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## **THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

### **ANNEX**

to the amending decision to the Commission decision C(2017)7278 of 27.10.2017 on the individual measure in favour of the Republic of Malawi to be financed from the 11<sup>th</sup> European Development Fund

### **Action Document for Social Support for Resilience Programme (SoSuRe)**

<b>1. Title/basic act/ CRIS number</b>	Social Support for Resilience Programme (SoSuRe) CRIS number: MW/FED/040-036 financed under the 11 <sup>th</sup> European Development Fund	
<b>2. Zone benefiting from the action/location</b>	Malawi The action shall be carried out at the following location: Malawi at national level.	
<b>3. Programming document</b>	Republic of Malawi- European Union, National Indicative Programme 2014-2020 <sup>1</sup> .	
<b>4. Sustainable Development Goals (SDGs)</b>	<p><b><u>Main SDGs</u></b>  <b>Goal 1</b> – End poverty in all its forms everywhere. In particular, target 1.3, implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable ; <b>Goal 2</b> - End hunger, achieve food security and improved nutrition and promote sustainable agriculture. In particular, target 2.2, by 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.</p> <p><b><u>Secondary SDGs</u></b>  <b>Goal 5</b> - Achieve gender equality and empower all women and girls  In particular, targets 5.1, 5.4, 5.a, 5.c; <b>Goal 3</b> - Ensure healthy lives and promote well-being for all at all ages. In particular, targets 3.1, 3.2; <b>Goal 10</b> - Reduce inequality within and among countries. In particular, targets 10.1 and 10.2; <b>Goal 13</b> - Take urgent action to combat climate change and its impacts. In particular, target 13.1.</p>	
<b>5. Sector of intervention/ thematic area</b>	Sustainable Agriculture	DEV. Assistance: YES <sup>2</sup>
<b>6. Amounts concerned</b>	Total estimated cost: EUR 73 000 000	

<sup>1</sup> C(2015)3527 of 29th May 2015

<sup>2</sup> Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Total amount of EDF contribution EUR 73 000 000			
<b>7. Aid modality(ies) and implementation modality(ies)</b>	Project Modality <b>Direct management</b> through grants (direct award). <b>Indirect management</b> with Kreditanstalt für Wiederaufbau (KfW) and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) <b>Indirect management</b> with Malawi			
<b>8 a) DAC code(s)</b>	16010 - Social/ welfare services – 90 %			
<b>b) Main Delivery Channel</b>	Third Country Government (Delegated co-operation) - 13000 Recipient Government – 12000			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10. Internal markers</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID response	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## SUMMARY

Poverty, compounded by vulnerability to weather-related shocks, limits the ability to withstand other shocks, such as pest and disease outbreaks, the effects of the COVID-19 pandemic or large-scale economic shocks. This vulnerability constitutes a social problem and a threat for the lives, food security and livelihoods of Malawians. This action aims to address existing food and nutrition security challenges among the poorest households in Malawi (many of which are headed by women), including through increasing their resilience to shocks, including the negative effects of climate change and COVID-19, within the framework of the Malawi National Social Support Programme (MNSSP). The programme supports the concept of 'breaking the cycle of food and nutrition insecurity' trying to go beyond immediate relief and addressing the root causes of vulnerability. It will do this through the following main pathways:

1) Continuing and expanding the scope of the existing support to social cash transfers programme (SCTP). The SCTP – already supported by the EU under the 10<sup>th</sup> European Development Fund (EDF) (FED/2012/023-873) – is a highly effective intervention of the MNSSP, with proven impacts, in terms of asset accumulation, food security, women's economic and social empowerment, and livelihood diversification among the poorest households and people living in vulnerable situations. The SCTP scope can be further enhanced by actively generating linkages to other services to reinforce resilience; by broadening the programme to specifically address more vulnerabilities; and by making the programme flexible and shock-responsive so that it can be expanded both horizontally (more beneficiaries) or vertically (bigger transfers) in response to shock situations, thereby complementing the support of humanitarian donors such as the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO).

2) Complementary support towards MNSSP systems strengthening. In this respect, the action could (i) support expansion and national roll-out of the pilot Unified Beneficiary Registry, establishing linkages to the new national ID System and ensuring comprehensive household information for registration and targeting of social support and humanitarian interventions; (ii) build capacity and strengthen MNSSP district and community implementation structures in line with the planned innovations and expanding scope of MNSSP. It could also (iii) support the introduction of innovative and more cost-effective MNSSP payment systems.

3) Support interventions that foster greater resilience to shocks and diversification of livelihoods for vulnerable households and people living in vulnerable situations (e.g. elderly, people with disabilities, single parent families). This component could scale up proven resilience building interventions such as asset transfers; watershed management; climate smart-agriculture, village savings and loans (VSL); training, coaching and skills building; which enhance poor households' ability to adapt, mitigate and respond to shocks. A combination of these interventions and social cash transfers provides strong building blocks for poor households' resilience.

Overall, the new action will address households' vulnerability across the life-course with a gender perspective, which will lead to gains in food and nutrition security, poverty reduction and gender equality. It will further ensure that social support not only enhances the resilience of Malawi's highly vulnerable population, but also provides a platform for humanitarian response when future shocks strike, and improves efficiency by reducing recourse to parallel systems.

## 1 CONTEXT ANALYSIS

### 1.1 Context Description

Malawi is a poor and disaster-prone country. In July 2016, World Bank (WB) ranked Malawi, with a gross income per capita of USD 340, among the **poorest countries in the world**. Malawi has also been ranked 170 by the UN in the 2017 Human Development Report. According to the national poverty line, between 2004 and 2010 the overall poverty decreased marginally, from 52.4 % to 50.7 %, while extreme poverty worsened from 22.5 % to 25.0 %. At the international poverty line of 1.90 Purchasing Power Parity USD per day, 71 % of Malawi's population live in extreme poverty, with still more people vulnerable to poverty. Households headed by women, children or the elderly are more vulnerable to a variety of

shocks related to financial, cultural and social barriers due to unequal gender power relations and other inequalities<sup>3</sup>. Women make up 51% of the population, but 67 % of the poor. Malawi is the eighth most densely populated country in Africa, with a population growth rate of 2.8 % per annum. The population is expected to double by 2038. Inequality is also increasing, with the Gini coefficient rising from 0.39 in 2004 to 0.46 in 2014. Prevalence of stunting in under-5 children in Malawi is around 37 % and 12.3 % of babies are born with low birth weights.

Discriminatory stereotypes and deep-rooted patriarchal attitudes continue to dictate the roles and responsibilities of women and men in the household and in society. Most commonly, the man is the head of the household and therefore the overall decision maker, controlling household finances. In Malawi, 44 % of women report that their husband alone makes the decisions related to their own healthcare and 69 % report that their husband alone makes the decisions related to major household purchases<sup>4</sup>.

Malawi has experienced the adverse effects of **climate change**, with floods and droughts being the most recurrent shocks, plus emerging signs of high pest infestation. Malawi has increasingly been exposed to extreme weather conditions, seeing six very wet and five very dry summers between 1997 and 2011. The average temperature in the country increased by 0.9°C from 1960 to 2006, showing increases in both maximum and minimum temperatures. The increasing temperatures in Malawi are consistent with global trends, as well as trends in Sub-Saharan Africa, where temperatures are expected to increase by 1°C by 2030. A study by the Food and Agriculture Organization of the United Nations shows that the occurrence of a 1°C drought shock (i.e. 1 degree more than the upper confidence interval of the comfort zone) induces a negative drop in overall consumption per capita of about 19.9 % and in food caloric intake of about 38.7 %. Increased heat levels also place greater health risks to rural farmers and agricultural production.

Consequently, over the last 6 years, even in a year with normal rainfall patterns, the average **humanitarian caseload** has been between 1-2 million, out of a total estimated population of 17 million. The 2015-2016 El Niño event, recognized as one of the strongest since reliable data are available, represented an additional shock to food insecurity. Therefore, the 2016/17 agricultural season was exceptionally challenging due to acute and widespread drought; 6.7 million Malawians required humanitarian assistance: about 40 % of the population of the country. In March, 2019 before the country had fully recovered from the 2015/16 flood disaster, it was again hit by Cyclone Idai, which is the strongest tropical cyclone ever recorded in the Southern hemisphere. The devastating effects of Cyclone Idai led to a humanitarian caseload of over 1 million households. This strong country vulnerability to climate impacts is due to the fact that 84 % of Malawians depend on rain-fed agriculture and other natural resource based livelihoods and to the poor diversification of diet habits, dominated by maize. In addition, studies have shown that women disproportionately suffer the impacts of disasters, severe weather events, and climate change because of cultural norms and the inequitable distribution of roles, resources, and power.

In March 2020, despite the implementation of early preventive measures, Malawi started identifying cases of **COVID-19**. This unprecedented health crisis is expected to seriously affect the country's already weak Malawian health and water, sanitation and hygiene (WASH) systems. For instance, it is estimated that in Malawi there are less than 0.0157 physicians

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<sup>3</sup> Government of Malawi (2018) *Malawi National Social Support Programme II (MNSSP II) 2018-2023*.

