 percent of households engaged in agricultural activities and agriculture accounting for 30 percent of Malawi's GDP as well as 80 percent of its exports (mainly tobacco). In 2013 and 2014, growth remained positive at 6.3 and 6.2 percent respectively. Growth in 2015 slowed down to 2.8 percent following the challenges of macroeconomic instability, late arrival of rains and the severe floods experienced in January 2015. Annual average inflation rates have hovered around 20 percent in recent years, reaching a peak of 27.3 percent in 2013 and declining to 21.3 percent in 2015. Current development policies and strategies for Malawi are reflected in the Vision 2020, which was developed in 1998 and presents the country's development goals by the year 2020.

Southern Africa is currently in the grip of an intense drought that has expanded and strengthened since the earliest stages of the 2015-2016 agricultural season, and was driven by one of the strongest El Niño events of the last 50 years. Malawi is one of the affected countries. The 2015/2016 agricultural season was greatly affected by the strong El Niño conditions and resulted in erratic rains and prolonged dry spells across most parts of the country. In particular, the country experienced a delayed start of the 2015-16 agricultural season by two to four weeks followed by erratic and below average rains in November and December 2015. Prolonged dry spells have resulted in severe crop failure, particularly in the Southern Region and parts of the Central Region. The drought has been characterized as an agricultural drought, as in large parts of the country precipitation commenced too late and was too erratic or occurred over a short period of time.

The drought hit Malawi at a time when the country's economy was particularly vulnerable due to the combined effects of the 2015 floods and 2015/2016 drought. The cumulative economic impact of drought is estimated at USD 295.2 million, which is equal to 5.6 percent of Malawi's GDP. Agriculture has by far been the hardest hit sector experiencing the largest economic cost due to a significant loss in crop production. The second most affected sectors, electricity and water, experienced an 8.0 percent loss, which is equivalent to MWK 9,286 million (USD 13.3 million). As a supply shock to Malawi's predominately agrarian economy, the

drought drove up food prices notably for maize resulting in food price inflation. Non-food inflation is likely to be indirectly affected through a possible exchange rate depreciation and higher public domestic borrowing. In order to finance immediate food purchases, the International Monetary Fund (IMF) has allowed the government augmented access to borrow beyond program limits. The overall inflation is expected to remain high during 2016, mainly driven by food price inflation.

The proposed operation is in line with the three themes for the current Malawi Country Assistance Strategy (CAS) 2013-2016, extended until 2017. The CAS aims to contribute to Malawi's efforts towards more diversified, competitive, shock-resilient socio-economic growth, through a program with the following three thematic areas: 1) Promoting Sustainable, Diversified, and Inclusive Growth; 2) Enhancing Human Capital and Reducing Vulnerabilities; and 3) Mainstreaming Governance for Enhanced Development Effectiveness. The operation, and this additional financing, primarily focus on Outcome 2.2 of Theme 2, Improved resilience for poor communities through adequate social safety nets, improved climate resilience, and enhanced capacity to respond to disaster risks.

### **Sectoral and institutional Context**

The Government of Malawi (GoM) has prioritized social protection by including it as the third theme in the second Malawi Growth and Development Strategy (MDGS II) (2011-2016). A National Social Support Policy (NSSP) was approved in June 2012, followed by the Malawi National Social Support Program (MNSSP) approved in April 2013. The NSSP outlines the need for better coordination, targeting and a rebalancing of expenditures to make way for a more effective Social Protection (SP) system that has a goal to reduce poverty and enable poor households to move out of poverty and vulnerability.

A range of policies and programs exist for protection of the elderly, the disabled and children. The Malawi National Social Support Policy and the Malawi National Social Support Program (MNSSP) have prioritized five social protection sub-Programs which are all being implemented: Social Cash Transfer, Public Works Program, School Meals, Village savings and Loans, and Microfinance. These were identified after analyzing the 50.7 percent population living below the poverty line in the country consisting of: the moderately poor needing employment, skills building, capital, productive assets, and protection from capital/assets depletion; the ultra-poor with labor needing survival, employment and productive assets; and the ultra-poor in need of survival and human capital development and protection.

