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ANNEX 1

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Malawi for 2023

Action Document for Gender Responsive Social Protection Programme – Kutukula Amai

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Gender Responsive Social Protection – ‘Kutukula Amai’ OPSYS: ACT – 61648 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the Action	The Action shall be carried out in Malawi
4. Programming document	Republic of Malawi – Multi-annual Indicative Programme 2021-2027 ¹
5. Link with relevant MIP(s) objectives / expected results	The Action contributes to: - Specific Objective 2.1, Advancing democracy, human rights and the Rule of Law; Expected Result 2.1.2. “Universal values of human rights for all, in particular women and girls’ rights”; - Specific Objective 3.2, Strengthening social protection systems; Expected Result 3.2.1. “Resilience of the most vulnerable enhanced, based on a sound multi-sector approach to social protection systems”.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	- MIP Priority Area 2: Democratic and Economic Governance <i>Government & civil society-general (151)</i> - MIP Priority Area 3, Human development and social inclusion <i>Other social infrastructure & services (160)</i>
7. Sustainable Development Goals (SDGs)	Main SDG: 5 (Achieve gender equality and empower all women and girls) Other significant SDGs: 1 (End Poverty), 2 (End Hunger), 3 (Healthy lives), 4 (Quality Education), 10 (Reduce Inequality) and 13 (Climate Change).
8 a) DAC code(s)	16010 Social protection – 65% 15180 Ending violence against women and girls – 27% 13030 Family planning – 8%
8 b) Main Delivery Channel	Multilateral organisations 40000

¹ Commission Decision adopting a multiannual indicative programme for the Republic of Malawi for the period 2021-2027, C(2021)9116 of 21 December 2021.

9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance				
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective	
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	
	RIO Convention markers	Not targeted	Significant objective	Principal objective	
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Combat desertification @	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	
	11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/	
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
digital connectivity energy transport health education and research		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/	
Migration @		<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Reduction of Inequalities @		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Covid-19		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
BUDGET INFORMATION					
12. Amounts concerned		Budget line(s) (article, item): BGUE-B2023-14.020122-C1-INTPA Total estimated cost: EUR 59 000 000 Total amount of EU budget contribution EUR 59 000 000			
MANAGEMENT AND IMPLEMENTATION					

13. Type of financing	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4.
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1.2 Summary of the Action

Over 20 % of the 19.6 million Malawians live in extreme poverty. Poverty and inequality affect women and girls disproportionately more, narrowing their access to social services and economic opportunities. According to national statistics², over 75% of the households living in poverty is headed by women. Furthermore, the prevalence of violence against women and girls and the perpetuation of harmful practices further undermine women and girls' empowerment and their participation in and contribution to developing the country.

In this context, the Action will focus on providing a comprehensive support to ultra-poor households, targeting in particular girls and women to enhance their resilience and strengthen their economic and social rights and empowerment.

With the Overall Objective to empower Malawi's poorest and most vulnerable girls and women, the Action will: 1) Enhance the effectiveness of the Malawi national social support programme (MNSSP); 2) Reinforce and institutionalise the system's complementary services to support women's economic resilience and livelihoods and 3) Enhance access to social services for vulnerable girls and women.

For increased effectiveness and efficiency of the social protection system, the Action will strengthen the governance of the sector through comprehensive and targeted capacity building of the relevant government stakeholders. The Action will then specifically support the implementation and modernisation of the **Social Cash Transfer Programme (SCTP)**.

The Action will also facilitate the provision and progressive integration in the system of complementary **services fostering greater resilience to shocks and diversification of livelihoods** for women and girls covered by the SCTP or those in similar circumstances. This includes establishment of self-managed savings groups (Village Savings and Loans (VSL)) and the provision of training for financial inclusion and business development for women and girls.

Finally, the Action will ensure increased access to **social services** for women and girls from SCTP households and their communities. A variety of approaches will be used including the establishment of safe spaces, which provide a safe and non-stigmatising response to Sexual and Gender Based Violence (SGBV), and of Community Victim Support Units (CVSU). The Action will also work with local authorities to establish formal linkages and referral mechanisms to and from social services in general, including education, skills development and health.

A comprehensive research and learning activity will accompany the implementation of the Action, assessing the effectiveness and efficiency of the innovations which the programme supports and providing clear policy recommendations for their institutionalisation in the social protection system.

The Action contributes to Priority Area 3 of the Multiannual Indicative Programme for Malawi, human development and social inclusion, focusing on the expected result enhancing resilience of the most vulnerable, based on a sound multi-sector approach to social protection systems. It also contributes to Priority Area 2 on governance, delivering on the expected result universal values of human rights for all, in particular women and girls' rights.

The Action is in line with Gender Action Plan III³, and it follows a Team Europe approach with close alignment and coordination between the support initiatives of Germany and Ireland to the social protection system in Malawi.

² <https://mtukula.com/content?view=9&pageName=Recipient%20Households>

³ https://international-partnerships.ec.europa.eu/document/download/c8b9cff0-d155-4762-bd2d-2871a847956e_en?filename=join-2020-17-final_en.pdf

2 RATIONALE

2.1 Context

Country context

Malawi ranks 174th of 189 countries in the 2020 Human Development Index and suffers by high prevalence of stunting among children under five (37%). It is the 10th most densely populated country on the continent with a high rural population and relatively low urbanisation (of an estimated population of 19.6 million, 83% still live in rural areas). Over 50% of the population is younger than 18 years old and the median age is 16 for both women and men. With the population expected to double by 2038, the population growth rate is one of the highest in the region. This is placing enormous pressure on the capacity to sustain livelihoods and to deliver jobs and quality social services.

Poverty in Malawi remains high, with 50.8% of the population living below the national poverty line (2020), slightly lower than the 51.5% in 2017. In the same period ultra-poverty slightly increased from 20.1% to 20.5%⁴. Poverty levels differ substantially between urban centres and rural areas where nearly 95% of the poor live. Underlying factors for the persistence of poverty include low educational and health outcomes and limited diversification of income sources. In addition, Malawi continues to face many challenges in gender equality and empowerment of women. These challenges, exacerbated by poverty and inequality, narrow girls' and women's access to social services and economic opportunities.

