



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 19-Apr-2021 | Report No: PIDISDSA30887

**BASIC INFORMATION****A. Basic Project Data**

Country Eastern Africa	Project ID P175751	Project Name Southern Africa Transport and Trade Facilitation Project (SOP2) - Additional Finance	Parent Project ID (if any) P145566
Parent Project Name Southern Africa Trade and Transport Facilitation Program - SOP2	Region AFRICA EAST	Estimated Appraisal Date 11-May-2021	Estimated Board Date 22-Jul-2021
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Roads Authority, Ministry of Transport and Public Works

## Proposed Development Objective(s) Parent

The objective of the Southern Africa Trade and Transport Facilitation Program - Phase 2 is to facilitate the movement of goods and people along the North-South Corridor and at the key border crossings in Malawi, whilst supporting improvements in road safety and health services along the corridor.

## Components

Component 1: Improving Road Infrastructure  
 Component 2: Improving Social Infrastructure  
 Component 3: Improving Trade Facilitation  
 Component 4: Institutional Strengthening and Implementation Assistance

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	23.17
<b>Total Financing</b>	23.17
<b>of which IBRD/IDA</b>	22.68
<b>Financing Gap</b>	0.00



**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	22.68
IDA Credit	11.34
IDA Grant	11.34

**Non-World Bank Group Financing**

Trust Funds	0.49
Quality Infrastructure Investments Partnerships	0.49

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

**B. Introduction and Context**

Country Context

1. A small Southern African country with a population of 17.6 million (2018)<sup>1</sup>, Malawi is anticipated to double in population by 2036. With a total land area of some 118,484 square kilometers, it is one of Africa's most densely populated countries. Its per capita GNI was US\$380 (current US\$, Atlas method) in 2019; (with 70.8 percent (2016) of the population living below the international poverty line of US\$1.90 per day (2011 PPP)<sup>2</sup>. With limited natural resources and an agrarian production base in a handful of primary commodities, the Malawian economy is often vulnerable to both weather and market-related shocks. Real GDP growth grew for to 4.4 percent in 2019 from 3.2 percent in 2018.
2. Landlocked with shared borders between Mozambique, Tanzania and Zambia, trade and physical infrastructure remain poorly integrated into the region. Malawi ranks 128 out of 141 countries in the 2019 Global Competitiveness Index (GCI)<sup>3</sup>. According to the 2019 Doing Business report, the country ranks 111 out of 190 economies for ease of doing business, marking a significant improvement in five years (from 157 in 2013) and, more encouragingly, putting Malawi within the top 10 among 44 Sub-Saharan African countries. Malawi is a founding member of the Common Market for Eastern and Southern Africa

<sup>1</sup> Malawi in Figures. National Statistical Office (2020).

<sup>2</sup> <https://povertydata.worldbank.org/poverty/country/MWI>

<sup>3</sup> *Global Competitiveness Report 2019*. World Economic Forum



(COMESA), and is also a member of the Southern African Development Community (SADC), a regional economic community comprising 15 Member States.

3. Prone to droughts and floods that have direct impacts on the economy and living conditions, there is a high likelihood that weather and extreme events will continue to impede Malawi's development. Its topography, latitude and altitude, as well as the presence of Lake Malawi, all play a significant role in influencing the country's climate. Evidence from regional climate models suggest that Malawi will experience further shifts in seasons due to climate change, with decreases in rainfall during dry seasons and increases during the wet season.
4. Poverty remains widespread and concentrated mainly in rural areas. Approximately 81 percent of Malawi's population lives in rural enclaves. The moderate national poverty rate has increased slightly from 50.7 percent in 2010 to 51.5 percent in 2016, but extreme (ultra) national poverty has decreased from 24.5 percent in 2010 to 20.1 percent in 2016.<sup>4</sup> Female headed households tend to have fewer assets and less access to infrastructure and basic services than male headed households, with poverty headcount rates of female headed households around 9.5 percentage points higher.<sup>5</sup> Poverty is driven by poor performance of the agriculture sector, volatile economic growth, population growth, and limited opportunities in non-farm activities. Despite improvements in food security nation-wide, the country is still experiencing frequent food shortages, especially in the southern part of the country.
5. The unequal status of women in Malawi is complicated by the inter-locking factors of general poverty and discriminatory treatment in the family and public life. Malawi ranks 174 out of 188 countries on the UN's 2019 Gender Inequality Index (GII). In terms of labor force participation, 81 percent of men compared to 72 percent of women (ages 15 and above) are in the workforce. More women (76.7 percent) than men (67.6 percent) are employed in the agricultural sector, which is the mainstay of Malawi's economy. A larger proportion of men (44 percent) than women (33 percent) is salaried workers. Discriminatory customary laws and norms in Malawi also contribute to sustain gender disparities in asset ownership and status of women<sup>6</sup>.
6. Further strengthening of governance and accountability are crucial to improving public sector management and service delivery. The 2019 Corruption Perceptions Index scores Malawi at 31/100 near the bottom 30 percentile, ranking it 123 out of 198 countries<sup>7</sup>. One in five interactions with the public sector are reported to have involved bribes, with the highest incidence for construction permits, import licenses, and electricity connections—all three areas that are likely to be key factors for successful business entry<sup>8</sup>. The 2018 Systematic Country Diagnostic confirms that despite the efforts to advance the anticorruption agenda, implementation gaps are wide, and corruption and patronage remain endemic.