The social protection system is still underfinanced, and with large reliance on donor support. The high levels of vulnerability of the poor to shocks have been further exposed by the emergency drought situation in 2016.

The system consists of five main intervention areas: social cash transfers, targeted support to school meals, public works, village savings and loans, and micro-finance. The coverage of these programs is constantly increasing, but still not reaching all the eligible poor. For example, the social cash transfer program is currently covering 18 out of 28 districts at a 10% ultra-poverty level (national average). This leaves out a number of districts, and a significant number of the ultra-poor in districts with ultra-poverty levels above 10%. Similarly, the Public Works Program, while geographically with national coverage, only manages to include a limited number of the poor with labor because of the lack of funding. With a unified beneficiary registry under development and a functioning system of targeting (that is also now being modernized) the main

social protection programs can be scaled up immediately in geographic and population terms. For this to happen, however, additional sources of financing need to be secured.

### **C. Proposed Development Objective(s)**

#### **Original Project Development Objective(s) - Parent**

The Project Development Objective of the proposed project is to strengthen Malawi's social safety net delivery systems and coordination across programs.

#### **Proposed Project Development Objective(s) - Additional Financing**

The Project Development Objective is to improve resilience among poor households and to strengthen Malawi's social safety net delivery systems and coordination across programs.

#### **Key Results**

- Strengthened safety nets delivery systems
- Increased productive assets
- Improved coverage of targeted benefits.
- Reduced vulnerability
- Reduced impact of shocks on the poor in Malawi

### **D. Project Description**

#### **Project Description**

The US\$32.8 million equivalent original project was presented to the World Bank Board and approved on 18th December 2013. The main credit became effective on September 16, 2014. A First Additional Financing in the amount of US\$72.4 million was approved by the Bank Board in March 2015. The project's current closing date is June 30, 2018.

The project and the first Additional Financing are implemented using an Investment Project Financing (IPF) for a period of 4 years. The original project financing estimates were US\$ 107.0 million over 4 years. The full amount of necessary financing was not available at the time of the approval of the original project because of the limited availability of IDA financing at the time. Therefore, the first additional financing of US\$74.2 million served to secure the full amount of project funding as initially appraised. The first AF was a necessary prerequisite for meeting the original project's development objectives.

The overarching goal of MASAF IV is to reduce vulnerability of poor and vulnerable households by providing support to improve incomes, resilience, productive assets and ability to manage risks and shocks. To this end, the project supports the existing Social Safety Nets Platform as defined under the National Social Support Program (NSSP). The Social Safety Nets Platform is coordinated through MASAF IV under the LDF-TST mechanism with the objective to reduce vulnerability and extreme poverty and improve livelihoods, resilience and quality-of-life for the poor. The Platform's focus is on safeguarding people and the environment on which their livelihood depends, through linkages between agriculture, food security, water, irrigation, social welfare, vulnerability, poverty, children and gender issues. The program is designed on the basis of the following principles: (i) fair and transparent client selection, (ii) timely, predictable transfers, (iii) gender equity, (iv) participatory planning, and (v) environmental protection. The MASAF IV approach is in line with and follows the in-country initiative and guidelines for area

and watershed management and development for building food security, livelihoods, and resilience against natural disasters through community identified and managed PWs, livelihood programs and social cash transfers.

The Project has three main components:

- (€ Component I, Productive Safety Nets, focusing on three safety nets programs and has three sub-components;
- (€ Component II, covering Systems and Capacity Building- to finance technical assistance, training, staff and equipment; and
- (€ Component III - Project Management.

