



Government of the Republic of Malawi

MINISTRY OF ENERGY

Accelerating Sustainable and Clean Energy Access Transformation
(ASCENT) Malawi Project

**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM
FOR NGWEE NGWEE NGWEE FUND**

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List of Acronyms and Abbreviations

\$	Dollar
AIDS	Acquired Immunodeficiency Syndrome
ASCENT	Accelerating Sustainable and Clean Energy Access Transformation
CGRMC	Community Grievance Redress Management Committee
CITES	Convention on International Trade in Endangered Species or Wild Fauna and Flora
DGRMC	District Grievance Redress Management Committee
DoE	Department of Energy
E&S	Environmental and Social
EaaS	Energy-as-a-Service
EIA	Environmental Impact Assessment
EMA	Environment Management Act
ESAP	Environmental and Social Action Plan
ESCOM	Electricity Supply Corporation of Malawi Limited
ESCP	Environmental and Social Commitment Plan
ESI	Electricity Supply Industry
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
ESOs	Energy Service Operators
ESSs	World Banks Environmental and Social Standards
FI	Financial Intermediary
FIs	Financial Intermediaries
GBV	Gendered Based Violence
GIIP	Good International Industry Practice
GRM	Grievance Redress Mechanism
HIV	Human Immunodeficiency Virus
HR	Human Resources

HSE	Health Safety and Environment
ILO	International Labour Organization
LPG	Liquefied Petroleum Gas
MDAs	Malawi Government Ministries, Departments and Agencies
MEAP	Malawi Electricity Access Project
MEPA	Malawi Environment Protection Authority
MERA	Malawi Energy Regulatory Authority
MGDS	Malawi Growth and Development Strategy
MoE	Ministry of Energy
MoFEA	Ministry of Finance and Economic Affairs
MoNREM	Ministry of Natural Resources, Energy and Mining
MP	Malawi Project
MW 2063	Malawi Vision 2063
NGOs	Non-governmental Organizations
NNNF	Ngwee Ngwee Ngwee Fund
OHS	Occupational Health and Safety
PAP	Project Affected Person
PAYGO	Pay-As-You-Go
PCBs	Polychlorinated Biphenyls
PGRMC	Project Grievance Redress Mechanism Committee
PIU	Project implementation Unit
POM	Project Operation Manual
POs	Participating Organizations
PPE	Personal Protective Equipment
PSC	Project Steering Committee
SDGs	Sustainable Energy for All Initiative and Sustainable Development Goals
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment

SHS	Solar Home System
SMEs	Small and Medium Scale Enterprises
TA	Traditional Authority
US	United States of America
WB ESF	World Bank Environmental and Social Framework
WGRMC	Workers Grievance Redress Management Committee

1 Introduction

1.1 Background Information

For over a decade, Malawi's access to electricity has been critically low. Between 2011 and 2019, the electrification rate remained stagnant at around 11 per cent, positioning Malawi as one of the least electrified nations in Africa. Between 2021 to 2024 Malawi has progressed in expanding electricity access, with the electrification rate rising from 14.2 percent in 2021 to 25.9 percent in 2024. This has been driven largely by the Malawi Electricity Access Project (MEAP). This limited access poses significant challenges to economic growth, social development, and quality of life, particularly in rural areas where access rates are alarmingly low.

There is a large disparity in access as 56.5% of urban households benefit from electricity supplied by the national grid, compared to a mere 3.8% of rural households. This urban-rural divide highlights infrastructural challenges and a lack of investment in rural electrification initiatives, leaving many communities without a reliable energy supply. Gender disparities exacerbate the situation, as approximately 31.2% of households in Malawi are female-headed, yet only 18% of these households have access to electricity. In contrast, 68.8% of households are male-headed, with 29.4% enjoying access to electricity. These disparities can be attributed to socio-economic factors, including limited access to financial resources and social norms that may restrict women's participation in decision-making processes related to energy access.

As part of the efforts to address these challenges, the Government of Malawi, with support from the World Bank, is preparing the Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) Project which will focus on increasing access to electricity and clean cooking in the country which will be implemented for 5 years starting in June 2025. The Ministry of Energy (MoE) and Electricity Supply Corporation of Malawi (ESCOM) Limited will be the main implementing partners. ASCENT Malawi Project is organized into 5 components as follows:

Component 1 - Last Mile Grid Connection (US\$150 million): This component will finance cost-effective, priority investments in grid densification and last-mile connections, aiming to connect 235,000 new households at an estimated cost of US\$150 million. Component 1 is subdivided into 2 components namely: Sub-component 1.1 – Last Mile Grid Connection with Performance-based conditions (PBCs) with an approximate budget of US\$45 million; and Sub-component 1.2 – Last Mile Grid Connection with a budget of approximately US\$105 million.

Component 2 – Off-grid Connection through Solar Home System (SHS) (US\$94 million): The component focuses on scaling up off-grid solar energy solutions, targeting households and communities beyond the reach of the current national grid. The component is expected to connect 811,000 households. The total investment of this component is estimated at US\$94 million, of which US\$60 million will be from the World

Bank, leveraging US\$34 million from the private sector. This component will be implemented by the MoE through the “Ngwee Ngwee Ngwee Fund” (NNNF). The NNNF is set to scale up its financing to SHS companies through two funding windows: a credit line window and a results-based financing (RBF) window.

Component 3 - Energy Access for Schools and Health Facilities (US\$20 million): This component will support the electrification of schools and health facilities. Under this component, 1,000 schools and 280 health centres will be connected to grid and off-grid solar informed by the Integrated Energy Planning Tool (IEP). The Project will include a screening of the system design to ensure its resilience, particularly in the face of extreme weather events, such as heatwaves. This will be done at an estimated cost of US\$20 million.

The component will be implemented by the Ministry of Energy, in close coordination with the Ministry of Education and the Ministry of Health. Two task forces have been established already with the Ministry of Education and the Ministry of Health, respectively, to coordinate the activities under Component 3. Through task force meetings in November 2024, the government acknowledged that schools/health centres and the education/health sector, in general, will commit to contributing to the operating costs to ensure that electricity will be provided sustainably.

Component 4 - Clean Cooking Solutions (US\$10 million): Component 4 aims to catalyze the expansion of the market for Tier 4 and 5 modern energy cooking solutions, primarily through the deployment of electric, liquefied petroleum gas (LPG), and pellet-based cookstoves, while supporting a sustainable, private-sector-driven clean cooking market throughout the country. The component will support the establishment of a dedicated clean cooking loan window under the NNNF. This financing mechanism is designed to support small and medium-sized enterprises (SMEs) offering higher-tier modern energy cooking solutions. Subsidized loans will be provided to clean cooking companies, contingent upon the transfer of ownership of their carbon credits to the NNNF.

Lack of access to clean energy and the use of traditional cooking systems have severe negative effects on health, especially among women and children, and on the environment. The transition to clean cooking solutions is a critical climate adaptation action for Malawi, addressing the severe impacts of climate events such as floods and droughts, which are partially caused by deforestation. By reducing reliance on traditional fuel sources and technologies, clean cooking will reduce the demand for biomass-based fuels and help to curb deforestation, particularly in rural areas. Additionally, promoting diversified and sustainable cooking technologies helps mitigate environmental and socio-economic challenges, supporting food security and reducing pressure on the environmental ecosystems.

Component 5 - Technical Assistance and Capacity Building (US\$10.8 million): This component will support both ESCOM and the MoE in acquiring capacity and analytical tools to achieve the required tasks under the Project. This includes updating the

electrification monitoring platform, revising sector policies, developing market standards, developing climate change risk assessments, strengthening carbon finance origination and monitoring capacity, and expanding outreach to rural communities to ensure comprehensive and inclusive progress in electrification efforts, among other capacity-building endeavors.

Under the Ministry of Energy, the project is expected to build upon and scale up the success of the Ngwee Ngwee Ngwee Fund (NNNF), an off-grid Market Development Fund established under the Malawi Electricity Access Project (MEAP). The ASCENT project will focus on increasing access to electricity and clean cooking energy in the country.

Ministry of Energy has therefore developed an Environmental and Social Management System (ESMS) that will be operationalized within the NNNF. The ESMS will stipulate Environmental and Social (E&S) governance processes during the implementation of NNNF activities including institutional arrangements, E&S instruments, budgetary requirements, capacity building, stakeholder engagement and information disclosure, internal and external grievance mechanism, and monitoring and evaluation provisions.

1.2 Objectives of the Environmental and Social Management System

The Environmental and Social Management System (ESMS) has been developed with the aim of coming up with a set of policies, processes, procedures and tools that will assist the project to meet environmental and social objectives. The system will provide guidance in the environmental and social due diligence process and scope of application for the NNNF. Specific objectives for the ESMS include to:

- establish criteria and procedures for identification, assessment, management and monitoring of E&S risks and impacts under the NNNF;
- fully implement and comply with national requirements for E&S risk management, WB requirements as well as Good International Industry Practice (GIIP);
- promote greater transparency and accountability on E&S issues internally and externally through disclosure and reporting;
- describe and assess the organizational capacity and competency of the NNNF; and
- outline the stakeholder engagement process.

The ESMS will assist in mitigating potential environmental and social risks in line with applicable World Bank's Environmental and Social Standards and Environment Management Act (EMA), 2017.

1.3 Description of the Project (Ngwee Ngwee Ngwee Fund)

The Ngwee Ngwee Ngwee Fund will serve as a revolving financial mechanism under ASCENT. It will provide loans and results-based financing grants to private sector companies involved in the off-grid solar and clean cooking markets. These companies

will sell solar home systems and clean cooking solutions to rural households on a Pay-As-You-Go (PAYGO) basis, allowing customers to pay for energy services incrementally. This approach lowers upfront cost barriers, making clean energy more affordable for low-income households, while ensuring that the financial model remains sustainable.

In addition to household-level interventions, the NNNF under the ASCENT project will focus on electrifying rural off-grid public schools and health facilities using solar-powered microgrid systems. These systems will be installed, maintained, and operated by Energy Service Operators (ESOs) under an Energy-as-a-Service (EaaS) model. The ESOs will ensure that the systems remain operational and sustainable over the long term.

Overall, the ASCENT project seeks to address energy poverty holistically, combining efforts to expand off-grid electrification with initiatives to improve access to clean cooking technologies. This approach aligns with Malawi's national development goals, including its commitment to achieving universal energy access by 2030 as set out in Malawi National Energy Policy of 2018.

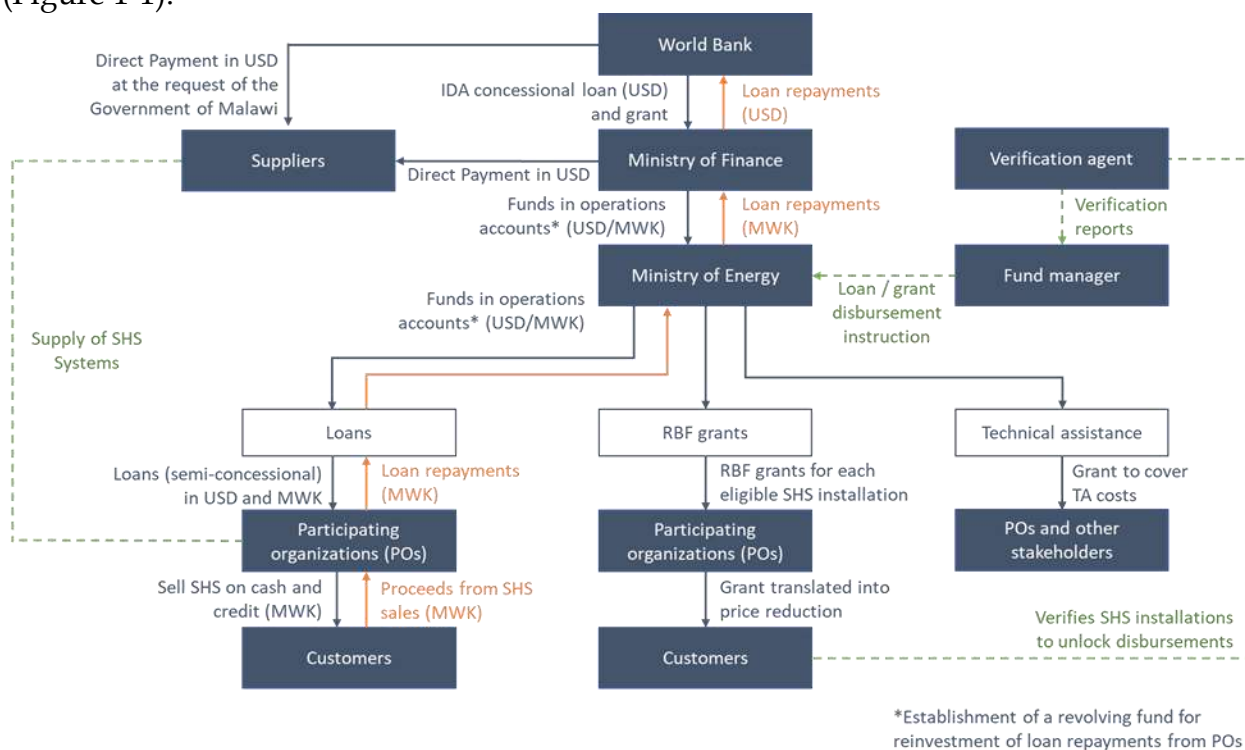
1.4 Governance and Implementation Arrangement of the Fund

The Project will be implemented through two Project Implementation Units (PIUs), one managed by ESCOM with a focus on Component 1 (Grid Densification) and the other managed by the MoE with a focus on Component 2 (Solar Home System), Component 3 (Electrification of Public Facilities–On-Grid and Off-Grid), and Component 4 (Clean cooking). Component 5 (Technical Assistance and Capacity Building) will be implemented by both ESCOM and MoE. The main tasks of the two PIUs will include project administration, contract management, M&E, and reporting of all project-related matters.