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<sup>4</sup> National Statistical Office, Integrated Household Survey (2017).

<sup>5</sup> Systematic Country Diagnostic, World Bank (2018).

<sup>6</sup> ILO updated Gender and Law Database

<sup>7</sup> Transparency International, 2020.

<sup>8</sup> Systematic Country Diagnostic, World Bank (2018).



Sector and Institutional Context

- 7. Malawi is served by a relatively extensive and coherent road network that comprises links ranging from paved main roads to narrow unpaved tracks and trails. The 2,809 km of Malawi’s main trunk roads form part of the SADC Regional Trunk Route Network with such corridors as the Dar es Salaam (part of North-South) corridor, Nacala corridor and Beira (Sena) corridor. The M1 road is a backbone of Malawi road network and provides an important link in the regional North-South Corridor, connecting the port of Dar es Salaam with the Malawi economic centers of Lilongwe and Blantyre as well as Mzuzu on the border with Mozambique. It supports regional trade and tourism with Mozambique in the south, Tanzania and Zambia to the west and north, and with the wider SADC region.
- 8. Road safety remains a major concern for Malawi, as road-related fatalities and injuries remain some of the highest in the world. Road crashes in Malawi cost the nation 0.78 percent of GDP in 2016 in the form of medical care and indirectly from productivity losses.

**Table 1: Malawi Fatal Accident Statistics**

Year	Annual Number of Fatal accidents in Malawi		
	National Statistics	M1 Corridor (Nsanje-Songwe)	M1 Pilot (Lilongwe -Blantyre)
2015	889	307	185
2016	960	334	175
2017	953	358	192
2018	1095	405	230
2019	1061	395	207

*Source: Malawi Police Service (January 2021)*

- 9. High accident rates in Malawi are a consequence of number of factors including, but not limited to, road condition, road user behavior and lack of education, inadequate traffic management facilities, and lack of visibility after dark. Road passenger transport and road safety regulation is within the jurisdiction of Directorate of Road Traffic and Safety Services (DRTSS), under the Ministry of Transport and Public Works (MoTPW).
- 10. Institutional reforms in the road sector in 2006 led to the creation of the Malawi Roads Authority (RA) for road maintenance management of national road assets and the Roads Fund Administration (RFA) to administer the collection and use of fuel levies and other eligible charges. The RA reports to the MoTPW responsible for policy and strategy development, regulatory and legislative functions. However, planning and execution of routine and periodic maintenance for District and Community Roads is managed by respective District Councils. District road programs are supposed to be funded on a cost sharing basis with the RFA, but receive limited capital investment or recurrent expenditure, and sustainability remains a major concern. The MTPW Comprehensive Medium-Term Implementation Framework (2020-2025) indicates that the unconstrained investment demand for all road preservation and upgrading is MK2.3 trillion (approximately US\$2.955 billion). In recent years, the average annual budget from both paved and unpaved roads works was approximately MK74.1 billion (US\$ 95 million equivalent).
- 11. The RFA is responsible for GoM’s annual road sector budget implementation and reports to the Ministry of Finance, Economic Planning and Development (MoFEPD). The RFA currently receives revenue from the fuel levy and international transit fees to finance the maintenance and rehabilitation of public roads, along



with related surveys and monitoring activities. The fuel levy that is currently set at 11 percent generates an estimated MK39.3 billion annually (US\$50.46 million)<sup>9</sup>. While the RFA's income may also be supplemented by Government grants and loans, mandated road projects outside the budget has exacerbated the concerns over accumulated arrears, which in 2019/2020 amounted to MK71.9 billion (US\$92.4 million). This has posed a major challenge for the road sub-sector.

### C. Development Objective(s)

#### Original PDO

The objective of the Southern Africa Trade and Transport Facilitation Program - Phase 2 is to facilitate the movement of goods and people along the North-South Corridor and at the key border crossings in Malawi, whilst supporting improvements in road safety and health services along the corridor.

#### Key Results

- Reduction in average journey time for an imported container (TEU) from the Songwe/Kasumulu border with Tanzania to Lilongwe in Malawi on the corridor;
- Reduction in average time required for trucks to cross the borders from/to Malawi to Tanzania at Songwe, and to Mozambique at Dedza, Mwanza, and Muloza;
- Reduction in total vehicle operating costs (VOC) on Karonga – Songwe road section;
- Number of users benefitting from new/improved health centers on Lilongwe – Blantyre section, and the percentage of which female; and
- Reduction in the number of fatal accidents on the M1 corridor per year

### D. Project Description

12. **Component 1: Improving the Road Infrastructure (Original Credit US\$28 million; AF US\$31.5 million).**

