



Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 05/23/2019 | Report No: ESRSC00542



BASIC INFORMATION

A. Basic Project Data

| | | | |
|----------------------|---|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Malawi | AFRICA | P169727 | |
| Project Name | Inclusive Access for Rural Transformation | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Transport | Investment Project Financing | 6/25/2020 | 6/11/2020 |
| Borrower(s) | Implementing Agency(ies) | | |

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to improve rural accessibility and increase economic and social connectivity in selected districts, and to strengthen capacity for sustainable rural road management.

| Financing (in USD Million) | Amount |
|----------------------------|--------------|
| Total Project Cost | 50.00 |

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

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

As most of Malawi’s population resides in rural enclaves, which are predominantly inaccessible, investing in rural road infrastructure can enable reductions in transport costs and ease mobility of both people and goods. Crucial transport linkages and corridors that enable district agriculture/aquaculture production areas to connect with trade center markets and the national trunk road network will be the major focus. The aim would be to facilitate transformative growth in targeted rural districts through transport infrastructure investments that contribute to cross-sectoral synergies, potentially coordinating with agriculture, education, health, private sector development, and other rural economic drivers. The project comprised four main components: Component 1: Rural Road Upgrading and Rehabilitation (US\$ 40 million). The component targets select district transport networks with the highest potential for improving socio-economic impacts through the upgrading and rehabilitation of secondary and tertiary road



networks and/or small-scale water transport infrastructure (e.g. landing stages) that play a major role in linking district agricultural and economic areas to the primary road network, as well as support gravel rehabilitation of District Roads linking local markets and agricultural areas to all-season roads and/or small bridges that can open inaccessible areas due to lack of water crossings in the rural areas. It would also look to develop safe systems road infrastructure to address road safety challenges. Component 2: Social and economic Infrastructure (US\$ 5 million). The component could support the development of market centers by constructing market infrastructure and storage facilities for farmers. Working together with Agriculture and Trade to form cooperatives which would use those facilities to enhance accessibility to markets as an objective. The component can consider construction of designated women only market stalls and storage facilities, as well as women only toilets within the markets. Other infrastructure for water, energy and ICT could also be considered for these economic centers according to needs. It is expected that while the component would enhance social and economic well-being of the local communities, it would expand the knowledge base on the complementarity of rural access and social criticality. Component 3: Institutional Strengthening and Capacity Development (US\$ 3 million). 23. The component will provide targeted technical assistance activities that can support relevant national and district agencies address sustainable management of rural transport, while also supporting the government's decentralization agenda to devolve management of the road network to District and City Councils. It is expected to provide an entry point for designing and mainstreaming gender-informed interventions that address inequalities in the road sector construction industry. It can also facilitate engagement with local or regional non-governmental organizations (NGOs) with demonstrated capacity to address sexual exploitation and abuse and prevention of HIV, with linkages to GRM for reporting purposes. Component 4: Project Management (US\$ 2 million). The component will finance activities to support the Implementing Entities with coordination and oversight of investment and consultant activities. Funding will be used for bolstering in-house capacity for project monitoring, meeting fiduciary responsibilities, ensuring social and environmental safeguards compliance, and supporting communication and reporting. Roles will be identified based on any gaps identified in the implementing agency assessment prior to appraisal.

Public Disclosure

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The proposed Project aims to increase rural accessibility and market connectivity in selected districts and to strengthen capacity for sustainable rural road management. The project will facilitate transformative growth in rural areas through financing transport infrastructure investments that contribute to cross-sectoral synergies, potentially coordinating with agriculture, private sector development, and other rural economic drivers. The project targets selected districts in Malawi with the main focus being transport linkages and corridors that enable district agriculture, livestock and aquaculture production areas to connect with trade center markets and the national truck road network. Poverty remains widespread and concentrated mainly in rural areas, where approximately 85 percent of Malawi's population lives. The national poverty rate has increased slightly from 50.7% in 2010 to 51.5 percent in 2016, but extreme national poverty has decreased from 24.5% in 2010/11 to 20.1 in 2016/17. 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 5 percentage points higher. The incidence of poverty as measured in 2011 through the headcount index was 17.3 percent in urban areas and 56.6 percent in rural areas. Poverty is driven by poor performance of the agriculture sector, volatile economic growth, population growth, and limited opportunities in non-farm activities. The investment activities that are likely to cause environmental and social impacts are in component 1 Rural Road Upgrading and Rehabilitation and 2 Development of Market Infrastructure where the project will fund the construction, rehabilitation and maintenance of Secondary and Tertiary Roads that



play a major role in linking district agricultural and economic areas to the primary road network, gravel rehabilitation of District Roads linking local markets and agricultural areas to all-season roads, critical bridges on rural roads in the target districts and across Malawi and market infrastructure and storage facilities for farmers.

