

**INTEGRATED SAFEGUARDS DATA SHEET
ADDITIONAL FINANCING**

Report No.: ISDSA1171

Date ISDS Prepared/Updated: 17-Feb-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Malawi	Project ID:	P148617
		Parent Project ID:	P133620
Project Name:	MASAF IV Strengthening of Safety Nets Systems Additional Finance (P148617)		
Parent Project Name:	Strengthening Safety Nets Systems - MASAF IV (P133620)		
Task Team Leader(s):	Peter Ivanov Pojarski,Ivan Drabek		
Estimated Appraisal Date:	20-Feb-2015	Estimated Board Date:	26-Mar-2015
Managing Unit:	GSPDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (50%), General agriculture, fishing and forestry sector (25%), Irrigation and drainage (10%), Primary education (10%), Agro-industry, marketing, and trade (5%)		
Theme(s):	Social Safety Nets/Social Assistance & Social Care Services (50%), Social Protection and Labor Policy & Systems (50%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	75.00	Total Bank Financing:	75.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			6.50
IDA Grant			68.50
Total			75.00
Environmental Category:	B - Partial Assessment		

Is this a Repeater project?	Yes
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2. Project Development Objective(s)

A. Original Project Development Objectives – Parent

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

B. Current Project Development Objectives – Parent

C. Proposed Project Development Objectives – Additional Financing (AF)

3. Project Description

The proposed MASAF IV would be implemented using an Investment Project Financing (IPF) for a period of 4 years starting in January 2014. The project is a second generation safety net which would improve key safety net programs; and support the building blocks for a coordinated and systematic approach to safety nets. It would complement MASAF III and would innovate by improving the Social Cash Transfers Program, Public Works program through MASAF and COMSIP and the capacities of implementing agencies and ministries to support the key building blocks of a safety net system - Integrated and Coordinated Social Safety Nets Program. The goal of the new Program, to be supervised and coordinated through MASAF under the LDF-TST mechanism, would be to reduce vulnerability and extreme poverty and improve livelihoods, resilience and quality-of-life for the poor. The Program would focus 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 would be 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) Environment protection. The Program approach would be an 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 proposed three components, detailed below, aim at contributing to the GoM’s National Social Policy goals of:

- supporting the most vulnerable and poorest households with
- appropriate and easily accessible, timely cash transfers and support through
- socially accountable, harmonized and coordinated set of programs which are
- flexible and able to respond to vulnerability and crisis.

Component I: Productive Safety Nets: This component would focus on three safety net programs: (a) cash transfers through labor on productive community driven public works which build productive community assets; (b) social cash transfers for those who are most vulnerable and labor constrained including the elderly, disabled and sick; and (c) livelihood and skill development interventions for poor households.

Productive Community Driven Public Works would finance cash transfers for public works and multiple community driven assets through investments in productive public works. Community

driven productive public works would create assets 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. The design would follow an area development watershed management approach. Communities priorities include those related to water supply and irrigation, bridges, storage facilities for maize and other grains, maize mills, oil mills, afforestation, nurseries for seedling cultivation, soil and water conservation through check dams for gully transformation, solar stoves, fish ponds, solar panels, mobile bicycle ambulances, and health posts.

Livelihoods and skills development would finance grants for increasing household level incomes and assets savings and investments in livelihood opportunities through Community Savings and Investment Promotion groups. The grants would promote investments which would increase incomes and assets of households and reduce risks of food insecurity and promote better nutrition and health. Such grants would fund, for example, grain storage facilities, grain mills, livestock and crop diversification etc. and catering of food for school meals through kitchen gardens. The sub-component would also finance training in nutrition, health and enterprises. During implementation potential for offering risk insurance against crop failure, to members will be explored. The Cooperative Society Act 1998t, under the Ministry of Industry and Trade, requires cooperatives to have an office as a meeting place. This is a burden on the COMSIP groups whose savings would be better used to improve their productive assets and livelihoods. COMSIP is now seeking a waiver to delay this requirement so that members of cooperatives can use their savings for productive livelihoods.

Social Cash Transfers: This sub component would finance support for capacity building, technical assistance and cash transfers to strengthen the existing system which is targeted to the poorest and most vulnerable labor constrained households. The SCT currently functions in 8 districts. The sub component would finance cash transfers to another two districts and cover 21,000 ultra-poor labor constrained households in the two districts of Dedza and Nkhata Bay. The SCT program is expected to be in all districts by 2015. The SCT provides an opportunity to reach the most vulnerable Malawians through a Program which uses, proxy means targeting through the use of poverty scorecard survey and community verification techniques. It delivery of transfers include E-transfers. The Social Cash Transfers Program is financed by KfW, Irish Aid, EU and UNICEF. Targeting and identification of beneficiaries will continue to use proxy-means testing and community verification methods. The project will continue financial and technical support to COMSIP, a large ongoing program developed by the Bank under MASAF III to encourage savings and investment in underserved rural and peri-urban communities as a tool for its members to withstand sudden losses of income and food insecurity. COMSIP will provide matching grants to its members' savings that can be used towards training and small investments in a range of areas, such as retailing, small-scale enterprises (agricultural produce, investment in livestock, cash crop farming, and production such as bakery, winery, and mushroom growing), bee keeping, irrigation farming, among others.