Under the ASCENT Project, a Project Steering Committee will be established whose chairperson will be the Secretary for Energy or his/her alternative acceptable by the Bank. The Project Steering Committee will meet with the two PIUs to receive monthly progress reports and provide policy direction where required.

ASCENT Malawi Project's implementation will be guided by the project implementation manual (PIM), which will set out detailed institutional, administrative, financial, technical, and operational guidelines and procedures for the implementation of the Project, including detailed Environmental and Social (E&S), Financial Management (FM), and procurement arrangements as well as Monitoring and Evaluation (M&E); and the Project Operational Manual (POM) prepared by the NNNF fund manager, based on the POM already developed under MEAP, which will detail the selection and eligibility criteria based on which companies are being selected under the facility, the loan and grant terms, the FM arrangements of the fund (including detailed fund flow) in compliance with World Bank policies for financial intermediaries, and a monitoring and verification

system for the fund. The implementation of the POM will also be guided by the ESMS prepared for the NNNF.



The overall responsibility of the fund management rests in the hands of MoE with support from various committees from the Ministry of Energy while World Bank will oversee the ASCENT Project to ensure alignment with project aims and compliance with Bank requirements. The governance structure of the fund is illustrated in Figure 1-2:

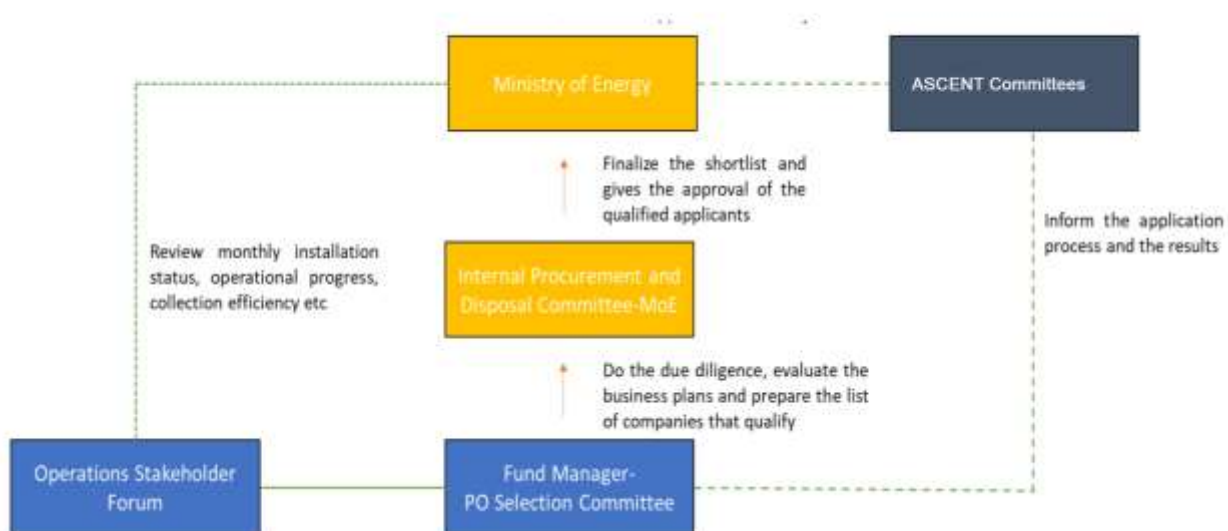


Figure 1-2: Governance Structure of the Fund

1.5 Proponent of ASCENT Project

The proponent of the ASCENT Project is the Ministry of Energy whose contact details are as follows:

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2 Environment and Social Policies and Principles

The ESMS was developed to guide on required Environmental and Social (E&S) governance processes during the implementation of NNNF activities and ensure that there is compliance with Malawi's legal and policy framework and in line with World Bank's Environmental and Social Standards (ESS). The review of applicable policy, legal framework and World Bank's ESS have been presented as follows:

2.1 Policy Framework

2.1.1 Malawi 2063

Malawi 2063 (MW2063) has three key pillars which are: Agriculture Productivity and Commercialization; Industrialization; and Urbanization. The attainment of these three pillars will be catalyzed by seven enablers, namely: Mindset Change; Effective Governance System; Public Sector Performance; Private Sector Dynamism; Human Capital Development; Economic Infrastructure; and Environmental Sustainability.

Industrialization has stagnated in Malawi mainly because of high production costs due to: inefficiencies in energy and transport; poor standards leading to non-competitive products on international markets; lack of appropriate skills and uptake of technology high costs of doing business and deficient enabling infrastructure; low access to export markets; governance challenges with regard to policy making and implementation (unpredictable policy environment); and non-conducive environment for the growth of small and medium scale enterprises (SMEs), among other challenges. The implementation of the NNNF will therefore see the growth of SMEs by improving access to electricity.

The Malawi Government has developed a transparent and dynamic operational framework for the energy sector as well as guidelines on matters related to energy development, supply, use, distribution, pricing and governance through the energy policy and several regulatory frameworks.

2.1.2 Environmental Policy, 2004

The Policy was adopted by the Government in June 2004. The mandate of the policy is derived from Section 13 of the Malawi Constitution. In the policy, it is noted that Malawi has a diversified natural resource base and if properly utilized, the resources may provide the basis for sustainable socio-economic development of the country. The policy also takes note of the fact that the resources are subject to increasing pressure. There is a serious degradation of the environment.

There are strategies for environmental planning and environmental impact assessment, audits and monitoring, among others. On environmental planning, the objective is to ensure that national and district development plans integrate environmental concerns, in order to improve environmental management and ensure sensitivity to local concerns and needs. Under this project, an ESMS has been developed to guide the implementation of NNNF activities to ensure that associated environmental and social risks are mitigated and avoided where possible.

2.1.3 National Land Policy, 2002

The National Land Policy of 2002 focuses on land as a basic resource common to all people of Malawi. It provides the institutional framework for democratizing the management of land and outlines the procedures for protecting land tenure rights, land-based investments and management of development at all levels. It ultimately seeks to promote the optimum utilization of Malawi's land resources for development. The policy provides opportunities for the people of Malawi to embark on a path of socially and environmentally sustainable development. In addition, the policy highlights several approaches for addressing problems facing the land resources sector. The policy requires that an environmental and social impact assessment be undertaken for all big land development projects and those planned in fragile ecosystems, to protect biodiversity and water resources. In addition, the policy:

- i. Recognizes several sectoral policies and strategies in physical planning, fisheries, environment, forestry and mining, and for this reason, it encourages a multi-sectoral approach in land use and management at the local and district levels;
- ii. Recognizes social actions that influence and control people's use of land and realises that the rights of women, children and the disabled are usually denied based on customs and traditions; or disregarded due to prejudice and lack of effective presentation. In view of this and of the increasing land pressure due to population growth, the policy calls for clear consideration of gender and the rights of children and the disabled (including those affected by the HIV and AIDS pandemic) in planning and implementing strategies of land-based investments.

The Land Act, among other things, deals with issues of ownership, land transfer, use of land, and compensation. It is expected that the ASCENT Project will require land to install transformers and distribution lines. Such being the case the National Land policy will be applicable during project implementation during land acquisition.

2.1.4 National Energy Policy, 2018

The Ministry of Energy (MoE), formulated the first energy policy for Malawi in 2003 to make the energy sector more responsive to the development needs of the country. The Policy has since been revised to accommodate current changes in the Energy sectors. This was necessary to spur development as aspired for in the Malawi Growth and Development Strategy (MGDS) III in the national agenda, and Sustainable Energy for All Initiative and Sustainable Development Goals (SDGs) in the international agenda. The National Energy Policy (2018) overall goal, therefore, is to provide a guiding framework for increased access to affordable, reliable, sustainable, efficient and modern energy for all sectors and every person in the country. It emphasizes the importance of private sector participation in the sector and provides an environment conducive to such participation. The policy has also emphasized the importance of mitigating environmental, social, safety and health impacts of energy production and utilization.

This Policy seeks to guide the planning and implementation of programs, projects and activities in the energy sector to increase access to affordable, reliable, sustainable, efficient and modern energy services by every person in the country. The Policy reflects the latest developments in the energy sector and new national goals.

The broad objectives of the National Energy Policy are:

- a) To strengthen the Electricity Supply Industry (ESI) and make it more efficient to support industrialization, rural transformation, sustainable economic development and wealth creation, as well as to facilitate regional electricity trading;
- b) To ensure adequate production and supply of petroleum and biofuels at affordable prices;
- c) To ensure the availability of Liquefied Petroleum Gas (LPG), biogas and natural gas in sufficient quantities at affordable prices for industrial and domestic use;
- d) To promote a coal supply industry that is more efficient and competitive, and harnesses clean technologies that eliminate or greatly reduce harmful emissions;
- e) To ensure that biomass is sustainably used and carbon emissions are reduced through the use of energy-efficient technologies;
- f) To establish a vibrant, reliable, incentivized and sustainable private sector-driven Renewable Energy Technology industry; and
- g) To promote energy programming, budgeting and monitoring that routinely address all aspects of social and economic development in energy programs and services.

While acknowledging various challenges in the energy sector, the policy's overall goal is to provide a guiding framework for increased access to reliable, sustainable, efficient and modern energy for all sectors and every individual in the country. The NNNF is therefore contributing to increased access to electricity and clean cooking technologies.

2.2 Legal Framework

2.2.1 Environment Management Act, 2017

The Environment Management Act of 2017 makes provision for the protection and management of the environment; and the conservation and sustainable utilization of natural resources. The Act also provides for the establishment of the Malawi Environment Protection Authority (MEPA), a regulator in the management of the environment.

Section 31 of the Act gives powers to the Authority to recommend to the Minister which project should undergo an Environmental and Social Impact Assessment. A list of prescribed projects to which ESIA applies is provided in the Guidelines for EIA, 1997. In section 31 (3) any other licensing authority shall not grant a permit or licence for the execution of a project referred unless the Authority grants approval for the project, or the grant of the permit or licence is made conditional upon the approval of the Authority being granted. In addition, any public institution which intends to develop policies, legislation, programmes, or plans that are likely to adversely affect the management, conservation and enhancement of the environment or sustainable management of natural resources shall conduct a strategic environmental assessment of the policies, programmes, legislation, development and physical plans and submit the findings to the Authority for approval. The development of this ESMS is therefore in line with the provisions of the Act.

2.2.2 Energy Regulation Act, 2004

This Act provided the establishment of the Malawi Energy Regulatory Authority (MERA) to regulate the energy sector, defined the functions and powers of the Energy Regulatory Authority and provided for the licensing of energy undertakings. Among many other duties, MERA is responsible for monitoring and enforcing compliance by licensees with licenses granted under the Energy Act and the Energy Laws and developing and enforcing performance and safety standards for energy exploitation, production transportation and distribution.

In line with the Act, all Companies that will be installing Solar Home Systems (SHSs) including grid and off-grid solar systems and providing clean cooking technologies under this project will have to be registered by MERA.

2.2.3 Electricity Act, 2004

This is an Act that is directly related to NNNF activities and has the necessary provisions for the implementation of the project. The Act provides for the regulation of the generation, transmission, wheeling distribution, sale, importation and exportation, use and safety of electricity in Malawi.

Installation of the distribution lines and transformer will require the acquisition of land. The Act also specifies that before any work commences, a notice of 30 days should be given to the owners of land or buildings where the lines will pass through or will be affected.

In case of objection by the owner of land or building likely to be affected by the distribution lines, a letter to such effect should be submitted to MERA for arbitration. In such case the owner's objection is valid, MERA shall determine the amount of compensation, whether by way of payment of a lump sum or an annual rental, or of both, to such owner, lessee or occupier.