D. 2. Borrower’s Institutional Capacity

The implementing agency is the Roads Authority of Malawi who have been involved in other Bank funded projects such as the existing Southern Africa Trade and Transport Facilitation Program, the Malawi Floods Emergency Recovery project and the series of Agriculture Sectorwide Approach projects. RA has had in place two full time staff to address environment and social risks and impacts and in previous undertakings the capacity of RA on environment and social risk management was deemed adequate. However, the social development expert has since resigned and recruitment, as soon as possible, of another social expert is advised. Furthermore, it is likely that additional activities under this operation and the application of the new World Bank ESF, will require significantly more effort. Based on that, client capacity will be assessed during project preparation and measures to enhance the same will be proposed, agreed on and included in the project management component (Component 4).

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The key environmental risks are associated with the maintenance and rehabilitation of rural and districts roads, and bridge construction and rehabilitation on critical bridges on rural roads. These works are expected to include upgrading to bitumen standard, gravel rehabilitation and small scale transport and market infrastructure facilities. Potential impacts are expected to be confined to the construction stage and include soil erosion, disturbance to water bodies and other habitats. However given the project focus on maintenance and rehabilitation of existing roads the loss, damage or fragmentation of habitats is expected to be limited and addressed within the development of the project and the ESMF.

Social Risk Rating

Substantial

The scope of the operation is nationwide and the nature of investments includes a number of infrastructure civil works constructions, rehabilitations and maintenance of secondary and tertiary roads that link district agricultural and economic areas to primary roads and local markets; critical bridges on rural roads; and market infrastructure and storage facilities for farmers. These sort of investments will entail physical works, whose potential impacts are permanent or temporary loss of land, asset loss, access restrictions and disruption to livelihoods and economic activities on the selected corridors during construction, possible impacts on physical and cultural resources, labor influx due to the use of labour from outside of the project areas and the associated risks arising from this include social conflicts and disruptions to local communities, pressure on social amenities, increase in local inflation, disease transmission and spread of HIV, potential for Gender Based Violence and Sexual Exploitation and Abuse. Further, the projects worksites will generate construction related health and safety concerns for both laborers/workers and the surrounding communities. However, in general, the impacts are not expected to be irreversible and the physical footprint is site specific and localized making these impacts manageable within the confines of the instruments to be developed during project preparation. The instruments that will be prepared prior to appraisal are ESMF, RPF, LMP, SEP.

Public Disclosure



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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The project will finance the construction, rehabilitation maintenance of:- i. Road infrastructure - secondary and tertiary roads linking district agricultural and economic areas to the primary road network and district roads linking local markets and agricultural areas to all season roads; ii. critical bridges on rural roads; iii. market infrastructure and storage facilities for farmers. Physical civil works will be undertaken in these subprojects that will have environmental and social impacts including construction related health and safety concerns; influx of workers and populations and the social risks associated with that such as disease transmission and spread of HIV, potential for Gender Based Violence and Sexual Exploitation and Abuse; and impacts on land that may lead to temporary or permanent physical or economic displacement, including loss of assets and livelihoods. Clearing, site preparation and construction will lead to loss of vegetation and associated fauna, soil disturbance and erosion. The environmental and social assessments and subsequent documents will include analysis of vulnerability and will pay attention to the vulnerability of certain groupings such as women, the ultra poor, people with disabilities and other minority groups. Based on known indices (HDI, GII) and recent gender analysis exclusion of women to project benefits, decision making, and participation will be given particular attention. As the project locations are not yet defined and identified, framework documents - Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) - will be prepared to provide guidance on the appropriate instruments to be used for specific subprojects during project implementation. The instruments to be prepared when the subproject locations are identified and defined include site specific Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs) prepared in compliance with the World Bank Group's Environment, Health, and Safety Guidelines and Resettlement Plans (RPs). In addition, Labour Management Procedures (LMP) and Stakeholder Engagement Plan (SEP) will be prepared. An Environmental and Social Commitment Plan (ESCP), drawn and agreed upon with the borrower, will set out the substantive measures and actions that will be required for the project to meet environmental and social requirements over the project's lifetime. These measures shall be implemented within specified timeframes and the status of implementation will be reviewed as part of project monitoring and reporting.

Areas where reliance on the Borrower's E&S Framework may be considered:

None.