- (a) ***Component 1(a): The Karonga – Songwe Section of the M1 Corridor (US\$25 million).*** This sub-component has supported the improvement of the 46 km Karonga – Songwe section of the M1 road. The road works have created better pedestrian environments, enhanced road operational safety, and increased drainage capacity to improve climate resilience at locations prone to inundation during high intensity rainfall events. Safety improvements include road signing and signaling, speed bumps and rumble strips at key locations to help alert drivers and reduce speeds in built-up areas, provision of shoulders in zones close to villages so as to provide adequate facilities for pedestrians; and provision of bus stops and approach areas, and rest stops. Though the major rehabilitation works for northern section of the M1 Corridor (46 km) has achieved practical completion, there are serious concerns with the quality of construction after identification of premature pavement defects. An independent technical auditor was therefore mobilized in November 2019 and a determination of the technical audit was originally expected in May 2020. Completion of the technical audit has been significantly delayed due to Covid-19 as

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<sup>9</sup> This excludes an amount of MK15 per litre included in the fuel levy which goes directly to Government's Consolidated Account



the technical auditor, based in South Africa. The critical analysis under the assignment required in-country site visits, observations and lab testing in Malawi. The technical audit is expected to be completed by April 2021. The audit recommendations are expected to confirm all remedial road work requirements to meet contract specifications, which could foreseeably be completed by late-2021. There is no financing associated with the remedial work requirements that will be emanate from the technical audit findings. The civil works contract has not been handed back over to RA and therefore yet to enter under defect liability period. As such, the contractor continues to bear full responsibility of the workmanship and conformance to technical specifications - all rectification work is to be executed without contract variation orders.

- (b) **Component 1(b): Accident Blackspot Intervention (original allocation US\$3 million, revised allocation US\$6.5 million).** This sub-component will support the mitigation of priority accident blackspots on the M1 north-south corridor. Final detailed engineering designs and related safeguard instruments have been completed for seven accident blackspot improvement locations at Trading Centers along the M1 within the Lilongwe and Blantyre corridor – Mponela, Lumbadzi, Chimbiya, Lizulu, Tsangano Turn off, Kampepuza, and Lunzu Trade Centers. The designs at two locations, Mponela and Lumbadzi TCs, will be integrated into contract tender packages and implemented through the road rehabilitation financed separately through larger civil works packages financed by European Investment Bank. The civil works packages for five accident blackspot interventions at Chimbiya, Lizulu, Tsangano Turn off, Kampepuza and Lunzu TCs are ready to be procured but await confirmation of available funding. The investments remain essential to supporting both the related PDO indicator on reducing fatal accidents between Lilongwe and Blantyre and the associated intermediate target of completing all seven accident blackspot interventions.

13. **Component 2: Improving the Social Infrastructure (original allocation US\$5.5 million; revised allocation US\$8.1 million).** The second component comprises two sub-components to mitigate the social costs associated with road trauma and traffic safety:

- (a) **Component 2(a): Improving management of road safety (original allocation US\$2 million; US\$2.15 revised allocation).** This sub-component is to facilitate DRTSS with necessary resources and tools, including (i) the purchase of equipment (handheld speed detection radars, breathalysers) and mobile weigh scales (ii) undertaking of baseline surveys (seatbelt wearing and drunk driving), (iii) educational road safety campaigns, (iv) a study to estimate the socio-economic cost of road traffic accidents, and (v) technical assistance to design and support the DRTSS in implementing the pilot. The project has completed acquisition of DRTSS vehicles, equipment and technology products<sup>10</sup> that provide the requisite means for DRTSS to undertake studies on campaigns emphasizing the proper use of seat belts, speed controls, and drunk driving deterrence. Further, DRTSS has installed the Data for Road Incident Visualization, Evaluation and Reporting (DRIVER) open-source software and mobile app on portable devices as an effort to digitize its records and develop a geo-spatial road accident database. DRTSS has completed a baseline study on use of seat belts during speed control campaigns but has not had enough project resources budgeted to undertake baseline studies on drunk driving deterrence.

<sup>10</sup> Including 50 PDAs and 50 portable printers to support DRTSS in records and citations; 13 breathalyzers; 10 hand-held speed detectors



- (b) **Component 2(b): Improving health services and emergency response (original allocation US\$3.5 million, revised allocation US\$5.95 million).** This sub-component will refurbish and extend priority health facilities in trauma care and provide technical assistance to develop the capacity of the staff in the local health facilities, in HIV/AIDS awareness, counseling and testing. It will also support the piloting of an emergency response service for road traffic accidents. The Ministry of Health (MOH) “118”<sup>11</sup> EMS Call Center, housed in Lilongwe at the College of Health Sciences adjacent to Kamuzu Central Hospital (KCH), has been established with necessary IT, internet and other resources. The 118 EMS Pilot objective focuses on the M1 Road Corridor between Lilongwe and Blantyre, which records the highest rates of road trauma injuries and fatalities in Malawi. The pilot coverage area served by computer-aided ambulance dispatch capability is supported by twelve (12) emergency vehicles procured through UNOPS, supplied with equipment and medical kits,<sup>12</sup> and equipped with GPS tracking capabilities that supports ambulance response, movements and patient monitoring. First responders, pre-hospital emergency medical services and in-hospital trauma care have undergone training to respond to road traffic accidents (RTAs). The ambulances are positioned at respective hospital facilities, increasing beneficiaries’ prospects of accessing urgent care health services. However, while the 118 EMS pilot has been operational for more than one year, a combination of staffing shortages for call center operators, together with Information and Communication Technology (ICT) and data management challenges and an insufficient focus on media and public awareness campaigns related to use and availability of 118 EMS response have limited its performance over the pilot period.

