Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 10/02/2019 | Report No: ESRSA00087
### BASIC INFORMATION

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>AFRICA</td>
<td>P169198</td>
<td></td>
</tr>
</tbody>
</table>

**Project Name**: Malawi Social Support for Resilient Livelihoods Project

**Practice Area (Lead)**: Social Protection & Jobs

**Financing Instrument**: Investment Project Financing

**Estimated Appraisal Date**: 10/2/2019

**Estimated Board Date**: 12/10/2019

**Borrower(s)**: The Republic of Malawi

**Implementing Agency(ies)**: Malawi National Local Government Finance Committee

**Proposed Development Objective(s)**

To improve resilience among the poor and vulnerable population and strengthen the national platform for safety nets in Malawi.

**Financing (in USD Million)**

<table>
<thead>
<tr>
<th>Amount</th>
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<tr>
<td>187.00</td>
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**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The proposed five-year project will support the second Malawi National Social Support Program (MNSSP II) as the overarching and formal platform in social protection, led by Government with coordinated donor engagement. In this context, the project will contribute to the MNSSP II in two ways, as reflected in the PDO. The first part of the PDO highlights the importance of improving resilience, which is understood as the ability of households to improve initial levels of welfare in the face of chronic stress and to maintain welfare in the face of shocks. In this regard, the project emphasizes safety net programs which boost economic and social inclusion. The resilience of these programs will be further strengthened by the delivery systems and capacity investments under the project. The second part of the PDO...
highlights the need to more strongly support the effectiveness of a national system for social safety nets under the MNSSP II framework. The project places emphasis on this through efforts to support delivery systems (for social registry, e-payments and citizens engagement), as well as efforts to strengthen overall capacity and harmonization in the sector. The project has three major components: (i) Improving Social and Economic Inclusion. This component focuses on the consolidation of an appropriate package of support for beneficiary households with a mix of program interventions, including social cash transfers, livelihood support, and enhanced public works, as well as an option for scalable financing in time of crisis; (ii) Strengthening Harmonized Delivery Systems which will focus on strengthening social registry and information management, introduction of e-payments and citizens engagement; and (iii) Capacity Building and Institutional Development Support to support the enactment of the MNSSP II, the setting up of the necessary institutional structure for its implementation and the general management and evaluation of the project.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project will be a national platform for social safety nets in Malawi and will be implemented in the rural areas of the country mainly in 11 districts (for Social Cash Transfer-SCT), 10 districts (for Public Works-PW) and nationwide for livelihoods. The proposed project will finance public works and livelihood activities under the Component 1 “Improving Social and Economic Inclusion”, sub-component 1.1 “Enhanced Core Programs”. It is envisaged that the combination of the proposed livelihood activities and cash transfers will increase household income through building household level assets, enhancing risk management, and facilitating a shift to more productive types of employment. Cash transfers are expected to have significant impacts on consumption and resilience. The public works include micro projects such as afforestation- both tree planting and regeneration; land resources conservation including gully reclamation; rehabilitation of water supply, drainage, and small access roads, and other small-scale rehabilitations. As the specific sites are not yet known and the interventions identified screening for biodiversity risks will be carried out within the site specific ESMPs, however as detailed in the PAD high conservation value areas will be avoided. Site interventions will be selected from a list of eligible activities which exclude those with high environmental and social risks. The project will build on the MASAF IV GRM to develop a harmonized GRM platform for core PNSSP interventions. PNSSP will further seek to strengthen social accountability within GRM to empower households to voice their concerns and increase awareness about the features of the program and their entitlements. In addition, capacity building of GRM staff will be undertaken to enhance their ability to handle large caseload, and will sensitize them to be empathetic towards complaints raised by households to establish their confidence in the system. The project will also focus on enhancing citizen engagement through out the program cycle to provide the program implementers with the necessary feedback loop, to strengthen the functionality of the GRM, and to improve the quality of the delivered micro projects. Community scorecards, citizen report cards and social audits will be an integral part of the program’s monitoring, oversight and accountability systems.