Component II: Systems and Capacity Building. This component would finance investments in strengthening systems and capacity building to finance technical assistance, training, staff and equipment for improving targeting through the SCT and MASAF-LDF; a unified registry system and databases for monitoring and evaluation. It would finance technical assistance, training, staff and equipment for improving targeting through the SCT and MASAF-LDF; a beneficiary registry system and databases for monitoring and evaluation.

(i) Targeting: This sub-component would finance investments in technical assistance and capacity building to strengthen and refine the unified registry systems and targeting mechanisms for SCT and for MASAF-LDF. The proposed project would take an area development approach and would test, scale up and strengthen an existing mix or a hybrid of targeting instruments. GoM plans to establish

a Unified Registry System of all citizens in Malawi using a proxy means targeting formula and is moving forward with the creation of a National ID Card. There are also plans for linking citizen wealth ranking through a dedicated serial number to the National ID Card. However, this will take time and will probably not be implemented within the preparation time frame for the proposed MASAF IV. Nevertheless, these developments could over time, during implementation, be incorporated into the new SP Program for the purposes of client targeting and delivery of services.

(ii) Unified Registries and MIS: This subcomponent will finance investments in a unified registry data base for all beneficiaries of social safety net programs that could be used for a number of cash transfers and service delivery programs targeted to the vulnerable. This subcomponent would strengthen and build on the SCT registry of the extreme poor as well as the beneficiary lists covered under the MASAF IV public works. The list would be refined on the basis of poverty criteria.

(iii) Monitoring and Evaluation: This subcomponent will finance investments in the MIS system for SCT and for MASAF. Under MASAF IV, community based participatory planning, monitoring and the maintaining and updating of databases would be strengthened for the MASAF and for the Social Cash Transfers programs.

(iv) Training of Staff: This subcomponent would finance the training of community extension workers and other District Council staff who would participate in the delivery of safety nets under MASAF IV. Districts as well as the Ministry of Gender, Children and Social Welfare expressed needs related to strengthening extension workers capacity through training in community development and mobility challenges that limit regular travel to villages for supervision and monitoring.

(v) Social Accountability (SA): This sub component would finance the refining, strengthening and implementation of social accountability mechanisms. It would support developing the capacity of a local research institution to implement SA tools.

(vi) Increasing Environmentally Friendly Initiatives: This sub component would finance piloting and introducing environment friendly technologies into communities and it would strengthen the capacity of the line Ministries to undertake and implement such initiatives. Malawi faces countrywide challenges related to environmental degradation.

Component III: Project Management. The LDF-TST mechanism has evolved over the years from implementing MASAF I which was focused on community development and participatory approaches to safety nets to having become the GoM's key supervisory and coordinating capacity for carrying out several windows of financing for infrastructure programs. For example, school, block and teachers' staff house construction under the multi-donor financed Education Sector Wide Approach Program (ESWAP). The LDF-TST has a capable staff that is professional and knowledgeable. However, additional capacity development and training in community and watershed management approaches and building linkages with all development practitioners in these areas in the country would need to be supported. The window under the LDF-TST mechanism, which is meant for MASAF will supervise and coordinate the World Bank-financed MASAF IV and would focus entirely on the new community driven Safety Nets Program.

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

MASAF IV is to be implemented countrywide and will include activities (to be determined during project implementation) that are demanded by the community. Some examples of sub projects may include those related to water supply and irrigation, bridges, storage facilities for maize and other grains, maize mills, oil mills, afforestation, nurseries for seedling development, soil and water conservation activities, solar stoves, solar panels, mobile bicycle ambulances, and health posts. Productive Community Driven Public Works activities will be carried out in rural communities

across Malawi's three regions (Northern, Central and Southern), selected on specific criteria to be outlined in the MASAF IV Program Implementation Manual. COMSIP investments are based on specific criteria outlined in the COMSIP Guidelines. Component 3 of MASAF IV proposes investments in the Malawi Social Cash Transfer (SCT) Program. It is currently implemented in 8 districts including: Mchinji, Mangochi, Machinga, Salima, Chitipa, Phalombe, Likoma and Balak. MASAF IV would see the expansion of the Program to two additional districts: Dedza and Nkhata Bay.

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 have the possibility of depleting communities existing resources.