A series of domestic and external shocks are putting acute pressure on Malawi's macro-economy, increasing the urgency to protect access to essential services for the most vulnerable. Sequential shocks (COVID 19; recurring climate shocks such as floods, droughts and tropical storms and soaring food and fuel prices, epidemics) have come on top of unsustainable external debt inherited from the previous administration. High inflation, slow progress in employment creation and governance, issues such as corruption, poverty and food insecurity continue to undermine the development potential of the country.

Sector context (Social Protection and Gender)

Despite the challenging socioeconomic context, Malawi has over the past 10 years progressed in building a social support system reducing poverty and vulnerability as well as improving resilience. This is framed by the National Social Support Policy (2012) and the Malawi National Social Support Programme II 2018-2023 (MNSSP II).

The flagship programme of the MNSSP II is the Social Cash Transfer Programme (SCTP), which the Government implements both at the national and district level. Since its inception in 2006, the SCTP has been rolled-out in rural areas nationwide (reaching over 300,000 households and 1.33 million ultra-poor people). In recent years the programme has been scaled up to respond to shocks both in urban and rural areas, including floods, lean season and the COVID-19 pandemic. This became possible by establishing core systems such as the Unified Beneficiary Registry (UBR), the SCTP Management Information System, the Emergency Management Information System (e-MIS), Grievance Redress Mechanisms, e-payments and improved monitoring and evaluation (M&E) frameworks.

Key challenges for the Social Protection sector include:

- High fragmentation, leading to inefficiencies and adding complications to the development of a harmonised and coordinated system;
- Donor dependency, posing a challenge to national ownership and sustainability: on average government funds 5% of the cost of the SCTP over the period 2017-2021.
- Limited coverage of social support programmes versus widespread poverty and vulnerabilities (e.g. the SCTP covers less than half of ultra-poor households in rural areas).

⁴ Malawi Poverty Report, 2020.

- Capacity and operational challenges affecting implementation, including limited human resources and persisting issues with core systems (e.g. e-MIS, UBR and Grievance Redress Mechanisms).

Malawi has also been the testing ground over the last 15 years for Cash+, which refers to activities aimed at complementing social assistance and specifically cash interventions in a logic of resilience building. The resilient livelihoods pillar of the MNSSP II focuses specifically on building resilient livelihoods, providing pathways to graduate from poverty, intra and inter-programme linkages and improved access to services that contribute to resilient livelihoods. After many years of implementation the government has initiated a process of harmonisation and standardisation of all of these experiences with the aim to gradually integrate them as regular complementary services of social assistance interventions, starting from the SCTP. Recently the Ultra-poor Graduation Strategy was adopted and the Pillar Working Group to coordinate the support to resilience building was reactivated.

In line with global trends progress has been made in Malawi in the last decade in promoting gender equality and women's and girls' empowerment through social protection policies and programmes. In particular, the design of social protection has increasingly recognised that women and men, girls and boys face distinct patterns of poverty and vulnerability and are affected differently by shocks and crises, an experience that this action incorporates in its design.

Despite advances in gender equality, Malawi still ranks 142nd on 162 on the Gender Inequality Index (GII), reflecting high levels of inequality in women's empowerment, economic activity, reproductive health and rights and gender-based violence. In particular, the prevalence of violence against women and girls (42% of girls under 18 face physical violence; 38% of women aged 15-49 experience intimate partner violence), the high rate of teenage pregnancy (29 percent of adolescent women age 15-19 are already mothers or pregnant with their first child) and the perpetuation of harmful practices (42% of girls married before age 18) are additional factors undermining girls' and women's empowerment and their participation in and contribution to developing the country.

In terms of livelihoods, women play a key role in agriculture, performing 50 to 70% of all agricultural tasks, including producing 70% of the food that is consumed locally. Despite their significant labour contribution though, women hold only 32% of agricultural land and rarely have access to the benefits of production including the ability to make investment decisions. Educational attainment is higher for men than women (5% of the men have never been to school, compared to 12% of the women as per Malawi Demographic and Health Survey, 2015-16). In addition, having achieved gender parity in primary school enrolment, the transition rate to secondary school in Malawi remains low and the drop-out rate high.

2.2 Problem Analysis

Evidence shows that social protection can successfully reduce gender gaps in poverty rates, enhance women's income security and access to their own income, and promote poor women's welfare and well-being. As such, social protection has significant potential to address gendered risks across the lifecycle.

Malawi is highly vulnerable to climate-related shocks, whose impacts are compounded by the high population density, depletion of natural resources and persistent poverty. As a result, recurrent floods, dry spells, droughts and landslides affecting highly populated urban and peri-urban areas in recent years 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. These increased risks and vulnerability to natural (and health-related) hazards, often disproportionately affect women and girls and exacerbate existing inequalities and vulnerabilities. It is vital that national systems reduce the risks that populations face and increase resilience in the face of shocks. Malawi needs to move towards a more robust and comprehensive system of coherent but flexible social support and resilience interventions. The SCTP in recent years has been leveraged to respond to shocks both in

urban and rural areas, including floods, lean season and the socioeconomic effects of the COVID-19 pandemic.

The Action will therefore continue strengthening the development and improvement of harmonised social protection delivery systems. This implies furthering the support to a standardised programme design for SCTP, including common implementation structures and protocols regardless of the funding sources. There are administrative structures that already set the ground for improvements and on which to build for future development. These include the functioning national level coordination bodies, i.e. both the national social support steering committee and various technical committees. At district level, district coordination guidelines for social protection have been developed, and district social support committees have been established, and their capacity is being developed. This action will also continue efforts to support key aspects of using enhanced national social support systems proactively to build resilience, strengthen livelihoods, and effectively respond to shocks and crises.

Social protection and resilience building and livelihoods promotion have much in common, as they both seek to protect the most vulnerable and foster greater household resilience and economic empowerment. As evidenced by the 2016 impact evaluation of the SCTP, many ultra-poor households expand their productive asset base, increase their income-generating capacity, improve their living environment and enhance their food security adopting climate-smart techniques. This highlights the importance of resilience building (defined also as Cash+) interventions that anticipate and assess climate change risks, identify potential impact and needs on different groups of people and thus focus on different preventive and preparedness measures required to respond effectively.

