

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 04/10/2007

Report No.: AC2757

1. Basic Project Data

Country: Malawi	Project ID: P103773	
Project Name: Business Environment Strengthening Technical Assistance (BESTAP)		
Task Team Leader: Constantine Chikosi		
Estimated Appraisal Date: April 2, 2007	Estimated Board Date: May 24, 2007	
Managing Unit: AFTPS	Lending Instrument: Specific Investment Loan	
Sector: General industry and trade sector (100%)		
Theme: Regulation and competition policy (P);Export development and competitiveness (S)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	15.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
BORROWER/RECIPIENT		0.00
EUROPARTNERS BANK		3.70
		3.70
Environmental Category: C - Not Required		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input checked="" type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

2. Project Objectives

The key objective of the project is to support capacity development and investment climate reforms as prerequisites for the acceleration of economic growth. One of the medium term outcomes in Malawi's CAS is an improved climate for private business. This project is one instrument by which the Bank seeks to achieve this outcome. This will be achieved by (a) reducing the regulatory burden and costs of doing business,(b) improving service delivery to the private sector and access to finance for SMEs, and (c) by strengthening support for technical and business management skills, thereby improving productivity and competitiveness at the firm level.

3. Project Description

The project will have the following four components:

- (a) Strengthening Private Property Institutions and Business Facilitation: This component will provide support to the efforts being made by GoM to (i) streamline the regulatory environment for business (ii) improve access to commercial justice by establishing a dedicated Commercial Court (iii) improve service provision and the business and land registries.

(b) **Strengthening Private Sector Development Support Institutions and Services:** To improve the volume and quality of service delivery to the private sector, and as part of the efforts to strengthen the business environment, this component would involve building capacity in some key public sector institutions directly supporting the private sector: e.g. (i) Malawi Investment and Trade Center (MITC) (ii) establishment of a Public Private Partnerships (PPP) unit in the Ministry of Finance (iii) Strengthening the capacity of the Department of Private Sector Development (iv) supporting the establishment of a sustainable platform for public private dialogue through the Malawi Confederation of Chambers of Commerce and Industry.

(c) **Promoting Access to Finance and Enhancing Productivity of SMEs:** This component will include (i) IDA participation in promotion of an SME development fund, involving the private sector with a contribution by Government (discussions have already been initiated with GoM on this) (ii) a matching grant scheme for enterprise development through management training and skills development for productivity enhancement and (iii) TA for the merger and restructuring of the Malawi Rural Finance Corporation and the Malawi Savings Bank into viable finance institutions. The provision of business development services (BDS) will assist this objective by helping entrepreneurs improve their preparation and presentation of bankable SME projects. The component will also support micro and small enterprises in improving their level of skills (for entrepreneur and workers) through a matching grant or similar fund. Such an instrument would be based on the principle of a matching contribution from the entrepreneur or worker seeking training, thereby ensuring a degree of commitment to the training, and funds disbursed - which could be for a variety of specifically described purposes for activities to be funded under this component - would be accompanied by a hand-holding component, whereby the fund managers would assist in identifying relevant training courses and opportunities.

(d) **Capacity Building and Project Implementation Support:** Under this component IDA will provide (i) procurement, financial management, M&E and coordination services for the project, (ii) project management and business advisory services for the matching grant scheme (MGS) and (iii) operational costs and goods necessary for project implementation support and the functioning of MGS business advisory services.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

Ministry of Trade and Private Sector Development
Gemini House
Capital City
Lilongwe 3, Malawi

5. Environmental and Social Safeguards Specialists

Mr Warren Waters (AFTQK)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)		X
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. 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:

N/A

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

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.

N/A

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

N/A

B. Disclosure Requirements Date

*** If the project triggers the Pest Management and/or Physical Cultural Resources, 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:

N/A

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	N/A
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?	N/A
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	N/A
Have costs related to safeguard policy measures been included in the project cost?	N/A
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	N/A
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	N/A

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Constantine Chikosi	04/10/2007
Environmental Specialist:		
Social Development Specialist		
Additional Environmental and/or		
Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Warren Waters	
Comments:		
Sector Manager:	Mr Demba Ba	04/10/2007
Comments:		