ESS10 Stakeholder Engagement and Information Disclosure

Key stakeholders in the project include the Roads Authority (RA); Ministry of Transport and Public Works; Ministry of Lands, Housing and Urban Development (MoLHUD); Environmental Affairs Department (EAD); District Councils of the selected districts; Project beneficiaries; project affected persons, vulnerable groups and relevant civil society entities. The project will ensure the engagement with relevant stakeholders, beneficiary communities and project affected parties throughout the project cycle, apply a vulnerability lens in consultation and engagement and this will be at the core of identification, preparation and implementation of project interventions. In that regard, the borrower has commenced such engagement in the development of the project including consulting with stakeholders on the design of the operation. The borrower has initiated an engagement process with public sector stakeholders including



discussions with government entities, district and local government authorities on the project’s preparation, and intends to undertake outreach with relevant civil society entities and sampled beneficiaries on the design of the operation early in project preparation. The borrower will prepare a stakeholder engagement plan that will outline the principles and strategy for engagement, identify and map stakeholders and plan for an engagement process that will be followed/implemented during project implementation. The borrower will outline, as part of the stakeholder engagement plan, a project level grievance mechanism to respond to complaints, concerns, queries, clarifications and feedback from and give voice to stakeholders including beneficiary communities, project affected parties and vulnerable groups (including those affected by GBV/SEA).. The proposed project level grievance mechanism, that will be proportionate to the potential risks and impacts of the project, will have multiple uptake locations and channels. In the preparation of the SEP, the project will assess the current grievance mechanism in use on the SATTf project and existing formal or informal grievance mechanisms in Malawi and based on this put in place an optimized and functional mechanism that is proportionate to the risks and impacts of the project. The grievance mechanism once established and effective will also be used for compliance to the requirements of ESS5.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

It is not possible to estimate the number of workers at this point since subproject interventions have not been defined in number or scope, however it is expected that the workforce during construction, rehabilitation and maintenance of infrastructure could be large. This will entail both foreign and local labour employed as direct, contracted, and primary supply workers. Labour Management Procedures (LMP) will be prepared outlining labour risks, labour policies and procedures, detailing the work terms and conditions for labour including explicit prohibition of forced and child labor. The LMP will also outline the the inclusion of female and youth labour as well as vulnerable groups such as People with Disabilities (PWD) in the work force. The specific subproject Environmental and Social Management Plans will include requirements for Camp and Work Site Management Plans and Occupational Health and Safety Management Plans to be incorporated in the Construction Environmental, Social and Management Plans. These will outline measures to protect workers, promote safe and healthy working conditions,manage working conditions for the laborers and address possible social exclusion, discrimination, and sexual harassment in line with this standard. In the same regard, contracts will include provisions requiring Contractors to ensure compliance with Environmental, Social, Health and Safety (ESHS) obligations including submitting for approval, and subsequently implementation of the Contractor’s Environment and Social Management Plan (C-ESMP) utilizing the subprojects safeguards instruments. The project will ensure that an accessible grievance mechanism is provided by contractors for all direct workers and contracted workers to raise workplace related concerns and workers will be informed of the grievance mechanism at the time of recruitment.

ESS3 Resource Efficiency and Pollution Prevention and Management

Road upgrading and rehabilitation works will include the use of a range of materials for construction of bridges and culverts as well as bitumen and asphalt for carriageways. In addition materials from borrow pits and quarries may require blasting. ESIA’s and RAPs, as appropriate, will be required for any borrow pits and quarries. Measures to ensure the appropriate handling, storage use and disposal of hazardous and nonhazardous materials and wastes will



be included in the ESMF and ESMP for work camps and work sites. It will be important to ensure mitigation measures are included as a requirement in civil works contracts. The new procurement documents also require a water resource management plan (which will be a key input to asphalt production).