In Malawi though, most social protection programmes work largely in isolation applying separate systems, lines of reporting and accountability mechanisms. This fragmentation has generated inefficiencies in the sector making it difficult for Government and Development Partners (DPs) to effectively coordinate and develop a coherent approach. Concerns over fiduciary risks associated to the use of government systems are at the core of this issue. Both Government and DPs agree that pooling resources should be prioritised to streamline processes, harmonise approaches and increase efficiency through an increased use of country systems, while increasing government ownership and leadership. To this end, the Action supports the establishment of a pooling arrangement to support the implementation of the SCTP and related technical assistance, to contribute to the overall strengthening of the national and sub-national finance systems and ultimately to provide an adequate and long-term framework for the development and implementation of a financing strategy for the social protection sector. The Action will support the policy, programme design, implementation and delivery reform efforts that include harmonising financing as mentioned above; enhancing the governance mechanisms; institutionalisation of the social registry and different information systems; transition to categorical targeting; tailored capacity development masterplan and further development of payment modalities.

The multiple issues mentioned affect women and girls disproportionately more, narrowing their access to social services and economic opportunities. In response, the Action anchors the support to the gender sector in a social assistance programme implemented nationwide increasing its relevance in addressing gender systemic issues. While the design of the social protection system in Malawi aims to address gender inequalities at a policy level, in practice interventions rarely go beyond immediate needs of girls and women and fail to address the deeper causal factors that constrain shifts in power relations at the community and household level. The Action will therefore purposely address these gendered vulnerabilities and seek to improve gender equality outcomes across the lifecycle.

Malawi's rural economies are characterised by long timespans between input and output of the agricultural production, uncertainty and weather dependency. In this context, the ability to smooth consumption, access credit, and employ risk coping strategies is vital. There have been significant increases in access to financial services through the growth of the microfinance industry that, however, often underserve rural communities. Gaps are often filled by community level arrangements, such as VSL groups, which are groups of mostly women (on average 75%) pooling their savings and using

them as a source of lending funds. VSL groups in Malawi have combined a variety of services normally provided by the formal financial market, including savings accounts, access to loans, and insurance (social fund). Access to credit via VSLs for women proved to be important for non-agricultural businesses and the diversification of income generating activities allowing for genuine economic empowerment, meeting needs beyond consumption (sole purpose of the SCTP) and will be therefore further supported, streamlined and institutionalised as a regular feature of the Social Protection system.

Women still face many barriers to accessing quality, affordable, and comprehensive basic social services due to lack of awareness and remoteness, exacerbated by deep-rooted gender discriminatory attitudes and stereotypes among service providers. In particular and in relation to Sexual and Reproductive Health and Rights (SRHR), this is reflected in a very high fertility rate (4.2 children per woman) and in the use of modern contraceptive at 64.7% in 2019-20, that drops to 44.4% for sexually active women currently not married.

Due to early sexual contact, harmful cultural practices, including child marriage, lack of empowerment of girls and women to negotiate for safe sex, and limited access to prevention information and services, data pertaining to adolescents and youth are in particular alarming: contraceptive prevalence rate among adolescents remains low (37.5%) leading to one of the highest adolescent birth rates in Africa of 136/1000 women aged 15-19 (2019) and while new HIV infections have steadily declined from 74,000 in 2012 to 20,000 in 2021, over 50% of new infections occur among adolescent girls and young women aged 15-24. Through the Action, mobile service models already tested in Malawi will be anchored to SCTP activities (e.g. at pay points) and provide a platform for the provision of SRHR services and for awareness raising for SCTP beneficiaries and other vulnerable members of the community.

With the aim of furthering the fight against GBV and the lack of relevant services in rural communities for prevention and response, the Action also links successful practices such as establishment of peer-to-peer networks ('safe spaces') and of Community Victim Support Units (CVSUs) to the SCTP, to assess their impact in enhancing the effectiveness of the programme while at same time contributing to the empowerment of girls and women from the most vulnerable households.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the Action:

This action will work with the government at the central level, including the Ministry of Finance and Economic Affairs (MoFEA), Poverty Reduction and Social Protection Division (PRSP), as the policyholder for social protection, whose role is to coordinate and provide oversight in the implementation of the Social Protection policies, programmes and guidelines. Over the years, the PRSP has increased its capacity to coordinate the Malawi National Social Support Programme and has exhibited dynamic national leadership. This action will support this Ministry in its role of providing strategic oversight and coordination in the implementation of the MNSSP III. This action will also develop strategic links, aimed at increasing government ownership and financial contribution towards the sector, with the Budget Division of the same ministry.

The Ministry of Gender, Community Development and Social Welfare (MoGCDSW) is the lead ministry, mandated to promote equality and protection of the welfare of Malawian women, men, girls and boys. Specifically, the MoGCDSW is responsible for implementation, coordination, management and monitoring of the SCTP. In particular, the SCTP Secretariat monitors the overall implementation (equipment and audit procurement, operational, financial, case management, transfers, compliance monitoring and targeting procedures). It provides technical support to District Councils and capacity building and training to district staff involved in implementing the SCTP. In the Ministry of Gender, the Gender Directorate is responsible for policy development and implementation of all programmes related to women including women's economic empowerment and eradication of gender based violence. The Action will support the SCTP Secretariat, the Gender Directorate, Community

Development Department and Child Affairs Department responsible for implementing early childhood development, with comprehensive technical assistance and capacity building.

The Ministry of Local Government and Rural Development (Local/District Authorities). The Action will closely collaborate with District Councils to ensure that relevant district staff is oriented and trained to contribute to the implementation of development programmes, including social protection and gender. The Action will engage the ministry on decentralisation policy and related fiscal reforms. In light of its increased role in the implementation of the SCTP, the Action will also work closely with the National Local Government Finance Committee (NLGFC) that falls under the Ministry of Local Government.

The Department of Disaster Management Affairs (DODMA) will also be associated to this action for aspects related to enhancing the predictability and quality of shock-sensitive social protection activities.

Where relevant, the Action will join forces with Civil Society Organisations to complement Government's action in the areas of women's economic empowerment, resilience building and provision of social services. The Action will engage District Authorities to design, implement, and monitor activities under the proposed action, including Social Welfare Officers, Community Development Officers, humanitarian structures (e.g. Disaster Risk Management and Relief and Rehabilitation Officers), Nutrition Officers, and District Education Managers, among others.

Direct beneficiaries

The project will directly reach the beneficiaries of the SCTP programme in at least 7 districts (Zomba, Mulanje, Mzimba, Mwanza, Neno, Nsanje and Chikwawa – the number of district may increase during implementation). This means supporting the provision of regular cash transfers to at least 62,145 households (72% of which female headed), for a total number of 266,778 beneficiaries (55.5% of which women, 10.2% between ages 15 and 29 and 7.7% between ages 25 and 35) identified in the UBR and the Proxy Means Testing (PMT) formula adopted by the SCTP in vulnerable rural communities.