Section 39 of the Act allows easements without compensation, for the construction of transmission and distribution lines, provided a 30-day notice is given and no structures are affected. Compensation is however required, if any structures are affected and for any losses or damages caused. During the implementation of NNNF-supported activities, it is expected that land will be acquired for the installation of distribution lines and transformers.

2.2.4 Physical Planning Act, 2016

The Act makes provision for physical planning and the orderly and progressive development of land in both urban and rural areas; to preserve and improve amenities thereof; for the grant of permission to develop land and for other powers of control over the use of land; for the establishment of the Physical Planning Council; for the establishment of the Physical Planners Board; for the registration and regulation of physical planners and matters connected therewith and incidental thereto.

According to Section 36 (1), when a local physical development plan has been prepared there is a need to submit it to the Commissioner for approval. In line with the provisions of the Act, NNNF will be required to submit the designs for connecting public

institutions such as Health Centres and Schools to respective district Councils for approval. Section 36(2) stipulates that the Commissioner may approve the plan with or without amendments or reject it in whole or in part within sixty days of its submission.

Section 44 (1) stipulates the types and classes of development set out in the First Schedule hereto shall, to the extent provided, be permitted development under this Act and shall be exempt from development permission under this Act while Section 45 is on types of permitted developments.

2.2.5 Land Act, 2016

The Land Act of 2016 is another critical legal instrument that NNNF will require to use in the implementation of its activities. The project may need to acquire land for the implementation of some NNNF-supported activities which include land for solar farms where solar panels will be installed, land for establishing mini-grids and associated infrastructure including poles.

The Land Act of 2016 categorises lands in Malawi as either public land or private. Public land is classified either as Government land or unallocated customary land while Private land is classified as freehold, leasehold or customary estate.

Where the land acquisition is imminent, all procedures will be followed in line with this Act to acquire the land for purposes of implementing this project. The Act also state that any individual that suffers any disturbance of, or loss or damage to any interest which he may have or, immediately before the occurrence of any of the events referred to in this section, may have had in such land, shall be paid such compensation for such disturbance, loss or damage as is reasonable. Where owners of land have given the land freely for project implementation, the owners will have to sign a land use agreement and local leadership will sign as a witness.

2.2.6 Customary Land Act, 2016

This is an Act that provides for the management and administration of customary land and for matters connected in addition to that and incidental to it.

1. According to Section 3(1) Customary Land shall consist of Land within Boundaries of Traditional Land Management Area other than Government or Reserved Land. During implementation of NNNF supported activities it is expected that there will be no land acquisition. However, in an unlikely event that there is need to acquire some customary land for the establishment of solar farm to supply power to public institutions such as schools and health facilities and other surrounding communities, Section 17(8) shall apply which stipulates that customary land shall be transferred subject to payment of appropriate compensation as assessed by a registered valuer and agreed upon between the land committee and the Commissioner; or where subsections (4) and (10) apply, the persons referred to in those subsections and the Commissioner.

2.2.7 Public Health Act, 1948

Public Health Act of 1948, as amended in 1992, amends and consolidates the law regarding the preservation of public health. Section 59 of the Act prohibits any person

from causing nuisance on any land or premises owned or occupied by him. The developer should therefore not cause any nuisance during the construction and implementation of the project.

The Act under Part X requires developers to provide adequate sanitary and health facilities to avoid the harmful effects of waste on public health. Further, section 82 prohibits persons from disposing of certain matters into public waters. The matters include petroleum spirit and any substance that may cause injury to public health. The developer will have to comply with the requirements of this Act by providing waste disposal facilities in accordance with the anticipated volumes of waste. The developer will further have to comply with the relevant provisions of the Act which are aimed at the preservation of public health.

The Act, in Sections 79, 87 and 88 empowers local authorities to enforce the provision of sewage works for large-scale development projects. Section 88 stipulates the requirements for separate toilets for both male and female persons in public buildings.

In order to comply with the requirements of the Act, the contractor(s) or POs under NNNF will ensure that sanitary facilities such as toilets are provided at the workplace.

2.2.8 Occupational Safety, Health and Welfare Act, 1997

The Act regulates work conditions for the safety, health, and welfare of workers. The duty of ensuring the safety, health, and welfare of workers rests with the employer. However, every employee is required to take reasonable care for his/her own safety and that of other workers.¹ All workers under the project will commit to using appropriate personal protective equipment (PPE) by signing a Code of Conduct (Annex 3).

In compliance with the requirements of the Act, NNNF needs to develop an Occupational Safety, Health and Welfare Policy for its activities. Furthermore, according to Section 58 (Part VI), all workers for the construction works under the project will be provided with PPE and these include work suits, industrial boots, hard helmets and gloves.

In addition, POs (Contractors and sub-contractors) shall ensure that a well-stocked First Aid Box is made available at the construction site for use by workers as provided for under Section 33 (Part IV) of the Act. The First Aid Box shall be under the charge of a well-qualified person. In line with Part II, Section 6 of the Occupational Safety, Health and Welfare Act, the contractor shall apply for the registration of the construction camp as a workplace.

2.2.9 Employment Act, 2000

The legal framework for child labour in Malawi is contained in the Employment Act of 2000 (CAP 55:01). The Act sets the minimum age for admission of a child to employment at 14 years. The Act further prohibits children between the ages of 14 and 18 from working in hazardous work. The definition of "hazardous" fulfils at least one of the following work conditions:

- i. working in designated hazardous industries, namely tobacco, mining, quarrying and construction;

¹ Section 18

- ii. working in designated hazardous occupations, namely those listed in the Employment Act of 2012 (Prohibited hazardous work, CAP 55:02);
- iii. working for more than 40 hours per week;
- iv. working in other hazardous conditions, namely working at night, being exposed to hazardous working environments, carrying heavy loads, and operating any dangerous machinery/equipment at work or begging.

In line with provisions of this Act, the project will ensure that all contractors under the NNNF-supported activities should not hire under-aged people (less than 18 years old).

2.2.10 Waste Management Regulations, 2008

Waste Management Regulations were developed to guide the management of waste in Malawi. These guidelines were developed to enforce the implementation of the Environment Management Act (1996). The regulations were reviewed however the new regulations (Waste Management Regulations, 2020) have not yet been gazetted by the Ministry of Justice as such reference is being made to the Waste Management Regulations of 2008.

Part II of the Regulations is on the Management of General or Municipal Solid Waste. Section 7 stipulates that any person who generates or collects solid waste shall sort out the waste by separating hazardous waste from the general or municipal solid waste. Further, the section stipulates that general or municipal solid waste shall be further sorted out into categories of wastes that can be recycled or reclaimed and waste that is earmarked for disposal. In line with these regulations, the project will ensure that waste generated is sorted out and disposed of properly.

Section 8 (1) stipulates that every generator of waste shall be responsible for the safe and sanitary storage of all general or municipal solid waste accumulated on his or her property so as not to promote the propagation, harborage or attraction of vectors or the creation of nuisances. It is for this reason that NNNF will ensure that all contractors under NNNF collect waste generated including e-waste for proper disposal.

2.3 World Bank Environmental and Social Standards

2.3.1 ESS1: Assessment and Management of Environmental and Social Risks and Impacts

Environmental and Social Safeguards 1 (ESS1) is on assessment and management of environmental and social risks and impacts. The development of the ESMS for the project is therefore aimed at assessing environmental and social risks associated with activities of the NNNF and proposing management measures which is in line with ESS1. The identified risks and impacts need to be managed throughout the project life cycle systematically, proportionate to the nature and scale of the project and the potential risks and impacts.

Further, the ESMS for NNNF activities has an Environmental and Social Exclusion List where activities that will cause adverse damage to the environmental and social environment have been listed.

2.3.2 ESS2: Labour and Working Conditions

In accordance with ESS2, there is a need to ensure that all labour issues for the NNNF-supported activities are managed properly including occupation, health and safety issues. During the implementation of NNNF activities, there will be a need to promote sound worker-management relationships and enhance the development benefits of projects by providing safe and healthy working conditions in line with objectives of ESS2 that include, to:

- Promote safety and health at work;
- Promote the fair treatment, non-discrimination, and equal opportunity of project workers;
- Protect project workers, with emphasis on vulnerable workers;
- Prevent the use of all forms of forced labor and child labor;
- Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and
- Provide project workers with accessible means to raise workplace concerns.

In line with ESS2, workers under the NNNF-supported activities will be provided with appropriate Personal Protective Equipment (PPE) and will be provided with accessible means to raise workplace concerns through the establishment of workers GRM. In addition, the Fund Manager will ensure that all employees under the fund belonging to POs have signed a Contract where work conditions have been laid down clearly.

2.3.3 ESS3: Resource Efficiency and Pollution Control

Objectives of ESS 3 on Resource Efficiency and Pollution Prevention and Management are to:

- Promote the sustainable use of resources, including energy, water, and raw materials;
- Avoid or minimize adverse impacts on human health and the environment caused by pollution from project activities;
- Avoid or minimize project-related emissions of short and long-lived climate pollutants;
- Avoid or minimize the generation of hazardous and non-hazardous waste; and
- Minimize and manage the risks and impacts associated with pesticide use.

In line with ESS 3, the project will ensure that waste generated from the project activities including chemical and hazardous materials are well managed and handled to prevent and avoid pollution. In addition, the project will ensure measures are put in place to improve the efficient consumption of energy and other resource including water. This will be done by developing a waste management plan and following the World Bank Group's Environmental Health and Safety Guidelines and other Good International Industry Practices.

2.3.4 ESS4: Community Health and Safety

Project activities, equipment, and infrastructure can increase community exposure to risks and impacts. This standard (ESS4) addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of

borrowers to avoid or minimize such risks and impacts, with particular attention to vulnerable people. The objectives of the standard include:

- Anticipate or avoid adverse impacts on the health and safety of project-affected communities during the project life-cycle from routine and non-routine circumstances;
- Promote quality, safety, and climate change considerations in infrastructure design and construction, including dams. Avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials, and have in place effective measures to address emergency events;
- Ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.

The development of ESMS therefore is intended to guide the implementation of NNNF activities to mitigate potential impacts and risks in order to protect the project-affected communities.

2.3.5 ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Environmental and Social Standards on land acquisition, restriction on use and involuntary resettlement (ESS5) apply to situations where the project makes land physically unusable or inaccessible, even when there is no land acquisition. It covers restrictions on access to communal property and natural resources, including marine and aquatic, timber, freshwater, hunting and gathering ground, grazing and cropping areas.

Under this project some land will need to be acquired for the construction of solar farms, installation of transformers and transmission lines. Such being the case the project will be implemented in line objectives of the ESS 5. These are to:

- Avoid or minimize involuntary resettlement by exploring project design alternatives;
- Avoid forced eviction;
- Mitigate unavoidable adverse impacts from land acquisition or restrictions on land use through timely compensation for loss of assets at replacement cost and assisting displaced persons in their efforts to improve, or at least restore, livelihoods and living standards, in real terms, to pre-displacement levels or levels prevailing prior to the beginning of project implementation, whichever is higher;
- Improve living conditions of poor or vulnerable persons who are physically displaced, through the provision of adequate housing, access to services and facilities, and security of tenure;
- Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and informed participation.

In line with ESS5, all activities that will cause significant physical and/or economic resettlement will not be implemented. These activities have also been included in the Environmental and Social Exclusion List (Annex1).

2.3.6 ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Environmental and Social Standard on Biodiversity Conservation and Sustainable Management of Living Natural Resources (ESS6) requires Borrowers to: Protect and

conserve biodiversity and habitats; Apply the mitigation hierarchy and the precautionary approach in the design and implementation of projects that could have an impact on biodiversity; and Support livelihoods of local communities, including Indigenous Peoples, and inclusive economic development, through the adoption of practices that integrate conservation needs and development priorities.

During the implementation of the NNNF-supported activities, all activities that will have critical damage to biodiversity and critical damage to habitat will not be implemented. Such activities have also been listed in the environmental and social exclusion list of this ESMS (Annex 1). In addition, no activities supported by NNNF will be implemented in legally protected, designated or regionally/internationally recognized areas of high biodiversity value.

2.3.7 ESS8: Cultural Heritage

Environmental and Social Safeguards 8 (ESS8) protects tangible cultural heritage and intangible cultural heritage (material impact/commercial use). Tangible cultural heritage may be located in urban or rural settings, be above or below land or under water, and include natural features and landscapes. Intangible cultural heritage includes practices, representations, expressions, knowledge and skills.

In line with ESS8, when implementing projects financed by the International Development Association (IDA) of the World Bank ensure that cultural heritage is protected from the adverse impacts of project activities and support its preservation by, among other measures, addressing cultural heritage as an integral aspect of sustainable development and promoting meaningful consultation with stakeholders regarding cultural heritage.