D. 2. Borrower’s Institutional Capacity

The implementing agency of the project is the National Local Government Finance Committee (NLGFC), which will have responsibility for environment and social risk management including monitoring compliance with the agreed on mitigation measures and actions outlined in Environmental and Social Commitment Plan (ESCP). Learning from MASAF experience limiting the range of site interventions with an approved list will assist avoid higher risk activities. In addition the overall reduction in the public works component with allow more concentrated support for these activities as well as bringing in emerging lessons from the ongoing enhanced public works pilot. Overall, the implementing agency at national level has shown good implementation of environmental and social safeguards in the existing MASAF IV project. NLGFC has prepared a capacity building plan to address both staffing and skills and
knowledge capacity challenges to manage environmental and social risk in the project. As part of the capacity building plan, the implementing agency has already recruited a qualified staff to manage both environmental and social safeguards matters of the proposed project including oversight and supervision of safeguards performance of projects at national level, design, develop and monitor the implementation of instruments for safeguards management throughout the project cycle to ensure consistency and conformity to World Bank and GoM Safeguards standards. The district environmental officers will implement and monitor both environmental and social safeguards matters at the district level while extension workers will be responsible for environmental and social risk management at the community level. The District environmental officers have taken a number of trainings under the MASAF IV and other World Bank projects to manage both environmental and social risks and extension workers at community level have experience with managing environmental and social issues under the MASAF IV. Learning from MASAF IV the need for ongoing and refresher training on screening and ESMP development will be important to maintain ESF standards. This will be provided by NLGFC and EAD staff. Additionally improvements in the follow up of ESMP requirements and conditions by the Area Executive Committees will be a focus of NLGFC and District Environmental Sub-Committee support. However, it is still recommended that intensive support be provided to the implementing agency on environment and social risk management during project preparation and implementation to manage challenges that may result from the application of the new ESF.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)  Moderate

Environmental Risk Rating  Moderate

The project is not expected to generate adverse environmental impacts or substantial risks on the environment. Likely impacts are expected to be temporary, reversible, low in magnitude and site-specific. Where public works are envisioned these are expected to include rehabilitation of rural roads, small scale irrigation, drainage and water systems. These rehabilitation activities would be small community-selected microprojects and would not involve the construction and building of new infrastructure, but would focus on the maintenance of natural resources, and the rehabilitation of small assets linked to the management of the respective catchments. Possible projects could include, among other things reforestation and regeneration; land resources conservation including gully reclamation; rehabilitation of water supply, drainage, small access roads, and will improve management of natural resources. The potential environmental impacts caused by rehabilitation works and associated handling and storage of construction materials may include waste production, excessive noise and dust levels, and disposal of asbestos-containing material, if present. Potential environmental impacts to be avoided in community livelihood activities include deforestation and land degradation through overgrazing, poor watershed management, and improper agriculture practices and land use. The project is classified as Moderate risk from an environmental perspective and as defined under the Bank’s ESF due to the nature of the proposed works and associated environmental risks, and the capacity of the client in the understanding and application of Bank's ESF, and relevant Standards.

Social Risk Rating  Moderate

Overall this operation is expected to generate positive results for poor and vulnerable populations in Malawi through the provision of a social safety net. There are public work, small in scope, and ranging from 500 to 10,000 US dollars of which 80% are wages and 20% are inputs or materials for the relevant public works as well as and livelihood activities designed to provide temporary employment to poor households with labor capabilities. The public works
include rehabilitations of rural access roads, small scale irrigation schemes, drainage and water supply systems linked to catchment management and community asset management. These type of small infrastructures will involve physical civil works and associated activities which have the potential to cause construction related health and safety concerns for both community laborers/workers and surrounding local communities, may entail temporary loss of land and access restrictions during construction that can easily be managed and mitigated. Other potential impacts and risks may involve the use of child labour and weaknesses in the targeting mechanisms for both the vulnerable individuals and households. Therefore, in general social risk is moderate because the footprint of such small community infrastructures is considered localized with impacts that are site specific, reversible and/or manageable. The Cash Transfer Program (CTP) is designed to take account of gender considerations, provide positive gender outcomes and is expected overall to empower females by improving joint decision making at household level. The injection of cash into poor rural households and communities does impact household and community relations and the evidence to date under the program suggests that such multiplier effects are in fact strong and positive, and generate important economic investments for beneficiaries and non-beneficiaries alike. Potentially the transfer of cash could have negative effects including exacerbating intra household tensions and increasing the risk of GBV and abandonment. However, though the operational evidence under the existing program on this is weak, nonetheless, the GBV risk assessment tool has been applied to the project in accordance with the World Bank’s Good Practice Note. Therefore, based on the nature and scope of activities and in alignment to the World Bank’s labour influx guidance note, the operation is not expected to generate any labour influx as the public works are minor and will be rehabilitated through community led approaches. As a result and taking into consideration the contextual factors, the GBV risk rating is low and does not affect the overall moderate social risk classification of the project.