Component Name:

Component I, Productive Safety Nets, focusing on three safety nets programs and has three sub-components;

The safety net programs (sub-components) supported under Component I are:

- 1) Productive Community Driven Public Works finances payments made to eligible beneficiaries in exchange for labor in community driven public works. Community driven productive public works create assets and provide temporary employment in the same communities for multiple years designed to increase impact on household level incomes and food security and reduce households' exposure to risks associated with climate change and other disasters.
- 2) Livelihoods and Skills Development finances grants to eligible households to invest in livelihoods and skills development. The grants increase household level incomes and assets through savings and investments in livelihood opportunities through Community Savings and Investment Promotion (COMSIP) groups. The grants promote investments which increase incomes and assets of households and reduce risks of food insecurity and promote better nutrition and health. The sub-component also finances training in nutrition, health and income-generating enterprises. This work has been going on successfully in Malawi for some time, with non-Bank financing, and the Bank has joined the successful model with MASAF III.
- 3) Social Cash Transfers: This sub component finances support to capacity building, technical assistance and cash transfers targeted to the poorest, and most vulnerable labor-constrained households. The program was piloted in Malawi in 2006 with the view to become a nationwide program. Since then it has increased its coverage to 17 districts, with donor financing, notably from the EU and KfW, with the GoM and Irish Aid also covering one district each, for a total of 17 covered districts. The Bank has joined this successful program through MASAF IV to cover 2 more districts. A recent FAO study of the program pointed to the productive outcomes of the cash transfers and concluded that ➤( Investments in non-farm small businesses were widespread, particularly in well-connected areas; Households were able to hire labor for their own farms; Social cash transfers represent an important source of income particular for the elderly; The Social Cash Transfer program has reduced negative risk-coping strategies, such as the withdrawal of children from school and absenteeism; Education represented a major expenditure; Beneficiaries have become better integrated into networks. ➤(

Component II, covering Systems and Capacity Building. This component supports investments in

strengthening unified registry, targeting and Management Information Systems, capacity building, technical assistance, training, staff and equipment including for the Safety Net Platform to finance technical assistance, training, staff and equipment;

Component III - Project Management. It supports coordination and supervision of the Project including additional capacity development, harmonization and training and building linkages with all development practitioners in related areas.

**Component Name**

Productive Safety Nets

**Comments (optional)**

**Component Name**

Systems and Capacity Building

**Comments (optional)**

**Component Name**

Project Management

**Comments (optional)**

**E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

MASAF IV to be implemented countrywide will include activities that are demanded by the community but do not have significantly adverse environmental and social impacts. Some examples of subprojects may include those related to afforestation, soil and water conservation activities, water supply and irrigation, rehabilitation of bridges, storage facilities for maize and other grains, maize mills, oil mills, nurseries for seedling development, solar stoves, solar panels and mobile bicycle ambulances. Productive Community Driven Public Works activities will be carried out in rural communities across Malawi in three regions (Northern, Central and Southern), selected on specific criteria outlined in the MASAF IV Program Implementation Manual. COMSIP investments are based on specific criteria outlined in the COMSIP Guidelines and Component 3 of MASAF IV provides investments in the Malawi Social Cash Transfer (SCT) Program.

Social Cash Transfers program is currently implemented in 18 out of 28 rural districts in Malawi and covers 170,000 households, or near 1 million people, out of which 2 districts (Dedza and Nkhata Bay) with 21,500 household beneficiaries are already funded under the Bank project, while remaining 16 districts are funded by other donors and GoM. The emergency Second Additional Financing would scale up the SCT program to the following 9 out of 10 districts that are currently not covered by the program: Lilongwe, Dowa, Kasungu, Rumphi, Nkhatakota, Ntchisi, Blantyre, Chiradzulu and Kalonga. Furthermore, given that Irish Aid will provide funding for the remaining uncovered district by the end of the year, a full national coverage with the program would be achieved once the implementation of the proposed Second Additional

Financing starts. The proposed Second Additional Financing would also provide continuous funding for social cash transfers in Dedza and Nkhata-Bay districts for 18 months after the first Additional Financing closes in June 2018. The proposed Second Additional Financing would also continue supporting the public works program, the overall improvement of the targeting, registry, MIS and payment system, already supported under the first Additional Financing.