The subcomponent also includes upgrading of trauma care center (TCC) facilities along the M1 corridor within the EMS pilot area, which have yet to be constructed. These activities can enable MOH to make a potentially pivotal contribution to meeting the intended outcome of reducing fatal accidents on the M1 corridor through their ultimate handling of post-crash road trauma case management. Refurbishing up to 20 TCC facilities in the central region was originally envisaged. During implementation, a more targeted and concentrated approach to resourcing the EMS response capability was determined to be more strategic. Five of six TCC designs and safeguard instruments are nearly finalized for Queen Elizabeth Central Hospital in Blantyre, three district hospitals (Dedza, Ntcheu, and Balaka) and one community hospital (Lisungwi). A package of essential trauma care equipment has been procured for these sites, including at KCH in Lilongwe. The final detailed designs and cost estimates for works and equipment for six sites increases the total budget for trauma care centers from US\$2.0 million to a US\$2.7 million, inclusive of contingency and taxes. The associated intermediate indicator on number of sites constructed and/or equipped will be reduced to six TCCs. All TCCs and related equipment are top priorities and will be funded under the original Credit.

14. **Component 3: Improving Trade Facilitation (original allocation US\$26.8 million; revised allocation US\$33.2 million).** The objective of this component is to reduce the cost of cross border transport by

<sup>11</sup> 118 is the established toll-free Emergency number

<sup>12</sup> Head stabilizers, Short stabilizing spinal board, spinal board strapping, oxygen resuscitator, portable automatic resuscitator, pulse oximeter, mattress for stretcher, oxygen resuscitator demand type, trauma kit, portable suction, emergency blanket, stethoscope





modernizing, simplifying and harmonizing the trade and transit procedures and policies. This is expected to be realized through the following sub-components:

- (a) A feasibility study to assess options for establishing a National Single Window (NSW) facility. A Malawi National Single Window (NSW) Blueprint has been endorsed by all NSW national steering committee stakeholders.
- (b) Support for establishment of NSW based on the option, key elements of development, the approach, and operational models recommended in the context of Malawi national situations. MoT has revised the NSW Implementation Plan, which envisages a two-phase rollout across all agencies, has been agreed to as the basis to proceed with a 30-month timeline, considered to be consistent with international experience for rollout of similar portals. Procurement for the vendor selection to supply and install the platform and train an initial seven stakeholder agencies is expected to commence by April 2021. The NSW is now considered a crucial activity that is part of Malawi's COVID19 mitigation strategy, as it reduces physical exchanges through digital document management;
- (c) Feasibility studies and detailed designs of the upgrading and modernization of border post facilities at Dedza, Muloza Songwe and Mwanza have been completed. Ahead of a full national rollout, a pilot for the new coordinated border management model was since approved for Mwanza border, and preparatory tasks – including hiring of a locally-based Project Manager and logistics support - are now underway. The Mwanza pilot is anticipated for 12 months likely to begin in March 2021; and
- (d) The upgrading and modernization of border post facilities at Songwe on the Tanzania border, and Dedza, Mwanza, and Muloza border crossings on the Mozambique border. The physical infrastructure investments in border post improvements will be implemented in parallel with the necessary institutional and operational reforms to reduce the number of border agencies. Contract awards were recently finalized for the Dedza and Mwanza OSBP civil work packages for approximately US\$9.56 million and US\$4.24 million, respectively, with works commencing in early 2021. Songwe OSBP bid documents are being finalized and are expected to be issued in upon approval of Additional Finance. The implementation timeframe for the Songwe OSBP currently plans for an 18-month construction period.

15. **Component 4: Institutional Strengthening and Implementation Assistance (original allocation US\$8.7 million; revised allocation US\$10.69 million).** The fourth component provides necessary project management, implementation assistance and capacity building to the RA, and strengthening of the institutional framework for transport. The specific activities to be funded through the project include:

- (a) Preparation of a National Transport Masterplan (2017-2037), to guide the sustainable development of the transport sector, which has been completed and was adopted by the MoTPW in December 2017 and formally launched in March 2018;
- (b) A qualified consultant engineering firm was contracted for the preparation of designs and supervision of works to mitigate the accident blackspots. The final detailed design and related safeguard instruments have been completed for seven accident blackspot improvement locations at Trading Centers along the M1 between Lilongwe and Blantyre – Mponela, Lumbadzi, Chimbiya, Lizulu, Tsangano Turn off, Kampepuza, and Lunzu;



