



GRANT NUMBER E148-MW

Financing Agreement

(Second Additional Financing for Social Support for Resilient Livelihoods Project)

between

REPUBLIC OF MALAWI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



GRANT NUMBER E148-MW

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MALAWI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing the Second Additional Financing for the Original Project and Additional Project (as defined in the Appendix to this Agreement. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to eighty-five million eight hundred thousand Special Drawing Rights (SDR 85,800,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are May 1 and November 1 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the National Local Government Finance Committee (“NLGFC”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The *Malawi Social Protection Multi-Donor Trust Fund Grant Agreement* has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
 - (b) The Recipient has updated the Project Implementation Manual in a manner satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister responsible for finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Finance and Economic Affairs
P.O. Box 30049
Capital City
Lilongwe 3
Malawi; and
 - (b) the Recipient's Electronic Address is:

Telex: Facsimile: E-mail:

44407 265-1-789173 stfinance@finance.gov.mw

5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

| | |
|--------------|----------------|
| Telex: | Facsimile: |
| 248423 (MCI) | 1-202-477-6391 |

AGREED as of the Signature Date.

REPUBLIC OF MALAWI

By:



Authorized Representative

Name: Sosten Alfred Gwengwe

Title: Hon

Date: 02-May-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

Name: Hugh Ridell

Title: Country Manager

Date: 02-May-2023

SCHEDULE 1

Project Description

The objectives of the Project are to improve resilience among the poor and vulnerable population and to strengthen the national platform for safety nets in the Recipient's territory.

Part 1: Improving Social and Economic Inclusion

1. Carry out the following to improve social and economic inclusion:
 - (a) *Social Cash Transfer Program.* Increase the coverage and effectiveness of the existing Social Cash Transfer Program through: (i) provision of Social Cash Transfers ("SCTs") consisting of fixed unconditional cash transfers to SCT Beneficiaries aimed at meeting their basic consumption/food needs; and (ii) provision of additional school cash transfers ("School Bonus") to SCT Beneficiaries with children aimed -at encouraging enrollment and retention of their children in primary and secondary school.
 - (b) *Public Works Program.* Carry out activities under an enhanced public works program ("EPWP") including providing support for:
 - (i) small investment sub-projects, mainly for land and water conservation and for rehabilitation and maintenance of small infrastructure ("EPWP Sub-projects"); and
 - (ii) EPWP Transfers to be provided to EPWP Beneficiaries for temporary employment in the EPWP Sub-projects.
 - (c) *Livelihoods Support Program.* Carry out a program of activities designed to:
 - (i) *Basic Livelihoods Package:* Empower SCT Beneficiaries and EPWP Beneficiaries, through a livelihoods package consisting of a program of activities designed to equip the beneficiaries with skills for additional livelihoods opportunities through farm and off-farm income generation activities with interventions, including basic skills (such as business management, financial literacy, safeguards, disaster risk awareness, and group dynamics), and savings mobilization and transformative or mind-set change trainings, and provision of goods and services.

- (ii) *Enhanced Livelihoods and Graduation Packages*: Provide comprehensive livelihood support to SCT Beneficiary and EPWP Beneficiary households, including:
 - (A) an enhanced livelihoods package consisting of a program of activities, including provision of training to beneficiary groups (for example, in areas of livestock management, financial literacy and entrepreneurship skills) and provision of goods and services; and (B) a graduation package consisting of a program of activities, including provision of household level skills training, establishment of market linkages, and coaching and mentoring at the household level and provision of goods and services.
 - (iii) Implement enhanced monitoring and real time learning, specifically designed to adjust and scale up livelihood support interventions that have demonstrated evidence of impact and to be complemented by robust evaluation surveys to generate strong evidence.
2. Design and implement a mechanism to scale up the Social Cash Transfer Program for the purpose of channeling funds to poor and vulnerable households in the event of extreme weather-related shocks.

Part 2: Strengthening Harmonized Delivery Systems

Carry out the following to promote harmonization within the social safety net sector and link to other sectors to improve effectiveness of delivering interventions:

1. Provision of support for the implementation and roll-out of a social registry and information management system, including: (a) periodic collection of data to enhance data quality and maintaining its relevance over time, and contributing to strengthening oversight, monitoring and evaluation mechanisms; (b) carrying out regular communication and discussions with various stakeholders in the country to extend the use of the Unified Beneficiary Registry (“UBR”) for other purposes; (c) strengthening the institutional capacity of UBR management and district staff, including provision of training and enhancing information technology capabilities and reporting and research capacity of UBR; (d) carrying out assessments of, and upgrades to, information management systems across programs; (e) strengthening data security through development of security protocols and periodic UBR data security assessment and enhancements; and (f) supporting EPWP scale up through timely provision of data to facilitate targeting.