In line with ESS8 on the protection of Cultural Heritage, during the implementation of the NNNF-supported undertakings, all activities that are likely going to cause damage to cultural heritage will not be implemented and are included in the Environmental and Social Exclusion list (Annex 1).

2.3.8 ESS9: Financial Intermediaries

The Environmental and Social Standard on Financial Intermediaries (ESS9) sets out how Financial Intermediaries (FIs) must assess and manage environmental and social risks and impacts associated with the subprojects it finances. ESS9 requires an FI to:

- Promote good environmental and social management practices in the subprojects of the FI finances;
- Promote good environmental and sound human resources management within the FI.

The preparation of this ESMS is in line with ESS9 which requires FIs to prepare an Environmental and Social Management System (ESMS), covering policy, procedures, organizational capacity monitoring and reporting and stakeholder engagement.

Further, ESS9 requires that all FI subprojects must be prepared and implemented in accordance with national law. Under the standard FIs must apply the relevant requirements of the ESSs to any FI subproject that involves resettlement, adverse risks or

impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.

2.3.9 ESS10: Stakeholders Engagement and Information Disclosure

The environmental and social standard on stakeholders' engagement and information disclosure promotes transparent engagement between stakeholders and project implementors. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. Stakeholder engagement is an inclusive process conducted throughout the project life cycle. When properly designed and implemented, it supports the development of strong, constructive and responsive relationships that are important for successful management of a project's environmental and social risks. Stakeholder engagement is an ongoing process and will be done throughout project implementation period. The objectives of ESS10 include, to:

- Establish a systematic approach to stakeholder engagement that helps Borrowers Identify stakeholders and maintain a constructive relationship with them;
- Assess stakeholder interest and support for the project and enable stakeholders' views to be taken into account in project design;
- Promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life-cycle; and
- Ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner.

In line with ESS 10, the project has prepared a Stakeholders Engagement Plan (SEP) which seeks to foster coordinated and ongoing engagement with all relevant stakeholders, including affected individuals and interested parties, throughout the project cycle.

2.4 Principles

According to environmental and social risk classification guided by the World Bank ESF, activities under the NNNF are rated Moderate. Such being the case, the NNNF will not support High and Substantial Risk activities. NNNF will provide financial support to environmental and social (E&S) low-risk activities only. NNNF will apply the mitigation hierarchy and the precautionary approach in the design and implementation of NNNF activities. Table 3.2 provides guidance on risk categorization using the National Framework and World Bank ESF.

With respect to E&S, the NNNF commits to:

- Ensure that all operations under the fund are reviewed, evaluated and monitored against E&S requirements provided in Section 2.5;
- Ensure that all eligible POs have E&S management procedures to ensure that all activities are screened for environmental and social risks and impacts;
- Minimize the negative impacts and E&S risks of its activities and, in addition, generate positive financial, social and environmental impacts;
- Act in accordance with applicable laws and regulations;
- Support eligible POs only when they are expected to operate in a manner consistent with the applicable E&S requirements;
- Allocate resources for effective ESMS implementation;

- Ensure that all staff are trained in, and are aware of their roles and responsibilities with respect to, ESMS implementation;
- Establish a monitoring protocol to confirm ESMS implementation; and
- Promote transparency and accountability through internal and external disclosure and reporting.

2.5 Eligible Projects and Applicable E&S Requirements

All the eligible POs will be assessed against the following E&S requirements:

- a) The Exclusion List provided in Annex 1;
- b) National regulatory requirements/applicable laws;
- c) World Bank ESF;
- d) *Good International Industry Practice (GIIP) such as WHO technical guidance developed for addressing COVID-19;
- e) *Good Practice Note on “None-Discrimination and Disabilities”, and “Addressing Sexual Exploitation and Abuse/Sexual Harassment”;
- f) *WBG generic and sector-specific EHS guidelines; and
- g) *All International Labour Organization (ILO) conventions signed and ratified by the country(es), all ILO conventions covering core labor standards and all ILO conventions covering the basic terms and conditions of employment.

*Note: These are already covered under the World Bank ESF and self-assessment questionnaire however, the above documents may also be followed as a reference/guide.

In addition to the above compliance requirements, all eligible POs are required to have the following scaled to their nature and scale of business:

1. Waste Management Policy Plan;
2. Occupational Health and Safety (OHS) Plan;
3. Code of Conduct for the Company (Annex 4) and Workers (Annex 3);
4. Stakeholder Engagement Plan and Grievance Redress Mechanism;
5. Labour Management Procedures (Plan);
6. Workplace HIV and AIDS Policy; and
7. Environmental and Social Policy.

2.6 Analysis of Gaps between National Legislation and ESF Requirements

Table 2.1 below provides more details on the gaps that exist between the National legal instruments and the World Bank Environmental and Social Standards.

Table 2-1: Gaps between Local Legislation and World Bank ESS

World Bank ESS provisions	National Legal Instruments provisions	Gap(s) identified	How the gaps have been addressed (<i>if applicable</i>)
ESS1: Assessment and Management of Environmental & Social Risks and Impacts	Environmental Management Act (2017) EIA Guidelines (1997)	Environmental Management Act (2017) and EIA Guidelines (1997) do not indicate the need to prepare ESMS for projects.	Undertaking environmental and social screening to ensure that activities supported by the NNNF are implemented in an environmentally friendly and socially acceptable manner
ESS2: Labour and Working Conditions	The Labour Relations Act (1996) Occupational Safety, Health and Welfare Act, (1997) Employment Act (2000)	The national legislation does not mention the need to develop a Labour Management Plan or Procedures.	The ESMS for NNNF-supported activities has proposed the development of the Labour Management Plan to ensure that all labour issues under the fund are properly handled and bridge the gap including the development of GRM for Workers.
ESS3: Pollution Prevention and Resource Efficiency	Environment Management Act (2017) Environmental Management (Waste Management and Sanitation) Regulations, (2008)	The national legislation mostly focuses on pollution prevention. The national legislation and associated guidelines are silent on resource efficiency.	The NNNF will follow provisions of ESS3 on resource efficiency including the development of waste management plans including e-waste to mitigate the impacts of pollution from e-waste.
ESS4: Community Health and Safety	Occupational Safety, Health and Welfare Act, (1997)	The Occupational Safety, Health and Welfare Act, (1997) does not focus much on community health and safety.	This gap will be addressed through the development and implementation of a

World Bank ESS provisions	National Legal Instruments provisions	Gap(s) identified	How the gaps have been addressed (<i>if applicable</i>)
			community health and safety plan.
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	The Land Act No.16 of 2016 Lands Acquisition and Compensation Act (2016) Registered Land Act (2016)	The pieces of legislation related to land acquisition or involuntary resettlement do not provide procedures for valuations of affected property including land.	Use of International standards such as Appraisal and Valuation Standards by Royal Institute of Chartered Surveyors (5 th Ed.)
ESS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources	Environment Management Act (2017) Parks and Wildlife Act (1997) National Biodiversity Strategic Action Plan	Laws and policies have no equivalent requirements on: Impacts on ecosystem services, Conduct due diligence on primary suppliers.	The ESMS for the NNNF-supported activities has an ' <i>Environmental and Social Exclusion List</i> ' which clearly indicates that implementation of activities in critical habitats is excluded.
ESS8: Cultural Heritage	Monuments and Relics Act (1990)	The national legislation does not provide guidance on how to handle relics and artefacts found on private land. Such being the case Cultural Heritage Impact Assessment on private land depends on goodwill from owners of the private land. In addition, most sectoral pieces of legislation such as the Environment Management Act (2017) are	ESS8 provides clear guidance on issues of cultural heritage.

World Bank ESS provisions	National Legal Instruments provisions	Gap(s) identified	How the gaps have been addressed (<i>if applicable</i>)
		silent issues on cultural heritage	
ESS9: Financial Intermediaries	No legal instrument specifically for FIs in Malawi	No piece of legislation is specific to/for FIs	The use of ESS9 will guide all FIs to ensure that all NNNF-supported activities are implemented in an environmentally sustainable and socially acceptable manner through the implementation of the ESMS.
ESS10: Stakeholder Engagement & Information Disclosure	EIA guidelines (1997) Local Government Act (1998) National Decentralization Policy (2000)	National Legislation provides for stakeholders' engagement when implementing projects. However, the development of a Stakeholders Engagement Plan to guide the stakeholder engagement process does not come out clearly as a requirement. No provision for the development of the GRM	In line with ESS10, the ESMS has sections on Stakeholders' engagement and GRM to guide the management and handling of NNNF-related grievances by local communities and workers. This will address the gap that exists in the National Legislation.

3 Environmental and Social due diligence process and scope of Application

This environmental and social due diligence process serves as a guide on processes for the inclusion of environmental and social standards which must be adhered to and followed by the NNNF during project implementation. The key steps involved in environmental and social processes are:

- 1 Confirm compliance with the Exclusion List (Annex 1);
- 2 Environmental and social screening and categorization based on a self-assessment questionnaire (Annex 2);
- 3 Reputational checks;
- 4 Additional assessment based on additional documents;
- 5 Environmental and social summary to be reflected in Investment Proposals and will be presented for the Investment Committee's decision;
- 6 Legal covenants based on the Environmental and Social Action Plan (ESAP) and standard NNNF requirements;
- 7 Ongoing monitoring for confirming compliance with the legal covenants, ESAP and performance of borrowers.

General environmental and social due diligence process

Below are steps and roles associated with the environmental and social risk assessment throughout the transaction cycle:

Step-1	Confirm Environmental and Social Exclusion List compliance.
Step-1	Environmental and social screening and categorization based on self-assessment questionnaire and supporting documentation to be submitted by all borrowers.
Step-2	If there is no potential to be High (Category A) and Substantial (Category B) Risk project category to be certified and move to Step-7
Step-3	If there is potential to be higher risk in terms of Environmental and social aspects further due diligence & additional documents are to be obtained.
Step-4	If required external consultant to be hired on a need basis.
Step-5	Category to be certified as "A", "B", "C" or "D"
Step-6	If category is "A" it is not eligible for financing, If Category is "B" or "C" Step-7 to be followed.
Step-7	The following should be done: <ol style="list-style-type: none"> a) Covenants based on assessment, b) Compliance with the Exclusion List c) Compliance with environmental and social safeguards related legislation in Malawi (Environment Management Act, 2017) & World Bank ESF d) Reputational Checks to be conducted.

3.1 Scope of the Environmental and Social Assessment

All the POs for the NNNF will be reviewed for their environmental and social risk assessment and management processes and their capacity. The scope of environmental and social assessment and further due diligence requirements will be based on the nature of operations and the potential to be higher risk.

3.2 Compliance with Exclusion List | Check

Each proposed activity for the NNNF will be screened to determine whether it is in line with the NNNF exclusion list. The Fund will not finance any activity, production, use of, trade in, distribution of or involving specific listed activities that are against its investment values as provided in Annex 1.

POs that comply with the exclusion list will be assessed for reputation risks, compliance with national regulatory requirements and World Bank ESF.

3.3 Environmental and Social Risk Screening and Categorization

Environmental and social risk assessment is supposed to be integrated throughout the project (fund rollout) cycle i.e. Disbursement of loans to Participating Organizations (POs), Disbursement of sub-loans and grants and Management of Technical assistance activities. Table 3.1 below is the summary of key environmental and social issues to be conducted under the Ngwee Ngwee Ngwee Fund implementation process and their corresponding activities and tools to be used.

Table 3-1: Key issues for implementation during NNNF Rollout

Project E&S Issue	E&S Activities	E&S Tools
1. E&S screening and risk identification	<ul style="list-style-type: none">• Screen against an internal or lender/investor Exclusion List.• Fill out E&S screening checklist designed as per Applicable Standards.• Assess E&S risks identified from the initial screening stage and assign a preliminary E&S risk category² as per Applicable Standards.	<ul style="list-style-type: none">• Exclusion List• E&S screening checklist• E&S risk categorization criteria

Project E&S Issue	E&S Activities	E&S Tools
2. E&S studies/assessments	<ul style="list-style-type: none"> Through a qualified environmental and social consultant, conduct applicable environmental and social assessments (ESMP or ESIA) for min-grids which will be reviewed and approved by MEPA. Conduct supplementary studies such as a waste risk assessment in accordance with the E&S risks identified. 	<ul style="list-style-type: none"> Procurement standards and procedures and evaluation criteria. ESIA template Waste risk assessment procedures
3. E&S management programmes	<ul style="list-style-type: none"> Develop the mini-grid ESMP and E & S Considerations for POs doing Solar Home Installation. The ESMP is a mandatory outcome of the ESIA study. Where applicable, develop supplementary E&S management procedures 	<ul style="list-style-type: none"> ESMP template
4. E&S permits	<ul style="list-style-type: none"> Acquire ESIA or ESMP certificate as a mandatory requirement and additional permits where applicable. 	<ul style="list-style-type: none"> Permitting monitoring and compliance procedure
5. Monitoring	<ul style="list-style-type: none"> Monitoring of E&S KPIs through site visit observations. Tracking corrective actions through review Monitor E&S operational activities such as community engagements, community reporting, grievance mechanism, resource management, pollution prevention (waste, e-waste, noise, and air quality), and labour and working conditions, OHS, community health and safety. 	<ul style="list-style-type: none"> E&S monitoring methodologies E&S site visit checklist with E&S KPIs
6. Reporting	<ul style="list-style-type: none"> Monthly, quarterly, and annually. 	<ul style="list-style-type: none"> E&S reporting template Incident reporting procedures and template
7. E&S exit plan	<ul style="list-style-type: none"> Consolidate E&S performance over the operational lifecycle of 	<ul style="list-style-type: none"> E&S exit report template

Project E&S Issue	E&S Activities	E&S Tools
	<p>the fund where the solar mini-grid is being integrated</p> <ul style="list-style-type: none"> Implement a waste management plan where applicable. 	