- (c) A qualified consultant engineering firm was contracted to assist RA in the supervision of the implementation of civil works on the Karonga – Songwe section. Currently, the firm awaits the findings and recommendations of the technical audit outcomes.
- (d) Feasibility study, detailed design and safeguard instruments have been completed for civil works on priority sections road upgrading equivalent to 70 km between between Kacheche – Chiweta (financed by the European Investment Bank (EIB)) and 147 km between Mzimba Turn off – Mzuzu – Kacheche (funding to be determined),
- (e) As part of the project’s governance and accountability plan, a consultant firm is currently undertaking an independent technical audit of works to investigate premature pavement defects on the newly constructed Karonga-Songwe road section;
- (f) The focus of consultants to establish the road asset management system aims to prepare a strategy for functional parameters. The AF will contribute US\$485,000 in grant funding from the Quality Infrastructure Investment (QII) Program towards development of a Road Asset Management Strategy for RA.
- (g) The procurement of integrated accounting and contract management software to the RA has been separated into HR financial management software and procurement and contract management systems to be integrated with national e-procurement development;
- (h) Support to the RA to assist the Project Implementation Team (PIT) in project oversight and management responsibilities. This includes individual consultants to support both fiduciary, environmental and social management, monitoring and evaluation, and other just-in-time technical experts for all components;
- (i) A study to ascertain the structure, responsibilities and necessary resources for a network manager in the rail sector, which will be dropped from the project; and
- (j) Capacity building and training. To date, a total of 69 persons from RA, RFA and MoTPW have been trained in a range of subjects, including construction management, safeguards management, gender, and public-private partnerships in the transport sector. AF resources will contribute to further staff skills and knowledge.

## E. Implementation

### Institutional and Implementation Arrangements

16. A Project Steering Committee (PSC) is chaired by the MoTPW. The primary implementing agency is RA. The PSC composition includes representation from the RA, DRTSS, Ministry of Health (MOH), Malawi Revenue Authority (MRA), and Ministry of Industry and Trade (MIT). The PSC is responsible for, *inter alia*, the review and validation of: (a) Annual Work Plans; (b) the Project’s evaluation and supervision reports; and (c) the Project’s financial management and accounting reports.
17. The RA was established by an Act of Parliament No. 3 of 2006. Though it is an independent statutory company, the organization reports to the MoTPW. The RA is the primary implementing entity for the project activities, responsible for overall project management, including safeguard compliance, procurement, contract administration and formal reporting requirements. The responsibility for monitoring environmental and social aspects will lie with RA, who will support the project in the



environmental and social safeguard issues and coordinate with the PIT to ensure compliance with national regulations and the Bank's Safeguard policies.

18. The RA works in combination with the RFA on the financial management, and the preparation and submission of disbursement requests. The responsibilities of RFA will include, *inter alia*: (a) the management of the designated accounts; (b) financial management reporting of the overall project; (c) ensuring the execution of the audit of the project; and (d) preparation of quarterly financial reports.
19. The PIT consists of a project manager that is a full-time employee of RA and individual consultants that include one procurement specialist, social safeguard specialist and project accountant at RFA. The PIT will continue to draw on technical expertise from both in-house sources and/or consultants for related policy, strategic and technical guidance such as to: (a) MRA and MIT collaboration on NSW elements, consolidated border management, and other trade facilitation activities, (b) DRTSS on road safety improvements, and (c) MOH for the health services and emergency response improvements.
20. Upon an internal functional review that was completed in July 2019, an Environmental and Social Planning section was established under the Planning and Development Department and is currently staffed by one (1) Senior and one (1) Environmental and Social Planning Officer. The RA Board of Directors approved a new environment and social staffing structure in February 2021. To effectuate new level of staffing in place, the new RA- ESPU organizational model requires approval by Office of President and Cabinet (OPC), which can potential be presented to OPC by end-May 2021. The structure for the unit entails the following roles:
  - Environmental and Social Manager to report to the Director of Planning and Design and the Chief Executive Officer
  - Senior Environmental Planner Reporting to the ES Manager
  - Senior Social Planner- reporting to the ES Manager
  - (2) Environmental Planners - reporting to the Senior Environmental Planner
  - (2) Social Planners - Reporting to the Senior Social Planner

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#### **F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The AF, like the Parent Project, is being implemented nationally to facilitate the movement of goods and people along the main road transport route of the M1 North-South Corridor and at the key border crossings in Malawi. All activities within the AF were identified within the parent project but have yet to be implemented due to cost overruns/financing gaps. The AF activity locations were acknowledged through the Parent Project safeguards instruments, which were prepared and disclosed accordingly. The AF activities were included in the parent ESMF and RMF and will not introduce any new activities with environmental and social risks. The location of the AF interventions remain unchanged from those previously identified and are not expected to have any negative impacts on natural or critical habitats. The environmental and social conditions at these locations remain the same as in the parent ESMF and RMF. Most interventions are expected to be within an existing road right-of-way, or within the footprint of existing facilities, or on land which has been heavily modified. Thus, the environmental risks have been assessed to remain constant and



Environmental risk is rated Moderate. As such, the AF has the same E&S baseline and country-wide coverage. The main adverse environmental and social impacts are site specific and transient, and relate to (i) remedial road works for the Karonga-Songwe road, (ii) civil works to remove accident blackspots at five locations along the M1 road (Chimbiya, Lizulu, Tsangano Turn off, Kampepuza and Lunzu trade centers), (iii) construction of trauma care centers at Queen Elizabeth Central Hospital (Blanytre), Dedza, Ntcheu, and Balaka district hospitals and Lisungwi community hospital, and (iv) improvement of border crossing facilities at Songwe, Mwanza, and Dedza borders. The ESMF and RMF outlines the processes for the preparation of site specific ESIA or ESMPs and RAPs, which have been successfully prepared during implementation of the Parent Project to date and will continue in the AF. The civil works interventions at the identified accident blackspots and the One Stop Border Posts require minor land acquisition. The development of trauma care centers involves new construction at the identified hospitals. All health center upgrading is within the footprint of the existing facilities, or on publicly owned land, therefore no land acquisition is required.