The activities expected to be supported under the program will be those that improve the management of natural resources and prevent land degradation through afforestation and appropriate biophysical soil and water conservation activities such as hill side terracing, soil and stone bunds, micro basins, gully control and treatment structures, tree planting, area closures etc. Other activities may include; improved agricultural land productivities through technologies that promote soil fertility and conserve soil moisture (agro forestry, forage development, compost making, etc.); promoting access to existing water sources and also promoting rain water conservation and harvesting technologies; improving market infrastructure through construction of rural farm to market roads, bridges and community level grain and food storage facilities; improving access to drinking and irrigation water through development of springs shallow wells, and water ponds; increasing availability of fodder through vegetative fencing and multi-purpose nurseries; and improving school and health facilities through repairing and constructing classroom and health facilities. Certain sub-projects are not eligible under the public works, such as sub-projects that degrade the environment and subprojects which are a significant burden to and deplete the communities existing resources

## **F. Environmental and Social Safeguards Specialists**

Boyenge Isasi Dieng (GSU07)

Shri Vasant Kumar Jogoo (GEN01)

## **II. Implementation**

### **Institutional and Implementation Arrangements**

The proposed Second Additional Financing would use the same implementation arrangements that had already been set up for the parent project. The Local Development Fund Technical Support Team (LDF-TST) would continue to play the overall management, coordination and technical support function of the project. As reflected in the parent project, the proposed Second Additional Financing would continue to support the existing Social Protection (SP) and Safety Nets Platform as defined under the NSSP. The Platform lays out a number of safety net programs focused on communities and households. LDF would supervise, coordinate, integrate and channel financing, knowledge and technical assistance to each subprogram that are in its implementation area. As the proposed Second Additional Financing constitutes a response to the transitory shock that affected the existing project beneficiaries as well as additional vulnerable population, LDF would coordinate the support with other humanitarian response activities.

District Councils would be responsible for the implementation of the social protection programs. Following the program principles, Districts would also be responsible for supporting communities to identify Social Cash Transfers, Productive Community Driven Public Works and livelihood activities. The LDF mechanism itself is operationally under the Ministry of Local Government and Rural Development (MoLGRD) and would also have oversight from Ministry of Finance, Economic Planning and Development (MFEPD). MFEPD was recently constructed to unite two previously existing ministries – the Ministry of Finance, and the Ministry of Economic Planning and

Development. Under MASAF IV the MFEPD plays a key role in providing policy direction for safety nets.

The proposed Second Additional Financing would support the expansion of the Social Cash Transfer program to additional nine districts, completing the full coverage of the program to all districts nationwide. The LDF would further strengthen coordination with Ministry of Gender and other partners supporting the implementation of the Social Cash Transfer program in other districts.

### III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Some project activities involving construction, however small, are likely to have minimal to moderate adverse environmental impacts (such as loss of vegetation, soil erosion, siltation, pesticides poisoning, traffic accidents, dust, water run-off, etc.). Borrower had updated the parent-project ESMF, for the First Additional Financing project last year, to make it consistent for activities proposed under the MASAF IV project and the new implementation arrangements. It adequately defines environment and social due diligence requirements for each sub-project activities based on its size, scale, location and significance of environment and social impacts, and accordingly prepare, consult upon, and disclose an Environmental and Social Management Plan (ESMP). Each sub project involving new construction and/or rehabilitation activities such as small-scale irrigation schemes, water supply and sanitation, feeder roads and bridges etc. will be pre-screened for environmental and social risks. This will lead to preparation, consultation about, and disclosure of site specific ESMP based on site-specific consultation with communities and site characteristics. The ESMF for first Additional Financing for MASAF IV has been updated, consulted upon, and disclosed in-country and at the InfoShop last year. It remains valid for the Second Additional Financing for MASAF IV.
Natural Habitats OP/BP 4.04	No	Subprojects affecting natural habitats will be systematically excluded.
Forests OP/BP 4.36	Yes	The policy is triggered due to the likely forest harvesting and reforestation activities involving woodlots and nurseries. ESMF includes procedures to ensure adequate consultation with local people and mitigation of any of project activities during project implementation.