<sup>4</sup> Care (2019) *CARE Rapid Gender Analysis Malawi, Nsanje District: Cyclone Idai Flooding*. Available at: [https://insights.careinternational.org.uk/images/in-practice/RGA-and-measurement/RGA\\_Malawi\\_Cyclone-Idai\\_2019.pdf](https://insights.careinternational.org.uk/images/in-practice/RGA-and-measurement/RGA_Malawi_Cyclone-Idai_2019.pdf).

(doctors and specialists) per 1,000 people (WB, 2016). Malaria, HIV/AIDs and tuberculosis are still prevalent diseases. One out of three Malawians (5.6 million people) do not have access to a safe water source. The health care delivery system faces notable challenges, partly due to inadequate human resources coupled with skewed distribution favouring the urban areas. In addition, given Malawi's poverty figures, a large share of the population is expected to face serious challenges implementing hygiene, self-isolation and social distancing measures.

## **1.2 Policy Framework (Global, EU)**

The action is consistent with the relevant EU policy framework, as articulated in the EC's Communication on Social Protection in EU Development Cooperation COM (2012) 446, which places the development of comprehensive social protection systems at the centre of partners' national development strategies. The primacy of the Malawi national social cash transfers programme (SCTP) as the flagship for the national social support policy (NSSP) also sits well with the priorities of the EU, which see rights-based entitlement programmes, in particular in the form of unconditional cash transfers, as a suitable vehicle for social protection.

The proposed plan to enhance linkages between social protection and resilience interventions is in line with "The EU Approach to Resilience - Learning from Food Crises" COM (2012) 586 as well as the Proposal for a new European Consensus on Development Our World, our Dignity, our Future COM (2016) 740 where the emphasis is on helping build poor households' resilience to climate change and helping them to adapt to climate change through livelihoods diversification. With its focus on the rural poor, the majority of whom are dependent on agriculture for their livelihoods, the action is consistent with EU policies on support to food and nutrition security and sustainable agriculture in partner countries.

The action is also consistent with the EU's Gender Policy Framework, which promotes economic and social rights and empowerment of girls and women through the provision of national social protection floors. More specifically, the action is in line with the gender action plan II (GAP II, 2016-2020) integrating gender mainstreaming through the assessment of potential positive and negative implications for women and men, and boys and girls, in planned activities. In particular, the action contributes to the objectives: 12 "Healthy nutrition levels for girls and women and throughout their life cycle", 15 "Equal access by women to financial services, productive resources including land, trade and entrepreneurship" and 17 "Equal rights and ability for women to participate in policy and governance processes at all levels". The action reflects the Sendai Framework for Disaster Risk Reduction in stressing the unique role of women and girls in building resilience, reducing vulnerability and managing risk in their communities. It also draws from the DEVCO/ECHO/NEAR<sup>5</sup> 'Social protection across the humanitarian – development Nexus' Guidance package (SPaN)<sup>6</sup>, particularly by taking very concrete steps in operationalizing the nexus. In view of the above; the programme directly addresses three of the European Commission's five vital 'P's for sustainable development : Prosperity, Planet and People.

Moreover, the action is in line with the Joint Communication JOIN (2020) 11 on "the Global EU response to COVID-19", addressing the humanitarian, health, social and economic

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<sup>5</sup> Directorate-Generals Devco : International Cooperation and Development, Echo : European Civil Protection and Humanitarian Aid Operations and Near : Neighbourhood and Enlargement Negotiations.

<sup>6</sup> European Commission (2019). Social Protection Across the Humanitarian Development Nexus. *Tools and Methods Series*, Reference Document No. 26, DG DEVCO, ECHO & NEAR. Available at: <https://europa.eu/capacity4dev/sp-nexus/documents/span-guidance-package-all-documents-zip-file>.

consequences of the crisis. Finally, the action follows a rights-based response to COVID-19, as this approach contains a wide range of aspects, among them, the right to health, equality and non-discrimination, freedom of peaceful assembly, association and movement, the right to benefit from scientific progress, as well as the right to an adequate standard of living.

### 1.3 Public Policy Analysis of the partner country/region

In 2012, the Government of Malawi approved its National Social Support Policy (NSSP), and established the **Malawi National Social Support Programme** (MNSSP) 2012-16 to implement the policy. The MNSSP was more than a set of programmes, with its clearly structured implementation plan, governance arrangements and sequencing of key actions. It was a framework designed for a coherent social support system with effective coordination and harmonization of programmes. The MNSSP was reviewed, prior to designing a second phase, the MNSSP2, in the first half of 2017. Thus, the timing for the initial start of this action was propitious, as it was designed in close collaboration with the Government to ensure complementarity with the MNSSP2. The MNSSP had **five intervention areas**: (1) social cash transfer programme (SCTP); (2) public works programmes (PWP); (3) school meals programmes (SMP); (4) village savings and loans (VSL) and (5) microfinance. Although these intervention areas are maintained, the MNSSP2 has been structured around **three main pillars**: i) Consumption support, ii) Resilient livelihoods and iii) Shock-sensitive social protection, with additional sections for systems strengthening, linkages and cross-cutting issues.

Recognising the recurrent humanitarian caseload, mainly due to climatic shocks, in 2016 the Government initiated a process of consultation with development partners to develop a National Resilience Strategy (NRS): **Breaking the Cycle** of Food and Nutrition Insecurity in Malawi. The NRS recognises the additional costs and inefficiencies incurred by relying on reactive emergency responses compared with proactive developmental approaches, and sets out proposals to better integrate actions under the four pillars of agriculture, humanitarian action, social protection, and disaster risk management. The NRS includes a budgeted work plan, an implementation plan and a monitoring and evaluation framework, and recognises the need “to integrate nutrition, gender and HIV and AIDS”. One of its objectives is to ensure proper coordination and linkages of social support programmes. In fact, the plan identifies the MNSSP2 as an opportunity to explore synergies between the NSSP, humanitarian responses and disaster risk management.

Malawi has a national gender policy, whose overall policy goal is “to mainstream gender in the national development process in order to enhance participation of women and men, girls and boys for attainment of sustainable and equitable development”. Among its policy objectives, of relevance to this action are: “to strengthen gender mainstreaming in the agriculture, food and nutrition security sector and in the natural resources and environment and climate change in order to achieve equality and sustainable environmental development”; and “to reduce poverty among women and other vulnerable groups through economic empowerment”. The 2016-2020 implementation plan for the 2013 Gender Equality Act has an objective “to reduce poverty among women and other vulnerable groups”. And the national action plan for women economic empowerment 2016-2021 has a priority action area to “provide direct cash transfers to vulnerable groups of women”.

Through its investments in systems strengthening, including the introduction of e-payment mechanisms, the action will contribute to Malawi’s digitalisation agenda. More specifically, it is aligned to the payment road map for the digitization of payments in Malawi, a strategy that aims to increase the volume of Government to people payments (G2P) through digital payments from 10 % to 60 % by 2021.

The Government of Malawi has prepared a COVID-19 preparedness & response plan to prevent, detect and respond to the outbreak in Malawi. This plan proposes the expansion of the national social cash transfer programme (SCTP) to target vulnerable households both in rural and urban areas, including but not limited to the SCTP beneficiaries. It identifies cash as the default means of response, with the need to define a strategy to address potential limitations (e.g. alternatives in case a main market is closed due to high infection rates). The Government of Malawi has also submitted a COVID-19 response proposal to relevant donors in social protection and the humanitarian sector. In line with the response plan and the proposal, there is consensus among Government, development partners and International Non-Governmental Organizations (INGOs) to opt for a cash-based response as the default means of response in order to minimise market distortions.

#### **1.4 Stakeholder analysis**

The **Government of Malawi**, as duty-bearer is a key stakeholder in the implementation of the NSSP, with overall social support responsibility falling under the Poverty Reduction and Social Protection (PRSP) Division of the Ministry of Finance, Economic Planning & Development (MoFEP&D). Responsibility for the SCTP lies with the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) supporting social economic empowerment and protection of women and children using community and welfare approaches. Department of Disaster Management Affairs (DoDMA) has the overall responsibility for humanitarian responses and to an extent, resilience coordination. Ministries of Agriculture, Irrigation and Water Development (MoAIWD), Natural Resources, Education, Local Government and the Department of Nutrition, HIV and AIDS (DHNA) also play an active role in social protection and resilience. While the Government's financial contributions to the MNSSP are still small, and mostly in-kind, it has shown considerable dynamism around the programme, and has since 2013 assumed responsibility for payment of social cash transfers in the Thyolo district. Recently, with improved donor support towards systems strengthening, intra-Government coordination has improved. The MNSSP2 is deliberately being designed to build on this improved institutional coordination to subsequently enhance programme coherence *vis-à-vis* shock responsiveness. In addition, the MNSSP2 promotes the realisation of human rights, especially the right to social support, as well as the principles of participation, non-discrimination, accountability and transparency. The dynamic national leadership driven by the PRSP department and the exhibited strengths of the SCTP, which is nationally and internationally recognized as one of the effective mechanisms for poverty reduction with multiplier developmental synergies, has been the basis for the gradual scale-up of the programme.