Complementary Services will also be made available to the same set of beneficiaries as needed and to community members recognised to be of similar status (e.g. for cash+ interventions) and as needed. SRHR and GBV related services and access to social services at large will be made available to the entire community via strategic entry points.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this Action is to empower Malawi's poorest and most vulnerable girls and women.

The **Specific Objectives** (S.O.) of this action are to

S.O.1 Enhance the efficiency and effectiveness of the Malawi National Social Support Programme;

S.O.2 Reinforce and institutionalise system's complementary services to support women's economic resilience and livelihoods;

S.O.3 Enhance access to social services by women and girls from vulnerable households.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

1. Contributing to Specific Objective 1 –

1.1 Enhanced capacity of Government for policy and strategy development, implementation and coordination in the social protection sector.

- 1.2 Enhanced, coordination, implementation, gender and shock responsiveness and monitoring of Social Cash Transfer Programme that incorporates reforms and innovations;
- 1.3 Strengthened capacities of national and district level officials to design, implement and monitor the MNSSP.
- 2. Contributing to Specific Objective 2 –
 - 2.1 Enhanced participation of women and girls from vulnerable households in gender responsive and cost effective economic empowerment activities;
 - 2.2 Enhanced capacity of women and girls related to gender equality and participation in the household and community structures.
- 3. Contributing to Specific Objective 3 –
 - 3.1 Linkages across social services are enhanced;
 - 3.2 Enhanced capacity of SGBV and SRHR structures at district level for increased protection of women and girls.

3.2 Indicative Activities

Activities relating to Output 1.1: **Enhanced capacity of Government for policy and strategy development, implementation and coordination in the social protection sector.**

- 1. Assist the Government of Malawi (GoM) with social protection policy development and coordination, including (but not limited to) the design of a new integrated Malawi National Social Support Programme III (MNSSP III), and related operational plans and strategies;
- 2. Support the development of a long-term social support financing strategy;
- 3. Support the institutionalisation of the Unified Beneficiary Registry (UBR) and strategic use of data from relevant programme Management Information Systems at large;
- 4. Support the definition of the Shock Sensitive Social Protection (SSSP) Operational vision that allows GoM to effectively respond to shocks. The Action will look, among other things, at anticipatory actions pilots, multi-hazard triggers, risk (layered) financing instruments (scalable safety nets, contingency financing, risk transfer policy or parametric insurance), and possibly collaborative development of SSSP manuals for main risks/shocks as framework for emergency interventions across the humanitarian/development nexus;
- 5. Support the strengthening of PFM in the Social Protection system at central and district level;
- 6. Support the Government to formalise and fulfil its roles and responsibilities for the effective functioning of social protection coordination at all levels;
- 7. Support the development and implementation of a comprehensive research and learning framework and the provision of research informed policy recommendations.

Activities relating to Output 1.2: **Enhanced, coordination, implementation, gender and shock responsiveness and monitoring of Social Cash Transfer Programme that incorporates reforms and innovations.**

- 1. Support the coordination, implementation and monitoring of the SCTP Strategic Plan;
- 2. Support the implementation of the SCTP programme in at least seven districts;
- 3. Improve social accountability of the programme through the operationalisation of a robust harmonised Grievance & Redress Mechanism (GRM) for the SCTP (initially) and the broader MNSSP III;
- 4. Continued support to the rolling out of the harmonised e-payment solution in the 7 districts, to ensure all beneficiaries receive their benefits electronically.

Activities relating to Output 1.3: **Strengthened capacities of national and district level officials to design, implement and monitor the MNSSP.**

- 1. Develop and operationalise a Capacity Development Master Plan for the broader social support sector, in line with emerging needs under MNSSP III including those arising from the new gender dimension introduced by the Action;

2. Deliver tailor made trainings derived from the Capacity Development Plan for relevant national and district level personnel, in line with emerging needs of the MNSSPIII and related SP policies and strategies.

Activities relating to Output 2.1: **Enhanced participation of women and girls from vulnerable households in gender responsive and cost effective economic empowerment activities.**

1. Facilitate the creation of inclusive Village Saving and Loans groups to foster economic and financial inclusion for mostly women in the SCTP as well as for girls taking part in Safe space activities in at least 7 districts;
2. Conduct trainings for VSL groups specifically on financial literacy, business management skills and promotion of income generation activities;
3. Provide tailored support to women-led businesses created out of VSL groups.

Activities relating to Output 2.2: **Enhanced capacity of women and girls related to gender equality and participation in the household and community structures.**

1. Conduct inclusive trainings on the gender package for resilience for selected women and girls in at least 7 districts. The gender package will address issues of gender inequality in an integrated manner with resilience programming. It promotes social norms and attitudes changes on issues of gender equality, engaging both female and male household members and aims at increasing female participation at relevant community structures;

Activities relating to Output 3.1: **Linkages across social services are enhanced.**

1. Support Social Behavioural Change and Community Engagement (SBCC) for SCTP beneficiaries to increase awareness on gender and child protection issues, nutrition including promoting male participation on nutrition-related activities, promotion of birth registration and creation of demand for access and attendance to quality and inclusive Early Childhood Development (ECD) services among vulnerable children in at least 7 districts;
2. Conduct mobile outreach sessions for women and girls SCTP beneficiaries focussing on Sexual and Reproductive Health Rights (SRHR) in at least 7 districts;
3. Facilitate the accessing to quality education (ECD to Form 4) and skills development opportunities for children and youth from SCTP households in at least 7 districts.

Activities relating to Output 3.2: **Enhanced capacity of SGBV and SRHR structures at district level for increased protection of women and girls**

1. Support to Community Victim Support Units (CVSUs) to provide guidance and making referrals on cases of violence against women and children including adolescent girls. Support could include: rehabilitation of structures, supplies to enable the centres to facilitate temporary accommodations for victims and equipment to increase the mobility and reach of volunteers;
2. Establish peer-to-peer networks ('safe spaces') and conduct mentorship activities for adolescent girls and young women benefiting from the SCTP. The mentorship will cover SGBV prevention, self-awareness and capacity building for adolescent girls and young women through 6 – 8 months intense and interactive sessions between mentors and mentees.