The E&S screening will be undertaken based on the self-assessment questionnaire completed by POs. Potential investments will be screened using the information provided in the self-assessment questionnaire and categorized according to inherent risk factors affecting various environmental and social aspects with the following objectives:

- i. Minimize the negative impacts and E&S risks of its activities and, in addition, generate positive financial, social and environmental impacts;
- ii. Act in accordance with applicable laws and regulations;
- iii. Align with World Bank ESF and environmental and social standards that apply to the fund implementation and these include:
 - ESS1: Assessment and Management of Environmental and Social Risks and Impacts;
 - ESS2: Labour and Working Conditions;
 - ESS3: Resource Efficiency and Pollution Prevention;
 - ESS4: Community Health and Safety;
 - ESS5: Land acquisition, restriction on use and involuntary resettlement
 - ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
 - ESS8: Cultural Heritage;
 - ESS9: Financial Intermediaries;
 - ESS10: Stakeholder Engagement and Information Disclosure.

All risks are considered in the context of inherent sector risks, the scale of the fund's operations and whether the investment involves new or continued operations and locations.

The potential POs after E&S assessment and based on the risks identified in their operations will be categorized as follows:

- **Category 1 or A (High Risk Level).** Activities with potential significant adverse environmental or social risks and/or impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
- **Category 2 or B+ (Substantial Risk Level).** Activities with potential limited adverse environmental or social risks and/or impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures;
- **Category 3 or B (Moderate Risk Level):** Category 3 of B activities have potentially adverse E&S risks and impacts, although to a lesser extent than those of a category A/B+ project. Typically, the potential impacts and risks of a category B project are site-specific, are in most cases reversible and are easier to mitigate through appropriate measures.

- **Category 4 or C (Low-risk level).** Activities with minimal or no adverse environmental or social risks and/or impacts.

Each investment is checked for environmental and social risks and then categorized according to risk categorization in Table 3.2. The risk categorization in this table brings a comparison between the World Bank and National Law categorization criteria. Under NNNF-supported activities, categories A (High Risk Level) and 2 or B (Substantial Risk Level) will not be implemented.

Table 3-2: Risk Categorisation Table

National Category	ESF Risk Level	Definition and Guidance	
		Project	Platform Company
A	High	A project with diverse, significantly adverse E&S impacts and risks that are long-term, irreversible, or unprecedented , and impact beyond the project site . Impacts and risks may potentially be significantly adverse because of the complex nature of the project, the scale (large to very large) of the project, and/or the sensitivity of the location of the project.	A Project with activities that typically have diverse, significantly adverse E&S impacts and risks that are long-term, irreversible, or unprecedented , and impact beyond the sites at which they operate . Impacts and risks may potentially be significantly adverse because of the complex nature of the business activities, the scale (large to very large) of the business activities, and/or the sensitivity of the location(s) of the business activities. Consideration should be given to the activities of third parties including contractors and supply chain.
B+	Substantial	Typically, the potential impacts and risks of category B+ projects are limited to a local area, are in most cases reversible and are easier to mitigate through appropriate measures. However, if it is expected that a Category B+ project has a single significant adverse environmental and social impact and risk that is irreversible or unprecedented in a single area , this project would be categorized as	Typically, the potential impacts and risks of a category B+ portfolio co/project are limited to a local area where they operate, are in most cases reversible and are easier to mitigate through appropriate measures. However, if it is expected that a Category B+ portfolio company/project has a single significant adverse environmental and social impact and risk that is irreversible or unprecedented in a single area , this portfolio company/project would be

National Category	ESF Risk Level	Definition and Guidance	
		Project	Platform Company
		Category B+ (substantial risks).	categorized as Category B+ (substantial risks).
B	Moderate	A project that has potentially adverse E&S risks and impacts , although to a lesser extent than those of a category A/B+ project. Typically, the potential impacts and risks of a category B project are site-specific, are in most cases reversible and are easier to mitigate through appropriate measures.	A project with activities that typically have potentially adverse E&S risks and impacts , although to a lesser extent than those of a category A/B+ project. Typically, the potential impacts and risks of a category B portfolio company/project are site-specific, are in most cases reversible and are easier to mitigate through appropriate measures.
C	Low	A project that has no or only minor adverse E&S impacts or risks , and the construction and operation of the project do not require any particular protection, compensation, or monitoring measures.	A project with activities that typically have no or only minor adverse E&S impacts or risks , and business activities of the portfolio company/project does not require any particular protection, compensation, or monitoring measures.

3.4 Reputational Issues | Check

At this stage, NNNF will review and investigate the information available in the public and private domain regarding any adverse environmental or social issues associated with the prospective POs.

The goal of this early step is to highlight past and/or existing issues that have already been identified by other stakeholders including the following:

- **Poor E&S performance:** This can include incidents, complaints, regulatory non-compliance, or adverse campaigns by stakeholders;
- **Human rights violations:** This can include the use of child labor, forced labor, or modern slavery;
- **Environmental issues:** This can include major or sustained environmental issues in sectors like e-waste and waste management; and
- **Controversial projects:** This can include companies associated with controversial projects.

To mitigate reputational risk, NNNF will:

- Prioritize transparency and honesty in customer communications;
- Maintain a positive social media presence;
- Respond to negative events quickly;
- Review publicly available information on a potential sub-borrower's E&S performance; and
- Screen transactions against applicable requirements, such as an exclusion list.

3.5 Compliance with applicable laws and regulations | Check

During this stage of the assessment, POs will be required to demonstrate that they are currently complying with applicable Malawi's policies and legislation. These include having a Certificate of Registration, Tax Clearance Certificate from the Malawi Revenue Authority, and a Certificate of Registration with Public Procurement and Disposal of Assets Authority (PPDA). The POs will also be required to provide any notices received from relevant authorities which highlight issues of non-compliance with Malawi's E&S laws including the Environment Management Act (EMA), Occupational Safety Health and Welfare Act (OSHWA), Employment Act, Pensions Act or World Bank ESF (i.e. ESS Standards).

3.6 Legal Documentation

Each PO will sign an Agreement or Contract with the Ministry of Energy (MoE) which will include Environmental and social clauses to ensure that the Fund's (NNNF) exclusion list and applicable E&S laws and regulations are complied with. Likewise, the implementing Agency (NNNF) will sign an Environmental and Social Commitment Plan (ESCP) with the World Bank.

Where an undertaking under the fund will require the preparation of an Environmental and Social Management Plan (ESMP), the responsible PO will prepare one to ensure that environmental and social concerns are taken care of during project implementation. Implementation of the ESMP or E&S consideration will form part of the Agreement or Contract by the responsible PO which shall be reviewed and approved by NNNF.

3.7 Incident Reporting Procedures

An incident is an unplanned event that happens in a project or because of the project which has or could have a negative environmental and/or social impact. All World Bank-financed projects such as NNNF-supported activities need to properly manage incidents because it is a legal requirement. In addition, incident reporting is not only a good international practice but it also fulfills national and international environmental and social obligations.

3.7.1 Classification of Incidents

Incidents can be classified into three Categories. These are Indicative, Serious and severe. Provided below is the description of each category:

3.7.1.1 Indicative

- Relatively minor and small-scale incident that negatively impacts a small area or number of people;
- Does not result in serious or reparable harm;
- Failure to implement agreed E&S measures with limited immediate impact

3.7.1.2 Serious

- Incident caused, or may cause, significant harm to the environment, workers, communities or natural or cultural resources;
- Complex or costly to reverse;
- May result in lasting damage or injury;
- Requires urgent response;
- Could pose a reputation risk to the Government or the Bank;
- Failure to implement E&S measures with serious impacts or repeated non-compliance.

3.7.1.3 Severe

The following incidences may be classified as severe. These include:

- Any fatality;
- Any incident that can cause or has caused great harm to the environment, workers, communities, or natural or cultural resources;
- May result in high levels of lasting damage or injury;
- Requires immediate response;
- Poses a significant reputational risk to Govt or Bank;
- Failure to remedy serious non-compliance with E&S measures.

3.7.2 Roles and Responsibilities

All incidents that are defined under Annex 1 of Part B Form found in the ESIRT toolkit are supposed to be reported to the Bank within 24-48 Hours. All project team members may have a role to play in managing an incident, from occurrence, classification, notification, investigation, and response, through follow-up. Incident management extends through remedial action plans to follow-up and lessons learned. The PO will notify MoE and World Bank, through the Fund Manager, within 24-48 Hours. Annex 9 provides an incident reporting template to the World Bank.

3.8 Compliance Monitoring

MoE will have an overall responsibility in monitoring the implementation of the NNNF and ESMS including the performance of the Fund Manager. The Fund Manager will monitor the E&S performance of all participating organizations through E&S monitoring reports quarterly. POs will be required to comply with E&S covenants and applicable E&S requirements. The required compliance and other monitoring indicators are required to be reported by POs quarterly. As part of its monitoring of E&S aspects, MoE will periodically review the effectiveness of its ESMS implementation.

3.9 E&S Governance and Organisation

3.9.1 Implementation arrangement for ESMS

To ensure effective ESMS implementation, the PIU for the NNNF will assign the Fund Manager to be responsible for E&S risk management for the participating organizations. The fund Manager will screen all applicants for NNNF. The fund Manager will screen the applicants (POs) using an Environmental and Social Exclusion List provided in Annex 1 of the ESMS. For those that will succeed the fund manager will review the E&S self-assessment questionnaire and additional documents to confirm compliance (Annex 2). The PIU will provide a supervisory role to the Fund manager and all POs.

The roles and responsibilities of the parties regarding the implementation of the ESMS are listed in Table 3-3 (including but not limited to):

Table 3-3: Roles and responsibilities in ESMS implementation

Parties	Roles and Responsibilities
World Bank	<ul style="list-style-type: none"> • Provide technical advice on the development of ESMS and provide approval before its adoption and use; • Review and approve any revisions of the POM requested by the Fund Manager;
Ministry of Energy	<ul style="list-style-type: none"> • Develop ESMS for NNNF; • Through an Environmental and Social Safeguards Specialist for the ASCENT Project, monitor the implementation of the ESMS by the Fund Manager and POs; and • Initiate the revision of the ESMS whenever necessary.
Fund Manager	<ul style="list-style-type: none"> • Prepare implementation progress reports for implementation of ESMS; • Implement the ESMS for the NNNF; • Monitor compliance of POs to Malawi's and World Bank's Environmental and Social Safeguards requirements; • Develop environmental and social safeguards instruments where applicable including Waste Management Plans; • Develop training manual on environmental and social safeguards and conduct training for POs; • Handle, on behalf of MoE, grievances related to the implementation of NNNF activities; • Conduct, on behalf of MoE, Stakeholders Engagement; • In the event that a PO has been tasked to develop an Environmental and Social Safeguards Instrument(s) related to its activities, the Fund Manager will review and approve.
Participating Organizations	<ul style="list-style-type: none"> • Provide feedback when requested by the Fund Manager through questionnaires, evaluation workshops, etc. • Assist Fund Manager in understanding problems and barriers to implementing SHS and clean cooking technology programs; • Participate in meetings and trainings offered by the Fund Manager related to environmental and social safeguards; • Develop Environmental and Social Safeguards Instrument(s) related to its activities when required to do so; and • Ensure compliance with ESMS.