2. Provision of support for mainstreaming of e-payments across multiple social protection programs, including: (a) geospatial mapping of financial access points, and carrying out of beneficiary surveys to assess their financial literacy needs and of research on types of service level agreements and conditions; (b) strengthening the capacity of district and headquarter staff of NLGFC and Ministry of Gender, Children, Disability and Social Welfare including provision of training; and (c) operationalizing a national e-payment system, including establishing a multiple provider, multiple channel e-payment system, and developing manuals on financial literacy and guidelines setting out the institutional structure, and roles and responsibilities of various stakeholders involved in implementing a national e-payment system.
3. Enhance citizen's engagement as a means to strengthen social accountability (including grievance redress) through, *inter alia*, a continuous feedback and responsive platform between beneficiary communities and implementing structures.

Part 3. Capacity Building and Institutional Strengthening Support

Provision of capacity building, learning, evaluation and operational support for the setting up of the institutional structure necessary for Project implementation, and general management and evaluation of this Project, including:

1. Strengthening learning and evaluation under MNSSP II, with an emphasis on combining different approaches.
2. Provision of institutional support to the NLGFC for Project implementation, including financing of Operating Costs.
3. Enhancing accountability and transparency in Project implementation, including provision of financial support for financial compliance and internal audit units of NLGFC and its procurement systems, and strengthening of local authorities for Project implementation and enhancement of anti-corruption measures, such as sensitization and awareness of targeted communities to prevent misuse of project resources; enhancement of citizens and stakeholders engagement; and enforcement through investigation and prosecution.

Part 4. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Steering Committee

1. The Recipient shall maintain at all times during the implementation of the Project, the Project Steering Committee with a mandate, composition and resources satisfactory to the Association and responsible, at the national level, for providing overall policy guidance for, and supervision of, Project implementation.

National Local Government Finance Committee (“NLGFC”)

2. The Recipient shall maintain, at all times during the implementation of the Project, the NLGFC with a mandate, composition (including a project coordinator, procurement specialist to be recruited) and resources satisfactory to the Association and responsible for day-to-day implementation of the Project, including Project management, flow of funds, central procurements and operational support.

District Commissioners and Community Social Support Committee

3. The Recipient shall ensure that: (a) at the District level, the District Commissioners under the guidance of NLGFC oversee all activities related to the SCTP and EPWP and provide support for the implementation of livelihoods and economic inclusion; and (b) at community level, the Community Social Support Committee within the Village Development Committee is responsible for implementation of Project activities in accordance with the PIM.

B. Project Implementation Manual (“PIM”)

1. The Recipient shall:
 - (a) furnish to the Association for approval, an updated Project Implementation Manual which contains detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial; procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures; grievance mechanism; roles and responsibilities of various agencies in the implementation of Project; eligibility criteria and procedures for

selection of Project beneficiaries (including EPWP Beneficiaries, and SCT Beneficiaries), and investment sub-projects (including EPWP Sub-projects); and such other arrangements and procedures as shall be required for the effective implementation of the Project;

- (b) upon approval of the PIM, the Recipient shall adopt and thereafter implement the Project in accordance with the PIM; and
 - (c) not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the PIM, or any provision thereof, without the prior written consent of the Association.
2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.
 3. Without limitation to the provisions in the foregoing paragraphs, the Recipient shall update the PIM as part of implementation of Part 1.1(b) of the Project and obtain the Association's approval on such update and before providing financing for EPWP Sub-projects, and EPWP Transfers to EPWP Beneficiaries, such update to include the eligibility criteria and procedures for selecting the sub-projects and the terms and conditions for financing such sub-projects.

C. Annual Work Plan and Budget

1. Not later than February 28, in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association: (a) a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested; and (b) any instruments required by the ESCP for the implementation of the activities included in the draft annual work plan and budget.
2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter, shall carry out (or cause to be carried out) such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
3. Any training proposed to be included in an Annual Work Plan and Budget, shall include, *inter alia*: (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the

selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. The Annual Work Plan and Budget may be revised as needed during Project implementation subject to the Association's prior written approval.

D. Social Cash Transfers and School Bonuses under Part 1.1(a) of the Project

The Recipient shall select each Social Cash Transfer Beneficiary in accordance with the criteria and procedures set out in the PIM and provide Social Cash Transfer and/or School Bonus to each Social Cash Transfer Beneficiary in accordance with the PIM.