Pest Management OP 4.09	Yes	This policy is triggered because MASAF IV support for agricultural sub-projects is likely to indirectly increase the use of agro-chemicals. Even at a small scale, the risks associated with Pesticides will require to be managed to minimize the potential social, environmental, health and safety risks involved. The parent-project's Pest Management Plan (PMP), which was updated to support MASAF IV activities, has been reviewed and found to be still valid. The project will also be informed by the Pest Management Plan prepared for the Malawi Agriculture Sector Wide Approach Project (ASWAP).
Physical Cultural Resources OP/BP 4.11	Yes	Since the foreseen subprojects activities (to be defined with the communities during implementation) will involve civil works that could encounter physical cultural resources, the policy is triggered and chance-finds procedures are included in the updated ESMF from the parent project to help adequately address any potential impacts on the PCR.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area, thus the policy is not triggered.
Involuntary Resettlement OP/BP 4.12	Yes	As with the first Additional Financing, the proposed activities under the Second Additional Financing are not anticipated to require acquisition of land that could lead to loss of property/shelter, livelihoods and goods/assets with possible need for physical resettlement of project affected persons (individuals/households). The Recipient will utilize the recently disclosed, MASAF IV First AF's RPF to guide the preparation of any site-specific Resettlement Action Plans (RAPs) that might be required. This RPF was prepared, consulted upon, and disclosed both in-country and at the InfoShop last year and as such, remains valid.
Safety of Dams OP/BP 4.37	No	Second Additional Financing for MASAF IV will not fund any subprojects involving the construction or use of dams.
Projects on International Waterways OP/BP 7.50	No	National or international water resources are not affected by future subprojects.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered because there are no disputed land areas in Malawi.

#### **IV. Key Safeguard Policy Issues and Their Management**

##### ***A. Summary of Key Safeguard Issues***

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p>
<p>The project includes a number of activities that may have minor to moderate environmental and social impacts. No potential large scale, significant and/or irreversible impacts are foreseen. The exact type and location of subprojects will be chosen by communities, and those that have the potential to generate significant and irreversible impacts will be excluded. The possible environmental receptors include sensitive areas such as wetlands, forests, and rivers.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>
<p>All impacts will be site-specific, and mostly reversible with manageable mitigation measures. They will vary from sub project to sub project, but they are all expected to have minimal to moderate impacts. No long-term negative impacts are foreseen.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>
<p>Sub-projects with possible highly significant adverse impacts will not be funded.</p>
<p><b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b></p>
<p>The Government of Malawi has, over the years, put in place a number of legislations, policies and instruments supporting environmental management and the environmental impact assessment process in the country. The National Environmental Policy and the Environment Management Act are the key instruments that cover environmental management in all the sectors of development. In addition to these instruments, there are sector specific policies and legislation that prescribe the conduct for managing the environment.</p>
<p>In addition, the updated ESMF prepared for first Additional Financing for MASAF IV ensures funded subprojects are designed and implemented in an environmentally and socially sustainable manner. The ESMF includes a mandatory screening process for all subprojects to assess potential impacts. Environmental and social screening processes will be an integral part of service delivery subproject cycles, and based on community appreciation of the need for sustainable management to address environmental degradation. Following environmental and social risk screening, site-specific ESMPs will be prepared, consulted upon, and disclosed for each type of investment when individual subprojects and locations are identified. Productive Community Driven Public Works financed under the project may require acquisition of land or have an impact on assets, including economic and natural resources. Although it is unlikely that there will be subprojects that generate significant resettlement impacts, an updated RPF sets out the customary land acquisition planning and management processes, including participation and disclosure arrangements, has been developed along with a grievance redress mechanism, that will be reflected in site-specific RAPs</p>
<p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>
<p>Second Additional Financing for MASAF IV will continue to be implemented through the LDF-TST, the intergovernmental fiscal transfer agency established to coordinate financing and implementation of MASAF at district and community levels. The LDF-TST is also responsible for backstopping related to environmental and social safeguards. LDF-TST will coordinate closely with the Directorate of Environmental Affairs and Ministry of Lands and Housing on all aspects of safeguards implementation including capacity building, screening and monitoring of mitigating measures during the first Additional Financing for MASAF IV.</p>