**Sub-national Government structures** (through the Ministry of Local Government) are at the centre of implementing various NSSP interventions, representing a genuine embodiment of decentralisation. The SCTP has well devolved implementation structures down to the community level including extension officers and Community Social Support Committees (CSSC), who are important pivots for participation and transparency dialogue between the districts and the beneficiaries (rights-holders). Indeed, the programme has two dedicated Social Support Officers in each district and accounting staff dedicated to the programme. Going forward, Government plans to harmonise community structures implementing various NSSP interventions by piggy-backing on the strength of SCTP district and community structures. Capacity at district level remains a particular challenge since there are high vacancy rates and the implementation of the programme causes an additional administrative burden on district social support staff. This action will address this challenge by placing a major focus on building capacity and implementing delivery systems that reduce the administrative burden in the districts.

**Non-state actors** and Development Agencies play a significant role in supporting the NSSP. GIZ (supported through the 11<sup>th</sup> EDF Alikepo nutrition programme) and Mary's meals are one of the key implementers of school meals; local non-governmental organizations (NGOs) are involved in many micro-finance and VSL initiatives; and international NGOs such as Save the Children, Concern Worldwide, Christian Aid and United Purpose have pioneered innovative approaches linked to both social support and community resilience building, often through add-ons to MNSSP beneficiaries, such as providing training in business skills, VSL, climate smart agriculture, nutrition diversification and livelihoods diversification. The NGO Gender Coordination Network coordinates over 50 different NGOs around issues of gender related to social protection. The private sector also has a potential to expand its role both in terms of improved social support delivery systems (e.g. electronic-payment) and in terms of corporate social responsibility interventions (e.g. expanding the dissemination of sponsored solar lamps, mobile phones). As part of developing this action, these non-state actors were all consulted.

The MNSSP and specifically the SCTP targets the **most vulnerable sectors** of the population, using a combination of community targeting and proxy means testing to identify the poorest 10 % of labour-constrained households (i.e. those with a high dependency ratio). In order to mitigate the risks of selection errors of these targeting approaches, a more simple selection by categorical targeting (i.e. entire groups living in vulnerable situations, women, elderly, refugees, migrants, displaced persons, people with disabilities, poor informal workers at risk of contracting COVID-19, etc.) should be envisaged, where appropriate. Demographic distribution of SCTP beneficiaries has shown that female headed households (representing 70 % of all households in the programme), chronically ill, persons with disabilities, households with children (including orphans) and the elderly dominate the programme. As a result of its focus on women, the SCTP has been showcased at the General Assembly of the UN and at a side event of the UN Women Commission for the Status of Women.

### **1.5 Problem analysis/priority areas for support**

Malawi's underlying poverty situation exacerbates the negative impact of the recurrent climate related shocks that the country has been facing over the past ten years, and limits the country's ability to effectively respond to other shock situations, such as pest and disease outbreaks, the effects of the COVID-19 pandemic, refugee and migrant crises or large-scale macroeconomic shocks. These shocks of different nature have something in common: they constitute both a social problem and a threat to the lives, food and nutrition security, and livelihoods of Malawians.

In recent years, recurrent droughts and floods have resulted in many Malawians living in a state of chronic food, nutrition and livelihoods insecurity, with negative impacts on longer-term human development and prospects for economic growth. The World Bank recognizes that "Over the past four decades, droughts have become more frequent, widespread, and intense. The effects have been compounded by a number of other factors, including Malawi's high rate of population growth and environmental degradation. On average, these shocks have caused annual losses to a value equivalent to 1 percent of Gross Domestic Product (GDP)"<sup>7</sup>. At the same time, such recurrent climatic shocks have redirected an increasing proportion of financial resources away from development and growth, and towards *ad hoc* humanitarian responses. Yet *ad hoc* project based humanitarian aid with its short-term perspective is not the

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<sup>7</sup> World Bank (2016) *Malawi Economic Monitor: Emerging Stronger*. Issue: October. Available at: <http://documents.worldbank.org/curated/en/994621478685605311/pdf/109965-REVISED-PUBLIC-Malawi-Economic-Monitor-4-final-published-Nov-10-2016.pdf>



most efficient way to enhance community resilience, nor is the best means of tackling chronic poverty and food and nutrition insecurity. Malawi needs to move towards a more robust and comprehensive system of coherent but flexible social support and resilience interventions, built around life-course vulnerabilities. A flexible system that is prepared to efficiently deliver support by expanding vertically and horizontally in response to shocks where needs arise, from recurrent predictable food security crises to unprecedented events such as the COVID-19 situation. This action therefore focusses on using gender-sensitive and responsive social support systems proactively to build resilience, strengthen livelihoods, enhance food and nutrition security and effectively respond to shocks.

The MNSSP has a number of strengths. The **SCTP**, which targets groups living in vulnerable situations, is a highly effective social support intervention. Despite the ‘arbitrary’ targeting cap of 10 % per district which has resulted in higher exclusion errors of potential and deserving beneficiaries, it has genuine nationwide coverage (since 2018 it is operating in every rural community in every district). Its impact has been robustly evaluated and found to be generally very positive, especially in terms of food security and asset accumulation, important indicators of resilience. Evidence from an independent evaluation of the SCTP carried out by the University of North Carolina shows that the programme has lightened the burden of women’s poverty, improved women’s nutrition and enabled them to do the same for their families as well. The evaluation found strong effects of the program on children’s school attendance across all age ranges and gender, and on delaying sexual debut, childbearing, and early marriage among young girls, thus breaking an intertwined cycle that heightens vulnerability to each condition, decreasing future potential productivity and well-being. The SCTP has high support and visibility among both Government and development partners; and, over the last few years, it has developed advanced systems for targeting, implementation, operations and monitoring. It therefore provides the basis for a more comprehensive, better integrated system under the MNSSP2.

However, there are also opportunities for substantial improvements in moving the current MNSSP2 forward. Scope exists to enhance the ways in which it builds the resilience of its beneficiaries and in its responses to shocks. More generally, it will need to evolve towards a comprehensive and gender-sensitive life-course approach to social protection. The MNSSP2 has gaps in areas such as pregnancy, infancy, old age and disability, the first two of which are particularly worrying in the context of the SCTP’s stated objectives of improved nutrition. This action provides a good opportunity to engage with Government on the implementation of MNSSP2.

Coherent social protection systems are characterized by flexibility with respect to potential linkages with resilience, as well as potential for either horizontal or vertical expansion when required. To this end, the MNSSP is also increasingly viewed as having the potential to provide the foundation for a **shock-responsive** social protection system. Policy, programme, and administrative linkages between Malawi’s key social support programmes and humanitarian responses to food and nutrition insecurity are increasingly more coordinated.

In 2017, the annual large-scale food security emergency response included the SCTP beneficiaries in the beneficiary list for humanitarian transfers coordinated by the Malawi Vulnerability Assessment Committee (MVAC). During the 2018/19 Lean Season, the SCTP was vertically expanded for the first time in response to the food insecurity situation. Following the effects of Cyclone Idai and the 2019/20 Lean Season, the SCTP was expanded both vertically and horizontally, under the leadership of PRSP and in close collaboration with humanitarian partners. For the first time, Malawi had a single coordinated Lean Season Cash Response.

There is now potential to expand on the progress made to ensure that the wider NSSP is fully flexible and responsive to future shocks, including shock situations beyond weather-related events like the effects of the COVID-19 outbreak. Thus, at the same time as building *ex ante* resilience, there is a need to maximise the potential for the MNSSP2 to aid *ex post* emergency response.

There are a number of ways in which this could be achieved. First, it would help if the **Unified Beneficiary Registry** (UBR) could be expanded so that prior information on households across all districts was already available to the MVAC and other relevant authorities (e.g. health) to help with gender-sensitive beneficiary identification (i.e. for humanitarian response and other resilience building interventions outside the MNSSP). Second, it would be desirable to have mechanisms already in place to be able to rapidly expand MNSSP programmes in response to shocks, both vertically and horizontally. In this respect, it would be important to have pre-defined risk-informed triggers, so that shock-responsive interventions could kick-in immediately, mobilizing a pre-approved contingency plan if and when different types of shocks occur. In addition to these points, district and community structures implementing the MNSSP have capacity constraints and thus need strengthening.

In addition, **gender inequalities** persist in Malawi: with under-representation of women in decision-making positions, low education attainment among females compared with males, early marriage and pregnancy, gender based violence, and discrimination against women and girls. Malawi's Gender Inequality Index in 2015 was 0.614, ranking it 145 out of 188 countries in the world; out of every 100 girls who start school, only 3 enter secondary school and 1 enters university; some 72.3 % women are physically abused by their spouse/partner in the home. A 2017 FAO gender study showed that the SCTP in Malawi has had some positive results in terms of gender, such as facilitating the access to credit for female beneficiaries, which in turn, led to the initiation of small businesses and to the purchase of livestock as protection against shocks. Conversely, some areas for improvement were also identified, including the need for gender training for SCTP officials and for building stronger links within NSSP programmes, as well as between SCTP and livelihood interventions<sup>8</sup>. This Action will therefore seek to strengthen the mainstreaming of gender across NSSP, and provide a building block for gender-responsive national social protection floors.

