



# Malawi Drought Recovery & Resilience Project

## The Challenge – Recent Droughts and Recurring Disasters

In the last 36 years, Malawi has experienced eight major droughts, affecting over 24 million people. Currently, the country is experiencing the after effects of two consecutive disasters—devastating floods from 2014-2015 and dry spells between 2015-2016—leading to agricultural drought. These disasters have led to widespread crop failure, and have left over 6.7 million people food insecure.

The impact of drought, and the resulting food security crisis, has overwhelmed national response capacities, prompting the Government of Malawi to declare a “State of National Disaster” in 24 of Malawi’s 28 districts in April 2016.

## The Response – Needs Assessment and Drought Recovery

In response to the 2015-16 drought in Malawi, a US\$500,000 grant from the Global Facility for Disaster Reduction and Recovery (GFDRR) was leveraged to conduct a Post-Disaster Needs Assessment (PDNA), to determine the impact of the crisis. The PDNA, conducted in May 2016, estimated the overall drought recovery needs at about US\$500.2 million, more than half of which are based on food security needs. The PDNA, along with the Government of Malawi’s Food Insecurity Response Plan and the drought recovery strategy, has informed the design and approach of the Malawi Drought Recovery and Resilience Project (MDRRP).

“Our drought recovery needs are immense, at about US\$500 million dollars. We greatly appreciate the swift response from the World Bank as it will help save lives and restore livelihoods of about a third of our population affected by drought.”

- Honourable Goodall Gondwe, Malawi’s Minister of Finance, Economic Planning and Development

## The Malawi Drought Recovery & Resilience Project (MDRRP)

On November 8, 2016, the World Bank approved a US\$104 million grant to the Government of Malawi under the MDRRP. These funds will help more than 1.6 million people recover from the recent drought and build resilience against future shocks.

**Objective:** The objective is to support the Government of Malawi in providing immediate food security and livelihoods restoration needs of communities affected by drought, and to promote recovery and resilience in key affected sectors.

**Approach:** The MDRRP adapts an innovative, multi-sectoral approach that combines short and medium-term recovery interventions with long-term resilience building activities designed to reduce the country’s vulnerability and exposure to climate and disaster risks.

## Design:

*Improving food security and sustainable livelihoods: US\$80 million* – With food security making up a large proportion of the needs identified in the PDNA, almost half of the US\$104 million grant will be used to meet the urgent needs of over 1.6 million people. The project will also finance climate smart agriculture by adopting drought resistant crops and climate smart irrigation. Over 200,000 people are expected to benefit from direct and immediate livelihood support through the distribution of inputs such as seeds and fertilizer.

*Enhancing Malawi's drought-resilience and preparedness: US\$19 million* - An estimated 2.1 million people are expected to benefit from water supply infrastructure and water resource and catchment management interventions. The project will also provide technical assistance to the Government of Malawi to strengthen its existing early warning tools, as well as its institutional and policy frameworks for agriculture risk management and food security strategies.

## Lessons Learned: Incorporating Effective Solutions into Implementation

The project design incorporates lessons learned from the Bank's global and regional experience in natural disaster response, especially in Africa and Malawi. These lessons have revealed that:

- Cross-sector and multi-sector disaster recovery deliver, effective results, compared to single sector recovery, as the World Bank's extensive experience in responding to disasters indicates.
- Greater resource allocation for disaster preparation is essential, as recurring disasters in Malawi call for government systems to gradually invest greater resources towards preparedness and resilience building activities.
- Cross-sector and multi-sector programming require streamlined coordination across ministries and technical staff at district and national levels. Vertical coordination between district and national technical staff and horizontal coordination, flow of information, and progress in implementation should be regularly shared between technical staff. Effective guidance from a multi-sector Project Steering Committee (PSC) and a well-resourced Project Implementation Unit (PIU) is essential.



- Early consultations with communities and local leaders enable effective implementation of public works programs, as they identify the types of responses needed, according to the climate in specific locations. Consultations also establish the selection criteria and formula for the allocation of resources.

## Looking Ahead: Using Innovative Bank Instruments to Meet Urgent Needs

**Retroactive Financing:** Given the urgent need to supply food to the drought-affected people, the project activated retroactive financing. Using this instrument, the Government of Malawi used US\$7.5 million of its own resources to procure 21,600MT of domestic maize supply, which will be reimbursed through the MDRRP upon project effectiveness. Similarly, the World Food Programme (WFP) pre-financed the international procurement of 70,000MT of maize to keep the commodity pipeline fully resourced and ensure that the maximum number of beneficiaries are receiving assistance at all times.

**Crisis Response Window:** Since the drought has put significant fiscal strains on Malawi, leading to expected losses in 2.2% of the country's GDP growth, the project includes a US\$9 million grant from the IDA's Crisis Response Window (CRW). The CRW offers IDA funding for concessional assistance for post-disaster recovery, which will strengthen Malawi's financial resilience and offer relief to the country's citizens and their livelihoods.

The Malawi Drought Recovery and Resilience Project grant was signed in December 2016 and became effective in January 2017.