E. Public Works Program (EPWP) under Part 1.1(b) of the Project

1. The Recipient shall provide financing for EPWP Sub-projects and EPWP Transfers to EPWP Beneficiaries, all in accordance with eligibility criteria and procedures, and on terms and conditions, set out in the PIM which shall have been updated in accordance with Section I.B.3 of this Schedule; and ensure that the EPWP Sub-projects are carried out in accordance with said terms and conditions.
2. To ensure effective implementation of the EPWP the Recipient shall no later than: (a) thirty (30) days from the Effective Date submit to the Association a pre-selected list of EPWP Beneficiaries; (b) March 31, 2023, engage an independent expert to verify the list of EPWP Beneficiaries for the purpose of Part 1.1(b) of the Project; and (c) June 30, 2023, submit to the Association a technical audit report satisfactory to the Association on the overall Public Works Program including the EPWP Beneficiaries and those transitioning from the AIP for the period following the Effective Date of the Project, and thereafter, submit to the Association said report not later than June 30 in each fiscal year.

F. Livelihoods Support Program under Part 1.1(c) of the Project

The Recipient shall select each SCT Beneficiary and EPWP Beneficiary for participation in the livelihoods support program under Part 1.1(c) of the Project in accordance with eligibility criteria and procedures acceptable to the Association, as further detailed in the PIM.

G. Scale-up mechanism for SCTP under Part 1.2 of the Project

The Recipient shall: (a) carry out, in accordance with terms of reference acceptable to the Association, an assessment of, and develop, risk financing vehicles for social protection, including a risk transfer instrument and contingent

financing mechanisms; and (b) furnish to the Association for approval a plan for financing recommendations resulting from said assessments and/or the risk financing vehicles.

H. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies, procedures, and sufficient and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
 - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:
 - (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities,

the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.
5. The Recipient shall no later than ninety (90) days from the Effective Date, prepare and adopt: (a) an ESMF; and (b) a GBV/SEA/SH Action Plan Framework to be included in the ESMF, to assess and manage the risks of gender-based violence, sexual exploitation and abuse, and sexual harassment all in a manner satisfactory to the Association.

I. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association] which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and

- (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
- 2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Response Part, with adequate staff and resources satisfactory to the Association.
- 3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
- 4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

J. Preparedness Plan

The Recipient shall ensure that not later than twelve (12) months after the Effective Date of the First Additional Financing Agreement, a Preparedness Plan is prepared and adopted in form and substance acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

| Category | Amount of the Grant Allocated (expressed in SDR) | Percentage of Expenditures (inclusive of Taxes) |
|---|---|--|
| (1) Goods, works, non-consulting services, consulting services, School Bonus, Social Cash Transfer, EPWP Transfers, Operating Costs and Training of the Project | 85,800,000 | 80% |
| (2) Emergency Expenditures under Part 4 of the Project | 0 | 100% |
| TOTAL AMOUNT | 85,800,000 | |

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for:
 - (a) payments made prior to the Signature Date; and
 - (b) Emergency Expenditures under Category 2, unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 2; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
5. The Closing Date is December 31, 2027.

APPENDIX

Definitions

1. "Additional Financing Agreement" means the agreement entered into between the Recipient and IDA dated August 1, 2022, for the *Additional Financing of the Social Support for Resilient Livelihood Project*, Credit Number 7108-MW and Grant Number E031-MW.
2. "Additional Project" means the activities described in Schedule 1 of the Additional Financing Agreement.
3. "AIP" means the Recipient's Affordable Input Program set forth in the *National Agriculture Investment Plan* dated 2018-2023.
4. "AIP Beneficiaries" means beneficiaries of the AIP receiving subsidized agricultural inputs.
5. "Annual Work Plan and Budget" means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.C of Schedule 2 to this Agreement.
6. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.
7. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. "CERC Manual" means the manual referred to in Section I.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
9. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
10. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
11. "Emergency Action Plan" means the plan referred to in Section I.I(b) of Schedule 2 to this Agreement detailing the activities, budget, implementation

plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

12. “Emergency Expenditure” means any of the eligible expenditures set forth in the CERC Response Manual in accordance with the provisions of Section I.I(a) of Schedule 2 to this Agreement and required for the Emergency Response Part.
13. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.
14. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 24, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
15. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
16. “EPWP” means the public works program to be implemented under Part 1.1(b)(i) of the Project.
17. “EPWP Beneficiary” means an individual or a household to whom the Recipient proposes to make an EPWP Transfer under Part 1.1(b)(ii) of the Project in accordance with the criteria, requirements and procedures set out in the PIM, updated pursuant to Section I.B.3 of Schedule 2 to this Agreement; and “Public Works Beneficiaries” means, collectively, all such beneficiaries.