Social protection and climate change **resilience building** have much in common; as they both seek to protect the most vulnerable and foster greater household and community resilience. Frequency of climate-related natural disasters in Malawi has increased. As a result, financial costs of disaster response and negative impact on livelihoods of the poorest and most vulnerable as well as the transitory poor have also increased. Increased resilience can only be achieved through exploiting complementarities and synergies: a cash transfer on its own will very rarely be sufficient to lift the SCTP's caseload of beneficiaries sustainably out of poverty. SCTP households, despite their ultra-poor condition and high dependency ratios, can actually become more resilient. As evidenced by studies such as the impact evaluation of the Malawi enhanced community resilience programme (ECRP)<sup>9</sup>, many of such households can expand their productive asset base, increase their income-generating capacity, improve their

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<sup>8</sup> FAO (2017) *Qualitative research on the impacts of social protection on rural women's economic empowerment: The Malawi Social Cash Transfer Programme*. Available at: <http://www.fao.org/3/a-i7341e.pdf>;

<sup>9</sup> LTS International & Centre for Development Management (2017) *Final Impact Evaluation of the DFID funded Enhancing Community Resilience Programme (ECRP) 2011-2017*. Available at: <https://www.ltsi.co.uk/project/malawi-enhancing-community-resilience-programme-me-services>.

living environment and enhance their food security. On the downside, lack of coordination for resilience activities in Malawi has been a major challenge. Notwithstanding, learning from existing resilience building actions, a core package of resilience interventions could include asset (livestock) transfers, watershed and catchment management, VSLs, conservation agriculture, skills building, nutrition education for social behavioural change and other livelihood diversification activities, which will additionally contribute to soil restoration and increased biological diversity.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Government funding fails to increase sufficiently for development partners to feel there is a genuine prospect of sustainability	High	Strong policy dialogue with Government coupled with an increasing political significance of the programme. Consider funding arrangements, where development partners match an agreed decreasing proportion of total costs, with contributions by Government increasing correspondingly. Help Government to explore innovative extra sources of funding for social support, such as a restoration of the earlier earmarked “safety net tax” on fuel; a national lottery or others. Coordination mechanisms and Civil Society Organizations (CSOs) participation will be strengthened.
Corruption and diversion of funds.	Medium	The use of digital, cash-free transfers and the design of an Internal Control System guarantees accountability and transparency.
Overloading of the SCTP as the flagship component of the MNSSP	Medium	Continue to offer technical support to the MoGCDSW to ensure that it has the means and the capacity to manage an expanded SCTP. Refraining from overloading SCTP and MNSSP in general with a multiplicity of objectives.
Recurrent shocks divert development partner funding to emergency response, and away from longer-term social support interventions	Medium	Strongly make the case that shock-responsive social support is the best way to build resilience and mitigate against future shocks. Use humanitarian and development funding to build such systems proactively, rather than on reactive emergency response. Support coordination amongst development partners on humanitarian, resilience and social protection interventions.
Women, girls and people in vulnerable situations are left behind with limited access to cash transfers and remain vulnerable to shocks, such as climatic shocks or COVID-19.	Medium	Coordination and participation of rights-holders and duty-bearers on the activities of the Unified Beneficiary Registry, as well as on the SCT programme (selection of national targeting criteria, identification and implementation). Active engagement to promote that SCTP follows a rights-based approach, "leaving no one behind".

		SCTP will provide avenues for citizen participation, accountability and non-discrimination with clear, inclusive and transparent communication campaigns.
<b>Assumptions</b>		
The Government continues to give high priority to the NSSP, and is prepared to contribute an increasing share of the funding to allow expansion of its component programmes, in particular the SCTP. The Government will consider revising the 10 % cap. Full acceptance of the concept of shock-responsive social support and a clear commitment by development partners to prioritise this approach in emergency responses. The Government will recognise the need to move towards a life-course approach to social protection. The Government is supportive of the capacity building initiatives and willing to participate and implement the outcome of training activities, including on gender.		

### 3 LESSONS LEARNT AND COMPLEMENTARITY

#### 3.1 Lessons learnt

A number of evaluations have been conducted, in particular two randomised control trials of the SCTP between 2013 and 2016, which highlight the **significant impacts** of the programme, especially in terms of the enhanced resilience of its beneficiaries. For instance, beneficiaries had better levels of food security and consumption than non-beneficiaries; and their acquisition of hand-tools and small livestock attests to a significant intensification of own crop production and livestock rearing. Impacts on health and nutrition, although pronounced on treatment seeking behaviours, were less discernible and more nuanced, with – in particular – no evidence of impact on child nutrition or health care utilisation by young children. The SCTP did however positively impact the transition to adulthood (especially for girls), particularly related to age of sexual debut, sexual risk taking, including sexual violence, and social support. And it found that increases in productive assets such as agricultural tools and livestock were greater for female-headed households. The proposed action will capitalise on the positive gains and ensure deliberate planning around gender-responsive outcomes.

The **review of the MNSSP** highlighted many interesting lessons from the first phase of implementation, and made a number of recommendations which are fully consistent with this Action. These include: the strengthening of coordination, at national level, district level and between donors; better integration of programmes, particularly the SCTP and PWP; review of arbitrary and restrictive coverage thresholds to minimise potential beneficiary exclusion errors; formalisation of linkages with agricultural, resilience and livelihood interventions; and strengthening linkages between the MNSSP and humanitarian action to establish rapid response capacity and flexible financing mechanisms. The review outlined a vision for social support in Malawi: that it should be “robust, coherent, integrated, agriculture-sensitive and shock-responsive”, and that it should comprise both a “core protection pillar” and a “resilience/livelihoods” pillar. This vision was then articulated in the **MNSSP2**, which comprises three main pillars: consumption support, resilient livelihoods and shock-responsive social protection; complemented by systems strengthening, linkages and cross-cutting issues sections.

At the same time, there is also a global recognition that national social protection systems evolve over time to address vulnerabilities across the life-course. The re-design of the MNSSP opens the potential to make relatively minor adjustments to the SCTP in order to better address those life-course stages. Consideration could be on enhancing nutrition status of young children or enhancing the welfare of the elderly and of those with disabilities.

One of the main reasons for the success of the SCTP has been the **robust and consistent systems** that have underpinned it, in contrast to the non-uniform and sometimes weaker systems that pertain in the other MNSSP components. Rigorous management practices, combined with an effective computerised information management system, independent impact evaluations, and a targeting approach that assures at least some degree of transparency and community acceptance have ensured that SCTP merits further support and expansion. This should be facilitated by a broader UBR for the MNSSP as a whole, linked to the national identity system. Ideally in the long run the UBR should include at least 80 % of households categorised as poor under the international poverty line thereby facilitating broader MNSSP targeting.<sup>10</sup>

Learning from the multi-donor supported ECRP, effective **resilience interventions** ought to focus on a core set of the most cost-effective and demand driven interventions for community and household resilience to maximise the number of households achieving food and nutrition security. Concentration should be on a core package of complementary climate change and disaster risk reduction strategies. Flexibility in the design and thus implementation should be one prime consideration. The approach taken by ECRP has provided a good basis upon which further support to enhance linkages between resilience and social support as proposed by this action could be pursued, potentially using the same consortia of partners as ECRP, and linking to the proposed Pro-Act intervention which the Delegation started implementing in November 2017. The approach to work together with non-governmental organizations (NGOs), through consortia, also proved to be more effective and efficient and help passing consistent messages to beneficiaries.

### 3.2 Complementarity, synergy and donor coordination

Largely because of the high degree of Government commitment, a number of **development partners** have rallied around the SCTP (and other components of the MNSSP). Indeed, all the districts of the country are currently supported by different donors, including the EU (7 districts) and Germany (7 districts) with KfW as main implementing partner, Ireland (2 districts) and the World Bank (11 districts), in addition to the one supported by Government. Finally, DFID, whose ECRP ended in 2017, started the implementation of a new resilience programme, promoting sustainable partnerships for empowered resilience (PROSPER), which combines investments on livelihoods with an increased emphasis on cash transfers.

Other development partners, such as GIZ, International Labour Organization and UNICEF, have supported **policy and systems strengthening** and provided technical assistance to Government counterparts including for the review of the MNSSP; and the analytical work to inform phase 2 of the MNSSP. They have also supported the development of the UBR for SCTP and PWP. UNICEF, through an EU funded project (FED/2014/346-896), is helping the Government to develop a graduation strategy based on linkages and referrals among MNSSP components as well as with humanitarian response. Under this intervention, UNICEF is also strengthening the capacity of national and district officers to manage and implement the SCTP and carrying out an impact assessment of the programme. International Labour Organization has undertaken and supported a range of technical studies, including an analysis of the proposed Unified Beneficiary Registry and a study on institutional coordination mechanisms, and has provided Government with technical assistance. GIZ is also implementing systems strengthening initiatives with Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) and UK-DFID funding. Also, UK-DFID, Norway, Ireland, the United

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10 Government of Malawi (2016) Review of the Malawi National Social Support Programme. Available at: <https://socialprotection.org/discover/publications/review-malawi-national-social-support-programme>.

States Agency for International Development (USAID), the World Food Programme (WFP) and FAO, are closely coordinating their activities, particularly those in the area of resilience building and very recently shock-responsive social protection around the MNSSP. However, more can be done to further resilience through linkages to complementary programmes, either at the household level or at the higher programmatic level.

At regional level, ILO, the United Nations Development Programme (UNDP), UNICEF, IrishAid and the EU have designed a specific Regional African Social Protection Training Package on Social Cash Transfers, called TRANSFORM, to support building, improving and managing social assistance programmes, concerning their economic, legal and administrative dimensions.