The capacity of client to manage social risks and impacts varies from satisfactory to moderately satisfactory. The application of the new WB ESF is considered as a challenge, however, during project preparation the Bank will discuss with the client on the next steps towards the application of the new framework so that concrete measures are suggested.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The project will not support construction of any new infrastructure and will operate in micro-catchments under 250 hectares in size. It will finance only small micro projects, mainly for nature conservation and for rehabilitation of small infrastructure. Site interventions will be selected by communities from a list of eligible activities which exclude those with substantial or high environmental and social risks. Although screened to avoid environmental and social issues the eligible activities may still entail physical civil works that are likely to generate environmental and social impacts such as construction related health and safety concerns for both laborers/workers and surrounding local communities as well as potential child labour impacts. The project does not support any activities that would include land acquisition and as a result no permanent physical displacement is expected. Depending on the scale of the rehabilitation works, there could be clearing, site preparation and construction that could lead to loss of vegetation and associated fauna, soil disturbance and erosion. The injection of cash, through the SCT program, into poor rural households and communities could also potentially impact intra household and community relations and may have negative effects including an exacerbation of GBV and social exclusion. However, in general, these potential
environmental and social risks and impacts are predictable, expected to be temporary and reversible, low in magnitude, and site-specific. The scope and sites of public works and livelihood activities are not yet defined nor identified, therefore, a framework approach (ESMF and RPF) will be adopted to provide guidance on the appropriate instruments such as Environmental and Social Impact Assessments/ Environmental and Social Management Plans (ESIAs/ESMPs), and where necessary Resettlement Plans (RPs) to be prepared. The ESMF under preparation has undergone stakeholder consultation events in northern, central and southern districts and included stakeholder views on expectations on potential impacts and the approaches stakeholders wished to see implemented to avert negative impacts and enhance positive outcomes. The Environmental and Social Commitment Plan, drawn and agreed upon with the borrower, sets out the substantive measures and actions that will be required for the project to meet environmental and social requirements. These measures shall be implemented within the specified timeframes and the status of implementation will be reviewed as part of project monitoring and reporting. The ESMF will make use of the general and sector-specific EHSGs for the identified subprojects in relation to occupational and community health and safety.

ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder Engagement (SE) is at the center of this project considering the fact that many stakeholder groups are involved in both its preparation and implementation. SE includes the following: (i) stakeholder identification and analysis; (ii) planning for stakeholder engagement; (iii) consultations and disclosures; (iv) grievance mechanisms; and (v) continuous interface with and reporting to the stakeholders. The project recognizes the importance of engagement with relevant stakeholders, beneficiary communities and project affected parties throughout the project cycle. In that regard, the borrower has commenced extensive consultations throughout the preparation process including consulting with key stakeholders on the design of the operation to enhance buy in into the project at the national level. To ensure that all consultations are inclusive and accessible (both in format and location) and through channels that are suitable in the local context, the borrower has developed a Stakeholder Engagement Plan (SEP). The SEP has included mechanisms for setting out a Grievance Mechanism (GM). Under the current MASAF IV program, a Grievance Redress Mechanism has been set up and is in its initial stages of implementation across all districts. The borrower has, therefore, built on the MASAF IV GRM and developed a harmonized GM platform for interventions under this project. The borrower has strengthened social accountability within the GM to empower households to voice their complaints, concerns, queries, clarifications and increase awareness about the features of the program and their entitlements. The GM platform seeks to establish a continuous feedback and responsive platform between beneficiary communities and implementing structures. The grievance mechanism will also be used for compliance to the requirements of Resettlement, if it will be required.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project will not entail a significant amount of community labor as the project aims at rehabilitating micro-infrastructure. However, rehabilitation works will entail temporary employment for poor households with labor capabilities and proper management of community workers will be required. Hence, the borrower will apply the relevant provisions of this ESS and EHSG in a manner proportionate to the nature and scope of the operation, the
specific activities in which the community is engaged and the nature and potential risk and impacts to community workers. In that regard the Borrower has prepared Labor Management Procedures (LMP) which have detailed information on the work terms and conditions including explicit prohibition of child labor. Health and safety of workers, especially women will be assessed in the Environmental and Social Management Plans in relation to community labor and as set out in the labour management procedures. The labor management procedures have clearly identify the terms and conditions on which community labor will be engaged, including the amount and method of payment and times of work. The labor management procedure has also specified the manner in which community workers can use the existing GM to raise grievances in relation to the project. The labor management procedures has also take consideration that proper training is provided to community workers, tailored to needs and potential risks and impacts of the project. The borrower will assess whether there is risk of child labor within the community labor and identify and manage those risks by taking appropriate steps to remedy the situation in consistence with this ESS.