The Action follows a Team Europe approach, with the EU and Member States Germany and Ireland closely coordinating their support to the government's SCTP, ensuring mutual complementarity.

3.3 Mainstreaming

Environmental Protection & Climate Change

Environmental degradation is one of the main challenges to the sustainability of agri-food systems and the Action will integrate environmental protection and adaptation to climate change to ensure long-term

resilience building. Moreover, recurrent extreme weather events are the main risks to be taken into consideration for planning interventions aiming at strengthening resilience to food crises, in particular in rural areas where agriculture is the main source of income and where local food markets provide access to basic food. Climate change is worsening the intensity and recurrence of climate-related natural disasters. For this reason, adaptation to climate change and mitigation measures for combating deforestation and land degradation will also be mainstreamed in this Action.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G2. This implies that gender equality is the principal objective of the Action.

Human Rights

With a focus on adolescent girls, sexual and reproductive health rights will be promoted through interventions designed to support their physical, emotional and mental well-being. Women and girls who experience gender violence, may suffer different human rights violations, among which the rights to life and to freedom from degrading treatment, discrimination and the right to safety and security. The present action aims at reducing the incidence of those human rights violations, but also the prevalence of early pregnancy and child marriages as well as other harmful practices that affect women and adolescent girls. The Action will address intersectionality and multiple vulnerabilities.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that inclusion of persons with disabilities is a significant objective of the Action. Raising awareness on the needs of women and girls with disabilities will be a core activity and providing rights-based and gender-responsive services to address SGBV and SRHR for women and young persons with disabilities will be emphasised throughout the implementation of the Action.

Reduction of inequalities

As per OECD DAC codes, reduction of inequalities is captured as a principal objective of the Action

Democracy

The Action will contribute to an improved working relationship between communities, civil society, central and local governments by fostering dialogue and joint action towards addressing ECD, education, SGBV and SRHR awareness and service delivery gaps. These activities will aim to strengthen relationships between right holders and duty bearers for enhanced democratic governance.

Conflict sensitivity, peace and resilience

The Action will apply a conflict-sensitive approach and implement the do-no-harm principle. A particular focus will be given to: (i) the attitudes and norms of communities regarding SGBV and SRHR, (ii) the access to quality services for SRHR and the survivors of SGBV and (iii) an analysis of the conflict and gender dynamics around SGBV in the target communities and the potential negative effects of interventions, namely whether these could increase tension in the community or endanger the target groups.

Disaster Risk Reduction

Through the Action's support to the government in the design and operationalisation of the vision for shock-sensitive social protection in Malawi, disaster risk management and climate change adaptation will be a key feature. The Action will collaborate with key stakeholders involved in the humanitarian and disaster management sector.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
Risk Related to the Macroeconomic Context	Malawi is experiencing severe fiscal pressures and faces the risk of not having sufficient additional fiscal space for expanding coverage of social protection and other interventions	High	Medium	In line with GoM's vision, the Action will support a harmonised and coherent approach toward the financing of an integrated SP system, gradually supporting the reform of non-performing initiatives (<i>e.g. AIP</i>) and freeing up resources for the expansion and improvement of effective interventions (<i>e.g. SCTP</i>). Studies offering options for domestic resource mobilisation will be conducted by the Action i.e. role of informal economy.
Risks related to people and the organisation	GoM Institutional capacity for implementation and sustainability	Medium	High	The Action, as its predecessors, will prioritise the strengthening of national and subnational implementation capacities across all relevant areas. The chronic issue related to the understaffing of government counterparts at central and local level will be mitigated through the provision of contract staff to be gradually absorbed by GoM based on an agreed plan.
Risks related to legality and regularity aspects	Fiduciary Risk	Medium	High	The Action is to be implemented in indirect management with partners that ensure the establishment of adequate safeguards when channelling funds through government systems.
Risks Related to external environment	Systemic shocks significantly affecting programme operations (beyond what would typically be planned under SSSP contingency planning)	Medium	Medium	The Action will keep investing in the streamlining and institutionalisation of shock-responsive mechanisms in social protection interventions. The harmonisation of DP's support through the sector, via pooling arrangements will also allow for more flexibility in responding to external shocks.
Lessons Learnt: For what concern the social protection sector, the Action builds on the findings of the mid-term review of the Malawi National Social Support Programme II, of the three randomised control trials of the SCTP conducted between 2013 and 2022 (new baseline for the SCTP Impact evaluation, financed by the EU, recently finalised), and of the project evaluation of the pilot initiatives on resilience building targeting ultra-poor households supported also with EU funding (ProAct 17-19				

and 11th EDF). This wealth of information contributed to inform the revision of key policy and strategic documents (e.g. MNSSP II, SCTP 5-year strategic plan, Graduation Strategy, Linkages and Referral Strategy, etc...) that the Action will contribute to implement.

These studies allowed the GoM to assess the role that the Social Cash Transfers Programme (SCTP) has played in improving the lives of the poorest and most vulnerable citizens, and systematically informed the revision of its features (e.g. targeting formula, delivery modalities, etc.).

Previous experiences also suggest that successful implementation of Social Protection programmes in general and of the SCTP specifically, will require political will, continued support from partners in the social protection sector, improvements to digital systems and human capital, a conducive policy, legal and regulatory environment and gradual increased financial contributions by GoM. This action will attempt to address and respond to these pertinent issues.

On gender, the Mid-term Assessment of the Spotlight Initiative informed the prioritisation of successful and sustainable initiatives initiated under the programme that could further contribute to the empowerment of women and girls from extremely vulnerable contexts.

3.5 The Intervention Logic

The Action builds on the premise that a well-functioning social protection system plays a key role in addressing gendered risks across the lifecycle. Therefore, the Action's design follows a multi-pronged approach that tackles social exclusion and disempowerment, particularly because of gender, age and social status. The focus will be on increasing the capacity of the extreme poor, particularly women and girls, to move out of poverty and develop sustainable livelihoods in a context of increasing vulnerability to climatic and economic shocks. The Action will also seek to establish synergies with EU supported programmes in the areas of education, skills development, nutrition, school feeding, natural resources management and climate change adaptation. This should maximise the impact of the EU's action in breaking the cycle of intergenerational transmission of poverty, exacerbated by recurrent shocks.