At **household level**, a promising start has been made with the MoGCDSW's pilot on "linkages and referrals" in two SCTP districts. Under the above project implemented by UNICEF, SCTP households are supported to access other productivity enhancing social protection programmes that may enable eligible households to make their way out of ultra-poverty. This has involved a comprehensive mapping of all programmes and services to which SCTP households might be linked. It actively monitors the linkages by establishing the needs of each beneficiary household, matching them to the support available, and following up progress. If this pilot proves successful, then the model could be scaled up, including possibly with the expansion to all MNSSP beneficiaries, the majority of whom are women. This latter expansion would be greatly facilitated by the expansion of the UBR. The third component of this action, to be implemented by NGO partners, could facilitate the linkages.

At the **programmatic level**, there is substantial potential to incorporate MNSSP beneficiaries into other development programmes. These include the EU funded interventions Kulima (a programme to promote sustainable/climate smart agriculture) and Afikepo (a nutrition programme), which are operated in tandem in ten districts. Within synergies will be built with Afikepo's activities related to the provision of school meals as this is one of the five intervention areas of the MNSSP. Climate smart agriculture has been one of the successfully evaluated resilience building interventions in Malawi. Efforts will be made to explore possibilities of incorporating SCTP extension workers and, to the extent possible, Community Social Support Committee members into Kulima activities as part of MNSSP community structures capacity building with the intention of these structures onward transferring skills to the beneficiaries. SoSuRe will also ensure linkages with 11<sup>th</sup> EDF Rural Roads Improvement Programme (RRImP) that will rehabilitate 1200 km of rural roads through labour-based methods using community workers. Throughout the implementation, learnings will be fed back into the discussion around MNSSP2 and its implementation. Besides, EU and FAO are actively engaged in the social protection through the Food and Nutrition Security Impact, Resilience, Sustainability and Transformation programme (FIRST), working closely with the government and stakeholders to enhance the contribution of social protection policies, programmes and related instruments to Food and Nutrition Security, through enhancing capacities of the government, strengthening complementarities and synergies and improving coordination of NSSP implementing structures. Synergies to enhance the UBR will also be explored through linkages with the National ID system, taking advantage of EU support through the Chilungamo Programme (FED/038584).

And there are many other **national programmes** that could be considered, in particular on resilience. DFID has embarked on a next phase after ECRP, with social protection as the entry point, and has expressed an interest in coordination of activities. WFP has been rolling out its "R4" rural resilience approach and is also active in School Meals. Many NGOs are implementing interventions aimed at improved resilience, livelihoods and nutrition. USAID is operating a parallel programme to strengthen extension services for Agriculture and Nutrition

in another 11 districts different than Kulima & Afikepo; and DFID, Belgium, and Ireland support other relevant agricultural programmes. UN Women is working to ensure rural women and youth have increased access to secure and productive resources, practices and technologies to engage in Climate Smart Agriculture. In addition, there are programmes implemented by the Government of Malawi, UN agencies and civil society organizations, which aim at advancing the full enjoyment of rights by persons with disabilities, and the implementation of laws and policies related to the UN Convention on the Rights of Persons with Disabilities.

In general, **donor coordination** around social support is good, assured both through the formal structures of the Malawi National Social Support Steering and Technical Committees, Donor Coordination Groups (e.g. SCTP Donor Coordination Group) and project specific sub-technical working groups, and through less formal interactions. But to fully exploit the linkages with other interventions beyond pure social protection will necessitate wider cross-sectoral collaboration: only this can ensure the potential synergies with agricultural, livelihoods, food security and nutrition programmes.

To conclude, **EU** is already a major player on the various components of the MNSSP. Under the 10<sup>th</sup> EDF, the EU supported the social cash transfer programme (FED/023873), public works through the rural infrastructure development programme (FED/022433), and “innovative approaches to the delivery of social cash transfers” (FED/270018). Under the 11<sup>th</sup> EDF and thematic budget lines, EU’s involvement in MNSSP implementation includes support to School Meals and to agriculture-sensitive activities to improve the nutritional status of the population, mostly through the Afikepo Programme (FED/038583); public works through the rural roads improvement programme (RRIMP) (FED/037848); and the global climate change alliance programme (ENV/024099). The comprehensive support to the NSSP should be strengthened with this proposed intervention. This allows for a holistic engagement with the Government on the NSSP, putting the EU on a path to not only become a stronger player, but also to potentially and gradually assume a prominent role among Development Partners active on social support in Malawi.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Overall objective, specific objectives, expected outputs and indicative activities**

The **Overall Objective** is to reduce poverty through enhancing resilience among the most vulnerable households in Malawi.

**Specific Objective 1** is: Increasing livelihood diversification and enhancing food and nutrition security for labour-constrained and vulnerable households despite shocks, such as weather-related events and the effects of COVID-19.

**Result 1.1:** A more effective, efficient, inclusive, gender-sensitive and flexible SCTP.

**Result 1.2:** A social support system that can deliver a more effective shock response.

**Specific Objective 2** is: A better implemented and coordinated MNSSP.

**Result 2.1:** Improved MNSSP systems for registration, targeting, delivery, linkages, and appeals.

**Result 2.2:** Improved coherence, coordination, gender-sensitivity and impact of the MNSSP.

**Result 2.3:** Better trained, supported, motivated and incentivised staff at national, district and community level.

**Specific Objective 3** is: Increased resilience to climate change and other shocks among households in vulnerable situations.

**Result 3.1.:** Improved food production, assets and risk coping strategies in response to shocks and stresses in poor and vulnerable households.

The **activities** to achieve **Result 1.1** (a more effective, efficient, inclusive, gender-sensitive and flexible SCTP) include:

i) The EU will continue to fund the cost of SCTP transfers in at least the seven priority districts currently supported by the EU. ii) It will support Government to review the arbitrary 10 % coverage cap to progressively ensure that the full caseload of the labour-constrained ultra-poor is reached by the programme, not just in the seven districts financed by the EU, but – incrementally – in all 28 districts. iii) It will also use all available policy dialogue platforms to support any Government-led expansion of the SCTP to address other life-course and gendered vulnerabilities, to promote the continued inclusion of people with disabilities and to improve impacts on nutrition (See Result 2.2. Action i).

Through the cash transfers themselves and linkages to complementary programmes (see below), this will increase the productivity of beneficiary households (the vast majority of which are female-headed and rely on agriculture for their livelihoods), will raise their food and nutrition security, promote gender equality, and enhance resilience to shocks.

**Result 1.2:** "A social support system that can deliver a more effective shock response" includes:

The new phase of SCTP includes a flexible mechanism within the system to promptly scale up the programme in order to respond to shocks. This includes climate-related shocks, as well as other relevant shock situations that may pose a threat to lives, food and nutrition security, and livelihoods of rural or urban populations. For instance, the socio-economic effects of COVID-19. The horizontal (more beneficiaries) or vertical (higher transfer value) temporary expansions would provide enhanced assistance to the most vulnerable women and men in shock affected areas, including locations beyond the 7 priority districts. Thereby development and humanitarian donors could complement each other within one single response system, from leveraging existing social protection databases to facilitate targeting processes to the possibility of channelling all funds through the same disbursement mechanism. This should provide a well-documented approach to provide better aid, more efficiently and cost-effectively. In the long-run, this sub-component would also define the multi-hazard trigger mechanisms and humanitarian indicators that would need to be monitored in order to trigger a vertical or horizontal expansion of MNSSP interventions; and would ensure that humanitarian responses can piggy-back on existing social support mechanisms.

The main activities to achieve **Result 2.1** (improved MNSSP systems for registration, targeting, delivery, linkages, and appeals) are:

Working through close collaboration between Government and development partners, the action would continue to support the broader areas of improved systems design under the MNSSP. In particular, this would encompass: i) the systems for registration and beneficiary selection, based on scaling up and expanding the UBR (possibly in collaboration with the



2018 census) and linked to the National ID system; ii) for delivery (e.g. using e-payments or mobile money); iii) for refinements to the pilot on linkages and referrals and for grievance and appeals, building on experience gained during recent humanitarian responses.

Activities to achieve **Result 2.2** (improved coherence, coordination, gender-sensitivity and impact of the MNSSP) include:

The action would also support the Government in the implementation, rolling out and scaling up of these improved systems: i) The Action would help to negotiate and coordinate programmatic linkages between MNSSP supported interventions and other Government and development partner initiatives; ii) and would ensure full gender-sensitivity in all MNSSP components. Implementation guidelines for mainstreaming gender will be developed and implemented across the MNSSP. iii) In parallel, the Action could support the gradual evolution towards a life-course approach. iv) It would also work with Government to explore new mechanisms for financing, such as a restoration of the earlier earmarked “safety net tax” on fuel; a national lottery (as in Hong Kong), a financial transaction tax (as in Brazil), or tapping corporate social responsibility, thus reassuring donors about Government ownership and prospects for long-term sustainability. v) Finally, it would support Government in the area of increasing awareness around the MNSSP and relevant related programmes through effective information, education and communications (IEC). Outreach and awareness can also be supported through linkages with EU support to the National Initiative for Civic Education.