ESS3 Resource Efficiency and Pollution Prevention and Management

The nature of the proposed project will not cause significant water and energy use, however, the rehabilitation works (albeit micro-infrastructures) and associated handling and storage of construction material could cause waste production, excessive noise and dust levels, and disposal of asbestos containing material, if present The project may include community-selected livelihood microprojects with agricultural activities. These could include small scale livestock rearing or crops such as ground nut. Construction materials such as sand and gravel will be sourced locally and will be subject to the national permitting requirements as well as included in the site screening/ESMP development. The ESMF will include the potential for pesticide use ensure minimized use and safe handling, to be elaborated in the Environmental and Social Impact Assessment and Management Plans where there is the potential for pesticide use to cover use, application and storage.

ESS4 Community Health and Safety

As can be expected, physical civil works can pose risk to local communities’ health and safety. In that regard, the Environmental and Social impact assessments will include requirements for Community Health and Safety including HIV Social Mitigation Measures; Traffic/Road Safety Management with measures to ensure safety of nearby communities and road users during rehabilitation and Emergency Response with procedures to respond to accidents and incidents. The ESMF makes use of the general and sector-specific EHSGs for the identified subprojects in relation to community health and safety. As there may potentially be some negative effects associated with an injection of cash into poor rural households and communities including exacerbating intra household and community tensions and increasing the risk of GBV, the GBV risk assessment tool has been applied to the project in accordance with the World Bank’s Good Practice Note. Based on the nature and scope of activities and in accordance to the World Bank’s labour influx guidance note, the operation is not expected to generate any labour influx as the public works are minor and will be rehabilitated through community led approaches. In addition, GBV will be assessed and specific mitigation measures provided for in the Environment and Social Impact Assessments/Environmental and Social Management Plans that will be prepared for specific subprojects during implementation.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
The nature of sub-projects in the public works program is not expected to require any permanent land acquisition as the infrastructures will be under rehabilitation. As a result, no permanent physical or economic displacement or loss of assets is expected. However, some form of land loss, most likely of a temporary nature and some restrictions on access to make way for physical works can be expected during rehabilitation. As the project scope and locations are not yet defined and identified, the borrower has prepared a Resettlement Policy Framework (RPF) to guide the preparation of subprojects site specific Resettlement Plans, if these will be required at implementation. The requirement to prepare subproject specific resettlement plans is outlined in the Environmental and Social Commitment Plan.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
The project will not involve primary production and/or harvesting of living natural resources. The project will include the rehabilitation of small rural access roads, small scale irrigation, drainage and water supply systems, as well as forest restoration, land resources conservation. These rehabilitation activities, would be done through small community-selected sub-projects and would not involve the building and construction of new infrastructure. The rehabilitation activities are not likely to generate substantial adverse environmental effects as their footprint is considered localized with impacts that are site specific and manageable. While sub-project sites are not yet identified, selected locations will avoid protected areas and areas with high conservation values.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
This standard is not applicable to Malawi because there are no groups of people who fit the description of people in ESS 7.

ESS8 Cultural Heritage
By the nature of physical works that will be undertaken in the public works program, some of excavation, movement of earth and impounding can be expected. These types of activities pose the possibility of encountering both known and unknown physical and cultural resources. Though the possibility is not considered significant, the borrower will avoid impacts on cultural heritage and where such avoidance is not possible, will identify and implement measures to address these impacts in accordance with the mitigation hierarchy. The treatment of Physical Cultural Resources (PCR) including archaeological relics, fossils, human graves, shrines, sacred trees or groves that may be encountered will follow a Chance Finds Procedure that is elaborated in the Environmental and Social Impact Assessment and Management Plans for the sub-projects.