3.9.2 Organisation Structure for Ngwe Ngwee Ngwee Fund and its Functions

The NNNF will be implemented by the seven-member Key and Non-Key Expert team of the Fund Manager, which will be supported by the Subject Matter Experts of the Fund Manager. ASCENT PIU will be responsible for oversight, policy guidance and

monitoring of the Fund Manager's activities. The roles and expertise of the Fund Manager's team are described below (Table 3-4):

Table 3-4: Roles and expertise of the Fund Manager

Position	Roles	Expertise
Team Leader (Key Expert)	Responsible for overall fund activity oversight	<ul style="list-style-type: none"> Advanced university degree in finance, management or a related field More than 12 years of experience in managing large donor or government-funded programs
Senior Lending Officer-Debt Window (Key Expert)	Manage the lending portfolio of the Fund	<ul style="list-style-type: none"> Advanced university degree in finance, international development, business administration or related field More than 7 years of experience in origination, due diligence, structuring and monitoring of corporate and/or consumer finance debt transactions
Senior Officer – RBF Grant Window (Key Expert)	Manage the RBF Grant portfolio of the Fund	<ul style="list-style-type: none"> Advanced university degree in finance, international development, business administration or related field More than 7 years of experience in the development, implementation and management of results-based financing and other grant-oriented transaction
Senior Officer – TA Window (Key Expert)	Manage the Technical Assistance activities of the Fund	<ul style="list-style-type: none"> Advanced university degree in finance, business administration or related field More than 5 years of experience in providing financial and management assistance to SMEs preferably in the solar services sector
Environmental and Social Safeguards Expert (Key Expert)	Manage the environmental and social safeguards activities of the Fund	<ul style="list-style-type: none"> Advanced university degree in Environmental or Social Sciences, Environmental Management, Environmental Policy and Analysis or Natural Resources Management

Position	Roles	Expertise
		<ul style="list-style-type: none"> • More than 5 years of progressive experience in environmental and social risk management and integration of safeguards in donor-funded projects
Investment Officer-Debt Window (Non-key Expert)	Support the management of the lending portfolio of the Fund	<ul style="list-style-type: none"> • Bachelor's degree in finance, economics, business administration, or related field • More than 3 years of experience in origination, due diligence, structuring and monitoring of corporate and/or consumer finance debt transactions
Analyst-RBF Grant Window (Non-key Expert)	Support the management of the RBF Grant portfolio of the Fund	<ul style="list-style-type: none"> • Bachelor's degree in finance, economics, business administration, or related field • More than one year of experience in results-based financing

3.10 Procedures for Communication

All communications regarding ESMS implementation from POs will be made to the Ministry of Energy through the Fund Manager. The Fund Manager will keep records of all communication made and act on them on behalf of the Ministry of Energy and forward only those that need the attention of the Ministry to ASCENT PIU. Ministry of Energy (ASCENT PIU) will communicate to POs on issues related to ESMS through the Fund Manager.

All communications regarding the implementation of NNNF Environmental and Social Management system from external stakeholders will be made directly to ASCENT PIU. However, ASCENT PIU may delegate the Fund Manager to communicate to external stakeholders on its behalf.

The Fund Manager will keep documentation and records regarding ESMS implementation on behalf of PIU.

3.11 Training Requirements

During the implementation of MEAP, some capacity gaps in E&S Safeguards implementation were identified. The NNNF has therefore developed training programs based on the gaps identified to ensure that these are not repeated during the implementation of NNNF-supported activities.

For the implementation of this ESMS to be successful, there is a need to have people with the right skills and knowledge. Building capacity is about increasing the knowledge and skills of individuals and strengthening the supporting organizational structures and systems that are needed to effectively implement this ESMS. The training programs are expected to strengthen capacity in coordinating, planning, implementing and monitoring environmental and social issues within 3 months of project effectiveness. The target for the training programs will include PIU, POs, District Environmental Sub-committees for Implementing District Councils and local committees

3.11.1 Identification of Capacity Building Needs

During the implementation of MEAP, capacity gaps were identified at two levels as follows:

Management Level:

- **Lack of E&S expertise** to effectively screen E&S risks associated with project implementation;
- **Inadequate knowledge of E&S-related policies** and procedures by POs at different levels within PO establishments such as Procurement, Human Resources, Sales and Marketing; and
- **Limited knowledge of E&S regulatory requirements thereby affecting operations.**

Operations Level:

- Multi-skilling resulting in inadequate prominence in E&S-related activities due to the absence of personnel dedicated to E&S activities and budgetary constraints. This resulted in poor working conditions for technical personnel including working with inadequate PPE and ineffective GRM to resolve work-related grievances and PPE;
- Inadequate training to technical personnel on E&S issues;
- Lack of knowledge in handling Grievances unrelated to technical issues

Using the capacity gaps identified during MEAP implementation and professional judgement, an indicative list of areas of training relevant to the implementation of this ESMS has been proposed which includes:

- Environmental and Social Safeguards Screening;
- E&S Legal and Policy Framework;
- ESMS for NNNF (Project cycle and ESMS including E&S clauses in project contracts; Environmental and Social Risk Screening Categorization; Exclusion

List Criteria; Grievance Redress Mechanism; Stakeholder engagement; Gender Based Violence and Waste (E-Waste) Management);

- World Bank's Environmental and Social Standards;
- Scope of Environmental and Social Assessments;
- Labour laws and working conditions;
- Identification of beneficiaries;
- Occupational Safety and Health issues;
- HIV and AIDS and other STIs;
- E&S Project monitoring; and
- Incident reporting.

3.11.2 Guiding Steps for Training Needs Assessment

The following are the guiding key steps that will need to be followed:

Step 1: Conduct a Needs Assessment

A needs assessment will help in identifying and assessing which teams or employees need training, what training they need, prioritize training needs, and the best ways to deliver it. Critical procedures involved in assessing an organization's training needs include:

1. Review of Organizational Goals. This is important in order to align the intended training with the organization's strategic objectives.
2. Analysis of Duties and Responsibilities. This includes Job-specific Analysis, that is, analysis of tasks, duties, and responsibilities of particular positions/ roles.
3. Assessment of Employee Skills and Knowledge. This entails the evaluation of employees' technical, business, and soft skills. In addition, an assessment of the knowledge of employees is done to determine their understanding of policies, procedures, and industrial developments.
4. Analysis of Performance Gaps: to identify areas where employee performance is not meeting expectations.
5. Risk Assessment: conducted to identify critical skills or knowledge gaps that pose a risk to the organization.
6. Outline of the training needs. Prioritize the needs based on their potential impact on business objectives. The following are examples of training requirements that can be identified through the assessment:
 - i. Awareness and Knowledge: foundational training on environmental and social impacts, including relevant laws, regulations, and industry standards.
 - ii. Skill Development: training on specific skills, such as environmental monitoring, waste management, and stakeholder engagement.

- iii. Behavioural Change: Focus on changing behaviors and promoting a culture of sustainability, through training on topics like energy efficiency, water conservation, and responsible sourcing.
- iv. Leadership and Management: training for managers and leaders on integrating environmental and social considerations into decision-making, strategy, and operations.

There are various tools for identifying and assessing training needs. Common data collection tools include Surveys and Questionnaires, Interviews, Focus Groups, Observation, Performance Reviews and Document Analysis. A sample questionnaire is attached in Annex 6. Data analysis tools include Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, Gap Analysis, Prioritization Matrices, and Cost-Benefit Analysis.

Step 2: Development of Training Plan

The following is an outline of the process that is involved in this step:

1. Determine Training Goals and Objectives.

This entails:

- i. clearly outlining what learners should achieve after training while employing the parameters of the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) methodology;
 - ii. aligning the training with business objectives to ensure that training supports organizational goals.
2. Identifying the target audience: determining who needs training. It is important to involve stakeholders, that is, to engage learners, instructors, and stakeholders in training development and implementation.
 3. Outline training approach(es), content, methods, and timelines.
 - i. The curriculum should be aimed at addressing identified training needs.
 - ii. Ensure that the content designed is engaging. This can be achieved through the use of interactive and relevant materials to capture learners' attention.
 - iii. Choose methods that suit the audience and objectives (e.g. classroom, online, on-the-job, peer-to-peer). Blended Learning is recommended, that is, a combination of different training methods to cater to diverse learning styles.
 4. Allocating resources: for training development, delivery, and evaluation. This includes identifying trainers, securing technology tools, and arranging facilities. It also includes establishing a budget. This process is crucial to delivering a high-quality, seamless training experience.

Step 3: Training Implementation

This is the process of putting the training plan into action.

1. Train the Trainers:

Ensure instructors are knowledgeable and skilled in delivering the training.

2. Deliver training:

Execute the training plan, using a variety of training methods and tools.

3. Provide ongoing support:

Offer resources and guidance to learners during and after training.

Step 4: Monitoring and Evaluation

This step is important to assess the effectiveness of a training program. It involves:

- i. Assessing training effectiveness using metrics and feedback. Identify Key Performance Indicators (KPIs) e.g., knowledge tests, skill assessments, sales targets, quality standards.
- ii. Providing opportunities for practice: Allow learners to apply new skills and knowledge in a safe environment. Assess learner performance and training impact using evaluation metrics.
- iii. Track Performance Data: Monitor and analyze KPIs to identify trends and areas for improvement. Track learner progress and adjust training as needed. Recognize and Reward Learners: Encourage learners by acknowledging and rewarding their achievements.
- iv. Gather Feedback: Collect input from employees, supervisors, and customers (ie learners, instructors, and other stakeholders) to improve training.
- v. Behavioural Change: Track behavioural changes through observations, feedback, or performance metrics.
- vi. Continuous Improvement: Refine training programs based on evaluation results and changing needs.
- vii. Knowledge Retention: Monitor knowledge retention through regular refreshers, quizzes, or assessments.

Some models and methods for training evaluation are the Kirkpatrick 4- 4-level evaluation model, Phillips ROI model, CIPP model, training evaluation form and pre- and post-training assessments.

3.11.3 Recommendations

Following the Capacity Gap Assessment, the following were some of the recommendations that were made:

- NNNF should provide financial and technical support to POs for the implementation of E&S activities. Such being the case all POs should present a budget to NNNF PIU for E&S activities;
- All POs should undergo E&S training as detailed in Annex 6;
- NNNF activities should be subject to ESMP Monitoring and Reporting for tracking progress on the environmental and social performance of the project and how this improves the quality of the program;
- Beneficiary communities and households should be sensitised on risks related to sexual exploitation and abuse including prevention of Sexual Harassment (POSH) particularly on collection of payments.

3.12 E&S Approvals

All the environmental and social instruments that will be developed under the NNNF by the Participating Organizations, will be reviewed and approved by Fund Manager. Determination on the type of the environmental and social instrument to be developed

will be made after environmental and social screening that will be done by the Fund Manager. The instruments may include ESMPs, environmental and social considerations including auxiliary plans such as Labour Management Plans, Waste Management Plans and Occupational Health and Safety (OHS) Plans.

The approved E&S instrument(s) will form part of an agreement between the Fund Manager and Participating Organizations to ensure that their implementation is legally binding. Some E&S instrument(s) will require approval by the World Bank and Malawi Environment Protection Authority (MEPA) because of the natural environmental and social risks associated with the activity.

3.13 E-Waste Management

E-waste is generated from electrical and electronic equipment with circuitry or electrical components with power or battery supply after the items and their parts have been discarded by the owners or users as waste. During the implementation of NNNF activities, it is expected that e-waste will be generated and this will require proper management.

E-waste comprises various components which may be hazardous and non-hazardous. The hazardous components may include: Lead Barium, Mercury, Nickel, Cadmium, Lithium etc. Components such as Lead and Mercury contaminate the soil and water when disposed of in landfills with other waste. These hazardous components are also listed as human carcinogens.

Non-hazardous components may include valuable materials such as precious metals (Gold, Tantalum, Silver etc.). Recycling of the precious metals conserves these valuable materials as they are rare earth minerals. Recycling also prevents air and water pollution likely to result from the extraction of new minerals from the earth as well as a reduction of greenhouse gas (GHG) emissions. Recovery of these precious metals may pose a positive impact on both the environment as well as socio-economic development issues.

During the implementation of NNNF-supported activities, the 4 Rs Principle will be adopted (**Reduce, Reuse, Recycle and Recover**). Where waste generation cannot be avoided, the project shall minimize the generation of waste, and reuse, recycle and recover waste in a manner that is safe for human health and the environment. Where waste cannot be reused, recycled, or recovered, e-waste shall be treated, destroyed, or disposed of in an environmentally sound and safe manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material.

E-Waste Management Practices at the operation stage will involve:

- i Segregation of Waste at source. This will involve waste segregation at the source of generation and handed over to the service providers (POs). The ideal

situation will be to have designated collection centres established jointly where the PO could collect the waste;

- ii Transportation. Once the waste is collected at designated places, the contracted service providers (POs) will collect and keep the waste in their waste storage facilities for re-use or to licensed e-waste recycling facilities for processing. There exist both formal and informal recycling activities with scanty information on the volumes collected and processed. In addition, there is a growing number of licensed entrepreneurs and organized groups which are refurbishing E-waste in Malawi with the intent of increasing product lifespan; and
- iii Negotiation by POs with suppliers of electronic and electric equipment for a 'Take Back Agreement' once the electronic and electric equipment has outlived its life span.