For **Result 2.3** (better trained, supported, motivated and incentivised staff at national, district and community level) the activities are:

The action would place a major focus on building capacity for all aspects and programmes in the area of social protection, especially at national, district and community levels, by using the TRANSFORM training package, where appropriate. This would include i) the implementation of delivery systems that reduced the administrative burden on district social support staff. ii) It would specifically capacitate extension workers and CSSC members to deliver training to MNSSP beneficiaries in: soft skills; business and entrepreneurship; climate-smart agriculture; watershed management; and VSL/community health insurance; gender inequalities/gender-based violence issues; and on preventing discrimination (age, ethnic group, political affiliation, etc.),

and for **Result 3.1** (improved food production, assets and risk coping strategies in response to shocks and stresses in poor and vulnerable households) the activities include:

This result area would focus on building resilience, increasing the asset base and diversifying household crop production as a risk coping strategy against climate change and other potential shocks, through a mutually reinforcing combination of interventions. These will include: i) protecting assets by enabling households to save (e.g. through VSL); ii) increasing and diversifying agricultural production through good agronomic practices, soil conservation, climate smart agriculture; iii) supporting biodiversity through natural resource management, reforestation and watershed management based on native species; iv) supporting advocacy, demand creation, accountability and grievance redress through civil society; v) and building demand driven business skills through training. This component will build on, and extend the life of the complementary Pro-Act resilience intervention.

This result should have a strong gender component, as female headed households are among the poorest, and when it comes to shocks women are heavily affected by:

- Difficulties in accessing water and sanitation, which impacts their ability to implement hygiene measures for themselves and at household level, thus increasing their

vulnerability to communicable diseases, and also affecting the nutritional status of children.

- In times of draughts, water scarcity increases their time burden in fetching water, which brings them in a situation of time poverty preventing them from being involved in other productive activities. Same as regard to the collection of firewood and biomass.
- Flood situations affecting small farmers may lead to displacement and loss of households which can be devastating especially on pregnant women and those with many children.
- In case of a health crisis, women usually carry the burden of taking care of others, even putting themselves at risk.
- In addition, health crises, such as the COVID-19 pandemic, can negatively impact women's health and safety, especially regarding maternal health needs and gender-based violence situations.
- The restricted women's access to information might prevent their participation in relevant trainings, and their access to useful information about prevention and mitigation measures, early warning systems, coping mechanisms, etc.

## **4.2 Intervention Logic**

This action is based on the following results chain. Further enhancements to the SCTP (strategic objective 1) will not only generate improvements in the effectiveness and impact of that specific component, but will also generate learning and influence improvements in other components of the MNSSP through strengthening coordination, at national and district level among the different NSSP programmes, which will in turn foster information flow and exploit operational synergies. These other components will benefit in turn from the Action's support to improved systems, to better coordination and implementation, and to capacity building at all levels (strategic objective 2), thereby creating a more coherent and comprehensive overall social support system. Through then demonstrating the potential for linking MNSSP beneficiaries to livelihoods interventions (strategic objective 3), the action will reinforce the importance of integrating social support into broader development policies to achieve greater resilience of poor and vulnerable populations.

There is an underlying assumption – borne out by experience elsewhere – that countries gradually move away from discretionary poverty-targeted programmes towards social protection based on entitlement, more inclusive and that better responds to the full range of life-course vulnerabilities. The action will support any Government efforts to consider the possible expansion of life-course bonuses and the revision of the 10 % cap. Consequent improvements to other MNSSP components through harmonisation and cross-learning will similarly allow them to expand their coverage, while addressing complementary stages of the life-course. Integration of the MNSSP with other development interventions will broaden coverage further, at the same time as increasing the longer-term resilience of beneficiaries.

A shock-responsive social protection system would contribute to transfer humanitarian caseload to national social protection systems in turn linked to disaster management systems. The improved systems underpinning the MNSSP will additionally provide an efficient channel for the future delivery of emergency assistance, which will inevitably continue to be needed, albeit – with the increase in resilience – at a smaller scale and lower frequency than would have been otherwise.

Finally, paying closer attention to gender and nutrition impacts of the MNSSP has the potential to further increase its effectiveness in changing social norms and reducing the inter-generational transmission of poverty.

Having a better, more effective, inclusive, integrated and comprehensive social support strategy should in turn increase the popularity, and hence the political appeal, of the MNSSP, generating greater momentum towards reform, and encouraging the Government to make a more substantial financial commitment. This will result in reduced vulnerability, enhanced food and nutrition security and greater resilience among the households living in the most vulnerable situations in Malawi, allowing them to participate in, and contribute to, future economic growth.

### 4.3 Mainstreaming

**Good governance:** The MNSSP2, and in particular its SCTP component, combine a high degree of Government ownership with independent financial management. Existing coordination structures and technical support ensure good governance; this action will enhance the same. However, the current targeting of MNSSP2 is inconsistent and sometimes inequitable: the action proposes to improve and expand its coverage, and to transition it gradually towards a more inclusive rights-based, life-course approach.

**Environment and climate change:** Due to its high population density, land degradation, deforestation and climate-induced natural disasters are the most worrying symptoms of Malawi's ecological crisis. Mainstreaming climate-smart agriculture (CSA)<sup>11</sup>, an approach that develops agricultural strategies to secure sustainable food security under climate change, will allow longer term utilization of land and water resources for productive farming, even at a low level. The action will also incorporate elements of land restoration, using appropriate tree species for the different locations and climate, sustainable irrigation and catchment management. Indeed, some components of the action have a positive potential to improve biodiversity, watershed management and land restoration to combat erosion and desertification, as well as to increase carbon storage in soils thus contributing to reduce greenhouse gases emissions and climate change mitigation.

**HIV/AIDS:** SCTP design (particularly the eligibility criteria on dependency ratio) reflects the ravages of the HIV/AIDS pandemic on households, where grand-parents or children look after households deprived of their productive adult members. This means that a high proportion of SCTP beneficiary households are affected, directly or indirectly, by HIV/AIDS. Nutrition support, care and treatment will continue to be integrated and with the proposed linkages be enhanced into the action as a cross-cutting issue.

**Gender:** 70 % of SCTP households are headed by women and a majority of SCTP beneficiaries (around 55 %) are female. Cash transfers have proven to be empowering to women; and there is evidence that they can enable girls to stay in school longer, thus delaying marriage, reducing early pregnancy and diminishing the inter-generational transmission of poverty. Recognising that within NSSP the conception and application of gender mainstreaming is weak and its application disjointed, this action will, as part of broader systems strengthening, include activities to enhance gender mainstreaming across the MNSSP. The increased emphasis on vulnerabilities also places more prominence on the role of women in social support and resilience, given the fact that women are disproportionately bearing the burden of dealing with shocks. In addition, the action will carefully monitor impacts on a gender-disaggregated basis to ensure that any MNSSP2 interventions that target

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<sup>11</sup> Climate-smart agriculture (CSA) is an approach that helps to guide actions needed to transform and reorient agricultural systems to effectively support development and ensure food security in a changing climate. CSA aims to tackle three main objectives: sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible (FAO, 2017).

women will actively promote their empowerment, and will avoid the reinforcement of gender stereotypes and the imposition of additional burdens on women. The broader programme evaluation or specific component evaluations will include among their priorities evaluation of gender mainstreaming and gender impacts.

**Inclusion of persons with disabilities:** Data management systems (e.g. UBR) specifically collect information on disabilities and chronic illnesses (e.g. polio). Targeting criteria are also adapted to include persons with disabilities.

**Inclusion of elderly people:** Data management systems (e.g. UBR) reflect the age of all household members. Moving towards a comprehensive life-course approach on social protection will contribute to ensure that elderly persons are included in the programme.

**Rights-based approach:** The new European Consensus reiterates EU's commitment to a rights-based approach to development and social protection. Access to social protection is a human right, fundamental in protecting individuals and their families across the life-cycle and in building political stability as well as societies' resilience to different types of shocks. Social policies are thus pivotal to prevent and address current global risks (COVID-19, refugee crisis, forced migration, climate change and inequalities).

#### **4.4 Contribution to Sustainable Development Goals (SDGs)**

This intervention is relevant for the **United Nations 2030 Agenda** for Sustainable Development. It contributes primarily to the progressive achievement of SDGs 1 and 2, but also promotes progress towards Goals 3, 5, 10 and 13.

### **5 IMPLEMENTATION**

#### **5.1 Financing agreement**

In order to implement this action, a financing agreement with the partner country was concluded.

#### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

#### **5.3 Implementation of the budget support component**

*Not applicable.*

#### **5.4 Implementation modalities**

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>12</sup>.

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<sup>12</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### **5.4.1 Grants: (direct management)**

##### *5.4.1.1. Grant: Direct awards to CHRISTIAN AID Resilience Consortium (direct management)*

###### **(a) Purpose of the grant(s)**

The objective of the grant is to spearhead an innovative, enhanced and integrated approach to an increased resilience to climate change and other shocks among households in vulnerable situations (Specific Objective 3). The results will be an enhanced food and nutrition security for women-led and ultra-poor households and communities through support to NGOs working in the area of resilience building.