In particular, the intervention logic for the Action is that IF coordinated investments are made in:

- Strengthening a comprehensive and integrated social protection system that addresses key vulnerabilities along the life cycle;
- Sustaining the implementation and enhancing the effectiveness and efficiency of the sole government-led social assistance intervention that is implemented at scale (the Social Cash Transfer Programme (SCTP));
- Reinforcing sustainable services complementary to the SCTP, in particular aiming at building economic resilience and livelihoods of women from target households and at balancing the gender relationship at household and community level;
- Making social services increasingly available and relevant to vulnerable people, in particular the bottom quintile of the population, and women and girls in SCTP target households, supporting a holistic approach to human development that encompasses health/nutrition, early childhood development, education, SRHR and prevention of and response to SGBV.

And IF the following assumptions hold true:

- the GoM continues to give high priority to the MNSSP implementation;
- the key stakeholders ensure support and actively engage in the Action's activities, especially in support to gender equality and women empowerment;

THEN the efficiency and the effectiveness of the Malawi National Social Support Programme is enhanced, complementary services to support women's economic resilience and livelihood are institutionalised as regular feature of the SCTP and access to social services by vulnerable women and girls is enhanced.

IF these Specific Objectives are achieved, and IF these additional related assumptions hold true:

- Macro-economic conditions allow for the GoM to protect the current allocation for Social Protection and to gradually increase its financial ownership in the medium term;
- The country does not experience any further significant shock/stress that adversely affects implementation of the Action.

THEN the desired Overall Objective to empower Malawi's poorest and most vulnerable girls and women will be accomplished.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the Action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the Action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the Action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results	Indicators (@): (per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To empower Malawi's poorest and most vulnerable girls and women	1. Proportion of the population living below the national poverty line disaggregated by sex and age (SDG 1,2,1) 2. World Bank Gini index (GERF 1.32) 3. Proportion reduction of population considered as ultra-poor, by sex and age (RF indicator/SoSuRe indicator) 4. Adolescent birth rate per 1,000 adolescents aged 15-19 years (SDG 3.7.2, GERF 1.26)	1. TBD in the inception phase 2. TBD in the inception phase 3. TBD in the inception phase 4. TBD in the inception phase	1. TBD in the inception phase 2. TBD in the inception phase 3. TBD in the inception phase 4. TBD in the inception phase	1 Global SDG Indicators Database, https://unstats.un.org/sdgs/indicators/database/ 2 https://data.worldbank.org/indicator/SI.POV.GINI 3 HIS Report and programme reports 4 Programme baseline and end line	<i>Not applicable</i>
Outcome 1	Enhance the efficiency and effectiveness of the Malawi National Social Support Programme.	1.1 Extent to which UBR data are regularly and timely updated as per UBR strategy 1.2 % of beneficiaries timely reached via cash transfers in times of shocks; 1.3 % of grievances registered and closed; 1.4 Government share of financing of the Social Cash Transfer Programme* (coverage as per SCTP 5YSP);	1.1 TBD in the inception phase 1.2 TBD in the inception phase 1.3 TBD in the inception phase 1.4 TBD in the inception phase	1.1 TBD in the inception phase 1.2 TBD in the inception phase 1.3 TBD in the inception phase 1.4 TBD in the inception phase	1.1 Progress reports for the EU-funded intervention 1.2 MIS/ Progress reports for the EU-funded intervention 1.3 MIS/ Progress reports for the EU-funded intervention 1.4 National Budget	Macro-economic conditions allow GoM to protect the current allocation for Social Protection and to gradually increase its financial ownership of the sector in the medium term; The country does not experience any further significant shock/stress that adversely affects

		1.5 Number of countries which have benefitted from EU support to strengthen their social protection systems (GERF 2.31)	1.5: 1	1.5: 1	1.5 Progress reports for the EU-funded intervention	implementation of the Action. Relevant stakeholders ensure support and actively engage in the Action's activities especially- but not limited to- in support to gender equality and women empowerment
Outcome 2	Reinforce and institutionalise system's complementary services to support women's economic resilience and livelihoods	2.1 % of SCTP households (disaggregated by female and male HH) who have sustainably increased their income as a result of adopting economic empowerment approaches and adaptive resilience/ livelihoods strategies in the targeted districts. 2.2 % of women in targeted SCTP HHs demonstrating increased participation in economic activities; at household level; 2.3 % of women in targeted SCTP HHs demonstrating increased access to and control of economic resources as well as increased mobility outside of the household.	2.1 TBD in the inception phase 2.2 TBD in the inception phase 2.3 TBD in the inception phase	2.1. TBD in the inception phase 2.2. TBD in the inception phase 2.3. TBD in the inception phase	2.1 Progress reports for the EU-funded intervention / EU funded Research and Evaluation//MIS reports(potentially) 2.2 Progress reports for the EU-funded intervention /EU funded Research and Evaluation/MIS reports(potentially) 2.3 Progress reports for the EU-funded intervention / EU funded Research and Evaluation//MIS reports(potentially)	
Outcome 3	Enhance access to social services by women and girls from vulnerable households.	3.1 % of targeted women and girls accessing SRHR services and SGBV assistance in target areas 3.2 % of children in SCTP households aged 3-17 enrolled in pre-primary, primary and secondary schools with over 80% of attendance per annum in target areas 3.3 Number of people benefitting from EU-funded interventions to counter sexual and gender-based violence (GERF 2.37)	3.1 TBD in the inception phase 3.2 TBD in the inception phase 3.3 TBD in the inception phase	3.1. TBD in the inception phase 3.2 TBD in the inception phase 3.3. TBD in the inception phase	3.1. Progress reports for the EU-funded intervention / EU funded Research and Evaluation/MIS reports(potentially)/ District Council reports 3.2. Progress reports for the EU-funded intervention / EU funded Research and Evaluation/MIS reports(potentially)/ District Council reports 3.3. Progress reports/ EU funded Research and Evaluation /MIS reports(potentially)/ District Council reports	
Output 1.1 to Outcome 1	1.1 Enhanced capacity of Government for policy and strategy development and coordination in the social protection sector.	1.1.1 Extent to which EU-funded intervention contributed to development and rolling out cost effective model for integration, automation and updating of UBR in targeted districts; 1.1.2. Extent to which EU-funded intervention contributed to defining and rolling out SSSP operational vision nationwide; 1.1.3. Extent to which EU-funded intervention contributed to operationalisation of Grievance & Redress Mechanism (GRM) for	1.1.1 TBD in the inception phase 1.1.2 TBD in the inception phase 1.1.3 TBD in the inception phase	1.1.1 TBD in the inception phase 1.1.2 TBD in the inception phase 1.1.3 TBD in the inception phase	1.1.1 UBR Annual reports 1.1.2 Progress reports for the EU-funded intervention / EU funded Research and Evaluation 1.1.3 Progress reports for the EU-funded intervention / EU funded Research and Evaluation	The government continues giving high priority to MNSSP implementation