4 Stakeholder Engagement and Information Disclosure

4.1 Introduction

Stakeholder engagement is a systematic identification, analysis, planning and implementation of actions designed to influence stakeholders. Stakeholder engagement aims to improve and facilitate decision-making and create an atmosphere of understanding that actively involves project-affected people and other stakeholders in a timely manner. It also aims to provide the stakeholders, sufficient opportunity to voice their opinions and concerns that may influence decisions related to ESMS implementation.

During the development of the ESMS, several Stakeholders were consulted. These included some POs involved in the implementation of the preceding project (MEAP), the Fund Manager, MoE (ASCENT PIU) and District Environmental Subcommittee (DESC) members from some participating councils in all the Regions of the country. Consultations with DESC members were jointly done with ASCENT PIU for ESCOM.

Issues raised during consultations have been provided in Annex 10 of the ESMS. The comments and issues raised during consultations have assisted in shaping this ESMS and in coming up with some recommendations.

4.2 Rationale for Stakeholder Engagement

In alignment with the commitments outlined in the project and in accordance with the World Bank Environmental and Social Standard (ESS) 10 on Stakeholder Engagement and Information Disclosure and ESS 9 on Financial Intermediaries, it is a requirement that every development project provides for stakeholder engagement procedure as a comprehensive approach for engaging all relevant stakeholders and addressing compliance issues related to the ESS. Stakeholder engagement outlines the timing and methods for engaging stakeholders throughout the project's life cycle, as agreed upon by the Bank and Government of Malawi. It distinguishes between parties directly affected by the project and other interested stakeholders and also details how communication with stakeholders will be managed during both project preparation and implementation.

4.3 Objectives for Stakeholder Engagement

The Stakeholder Engagement process seeks to foster coordinated and ongoing engagement with all relevant stakeholders, including affected individuals and interested parties, throughout the NNNF operational cycle. The purpose of this stakeholder engagement is to provide a strategy for involving stakeholders in the implementation of the NNNF, ensuring they understand the NNNF's objectives and have avenues to provide feedback, voice concerns, and contribute to related activities. Overall, the objectives of stakeholder engagement are as follows:

- Identify and implement effective collaboration strategies among NNNF stakeholders.

- Enhance acceptance and participation in NNNF interventions among target beneficiaries.
- Recognize potential barriers to the accelerated implementation of the NNNF and collaboratively address them.

4.4 Issues Raised During Stakeholder Engagement

There were several issues raised during stakeholders' engagement in the preparation of this ESMS and these have been presented in Annex 10 of the ESMS. Some participants wanted clarity on the differences between NNNF and Malawi Rural Electrification Program (MAREP). Some stakeholders provided information on shortfalls in E&S implementation during MEAP and proposed some measures to ensure that NNNF is implemented in an environmentally sustainable and socially acceptable manner.

4.5 Engagement Activities and Information Disclosure

4.5.1 Stakeholders Engagement Activities

4.5.1.1 Consultations during development and subsequent review of ESMS

During the preparation of this ESMS, consultations were conducted with various stakeholders. These included: the Ministry of Energy; the Project Management Unit (NNNF); the Environmental and Social Safeguards specialist for the Fund Manager; the Technical Team Member (Environmental and Social Safeguards) for the project and some POs. The consultations provided vital information which assisted in the development of this ESMS. Further consultations are expected in the course of the review and revision of this ESMS.

4.5.1.2 Consultations during implementation of ESMS

Prior to the commencement of stakeholder engagement activities, meetings shall be scheduled with relevant Traditional Authorities, Community Representatives, political leaders in the project impact area, Government Ministries and Departments, Media, and other Interested & Affected Parties. The purpose of these meetings shall be to refine stakeholder's engagement strategy to meet the requirements of interested and affected parties and ensure that future communication is effective and cognizant of all social sensitivities.

Table 4-1: Stakeholders' engagement activities

Stage	Objectives	Key Activities	Target Stakeholders
Preliminary Engagements	<ul style="list-style-type: none"> • To inform key stakeholders about the planned NNNF to be implemented 	<ul style="list-style-type: none"> • Field Visits; • Stakeholder identification process; 	<ul style="list-style-type: none"> • Government Ministries and Departments; • Fund manager; • POs; • Communities;

Stage	Objectives	Key Activities	Target Stakeholders
	under the ASCENT Project and gain a preliminary understanding of how they should be actively engaged and their roles including their interests.		<ul style="list-style-type: none"> Local Authorities; Local Leadership.
Engagements	<ul style="list-style-type: none"> To introduce the NNNF to different stakeholders and its anticipated social and environmental risks and impacts and proposed management measures 	<ul style="list-style-type: none"> Stakeholder engagement workshops; Meetings. 	<ul style="list-style-type: none"> Government Ministries and Departments, Communities, Local authorities, Local Leadership; NGOs; Vulnerable Persons
	<ul style="list-style-type: none"> Introduce to Stakeholders the ESMS for the NNNF and its objectives including the E&S Exclusion List; E&S Self-Assessment Questionnaire; Code of Conduct for workers under NNNF 	<ul style="list-style-type: none"> Stakeholder engagement workshops; Meetings. 	<ul style="list-style-type: none"> Fund Manager; POs; and Participating District Councils;
	<ul style="list-style-type: none"> To introduce to Stakeholders Project's Grievance Redress 	<ul style="list-style-type: none"> Meetings; Workshops 	<ul style="list-style-type: none"> Beneficiary and surrounding communities and their leadership;

Stage	Objectives	Key Activities	Target Stakeholders
	Mechanism (GRM) Processes		<ul style="list-style-type: none"> • Participating District Councils; • POs;

4.5.2 Information Disclosure

The ESMS sets out disclosure requirements for the Fund. The information disclosure will be an ongoing process and will be aligned with the project SEP. The type of information to be disclosed to the various stakeholders will include:

- i. Objectives of the ESMS;
- ii. E&S Exclusion List that will include activities and Organizations under the List;
- iii. E&S Self-Assessment Questionnaire; and
- iv. Code of Conduct for workers under NNNF.

Revised versions of ESMS documents will be disclosed. The Fund will undertake stakeholder engagement to make them aware of any changes in particular POs.

Various communication tools will be used to disclose this information. These will include:

- Project notices published in local newspapers,
- Radio advertisements,
- Direct mailings to communities,
- Presentations with or without focus group sessions,
- Targeted e-mails,
- One-on-one meetings, presentations, seminars, workshops, e-mails, and phone conversations with stakeholders,
- Site tours, and
- The use of social media.
- NNNF's and MoE's website

Participating Organisation Requirements

POs are required to disclose E&S instruments prepared in relation to NNNF activities. Stakeholder engagement and information disclosure within project communities is an ongoing process. POs are required to engage project communities from the development phase, throughout construction, operations and exit.

5 Grievance Redress Mechanism for NNNF

A grievance redress mechanism (GRM) is an accessible and inclusive system, process, or procedure that receives and acts upon complaints and suggestions for improvement in a timely fashion and facilitates the resolution of concerns and grievances arising in connection with a project. An effective grievance mechanism provides project-affected parties with redress and helps address issues at an early stage. It provides an avenue for continuous stakeholder feedback and engagement.

5.1 Institutional Arrangement for GRM Processes

The GRM for the NNNF will be established at three levels. These include PIU(National), District and Local (Community) Level. At each level, committees will be established.

At the community level, Community Grievance Redress Management Committees (CGRMCs) will be established to resolve grievances. In addition, POs will be required to establish a Grievance Redress Mechanism Committee within their establishment to address all labour-related grievances and concerns and this committee will be referred to as the Workers Grievance Redress Mechanism Committee (WGRMC). The Fund Manager will therefore ensure that no PO is operating without establishing WGRMC.

In all districts where NNNF will be operating, there exists a District Grievance Redress Management Committee (DGRMC). Currently, the policy of the Malawi Government is for all the projects to use the existing GRM Committees rather than creating parallel DGRMCs as this has the potential to create confusion. Such being the case, NNNF will assess the existing ones and strengthen or revamp them where need be. It is therefore important to ensure that all DGRMCs are sensitized on the NNNF activities so that an agreement is made on members that should be co-opted in the existing DGRMC to ensure that grievances related to NNNF activities are relayed and resolved effectively. The DGRMCs will be used to resolve Grievances that have not been resolved at a community level or project area level.

Finally, at the national level, a committee will be established at the Fund Manager's Unit to resolve grievances from POs and unresolved grievances from DGRMC and community levels. However, all grievances that concern or involve the Fund Manager will be referred to PIU for the NNNF destined at the Ministry of Energy.

5.2 Gender and Cultural Considerations

The grievance mechanism for NNNF will be gender inclusive with at least 40% female representation. This will allow both men and women to freely raise their concerns to fellow men and women respectively where they are not comfortable with the other gender or where it is not culturally appropriate to discuss with the opposite gender.

The GRMC meetings will be held at times and venues that are considered appropriate for the communities. For instance, meetings shall be held during the daytime. No meetings shall be held at night or evenings.

5.3 Orientation of Grievance Redress Committees

All committee members at national, district and community levels will be oriented on their roles and responsibilities. They shall also be sensitized on special cases such as gender-based violence, sexual exploitation and abuse, sexual harassment, voluntary land acquisition procedures as well as environmental and social safeguards requirements. The Environmental and Social Safeguards Specialist will prepare training materials and spearhead the orientations for the committees.

5.4 Sensitization, establishment and Operation of GRMCs

Stakeholders shall be sensitized on the GRM for the NNNF and grievance uptake processes. Community members shall elect members of the CGRMC as guided by the PIU on the criteria and requirements. All POs including contractors and their workers shall also be informed of the existence of CGRMC and WGRMC at this level. The committees at this level shall record, vet, and hear cases as submitted to them by Project Affected Persons (PAPs) in the community and workplace. If the PAP is satisfied with the resolution, the case will be closed. Annex 5 of the ESMS provides a template for GRM Reporting Tool.

If cases at the CGRMC and WGRMC are not closed, the grievances shall be referred to the DGRMC. The PAP shall be informed that his/her issue was referred to the upper committee for a hearing. The DGRMC shall receive and record the cases as referred to them by either CGRMC or WGRMC. This committee shall hear the case from the PAP and review the decision made by either CGRMC or WGRMC. If the PAP shall be satisfied with the decision, the case will be closed.

If the case was not closed at DGRMC, the case will be referred to Project GRMC. The DGRMC shall record the Grievance in the District Grievance Log & Resolution Form. The PIU grievance committee shall invite the affected person to hear the case and review the decisions made earlier by the two lower committees. Where need be, the PIU shall liaise with the Project Steering Committee (PSC) so that a resolution should be made for the case at hand. If the PAP shall accept the resolution made, the case shall therefore be closed at this level.

5.5 Grievance Uptake, Documentation and Timelines for Resolution

Grievances under NNNF will be lodged using different ways of uptake such as submissions in person, toll-free line, NNNF website and E-mail. Once complaints and concerns are captured in the grievance logbook, the grievant will receive a receipt as proof that he has lodged a complaint. The grievance committee at that level will be given a maximum of 14 days to resolve the issue and revert to the complainant with closure if satisfied or referral to the next level committee if not satisfied.

5.6 Grievance Redress Mechanism Public Disclosure to Stakeholders

The grievance mechanism shall be disclosed to the public and beneficiary communities. The public disclosure messages shall include ways of grievance uptake, governance structure, type of grievances, assurance of confidentiality and anonymity, referral pathways in terms of GBV/SEA/SH cases, resolution time and appeal process for unsatisfied grievant. Methods of disclosure shall include: Community

sensitization meetings, TV and Radio messages, IEC materials such as posters, fliers, signages, and Display of labelled and branded grievance boxes in communities and construction sites.

Workers under the NNNF-supported activities will commit themselves not to be involved in or desist from acts of GBV, SEA, SH by signing a Code of Conduct attached in Annex 3 of the ESMS.

5.7 Special Cases

It should be noted that some special cases shall not be handled by the NNNF GRM Committees. These cases include Sexual Exploitation and Abuse (SEA), Gender Based Violence (GBV) and Sexual Harassment (SH). The committee members shall be oriented on the proper channels to use.

All recorded cases by the GRM Committee that have been examined and found to be criminal innature such as theft, and rape, among others shall be reported to Police immediately. Communities will be sensitized on such cases and report to the police directly.