###### **b) Type of applicants targeted**

The direct grant would be awarded to the resilience building consortium of NGOs, headed by Christian Aid (CA), who has been implementing, together with the consortium headed by United Purpose (UP), Malawi's only multi-donor supported large scale resilience interventions, the enhanced community resilience programme (ECRP) funded by UK-DFID, Ireland and Norway. Considering that a similar integrated and innovative resilience building approach is being targeted for implementation under the 2017 pro-resilience action (Pro-Act), priority under this action would be to build on the strengths of Pro-Act in sustainably establishing such an integrated and innovative resilience building approach. Activities under Specific Objective 3 will be a follow-up to the resilience component under Pro-Act, focus will be maintained on the seven SCTP districts funded by EU under the 10<sup>th</sup> EDF and also proposed for Specific Objective 1 under this action.

###### **(c) Justification of a direct grant**

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the fully operational INGO consortium led by Christian Aid (CA).

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because, given the tentative amount of funding allocated to Specific Objective 3 and its geographical scope, this consortium, together with the consortium led by United Purpose, has de facto monopoly within the targeted geographical scope of this programme. The two consortia are the only available option with the technical capacity, experience and manpower to implement activities in line with our proposal building on their ongoing work and networks on the ground in the shortest possible time. Both consortia have successfully been implementing the ECRP and other food and nutrition security programmes and have also been the recipients of ECHO funds during the last few years. They are already operating in the 7 districts that are foreseen in this proposed action of which the aforementioned Pro-Act activities will be the foundation for implementing Specific Objective 3, thus ensuring further scale up and reaching more households. It is important to build on the encouraging and positive independent evaluation of the ECRP, extensive experience of the two consortia in implementing ECRP and to ensure full coherence between their established resilience expertise and the SCTP. The two consortia have between them constructed a well-performing network which has been refined over six years under ECRP, and which will have been further enhanced during the planned Pro-Act.

The consortia would build on their expertise and investments previously made under ECRP and leverage on the work of their current partners. UP and CA collaborate with a mix of in country INGOs and local NGOs (ie. Concern Worldwide, Save the Children, CARE, COOPI, Action Aid, ADRA, Card, CADECOM, Maleza...). Furthermore, UP and CA are part of the Humanitarian response/Malawi Vulnerability Assessment Committee (MVAC) INGO

consortium, which is the second largest provider of emergency cash assistance in the country after WFP and have incorporated resilience building activities into humanitarian cash transfers, integrating economic empowerment and nutrition diversity. They therefore come with the added knowledge of their experiences gained through the MVAC humanitarian response, which includes implementing resilience building activities across the entire disaster risk management cycle.

*5.4.1.2. Grant: Direct awards to UNITED PURPOSE Resilience Consortium (direct management)*

(a) Purpose of the grant(s)

As in the above grant, the objective of the grant is to spearhead an innovative, enhanced and integrated approach to an increased resilience to climate change and other shocks among households in vulnerable situations (Specific Objective 3). As in the above grant, this grant will support the concept of ‘breaking the cycle of food and nutrition insecurity’ trying to go beyond immediate relief and addressing the root causes of vulnerability.

(b) Type of applicants targeted

The direct grant would be awarded to the resilience building consortium of NGOs, headed by United Purpose (UP). Building on their experiences in the ECRP programme and Pro-Act, the two consortia would continue to implement an integrated and innovative set of resilience activities, with an emphasis on working predominantly with SCTP beneficiaries in the EU funded districts to maximise the synergies.

(c) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to the fully operational INGO consortium led by United Purpose (UP).

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because, given the tentative amount of funding allocated to Specific Objective 3 and its geographical scope, this consortium, together with the consortium led by Christian Aid, has de facto monopoly within the targeted geographical scope of this programme as indicated in the above direct grant.

**5.4.2 Indirect management with a member state agency – KfW**

A part of this action may be implemented in indirect management with KfW-Germany. This implementation entails the delivery of Specific Objective 1, continuing and expanding the scope of the existing support to Social Cash Transfers Programme (SCTP). This implementation is justified because KfW has been implementing the equivalent component under the EU’s support to the SCTP under 10<sup>th</sup> EDF (FED/023873) since December 2013, which has been very successful – in terms of consistency of transfers, levels of arrears, and handling of grievances. KfW is also responsible for the equivalent ongoing management of SCTP for the other seven districts funded by the German Government. In the spirit of partnership and in line with MNSSP approach of harmonised systems and processes, it is highly desirable to maintain the same delivery modalities for all districts in the country. Just like the EU, Germany-KfW will continue supporting SCTP beyond their current funding of EUR 85 000 000, with an additional commitment of EUR 15 000 000 that are currently under consideration for 2021 and beyond.

For this action, KfW would carry out the following budget-implementation tasks: support the MoGCDSW with procurement of goods and services including the recruitment of consultants required for the monitoring, evaluation and execution of the Action in line with the procedures and systems of KfW. Besides, it would be responsible for the overall budgetary planning, administration and management of EU funded cash transfers in the seven districts, and beyond, in case of horizontal expansions.

#### **5.4.3 Indirect management with a member state agency – GIZ**

A part of this action may be implemented in indirect management with GIZ-Germany. This implementation entails the delivery of Result 2.1 of Specific Objective 2 (Improved MNSSP systems for registration, targeting, delivery, linkages, and appeals). This implementation is justified because GIZ has been playing an important role in the area of supporting research and systems design for the MNSSP. It has undertaken a number of diagnostic studies and evaluations (for example in the areas of gender sensitivity of MNSSP interventions, harmonised targeting, consistent processes, and monitoring & evaluation). It has also piloted potential alternative approaches, such as linking SCTP beneficiaries to livelihoods interventions. Besides, GIZ has been instrumental at policy and systems strengthening levels, providing technical assistance to Government. This support will continue in the upcoming years.

The entrusted entity would carry out the following budget-implementation tasks: procurement of goods and services and recruitment of consultants. Besides, it would be responsible, in close collaboration with Government, for further research, systems design and implementation in the areas of registration, targeting, delivery, linkages and appeals.

#### **5.4.4 Indirect management with the partner country**

A part of this action with the objective of improved coherence, coverage, effectiveness, gender-sensitivity and impact of the MNSSP with better trained, supported, motivated and incentivised staff (results 2.2. and 2.3.) may be implemented in indirect management with the Government of Malawi according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control *ex ante* all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies *ex ante* control for procurement contracts above EUR 100 000 and may apply *ex post* control for procurement contracts up to that threshold. The Commission will control *ex ante* the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and for grants.

The financial contribution covers, for an amount of EUR 400 000, the ordinary operating costs incurred under the programme estimates.

The partner country shall apply the Commission's rules on procurement and grants. These rules will be laid down in the financing agreement to be concluded with the partner country.

In accordance with the powers delegated to them by the partner country authority that appointed them, the imprest administrator and the imprest accounting officer shall draw up and implement the programme estimate, award contracts and grants, commit expenditure and make the corresponding payments.

The imprest administrator and the imprest accounting officer shall submit their technical and financial reports to the project steering committee, where applicable, and to the National Authorising Officer and a copy to the Head of the EU Delegation.

#### **5.5 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as



established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

	<b>EU contribution (amount in EUR)</b>
Specific Objective 1, composed of	<b>62 600 000</b>
5.4.3. Indirect management with EU MS agency - KfW	62 600 000
Specific Objective 2, composed of	<b>5 000 000</b>
5.4.4. Indirect management with EU MS agency (R 2.1) - GIZ	3 000 000
5.4.5. Indirect management with the partner country (R 2.2 and 2.3)	2 000 000
Specific Objective 3, composed of	<b>5 000 000</b>
5.4.1. Direct Grant award to Christian Aid	2 500 000
5.4.2. Direct Grant award to United Purpose	2 500 000
5.9 Evaluation; 5.10 Audit	<b>200 000</b>
5.11 Communication and visibility	<b>100 000</b>
Contingencies	<b>100 000</b>
<b>Total</b>	<b>73 000 000</b>

## 5.7 Organisational set-up and responsibilities

Coordination among the various institutions involved in the SCTP takes place at different levels: MoGCDSW calls for Coordination Meetings approximately every two months with all donors and implementing partners to report on progress and challenges in the implementation of the SCTP. Donors coordinate their activities in the Development Partners Group on Social Protection, which meets approximately every two months, and is currently headed by UNICEF. In addition, donors have regular meetings with the Permanent Secretary of the MoGCDSW where challenges in the SCTP can be discussed at higher level. These meetings are of an informal nature serving for mutual exchange of information.

Within the MNSSP, there is the National Social Support Technical Committee, chaired by the MoFEP&D, which is responsible for providing technical oversight over all five programmes under the MNSSP, while the National Social Support Steering Committee, chaired by the Chief Secretary to the Office of the President and Cabinet is responsible for policy oversight and resource mobilisation for the five MNSSP programmes. The EU Delegation is a member of these Committees. There are also specific Committees for individual MNSSP programmes (Social Cash Transfers, Public Works, etc.) and Task Forces for other relevant specific issues (e.g. Cash Working Group, E-Payment Task Force, Task Force for Nutrition-Sensitive Social Protection). Members of these coordination structures include representatives of several ministries, bilateral and multilateral donors, national and international NGOs working in relevant sectors (social protection, humanitarian, etc.), civil society organisations, private sector (e.g. microfinance institutions, mobile money) and academia. Whilst coordination structures operate in practice and include a wide range of stakeholders involved in the social

protection, humanitarian and other sectors, more efforts need to be made in order to ensure that CSOs and other relevant stakeholders are included.