		social protection for SCTP and the whole MNSSP III; 1.1.4. Number of MNSSP Steering and Technical Committee meetings per year, organised with support of the EU-funded intervention	1.1.4 TBD in the inception phase	1.1.4 TBD in the inception phase	1.1.4 Progress reports for the EU-funded intervention / EU funded Research and Evaluation	
Output 1.2 to Outcome 1	1.2. Enhanced, coordination, implementation, gender and shock responsiveness and monitoring of Social Cash Transfer Programme that incorporates reforms and innovations;	1.2.1 Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality (disaggregated by sex and age) (GERF 2.39) (*) 1.2.2 % of SCTP beneficiaries disaggregated by sex and age receiving their benefits via electronic means. 1.2.3. Status of institutionalisation of shock response mechanisms to recurrent seasonal shocks in the SCTP	1.2.1 TBD in the inception phase 1.2.2 TBD in the inception phase 1.2.3 TBD in the inception phase	1.2.1 TBD in the inception phase 1.2.2 TBD in the inception phase 1.2.3 TBD in the inception phase	1.2.1 Progress reports for the EU-funded intervention / EU funded Research and Evaluation 1.2.2 Progress reports for the EU-funded intervention / EU funded Research and Evaluation 1.2.3 Progress reports for the EU-funded intervention / EU funded Research and Evaluation	Relevant stakeholders remain engaged and willing to effectively coordinate and monitor the SCTP and to further the implementation of its strategic plan
Output 1.3 to Outcome 1	1.3 Strengthened capacities of national and district level officials to design, implement and monitor the MNSSP.	1.3.1 A Capacity Development Master Plan for the implementation of the MNSSP is developed with support of the EU-funded intervention; 1.3.2 Extent to which the Capacity Development Masterplan for the MNSSP is implemented	1.3.1: 0 1.3.2 TBD in the inception phase	1.3.1: 1 1.3.2 TBD in the inception phase	1.3.1 Progress reports for the EU-funded intervention 1.3.2 Progress reports for the EU-funded intervention	Relevant stakeholders (GoM and DPs) ensure support to a coordinated effort toward capacity development and actively engage in the Action's activities
Output 1 relating to Outcome 2	2.1. Enhanced participation of women and girls of adequate age from vulnerable households in economic empowerment activities	2.1.1. Number of participants disaggregated by sex and age trained by the EU-funded intervention with increased knowledge and/or skills in VSL methodology, financial inclusion and business management, disaggregated by sex 2.1.2 Number of VSL groups created/formed with support of the EU-funded intervention. 2.1.3 % of SCTP/Safe Spaces beneficiaries taking part in VSLs. 2.1.4 Number of beneficiaries, (SCTP and Safe Spaces) engaging in businesses/income generating activities with support of the EU-funded intervention, disaggregated by sex.	2.1.1 TBD in the inception phase 2.1.2 TBD in the inception phase 2.1.3 TBD in the inception phase 2.1.4 TBD in the inception phase	2.1.1 TBD in the inception phase 2.1.2 TBD in the inception phase 2.1.3 TBD in the inception phase 2.1.4 TBD in the inception phase	2.1.1 Pre- and post-training test reports 2.1.2 Progress reports 2.1.2 Progress reports for the EU-funded intervention 2.1.3 Progress reports for the EU-funded intervention 2.1.4 Progress reports for the EU-funded intervention	GoM remains committed to further the integration of cash+ interventions in the social protection sector as well as to further the implementation of the Gender Mainstreaming guidelines for the sector. Beneficiaries and GoM counterparts continue to be committed

Output 2 relating to Outcome 2	2.2. Enhanced capacity of women and girls related to gender equality and participation in the household and community structures.	2.2.1. % of SCTP beneficiary households trained on gender package for resilience building;	2.2.1 TBD in the inception phase	2.2.1 TBD in the inception phase	2.2.1 Progress reports for the EU-funded intervention	Buy-in and acceptance of the gender package for resilience building, displayed by beneficiaries and communities at large under similar previous experiences, is confirmed
Output 1 relating to Outcome 3	3.1 Linkages across social services are enhanced.	3.1.1% of SCTP beneficiaries targeted by the Action accessing pay point activities disaggregated by sex, age and type of activity e.g. GBV &SRH services, nutrition and other services. 3.1.2. % beneficiaries whose children are accessing ECD/CBCC centres in target districts with support of the EU-funded intervention. 3.1.3. % of children (disaggregated by sex) benefitting of school bursaries in general education and TEVET	3.1.1 TBD in the inception phase 3.1.2 TBD in the inception phase 3.1.3 TBD in the inception phase	3.1.1 TBD in the inception phase 3.1.2 TBD in the inception phase 3.1.3 TBD in the inception phase	3.1.1 Progress reports for the EU-funded intervention 3.1.2 Progress reports for the EU-funded intervention 3.1.3 Progress reports for the EU-funded intervention	Pay points remain an entry point for interaction with beneficiaries; Relevant line ministries remain committed to an integrated and holistic approach to social protection;
Output 2 relating to Outcome 3	3.2 Enhanced capacity of SGBV and SRHR structures at district level for protection and prevention of women and girls	3.2.1 Number of safe spaces created across target districts with support of the EU-funded intervention; 3.2.2 Number of CVSUs supported by the EU-funded intervention across target districts; 3.2.3 Number of girls trained by the EU-funded intervention with increased knowledge and/or skills in SRHR and SGBV prevention.	3.2.1 TBD in the inception phase 3.2.2 TBD in the inception phase 3.2.3 TBD in the inception phase	3.2.1 TBD in the inception phase 3.2.2 TBD in the inception phase 3.2.3 TBD in the inception phase	3.2.1 Progress reports for the EU-funded intervention and District Council reports 3.2.2 Progress reports for the EU-funded intervention 3.2.3 Pre- and post-training test reports	GoM remains committed to pilot the integration of SRHR and SGBV activities in the social protection system and in the SCTP in particular.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of Malawi.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 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 Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N/A

4.4 Implementation Modalities

4.4.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with one or more entities, which will be selected by the Commission's services using the following criteria:

For the provision of technical assistance, capacity building and support to service delivery under the three Specific Objectives: solid technical expertise in the areas prioritised by the Action; positive track record in supporting GoM reform efforts in those areas relevant to the Action; previous experience in supporting implementation through government structures (both central ministries and local government administrations); sound experience in managing research on social protection and gender related matters in Malawi; experience in working with and coordinating Civil Society Organisations at both national and district level.