**G. Environmental and Social Safeguards Specialists on the Team**

Feng Ji, Environmental Specialist  
 Violette Mwikali Wambua, Social Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	



## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The primary rationale for the AF is to meet a financing gap to complete the original project scope. All activities within the AF were identified within the parent project and therefore included in the original Environment and Social Management Framework (ESMF) and Resettlement Management Framework (RMF), which conform to the World Bank safeguard Operational Policies (4.01 Environmental Assessment, 4.11 Physical Cultural Resources, and 4.12 Involuntary Resettlement). There are no changes to the current Environmental Category B classification, as the potential risks and impacts of the AF activities will not be “significant” as described under OP/BP 4.01. The AF will therefore maintain the use of World Bank OPs. The ESMF has identified key risks and potential impacts associated with the on-going and remaining original activities and proposes mitigation measures. All costs associated with expropriation or compensation is to be borne by the GoM.

The main environmental and social impacts relating to the activities have been identified within the Parent Project ESMF and RPF and include:

- community and occupational health and safety hazards, labour management issues largely during the construction stage of the sub-projects;
- soil erosion and pollution of water sources both during construction and from water run-off from roadside drainage
- habitat disruption, loss of vegetation, disturbed river habitats;
- economic displacement as a disruption of livelihoods and economic activities that may occur prior to and during construction;
- impacts on physical and cultural resources due to physical works;
- labor influx due to the use of external/foreign labor for construction works and associated impacts including increased GBV/SEA/SH, increased inflation locally; social conflicts or pressure on social amenities, and exacerbation of the prevalence of HIV/AIDs, all of which is likely to cause disruptions to local communities.

The civil works interventions at the identified accident blackspot locations (Chimbiya, Lizulu, Tsangano Turn off, Kampepuza and Lunzu trade centers) require minor land acquisition. The accident blackspots interventions remain consistent with the original intent and scope of physical improvements, drawing upon people-centric solutions in the design and construction of center medians, bus bays, shoulders and pedestrian and cyclist infrastructure that requires appropriate drainage installations and pavement overlays to ensure operational safety at the trade centers locations Accordingly, Abbreviated Resettlement Action Plans (ARAPs) are being prepared. The Project Affected Persons (PAPs) for the accident black spot interventions are composed of both traders with sheds (iron sheets and poles) and traders with shops (iron sheets brick walls and cement floors). These traders will be economically displaced. There is a total of six houses affected at Tsangano trading center whose owners will be physically displaced.

The sub-component on piloting Emergency Response and development of trauma care centers involves new construction at Dedza, Ntcheu, and Balaka district hospitals the Lisungwi community hospital, All health center upgrading is within the footprint of the existing facilities, or on publicly owned land, therefore no land acquisition is required. ESMPs have been prepared to address construction related impacts, as well as the requirements to ensure



appropriate disposal and management of medical waste during operation.

The One Stop Border Post (OSBP) improvements at Songwe requires minor land acquisition. The various improvements to address insufficient parking space, ICT connectivity, and necessary equipment and facilities for physical inspections are consistent with the original project design, which requires that adequate space and accommodations can differentiate its customer base (passenger vs freight transit) and screening/process requirements (both physical and documentary) if there are to be gains in operating efficiency and operational safety and security. The parking requirements for the anticipated traffic flows required land acquisition with the altimetry level for parking accommodations necessitating earthworks to be level with the existing Border Post operation area and to avoid potential flooding, thus increasing construction cost estimates. The Songwe ESIA and RAP are in preparation. ARAPs and resettlement completion reports for Dedza and Mwanza OSBPs illustrate the Project's ability to successfully implement land acquisition and resettlement. The same process will be completed for Songwe OSBP.

With regard to potential physical and cultural resource (PCR), no impact to any physical or cultural resources is expected. However, as there will be earth works chance findings may occur. The ESMF includes a Chance Find Procedures and corresponding protocols of action.