The way in which MNSSP2 programmes are currently operationalised is fragmented. For example, at district level, District Councils have committees for each programme and the membership is often common to all. This has resulted in multiple and overlapping members of a set of uncoordinated committees that limits information flows, and leads to a lack of clarity around accountability. District staff faces a range of programme guidelines and procedures targeting communities for MNSSP sub-programmes, which are not aligned or harmonised.

Coordination within the MNSSP to effectively implement social protection programmes is a challenge in itself, but it is also problematic in terms of developing a shock-responsive social protection system. Social protection actors are increasingly attending humanitarian meetings such as the Humanitarian Country Team. Vice-versa, existing social protection coordination structures are actively engaging humanitarian actors and including Shock-Responsive Social Protection as a standing agenda point. The EU Delegation has a role to play in promoting inclusiveness and enhanced coordination in social protection and beyond. Moreover, this action, through the activities of Result 2.2, will contribute to address these challenges. It will strengthen effective formal coordination to enhance communication channels, information-sharing, accountability, coordination, planning and procedures (roles and responsibilities) between SP, Domestic Revenue Mobilization, civil society and humanitarian systems.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## **5.8 Performance and Results monitoring and reporting**

A baseline survey during pre-implementation phase that builds on the previous SCTP evaluation (baseline with two follow-up surveys) might be conducted together by all donors and Government similarly as for the earlier evaluation, to populate the reference year data in the logical framework and to be followed by an endline survey at the end of the Action.

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process and part of the implementing partners' responsibilities. To this aim, implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, disaggregated by sex, age and disabilities when needed, using as reference the logframe matrix. The gender and human rights dimensions of the action must also be taken into account for reporting.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Government of Malawi together with the development partners have prepared and endorsed an Operations Manual (OM). A technical manual that details the Monitoring process of the SCT Programme has been also put in place to ensure activities are carried out in accordance with the parameters set forth in the OM. Both internal and external monitoring are carried out.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Having regard to the nature of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem-solving, in particular with respect to assessing the programme progress and in case of lack of such progress, evaluate of its causes following the overall logic, cost effectiveness and extent of gender-mainstreaming with a view to making design and implementation corrections. The evaluation outcomes could lead to adjustments in programme strategy and implementation. They could shed light on the effectiveness of the various processes supported, such as registration, selection, delivery, linkages, grievances, integration with humanitarian response, IEC, Monitoring & Evaluation systems. It would generate early warning of emerging problems, and permit rapid remedial action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking account of the impact of the programme in reducing food insecurity, improving nutrition of young children and women, poverty reduction and improvement of wellbeing of the most vulnerable households, and, in case of a positive assessment, use the evidence gained for the design of subsequent Social Protection programmes and Graduation Strategies.

The Commission shall inform the implementing partners at least 15 days in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded in last trimester of year 2.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, three contracts for audit services shall be concluded under a framework contract in 2nd trimester of first year (1 contract) and in 2nd trimester of second year (2 contracts).

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the action and the appropriate contractual obligations.

Communication and visibility activities will be implemented by one service contract under direct management, for an estimated total of EUR 100 000, tentatively scheduled to be launched in the 2nd trimester of the first year.

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The indicative logframe matrix will evolve during the lifetime of the Intervention. The activities, the expected outputs and related indicators are indicative and may be updated during the implementation of the Intervention as agreed by the parties (the European Commission and the implementing partner/s).

	<b>Results chain: Main expected results (maximum 10)</b>	<b>Indicators (at least one indicator per expected result)</b>	<b>Sources of data</b>	<b>Assumptions</b>
<b>Impact (Overall Objective)</b>	The <b>Overall Objective</b> is to reduce poverty through enhancing resilience among the most vulnerable households in Malawi.	Proportion of population considered as ultra-poor, by sex and age [RF indicator**].  Prevalence of stunting among girls and boys under 5 years of age [National Indicative Programme* and RF indicator**].	Integrated Household Survey (IHS).  Malawi Demographic and Health Survey (DHS).	<i>Not applicable</i>
<b>Outcome(s) (Specific Objective(s))</b>	<b>Specific Objective 1:</b> Increasing livelihood diversification and enhancing food and nutrition security for labour-constrained and vulnerable households despite shocks, such as weather related events and the effects of COVID-19.	1.1. Annual investment in productive assets among beneficiaries.  1.2. Percentage of Minimum Acceptable Diets (6 - 23 months) <sup>i</sup> .  1.3. Percentage of women with Body Mass Index below 18.5 .	SCTP MIS Reports.  Impact Evaluation Reports.  Malawi Demographic and Health Survey (DHS) / Integrated Household Survey (IHS).	No massive shocks.  Political stability.
	<b>Specific Objective 2:</b> A better implemented and coordinated MNSSP.	2.1. Coverage of the UBR (i.e. number of households registered as a proportion of the total estimated number of households in the district).  2.2. Percentage of delivery costs to overall transfer costs).	MNSSP MIS. UBR reports. Linkages and referrals reports. MNSSP programme accounts. Project Implementation Reports.	Increased Government commitment to MNSSP.  Development partner cooperation.

	<b>Specific Objective 3:</b> Increased resilience to climate change and other shocks among households in vulnerable situations.	3.1. Percentages of female-headed and male-headed beneficiary households that have adopted adaptive livelihoods /resilience strategies and/or climate smart agriculture approaches in the targeted districts.	Impact Evaluation Report.	Government commitment and coordination capacity to linking resilience and social support.
<b>Outputs</b>	<p>Result 1.1. A more effective, efficient, inclusive, gender-sensitive and flexible SCTP.</p> <p>Result 1.2. A social support system that can deliver a more effective shock response.</p> <p>Result 2.1. Improved MNSSP systems for registration, targeting, delivery, linkages, and appeals.</p>	<p>1.1.1. Number of households and individuals receiving SCTP support, disaggregated by Female-headed households and Male-headed households, and school going children (for EU districts).</p> <p>1.2.1. Percentage of shock situations in which the social support system has been activated for shock response<sup>ii</sup>.</p> <p>1.2.2. Number of households and individuals receiving additional support as part of the COVID-19 Response.</p> <p>2.1.1. Number of individuals with complete data records registered in the UBR in EU funded districts, by sex.</p> <p>2.1.2. Percentage of beneficiaries receiving e-payments with support from this Action, by sex.</p> <p>2.1.3. Number of SCTP beneficiaries linked with complementary interventions with support from this Action, by sex.</p> <p>2.1.4. Percentage of appeals successfully addressed following (re-) targeting processes in relation to</p>	<p>SCTP MIS report.</p> <p>SCTP MIS report. Project Implementation Reports.</p> <p>Project Implementation and COVID-19 Response reports.</p> <p>Project Implementation reports &amp; UBR Reports.</p> <p>Project Implementation reports &amp; UBR Reports.</p> <p>Project Implementation reports &amp; UBR Reports.</p> <p>Project Implementation</p>	<p>Functioning UBR system</p> <p>Expansion of e-payment coverage remains technically</p>

		total appeals submitted, by sex.	reports & UBR Reports.	feasible.
	Result 2.2. Improved coherence, coordination, gender-sensitivity and impact of the MNSSP.	2.2.1. Number of districts in Malawi with a single coordinating committee for the MNSSP.	Project Implementation reports & UBR Reports.	
	Result 2.3. Better trained, supported, motivated and incentivised staff at national, district and community level.	2.3.1. District staff and community social support committees involved in MNSSP trained, by sex.	Project Implementation reports & UBR Reports.	
	Result 3.1. Improved food production, assets and risk coping strategies in response to shocks and stresses, in poor and vulnerable households <sup>iii</sup> .	3.1.1. Number of individuals from SCTP households sensitised to climate change that have knowledge of at least 3 solutions that enhance individual and community resilience to climate related disasters and variability, by sex.  3.1.2. Number of Female and Male-headed SCTP households involved in climate-smart agriculture with support from this Action, resulting in reforestation, biodiversity and soil conservation.	Impact Evaluation Report.  Impact Evaluation Report.	

<sup>i</sup> Minimum Acceptable Diets (6-23 months): Breast fed children 6 - 23 months are considered to be fed minimum acceptable diet if they are fed with the minimum dietary diversity: children receiving 4 or more of the following food groups a) infant formula, milk other than breast milk, cheese, or yoghurt, or other milk products; b) foods made from grains, roots, and tubers, including porridge and fortified baby food from grains; c) vitamin A -rich fruits and vegetables, d) other fruits and vegetables; e) eggs; f) meat, poultry, fish and shellfish; g) legumes and nuts; and these are received with the minimum frequency (for breast fed children minimum meal frequency is receiving solid or semi-solid foods at least twice a day for 6 - 8 months infants and at least three times a day for age 9 - 23 months).

<sup>ii</sup> ‘Shock situations’ applies to weather related events (e.g. droughts, floods), as well as to other relevant disruptive factors, such as the effects of COVID-19.

<sup>iii</sup> Some of these interventions have started to be tested in 3 of the seven EU-funded districts (i.e. Chikwawa, Mulanje, Nsanje) by ECRP initiatives (Christian Aid and United Purpose led consortia) and Concern Worldwide. WFP has also introduced some complementary activities in the 2015/6 emergency response. Considering the limited focus on these complementary activities, the baseline should still be close to zero.