Institutional Arrangements establish clear roles, responsibilities and coordination arrangements of implementers, and ensure that targeting mechanisms are coordinated and harmonized. Several key Ministries would play a role in overseeing the coordination and harmonization process: the Ministry of Finance, Economic Planning and Development, Ministry of Agriculture and Food Security, Ministry of Environment and Climate Change and Ministry of Gender, Children and Social Welfare. The goal is to delivery timely and cost effective programs through fostering cooperation and coordination with development partners and institutions focused on rural poverty reduction.

There is also a strong focus on capacity building - Staff at Central and District levels will participate in training courses for public works under the Second Additional Financing for MASAF IV, which includes training on preparing ESMPs and RAPs. LDF will coordinate the Directorate of Environmental Affairs and the Ministry of Lands and Housing to ensure that training is provided to District Councils. Second Additional Financing for MASAF IV will ensure that capacity to implement safeguards is built at the community level during project implementation. A Safeguards Officer is in place to reinforce the capacity of the LDF-TST to ensure the implementation and monitoring of environmental and social safeguards. The project will mainstream mitigating measures as part of subproject design to improve implementation and monitoring. Cascaded training to the community level will also anchor safeguards implementation as not just part of subproject planning but as an ongoing process. Key indicators will also be reported in the M&E system. The application of the ESMF is vital to ensuring that subprojects are environmentally and socially sustainable and that inappropriate subprojects are eliminated. The quarterly monitoring on safeguards implementation initiated by the Directorate of Environmental Affairs in 2012 will be continued. Annual reviews will also examine the participatory planning process and grievance redress mechanism and feedback information to the M&E system.

### ***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	01-Jan-2015
Date of submission to InfoShop	17-Feb-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Malawi	11-Feb-2015
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	01-Jan-2015
Date of submission to InfoShop	17-Feb-2015
"In country" Disclosure	
Malawi	11-Feb-2015
<i>Comments:</i>	
<b>Pest Management Plan</b>	

Was the document disclosed prior to appraisal?	NA
Date of receipt by the Bank	NA
Date of submission to InfoShop	NA
"In country" Disclosure	
Malawi	11-Feb-2015
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	
All the above documents have already been disclosed under the parent project and the ensuing First AF project.	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Is a separate PMP required?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is physical displacement/relocation expected?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
Provided estimated number of people to be affected	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] TBD [ <input type="checkbox"/> ]

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	
Provided estimated number of people to be affected	
<b>OP/BP 4.36 - Forests</b>	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [ ] No [ ] NA [ × ]
Does the project design include satisfactory measures to overcome these constraints?	Yes [ ] No [ ] NA [ × ]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [ ] No [ ] NA [ × ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ × ] No [ ] NA [ ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ × ] No [ ] NA [ ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ × ] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ × ] No [ ] NA [ ]

## V. Contact point

### World Bank

Contact: Ivan Drabek

Title: Senior Operations Officer

### Borrower/Client/Recipient

Name: Government of Malawi

Contact: Goodall Gondwe

Title: Minister of Finance

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### Implementing Agencies

Name: Local Development Fund - Technical Support Team (LDF-TST)

Contact: Mandala

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**VI. For more information contact:**

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**VII. Approval**

Task Team Leader(s):	Name: Ivan Drabek	
<b><i>Approved By</i></b>		
Safeguards Advisor:	Name: Maman-Sani Issa (SA)	Date: 06-Sep-2016
Practice Manager/ Manager:	Name: Dena Ringold (PMGR)	Date: 06-Sep-2016
Country Director:	Name: Preeti Arora (CD)	Date: 22-Sep-2016