The implementation by these entities entails provision of technical assistance to the GoM (at central and local level) and support to the provision of relevant services under the three Specific Objectives of the Action, as in 3.2 Indicative Activities.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.2 Indirect Management with an entrusted entity

This action may be implemented in indirect management with one or more entities, which will be selected by the Commission's services using the following criteria:

For the support to the implementation of the SCTP programme and related technical assistance: solid experience in supporting SCTP implementation; previous experience in supporting implementation through government structures and "on-budget" finance; solid experience in setting up government-led pooling mechanisms.

The implementation by these entities entails provision of technical assistance to the GoM (at central and local level) and support to the provision of relevant services under Specific Objective 1 of the Action, as in 3.2 Indicative Activities.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the preferred modality referred to in sections 4.4.1 and 4.4.2. above (indirect management with an entrusted entity) cannot be implemented due to circumstances outside of the Commission's control, an alternative implementation modality will be used. This alternative would be implementation in direct management via grants:

Direct Grant

(a) Purpose of the grant

The grant(s) will contribute to SO 1, SO 2 and SO 3.

(b) Type of applicants targeted

The potential applicants for funding shall be a public body, representing the government of Malawi.

(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 Ministry of Finance and Economic Affairs and the Ministry of Gender, Community Development and Social Welfare.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is foreseen in Article 195 (c) of the Financial Regulation since the Ministry of Finance and Economic Affairs⁵ and the Ministry of Gender, Community Development and Social Welfare⁶, as holders of the policy, are in a situation of monopoly de jure and de facto to achieve the objectives described above.

4.5 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.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

⁵ <http://www.finance.gov.mw/>.

⁶ <http://www.gender.gov.mw/>.

4.5. Indicative Budget

Indicative Budget components	EU contribution (in EUR)
Indirect management with an entrusted entity – Implementation of the SCTP, of Shock Sensitive Social Protection and related Technical Assistance to the Ministry of Finance and Economic Affairs and Ministry of Gender, Community Development and Social Welfare relevant departments (contributing to S.O.1 of the Action) – cf. section 4.4.2	37 000 000
Indirect management with an entrusted entity – Support to service delivery in areas related to S.O.1, 2.and 3 and related technical assistance to Ministry of Finance and Economic Affairs, Ministry of Gender, Community Development and Social Welfare and District Administration (contributing to S.O.1, S.O.2 and S.O.3 of the Action) – cf. section 4.4.1	21 500 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	500 000
Contingencies	0
Totals	59 000 000

4.7 Organisational Set-up and Responsibilities

With the aim of increasing government ownership and improve coordination and harmonisation of DP funded interventions, the planning of the implementation, and the coordination, monitoring and evaluation of the Action will be performed via the existing social protection governance mechanism. This consists of the National Social Support Technical Committee, meeting on a quarterly basis, chaired by the MoFEA and responsible for providing technical oversight over all the programmes under the MNSSP, and of the National Social Support Steering Committee, chaired by the Secretary to the President and Cabinet, meeting on bi-annual basis and responsible for policy oversight and resource mobilisation for the five MNSSP programmes. Members in both Committees are representatives of several ministries, bilateral and multilateral donors as well as civil society organisations. The EU Delegation is a member of both the Technical Committee and the Steering Committee. Other relevant MNSSP Pillar Working Groups will also be utilised to gather information, share insights and discuss progress on implementation of the various aspects of the MNSSP related to the Action.

The activity of the two committees (Technical and Steering Committee) will be complemented by the regular coordination meetings called by the MoGCDSW approximately every two months with all donors and implementing partners to report on progress and challenges in the implementation of the SCTP and by the regular interactions coordinated by the Development Partners Group on Social Protection, which meets approximately every month.

In addition, a Project Management Committee (PMC) will be set up specifically for the Action. The PMC will consist of the main stakeholders of the programme and meet at least bi-annually. The chair of the PMC will be the MoGCDSW at Principal Secretary level and members will include representatives from the entrusted entities supporting the implementation of the Action and from relevant departments from the following ministries and agencies: the Ministry of Finance and Economic Affairs, the Ministry of Local Government, Department of Disaster Management Affairs (DODMA), the Ministry of Agriculture.

The PMC will be responsible for the strategic oversight of implementation and monitoring of the Action.

The entrusted entity, supporting service delivery in areas related to S.O.1, 2 and 3 and related technical assistance to Ministry of Finance and Economic Affairs, Ministry of Gender, Community Development and Social Welfare, and District Administration (Contributing to S.O. 1 of the Action), will provide secretariat support to the PMC.

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 and may sign or enter into joint declarations or statements and Memoranda of Understanding, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner 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, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The entrusted entity supporting service delivery in areas related to S.O.1, 2 and 3 and related technical assistance to MoFEA, Ministry of Gender and District Administration (Contributing to S.O. 1 of the Action) will be required to manage the overall Monitoring, Evaluation and Learning Framework in relation to the delivery of the Action. As part of these responsibilities, the entrusted entity will be asked to implement the mid-line and end-line of the ongoing SCTP impact evaluation, building on the baseline performed in 2022 under the previous EU support to the sector. Additional baseline and endline surveys will be developed as needed. Funding for these surveys actions shall be drawn from the budget of the contribution agreement subject to confirmation by the Commission.

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).

5.2 Evaluation

Having regard to the nature of the Action, a mid-term and a final evaluation may be carried out for this action or its components via an implementing partner.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the many innovative elements the Action will introduce.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted via an implementing partner.

5.3 Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle adopts a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources are consolidated in the Cooperation Facility established as a support measure, allowing the Delegation to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present action identifies as (tick one of the 4 following options):

Action level (i.e. Budget Support, blending)		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Action's reference (CRIS#/OPSY#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Foreseen individual legal commitment (or contract) – indirect management – EUR 37 000 000
<input checked="" type="checkbox"/>	Single Contract 2	Foreseen individual legal commitment (or contract) – indirect management – EUR 21 500 000
	(...)	
Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	