ESS9 Financial Intermediaries
This standard is not applicable to this operation.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No
### III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td><strong>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</strong></td>
<td></td>
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<tr>
<td>Establish and maintain an organizational structure with qualified staff and resources to support management of E&amp;S risks.</td>
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<tr>
<td>The PIU has already in place an E&amp;S Specialist who will function throughout the project implementation and be supported by another E&amp;S specialist which will be recruited prior to project launch.</td>
<td>06/2020</td>
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<tr>
<td>Update, adopt, and implement, the Environmental and Social Impact Assessment that has been prepared as part of the ESMF for the Project, in a manner acceptable to the Association.</td>
<td>12/2020</td>
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<tr>
<td>Where new information requires the ESMF to be revised the revised document disclosed.</td>
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<tr>
<td>Screen any proposed subproject in accordance with the Environmental and Social Management Framework (ESMF) prepared for the Project.</td>
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<tr>
<td>Draft, adopt, and implement the subproject Environmental and Social Management Plans (ESMPs) for sub-projects, as specified in Chapter 4 of the ESMF, in a manner acceptable to the Association.</td>
<td>09/2020</td>
</tr>
<tr>
<td>Review, update and implement the Project Implementation Manual for the Enhanced Public Works to incorporate lessons learnt from the Enhanced Public Works pilot</td>
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<tr>
<td>Incorporate the relevant aspects of the ESCP, including the relevant E&amp;S documents and/or plans, and the Labor Management Procedures, into the ESHS specifications of the procurement documents with contractors. Thereafter ensure that the contractors comply with the ESHS specifications of their respective contracts.</td>
<td>09/2020</td>
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<tr>
<td><strong>ESS 10 Stakeholder Engagement and Information Disclosure</strong></td>
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<tr>
<td>Update, adopt, and implement Stakeholder a Engagement Plan (SEP).</td>
<td>07/2020</td>
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<tr>
<td>Prepare, adopt, maintain and operate a project grievance mechanism, as described in the SEP.</td>
<td>07/2020</td>
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<tr>
<td><strong>ESS 2 Labor and Working Conditions</strong></td>
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</table>
Update, adopt, and implement the Labor Management Procedures (LMP) that have been developed for the Project covering Community Workers, Community Volunteers, Contracted Workers, Short Term Consultants and Direct Project Workers. 06/2020

Establish, maintain, and operate a grievance mechanism for Project workers, as described in Section 10 of the LMP and consistent with ESS2. 12/2020

Prepare, adopt, and implement occupational, health and safety (OHS) measures specified in the ESMP and LMP.

Site Specific risk assessments to be carried out and preventative action and mitigation measures to be developed in ESMP. 12/2020

**ESS 3 Resource Efficiency and Pollution Prevention and Management**

Prepare, adopt, and implement an Integrated Pest Management Plan where the use of pesticides or chemicals are considered necessary within the EPWP or livelihoods activities as part of the sub-project ESMP under action 1.3 above. 12/2020

Resource efficiency and pollution prevention and management measures for each sub-project will be covered under the ESMP to be prepared under action 1.3 above. 12/2020

### ESS 4 Community Health and Safety

Prepare, adopt, and implement measures and action to assess and manage specific risks and impacts to community arising from Project activities, including, behavior of Project workers, worker sanitation arrangements, response to emergency 12/2020

Develop and implement measures and actions to assess and manage the risks of gender-based violence (GBV) and sexual exploitation and abuse (SEA). 12/2020

Carry out regular community sensitization and awareness among target communities about forms of GBV and SEA, dangers, preventive measures and mitigation measures. 10/2020

### ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Prepare, adopt, and implement resettlement plans in accordance with ESS 5 and consistent with the requirements of the Resettlement Policy Framework (RPF) that has been prepared for the Project 12/2020

The Project GM will be used to address resettlement related complaints and issues. Specific Resettlement Plans will describe this GM as will be applicable 12/2020

### ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
Screening for biodiversity and living natural resources risks will be carried out at sub-project level. Biodiversity conservation and sustainable management of living natural resources measures for each sub-project will be covered under the ESMP

ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS 8 Cultural Heritage

Prepare, adopt, and implement the chance finds procedure described in the ESMF developed for the Project. Screening of sub-project sites and necessary measures for each sub-project will be covered under the ESMP to be prepared under action 1.3 above.

ESS 9 Financial Intermediaries

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

**Is this project being prepared for use of Borrower Framework?** No

**Areas where “Use of Borrower Framework” is being considered:**
The operation will not use the Borrower’s E&S Framework in the assessment, development and implementation of sub projects. The project will comply with relevant national legal requirements

**IV. CONTACT POINTS**

**World Bank**

Contact: Colin Andrews  
Title: Program Manager  
Telephone No: 202-473-8927  
Email: candrews1@worldbank.org

Contact: Ivan Drabek  
Title: Sr Social Protection Specialist  
Telephone No: 5240+7255  
Email: idrabek@worldbank.org

**Borrower/Client/Recipient**

Borrower: The Republic of Malawi

**Implementing Agency(ies)**

Implementing Agency: Malawi National Local Government Finance Committee
V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s): Colin Andrews, Ivan Drabek
Practice Manager (ENR/Social) Robin Mearns Cleared on 13-Sep-2019 at 11:57:13 EDT