ESS4 Community Health and Safety

An influx of labor is expected during construction, rehabilitation and maintenance of these infrastructures. The project will recognize that infrastructure projects can increase exposure of risk to communities such as disease transmission and spread of HIV, potential for Gender Based Violence, Sexual Exploitation and Abuse, Child Labour and Violence Against Children. Therefore, a labour risk profile will be determined based on the number of workers relative to the absorption capacity of communities and outlining the social impacts associated with an influx of populations. This will inform GBV assessments and mitigation measures to be included in each sub project Environmental and Social Impact Assessment/Management Plan prepared during project implementation. In that regard, the Environmental and Social Management Plans will include requirements for Community Health and Safety Plans (including HIV Social Mitigation Measures); Labour Influx Management Plans (Including Workers Camp Management Plan, Codes of Conduct, HIV Sensitization measures, GBV Action Plan); Traffic/Road Safety Management Plans with measures to ensure the safety and well being of nearby communities and road users during and after construction; and Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events. In addition, safety issues pertaining to the management of security personnel will also be appropriately specified in line with this standard, as applicable.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The proposed operation does not entail the creation of new roads but rather the rehabilitation/upgrading of existing roads within their current road corridors. However, the operation is still likely to cause some level of permanent and/or temporary land loss and displacement (both economic and physical), loss of assets, livelihoods and access restrictions to make way for construction, rehabilitation and associated civil works of road infrastructure and bridges, market infrastructure and storage facilities. As the project locations and scope are not yet defined and identified, the borrower will prepare a Resettlement Policy Framework (RPF) to guide the process of preparation of subproject specific Resettlement Plans. The RPF will clarify resettlement principles, organizational arrangements and design criteria to be applied to subprojects once defined. Considering entrenched gender disparities in the project areas, the RPF will apply a gender lens and assess gendered household and community relations, differentiated systems of resource access, allocation and embedded biases and based on this propose mechanisms to ensure that females are not locked out of compensation and livelihood restoration processes. The requirement to prepare subproject specific resettlement documentation will be outlined in the Environmental and Social Commitment Plan, that will be drawn and agreed upon with the borrower and disclosed prior to appraisal.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The proposed operation's subprojects are expected to be restricted to existing rural and district road corridors and therefore impacts on habitats is expected to be limited. The potential does exist for impacts on natural resources and habitats through realignments, new bridges and culverts the placement of market infrastructure and storage facilities as well as borrow pits and quarries associated with civil works of road infrastructure. Additionally, the improvement



of access may facilitate use of natural resources such as forests for increased charcoal and fuelwood extraction. However, potential impacts will only be identified during project design when specific routes are known, and should be addressed in the ESMF, as well as the any subsequent ESMPs. It will be important to ensure mitigation measures are included as a requirement in civil works contracts.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This standard is not applicable to Malawi because there are no groups that fit the description of ESS 7.

ESS8 Cultural Heritage

Though the proposed operation will not require the creation of new roads, physical works excavations, movement of earth, quarrying and impounding and associated civil works will be undertaken. These types of activities may lead to contact with both known and unknown physical and cultural resources. The borrower will avoid impacts on both tangible and intangible cultural heritage and where such avoidance is not possible, will identify and implement measures to address these impacts in accordance with the mitigation hierarchy. The treatment of Physical and Cultural Resources (PCR) including archaeological relics, fossils, human graves, shrines, sacred trees or groves that may be encountered will follow Chance Finds Procedures that will be elaborated in the Environmental and Social Management Framework, as well as the subsequent Environmental and Social Management Plans that will be prepared; they will also be included as a requirement in civil works bidding documents.

ESS9 Financial Intermediaries

This standard is not applicable to this operation.

Public Disclosure

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

None

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:



- i. Prepare a Stakeholder Engagement Plan (SEP) as early as possible and disclose it before appraisal.
- ii. Prior to project appraisal, prepare framework documents (ESMF, RPF) to guide the preparation of project specific plans at implementation.
- iii. Prepare Labour Management Procedures (LMP).
- iv. Prepare the ESCP outlining material measures and actions to be undertaken over a specified timeframe during implementation.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

The measures and actions to be outlined in the ESCP will include the preparation and implementation of:-

- i. Environmental and Social Impact Assessment (that applies a mitigation hierarchy) for all relevant subproject investments and the preparation of Environment and Social Management Plans as needed. The ESMPs will set out comprehensive guidance and provision for specific plans i. Occupational Health and Safety Plan, ii. Community Health and Safety Plan, iii. Labour Influx Management Plan, iv. Camp and Work Site Management Plan, v. Waste Management Plan, vi. Revegetation Plan, vii. Emergency Response Plan, viii. Traffic Management Plan, ix. Chance Finds Procedures, among others, that may need to be prepared and implemented by contractors and provide detailed institutional arrangements, monitoring and evaluation processes, as well as a budgeted capacity building strategy to strengthen the overall capacity of the borrower to oversee the implementation of the ESMP by contractors, subcontractors etc.;
- ii. Resettlement Plans for all relevant subprojects that entail land acquisition and the involuntary taking of land or restrictions on access;
- iii. The operationalization of a project level grievance mechanism as outlined in the Stakeholder Engagement Plan;
- iv. ESS capacity building plan for the PIU and implementing agency.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

16-Dec-2019

Public Disclosure

IV. CONTACT POINTS

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Borrower/Client/Recipient

Implementing Agency(ies)



V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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|-------------------------|--|
| Task Team Leader(s): | Christopher J. De Serio |
| Safeguards Advisor ESSA | Nathalie S. Munzberg (SAESSA) Cleared on 23-May-2019 at 19:25:26 |