18. “EPWP Sub-project” means an investment sub-project under Part 1.1(b)(ii) of the Project to be selected in accordance with the criteria, requirements and procedures set out in the PIM, updated pursuant to Section I.B.3 of Schedule 2 to this Agreement, and to be financed using the proceeds of the Financing; and “EPWP Subprojects” means, collectively, all such sub-projects.
19. “EPWP Transfer” means a safety net benefit to be provided to an EPWP Beneficiary under Part 1.1(b)(ii) of the Project in the form of cash, or electronic payments for temporary employment in a EPWP Sub-project and to be financed from the proceeds of the Financing, all in accordance with the criteria, requirements and procedures set out in the PIM, updated pursuant to Section I.B.3 of Schedule 2 to this Agreement and referred to in Section I.E of said Schedule 2; and “EPWP Transfers” means, collectively, all such transfers.
20. “ESMP” means an environmental and social management plan defining measures to manage such risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.
21. “Food Insecurity Crisis” means an event or events driven by natural disasters, economic shocks, and/or public health threats, which pose a significant threat of becoming a large-scale food security crisis within a country or across countries, in accordance with criteria acceptable to the Association.
22. “GBV/SEA/SH Action Plan Framework” means the Recipient’s Gender-based Violence, Sexual Exploitation and Abuse and Sexual Harassment Framework.
23. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
24. “Malawi Social Protection Multi-Donor Trust Fund Grant Agreement” means the Agreement to be entered into between the Recipient and the International Development Association acting as Administrator of the Malawi Social Protection Multi-Donor Trust Fund.
25. “MNSSP II” means the Malawi National Social Support Program, which is a wide-ranging framework for the development of the social protection system in the country for the period 2018 through 2023, approved by the Recipient in March 2018, and focuses on three thematic pillars: consumption support; resilient livelihoods; and shock-sensitive social protection.

26. “NLGFC” means National Local Government Finance Committee which was established in 2001 and merged with Local Development Fund in April 2018.
27. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.
28. “Original Financing Agreement” means the agreement entered into between the Recipient and IDA dated April 1, 2020, for the *Social Support for Resilient Livelihood Project*, Grant D5300-MW.
29. “Original Project” means the Project described in Schedule 1 of the Original Financing Agreement.
30. “Preparedness Plan” means the plan referred to in Section I.J of Schedule 2 to this Agreement, setting out the operational procedures to respond to and contain a Food Insecurity Crisis.
31. “Project Implementation Manual” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement and to be updated in accordance with said provision and as the same may be revised from time to time thereafter with the prior written consent of the Association.
32. “Project Steering Committee” means the Recipient’s inter-ministerial steering committee referred to in Section I.A.1 of Schedule 2 to the Agreement.
33. “Second Additional Financing Agreement” means this agreement to be entered into between the Recipient and the Association for purposes of financing the Second Additional Project.
34. “Second Additional Project” means the activities in Schedule 1 of the Second Additional Financing Agreement.
35. “School Bonus” means a cash transfer made by the Recipient to SCT Beneficiaries out of the proceeds of the Financing for purposes of Part 1.1(a)(ii) of the Project and in accordance with Section I.D of Schedule 2 to this Agreement; and “School Bonuses” means, collectively all such cash transfers.
36. “Social Cash Transfer” or “SCT” means a social cash transfer made by the Recipient to a SCT Beneficiary out of the proceeds of the Financing for the purposes of Part 1.1(a)(i) of the Project and in accordance with Section I.D of

Schedule 2 to this Agreement, and “Social Cash Transfers” means, collectively, all such social cash transfers.

37. “Social Cash Transfer Beneficiary” or “SCT Beneficiary” means an eligible extremely poor and labor-constrained person or household, as determined by the criteria set forth in the PIM, to whom the Recipient proposes to make: (a) a Social Cash Transfer under Part 1.1(a)(i) of the Project, and/or (b) School Bonus under Part 1.1(a)(ii) of the Project, and “Social Cash Transfer Beneficiaries” means, collectively, two or more such poor and labor constrained people or households.
38. “SCTP” means the Social Cash Transfer Program under Part 1.1(a) of the Project.
39. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
40. “Taxes” means taxes as defined in the General Conditions with the exclusion of value added taxes and custom duties.
41. “Training” means the cost arising under the Project for approved training including, seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation, all based on periodic budgets acceptable to the Association (but excluding costs of consulting services).
42. “Unified Beneficiary Registry” or “UBR” means the national platform established by the Recipient for entering, storing, accessing and sharing household data to facilitate respective program implementers in targeting, linking, monitoring and producing periodic reports on the outreach and implementation of social support programs in Malawi.