5. Environmental and Social Safeguards Specialists

Cheikh A. T. Sagna (GSURR)

Ruma Tavorath (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Some project activities involving construction, however small, are likely to have adverse environmental impacts (such as loss of vegetation, soil erosion, siltation, pesticides poisoning, traffic accidents, dust, water run-off, etc.). Borrower has updated the parent-project ESMF to make it consistent for activities proposed under the MASAF IV project. It also 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 has been prepared, consulted upon, and disclosed in-country and at the InfoShop before appraisal.
Natural Habitats OP/BP 4.04	No	MASAF will not fund any sub-projects that will have negative effects on natural habitats and 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 under MASAF IV. The ESMF includes recommended mitigative measures, and 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 as MASAF IV support for agricultural sub-projects may increase the use of agro-chemicals. Although the scale of application may be small, the risks associated with pesticides will require to be managed to minimize the potential social, environmental, health and safety risks involved. The Pest Management Plan (PMP) has been updated to support MASAF IV activities. LAs will rely on guidelines for implementation of pesticides management under sub-projects as coordinated by the Director of Crops, Ministry of Agriculture, or, the Crops Officer at the District level.
Physical Cultural Resources OP/BP 4.11	Yes	Subprojects activities may involve civil works that could encounter or affect physical cultural resources. MASAF will not fund any sub-projects that will have negative effects on physical cultural resources. Chance Find Procedures have been including in the ESMF to adequately mitigate any unexpected encounters.
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	Subproject activities may involve civil works that could require acquisition of land and lead to loss of property, shelter, livelihoods and goods or assets with possible physical resettlement of project affected persons (PAPs). The Resettlement Policy Framework has been updated, and makes the customary provision for consultation and disclosure of site-specific Resettlement Action Plans (RAPs), as

		and when required.
Safety of Dams OP/BP 4.37	No	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 proposed subprojects.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered because there are no disputed land areas in project areas

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>While the exact type and location of subprojects will be chosen by communities during project implementation, possible subprojects include: soil and water conservation activities; forestry and agro-forestry; rehabilitation and maintenance of rural feeder roads and market access roads; drainage improvements; construction and rehabilitation of reservoirs and connections, small scale irrigation schemes; bridges, storage facilities for grains, nursery for seedling cultivation, small fish ponds, health posts, school blocks. There may also be increased agricultural production as a result of an increased focus on watershed management activities.</p> <p>Environmental and social impacts are expected to be similar to earlier MASAF subprojects as activities are within the same scope and development objective. While their environmental footprint may not be large, MASAF IV AF subprojects could potentially have negative biophysical and social impacts, such as soil erosion, disruption of downstream water uses, impacts on forested land, disruption and contamination of water bodies if irrigation practices are poorly managed, water logging if roads and reservoirs are not constructed or maintained properly. Under MASAF IV, project activities will provide substantive positive social impacts leading to improved quality of life for the most vulnerable Malawians. But land use changes leading to either displacement of and/or restricted access to PAPs, increased social tensions over land use and/or livelihoods restrictions, limitations on local capabilities could be potential social impacts. OP/BP 4.36 is triggered as communities will establish community woodlots (managing nurseries, planting the seedlings, and harvesting the wood as income generating activities, construction material and cooking fuel). With OP/BP 4.11 triggered, chance finds procedures have been developed to mitigate any likely impacts.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>No significant indirect and/or long-term impacts associated with the project are expected. However, the Project recognizes that Malawi faces countrywide challenges related to social changes and environmental degradation, and that the subprojects may contribute to adverse impacts. The project has responded to potential impacts by setting out mitigative measures in the safeguards documents.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>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.</p>

A detailed ESMF has been prepared to ensure that MASAF IV 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.

Under the original project -MASAF IV – no ESMPs were prepared because the duration between that and this AF was quite short. Additionally those projects which were financed did not require EMPs as they were very small and localized works with miniscule risk (e.g., dirt road repairs etc.); instead, they followed the environmental measures set out in the ESMF. However, under MASAF-III, ESMPs were satisfactorily prepared and implemented for those small works which required them.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

MASAF IV AF 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 MASAF IV AF.

Institutional Arrangements for the new program clarify the 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, the Ministry of 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 MASAF IV AF public works, 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, which will then be cascaded to AECs. MASAF IV AF will ensure that capacity to implement safeguards is built at the community level during MASAF IV project implementation. A Safeguards Officer is being recruited to reinforce the capacity of the LDF-TST to ensure the implementation and monitoring of environmental and social safeguards during MASAF IV AF. 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 environmental 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 during MASAF IV. Annual reviews will also examine the participatory planning process and grievance redress mechanism and feedback information to the M&E system.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	30-Sep-2013
Date of submission to InfoShop	22-Oct-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Malawi	21-Oct-2013
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	30-Sep-2013
Date of submission to InfoShop	22-Oct-2013
"In country" Disclosure	
Malawi	21-Oct-2013
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	30-Sep-2013
Date of submission to InfoShop	22-Oct-2013
"In country" Disclosure	
Malawi	22-Oct-2013
<i>Comments:</i>	
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.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [] No [] NA []
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes [] No [] NA []
Is a separate PMP required?	Yes [] No [] NA []

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 [] No [] NA []
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [] No [] NA []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [] No [] NA []
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [] No [] NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [] No [] NA []
OP/BP 4.36 - Forests	
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 []
The World Bank Policy on Disclosure of Information	
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 []
All Safeguard Policies	
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 []

III. APPROVALS

Task Team Leader(s):	Name: Peter Ivanov Pojarski, Ivan Drabek
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<i>Approved By</i>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 17-Feb-2015
Practice Manager/ Manager:	Name: Manuel Salazar (PMGR)	Date: 17-Feb-2015