A Gender-Based Violence risk assessment has been undertaken to analyze both Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) risks in the context of the project areas of influence. The assessment outcomes indicate a moderate to substantial risk, depending on the subprojects' possible labor influx among other contextual factors. The labor risk profile is deemed to be high for OSBPs, where there may be major infrastructure works, based on the anticipated number of workers relative to the absorption capacity of communities, while works at the accident blackspot trading center locations, which are medium-sized civil works entail a substantial labor influx in the project areas of influence. While there have been no GBV/SEA/SH cases reported under this operation to date, project activities have been accordingly retrofitted consistent with the risk rating, including the recruitment of a GBV Service provider for all OSBP activities.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Significant long term adverse impacts associated with the project are not expected. The Parent Project's ESMF and RMF identified key risks and potential impacts associated with the on-going and remaining activities and proposes mitigation measures. The RMF guides the process for land acquisition, loss of assets, access, livelihoods and/or restrictions on land use that may be caused by construction and associated civil works. All activities within the AF were identified within the Parent Project and therefore included in the ESMF and RMF. As no new activities are proposed no additional or new potential indirect or long term impacts are anticipated. The location of the AF interventions remain unchanged from those identified in the parent project and are not expected to involve any direct negative impacts on natural habitats and forests, including critical or sensitive or high conservation areas given that most interventions are expected to be within an existing road right-of-way, or within the footprint of existing facilities, or on land which has been heavily modified.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. During project preparation other alternatives and mechanisms were considered to minimize adverse safeguards impacts related to the civil works of the project. Drawing from experiences of other Bank Projects in the region, the design for the road will consider the road alignment and proposed intervention with the aim of reducing adverse environmental and social impacts.





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.

The Malawi Roads Authority (RA) continues to lead several World Bank operations. Under the parent project it has coordinated GOM implementation on behalf of Project Steering Committee participants, including the MoTPW, Ministry of Health (MOH), Ministry of Trade (MoT) and Malawi Revenue Authority (MRA). The AF implementation will be led and coordinated by the existing PIU which will retain overall responsibility for environment and social risk management, as well as oversee preparation and implementation of environment and social instruments.

In February 2020 the Overall Safeguards rating was downgraded to Unsatisfactory (U). The ratings reflected project implementation challenges between October 2019 and June 2020, due to contractor non-compliance with environmental management, inadequate site protection of the Songwe quarry site and a related community land dispute at the contractor campsite. RA responded promptly to manage the respective social and environment issues while building upon recent good practices. The contractor subsequently submitted an acceptable Quarry Management Plan and completed corrective actions related to site rehabilitation (i.e. benching of slopes, proper drainage) and community protection measures (including consultations and security fencing). Further, the RA developed, completed and continues to meet the protocols included in its community consultation and communication plan, which included proper documentation of agreements with affected households, to ultimately resolve and close all registered grievances at the Karonga Songwe campsite in April 2020. This led to improving both environment and social safeguard performance ratings and the IP rating to MS in June 2020. The Parent Project is currently rated as Moderately Satisfactory for environmental and social management, as there are no significant outstanding environmental safeguard implementation issues or complaints in the parent project.

Both the ESMF and RMF have been revised to reflect alignment with WB requirements related to grievance redress mechanism accountabilities and GBV/SEA/SH prevention and response. Both frameworks, updated to acknowledge new national legislation and regulations, also direct contractors on the expectations to develop and implement COVID 19 prevention guidelines, using the WHO COVID 19 Guideline, World Bank's Environment and Social Framework (ESF) Interim Note: COVID-19 Considerations in Construction/Civil Works Projects, as well as the RA Guidelines for preventing the spread of COVID 19 on projects under implementation. The ESMF includes appropriate screening provisions and management measures in case any critical areas are identified during project preparation or implementation, and potential affectation of the physical and cultural properties (chance finds procedures) is revealed. For involuntary resettlement issues, the RA (with the support and coordination with the Bank's safeguards specialists) developed a RMF based on the Malawi's law and the World Bank Involuntary Resettlement Policy (OP/BP 4.12). The RMF has guided the preparation of the ARAP at blackspot locations, as well as at Songwe OSBP. All activity-related Environment and Social Management Plans (ESMPs) and Resettlement Action Plans (RAPs) are being retrofitted to conform to the updated frameworks, which are designed to address the principles of the new World Bank ESF. To complement the project's existing safeguard instruments, the RA has prepared a detailed Stakeholder Engagement Plan (SEP) and Labor Management Plan (LMP). The SEP sets out public consultation processes for community dialogue and awareness raising that will be carried out in project areas to ensure people potentially affected by the project remain fully informed. The LMP acknowledges local community impacts that may arise due to labor influx at project sites with cogent measures to mitigate related risks.

Upon an internal functional review that was completed in July 2019, an Environmental and Social Planning section was established under the Planning and Development Department, and is currently staffed by one (1) Senior and one (1) Environmental and Social Planning Officer. RA is seeking Government of Malawi approval to enhance its Environmental and Social Planning Unit; the proposed structure for the expanded unit entails the following roles:

- Environmental and Social Manager to report to the Director of Planning and Design and the Chief Executive



Officer,

- Senior Environmental Planner Reporting to the ES Manager
- Senior Social Planner- reporting to the ES Manager
- (2) Environmental Planners - reporting to the Senior Environmental Planner
- (2) Social Planners - Reporting to the Senior Social Planner

The project has adopted a robust set of actions to mitigate the SEA and SH risks emanating from civil works that have an increased potential for labor influx at investment sites. The approach is based on the assessment and lessons from earlier and on-going investment operations in Malawi, as well as global experiences and the recommendations of the Good Practice Note Addressing SEA and SH in Investment Project Financing involving Major Civil Works. Key mitigation measures include the following:

- RA intends to effectuate an increased level of staffing to meet the Environment and Social Planning Unit in its expanded organizational model, with a commitment to hire one (1) manager and four (4) environmental and social safeguard specialists upon formal approval of the new structure.
- RA has a GBV service provider under contract financed by the project for on-going civil works at two OSBP locations (Dedza and Mwanza), which will also provide related support services during the Songwe OSBP works under the AF. GBV service provision for the accident blackspot intervention works is also anticipated prior to commencement of works.
- A Third-Party Monitor will be contracted by the Ministry of Transport and Public Works (MoTPW) under the proposed Southern Africa Trade and Connectivity Project (P164847), the scope of services for which will include all WB operations implemented by RA. Either a non-governmental organization or civil society organization with focus on human rights will therefore be engaged as TPM to support verification of GRM resolution, and case management of GBV/SEA/SH complaints. The TPM will ensure that a Response Protocol is in place and validate that RA is properly applying the protocols for registering complaints, survivor referrals, and resolution of complaints; that the different entry points for survivors of SEA are coordinated; and that survivors' confidentiality is maintained at every stage. They will also monitor development of the Codes of Conduct and their signing by the contractors, workers, and consultants. This approach is anticipated to support the Governments' broader efforts to enhance its response to GBV.
- The remaining larger civil works packages will use the World Bank Standard Bidding Documents (January 2021), which, in addition to explicit Management Strategies and Implementation Plans to address the ESMPs, include additional remedial measures that can be taken unilaterally by World Bank in cases of contractor non-compliance with associated safeguard requirements. Specific measures will include (i) briefing prospective contractors on the Environmental, Social, and Occupational Health and Safety Standards, and SEA-related requirements during pre-bid meetings; (ii) incorporating into bid documents requirements to minimize use of expatriate workers or non-local labor, as much as possible; (iii) requiring that contractors and consulting firms submit "Codes of Conduct" with their bids; (iv) requiring contractors to establish anti-sexual harassment policies, adopt specific measures for implementing environmental, social, and occupational health and safety standards, and mitigation measure on SEA/SH; and (v) requiring firms pay the NGO to provide worker training on SEA/SH, HIV/AIDS mitigation, and Code of Conduct obligations.
- Provision of AF resources to support RA with conducting workshops designed to promote industry awareness and performance expectations on Environmental and Social (E&S) management. RA to coordinate with the National Construction Industry Council (NCIC) and industry companies to raise awareness on E&S fundamentals and increase the sector-level ownership of the E&S agenda, including expectations on their corporate social responsibility, with related codes of conduct, work camp locations, and other community and occupational health and safety requirements. Further, project coordination with NCIC foresees increasing involvement as part of new World Bank expectations for recognizing Dispute Adjudication and Avoidance Boards, given NCIC responsibilities to license, sanction, and de-list companies that do not meet Malawi national standards.





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

The ESMF and RMF were consulted upon on September 24, 2014, with a wide range of stakeholders, including national and local governments, and NGOs. The ESMF and RMF were originally finalized and disclosed in the country and Infoshop on February 10, 2015.

Both the ESMF and RMF have been updated to reflect alignment with WB requirements related to grievance redress mechanism accountabilities and GBV/SE/SH prevention and response. Furthermore, the frameworks direct contractors on the expectations to develop and implement COVID 19 prevention guidelines during project implementation, using the WHO COVID 19 Guideline, WB's Environment and Social Framework/Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects and the RA Guidelines for preventing the spread of COVID 19 on Roads Authority Projects. The RA is updating the ESMF and RMF to reflect new legislation and regulations - the ESMF has incorporated the Provisions of the Environmental Management Act, 2017 and the Public Roads (Amendment) Act (2017) while the RMF has incorporated the Lands Acquisition and Compensation Act (2017); Registered Land Act (2016); Customary Land Act (2016); Land Survey Act (2016); Physical Planning Act (2016); Local Government (Amendment) Act (2017). The updated instruments (April 2021) have been consulted and redisclosed in-country on DATE.

Stakeholder engagement has been undertaken in the preparation of the site specific safeguard instruments. It has taken into account the mapping, consulting and partnering with relevant stakeholders including government entities, project beneficiaries, project affected people, NGOs and civil society entities with a role and interest in the project. Other government agencies that have specific roles in project implementation include the Environmental Affairs Department (EAD, responsible for environmental reviews and approvals); Department of Lands (responsible for surveys, land valuation, land registration and titling and resettlement/compensation); Department of Antiquities (DoA, responsible for cultural heritage); and the District Councils.

The RA intends to coordinate with the National Construction Industry Council (NCIC) and other appropriate government authorities, as well as construction and consulting industry companies, to conduct workshops that are designed to raise awareness by focusing on ESHS fundamentals, increase the sector-level ownership of the ESHS agenda, and provide a platform for collaboration and continuous engagement with key stakeholders at a national level.

The project will continue the dialogue and consultations with all the stakeholders on a regular basis in the implementation of ESIAs-ESMPs and RAPs. Consultations with local communities will continue to be organized during project implementation to minimize conflicts, enhance cooperation, and the implementation of the works contracts.



**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
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**"In country" Disclosure**

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**



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