GBV, SEA, SH cases are different from other complaints that are normally handled by GRM committees. These are special cases and shall be handled in a manner to ensure the confidentiality of the information at hand. The GRM shall direct these cases to relevant stakeholders at the community or district level. Communities will be sensitized to report any cases of GBV, SEA and SH to the national GBV (5600) toll-free line. Table 5.1 provides procedures for handling GBV, SEA and SH while Figure 5.1 provides referral pathways for survivors.

Table 5-1: Procedures to be followed when handling GBV/SEA/SH

SN	Type of case	Priority	Process	Procedure
1	Sexual abuse	High	<ul style="list-style-type: none"> • A criminal case can be instigated or the survivor can report directly to a community-based victim support unit, police victim support unit or One Stop Centre. • If reported to a committee member, the case should be referred to a community-based victim support unit, police victim support unit or One Stop Centre. • Other referral points are health centres, child protection extensions or community development assistants (CDA). • Reporting can also be done through other GBV and child protection platforms (like the national toll-free line 116). 	<ul style="list-style-type: none"> • The survivor should be treated with respect and dignity. • The PAP should be given adequate referral information. • With the survivor's consent, the committee member can accompany the PAP to the referral point. • The survivor should be assured of confidentiality and the name of the victim will not be recorded on the GRM Form or in any report. However, if given consent the GBV Champion will collect all the information on the perpetrator for redress. • In the event that the perpetrator is a participant in the programme (beneficiary or supervisor), and has not been reprimanded by law, the committee shall refer the case to the district committee for guidance.
2	Physical abuse	High	<ul style="list-style-type: none"> • The Survivor can report directly to the community or police victim support unit. • The Survivor can direct the grievance to the committee. • Assessment of injury can be undertaken, and reference could be 	<ul style="list-style-type: none"> • The survivor should be treated with respect and dignity. • A detailed account of the complaint including information about the perpetrator should be taken. • Investigation of the issue should be initiated. • The committee should agree on the resolution and communicate it to the PAP.

SN	Type of case	Priority	Process	Procedure
			<p>made to the victim support unit or health centre.</p> <ul style="list-style-type: none"> Investigation of the case should be initiated by the committee. If the case involves a person in authority such as a committee member, a referral to a higher committee could be made. For cases involving participants/beneficiaries, an investigation should be undertaken. 	<ul style="list-style-type: none"> The survivor should be given adequate referral information in the event the case cannot be handled at that committee level or if there are grounds for a criminal charge. The committee member found to be guilty of such an offence shall be removed from the programme.
3	Economic abuse	medium	<ul style="list-style-type: none"> The survivor can report to the committee. The committee will investigate the case if the perpetrator is from the community or within the programme structure. In the event that the case is domestic, the committee member will support by referring the case to the social welfare office or other non-government structure. 	<ul style="list-style-type: none"> A detailed account of the complaint including information about the perpetrator should be taken. An investigation of the case should be initiated. The committee should agree on the resolution and communicate it to the survivor. The survivor should be given adequate referral information in the event the case cannot be handled at that committee level. A foreman or committee member found to be guilty of such an offence shall be removed from the programme.
4	Emotional and psychological abuse	medium	<ul style="list-style-type: none"> The survivor can report to the committee. The committee will investigate the issue if the perpetrator is from the community or within the programme structures. 	<ul style="list-style-type: none"> A detailed account of the complaint including information about the perpetrator should be taken. An investigation of the case should be initiated. The committee should agree on the resolution and communicate it to the PAP.

SN	Type of case	Priority	Process	Procedure
			<ul style="list-style-type: none"> If the case is domestic, the committee member will support it by referring the case to the social welfare office or any relevant stakeholder. 	<ul style="list-style-type: none"> The PAP should be given adequate referral information in the event the issue case cannot be handled at that committee level. A foreman or committee member found to be guilty of such an offence shall be removed from the programme.
5	Other referral options for victims of GBV/SEA/SH			
6	Mental health support/trauma counselling		This service targets men, women, boys and girls who have been abused and traumatised due to GBV/SEA/SH. Services are provided by therapists such as social welfare officers, gender officers, medical personnel, and police officers. NGOs and CBOs are involved in such activities, including the mapping of services, and can help to identify actors available in the community.	
7	Legal assistance and justice		These include pro-bono services, paralegal services, mobile courts, formal courts and many other services offered by the Government of Malawi, the judicial system, the community, NGOs and CBOs.	

GBV/SEA/SH Referral Pathway

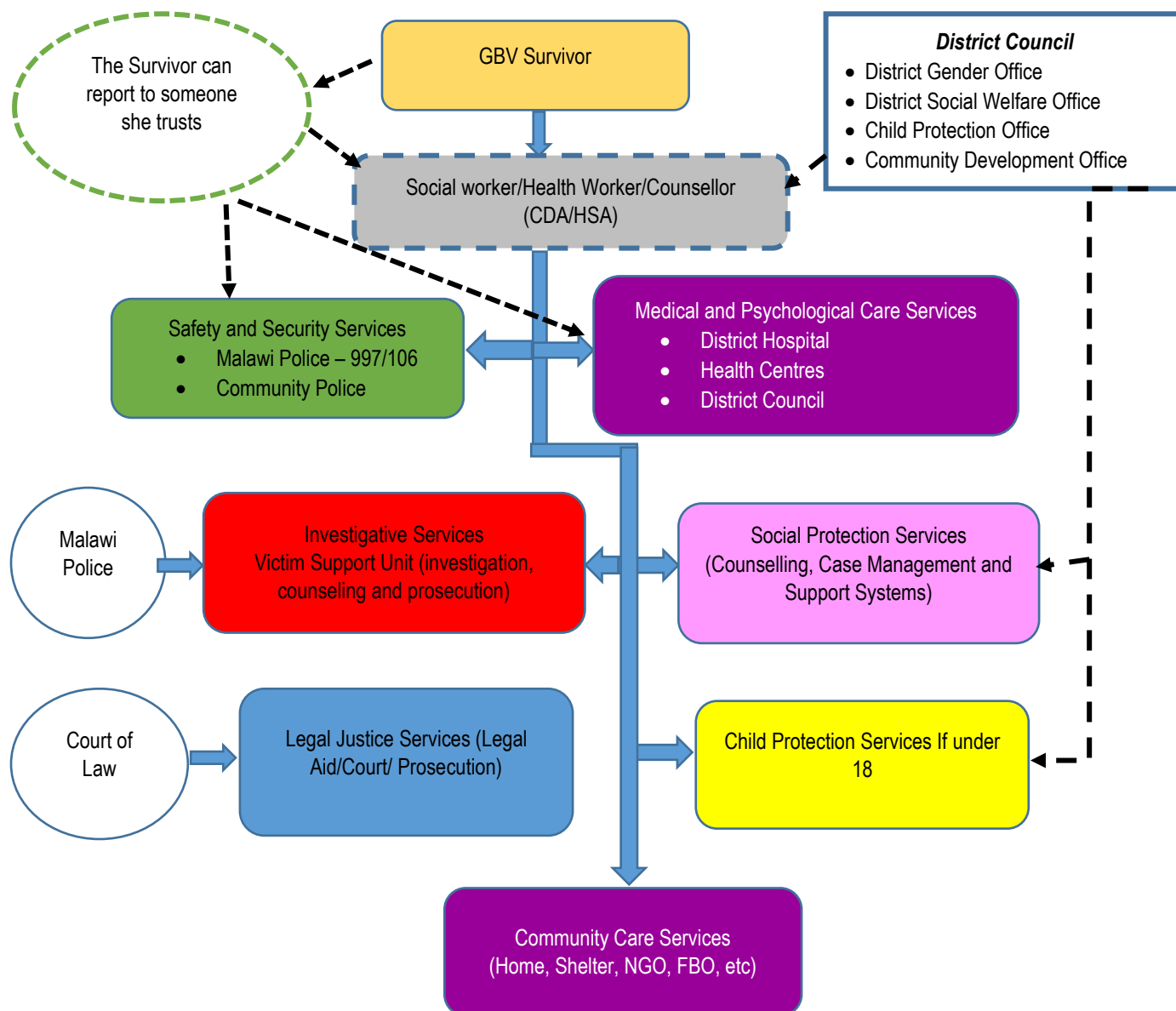


Figure 5-1: GBV/SEA/SH Referral Pathway

5.8 Monitoring and Evaluation of Grievance Redress Mechanism

The grievance redress mechanism for the NNNF will be monitored regularly at all levels to assess its functionality, effectiveness, and efficiency. Through monitoring, gaps will be established, and interventions be made accordingly. For instance, if it is established that the committee members are still lacking capacity, refresher orientations will be done, if some members leave the area, replacements will be done. If any type of grievance is repeated, e.g., labour, safety etc., the contractor or PO will be reoriented and warned where necessary. Monitoring shall be done through fortnight and monthly reports, monitoring visits to the community and project sites and examination of grievance registers.

5.9 ESMS Budgetary Requirements

Implementation of ESMS and including related activities will require human, technological and financial resources. The NNNF will need to engage or hire people with the required expertise to monitor the implementation of the ESMS and carry out capacity-building activities. The fund will require the services of a well-experienced environmental and social safeguards specialist who will be tasked to monitor the implementation of the ESMS, develop training materials and carry out capacity-building activities. For all this to be possible, financial resources will also be required. Annex 7 provides an estimation of financial resources that may be required every year. These figures are just indicative and will be revised once the actual figures have been calculated during project implementation.

Annex 1: Environmental and Social Exclusion List

This exclusion list has two aspects. Firstly, it looks at POs that are not eligible to participate in NNNF activities. Secondly, it looks at activities that are prohibited under the project.

POs that are not eligible to participate in activities under NNNF

Funds for the implementation of the project will be accessible to all institutions or Financial Intermediaries (FIs) that operate in line with World Banks' Environmental and Social Standard 9 (ESS9). Project funds will not be accessible to companies, institutions or subprojects deemed as high-risk (Category A).

The following companies or institutions will not be allowed to participate in activities under the project. The list includes those that are:

- i. not registered or licensed with the Malawi Energy Regulatory Authority (MERA) as required by the Energy Regulations Act;
- ii. not registered with Malawi Revenue Authority (MRA) for purposes of meeting tax obligations;
- iii. involved in forced labor or child labor; and
- iv. involved in Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) and Gender Based Violence (GBV) including those without well-laid-out measures to curb or stop SEA, GBV and SH.

Activities that are not permitted under NNNF

The following activities are excluded from the scope of the NNNF:

- i. Activities or materials deemed illegal under Malawi laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a) Ozone-depleting substances, PCBs (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals; or
 - b) wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- ii. Activities that will have an irreversible impact on biodiversity and critical damage to natural habitats;
- iii. Activities that will cause significant physical and/or economic resettlement;
- iv. Activities within protected areas, unless supporting activities of DoF and/or DNPW which will require ESIA for works in protected areas;
- v. Activities with significant impacts on tangible and intangible cultural heritage;
- vi. Use of facilities or infrastructure not supported by other World Bank operations;
- vii. Installation of transmission lines;
- viii. Installation of medium voltage distribution lines and grid substations;
- ix. Construction of Mini-grids over 5 Megawatts (MW);

- x. Feasibility studies for high-risk activities including inter alia, transmission lines and power generation;
- xi. Implementation of activities that may lead to the destruction of critical habitats.;
- xii. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;
- xiii. Destruction³ of High Conservation Value areas⁴;
- xiv. Use of radioactive materials⁵ and unbounded asbestos fibres;

Annex 2: E&S Self-Assessment Questionnaire

1) Nature of the Business

- Name of the PO and description of its operations;
- Location and description of all facilities such as warehouse, retail outlet, repair centre, etc.
- Total number of employees and sales agents (disaggregated by gender and term of employment- contract or permanent)
- Main markets (domestic/export (specify countries)
- No. of active & inactive customers (disaggregated by gender)
- Please provide a list of your primary suppliers* and their locations:

Name of supplier:	Product (e.g. solar panels, clean cooking technologies or improved cooking stoves):	Location:

**Primary suppliers are defined as suppliers who, on an ongoing basis, provide goods or materials that are essential for core business processes (e.g. solar panels, improved cooking stoves).*

2) Portfolio information (fill in only the ones relevant to your operations)

Please provide the following portfolio information (for off-grid solar companies or improved cooking technologies)

Types of off-grid solar products/improved cooking technologies	Total number of products distributed to date	Total number of customers		Total number of customers	
		Female	Male	Urban	Rural

3) E&S Policy and ESMS

- a) Do you have a formal E&S policy and E&S management system (ESMS) for your company? If yes, please provide a copy of the E&S policy and ESMS.
- b) Please describe how the E&S policy and ESMS is communicated across the organization. For instance, through regularly scheduled internal trainings, internal memos, making a copy of the E&S policy available to all staff?
- c) Do you have any officers or a department involved in addressing E&S issues in your organization?
- d) If you do not have a formal ESMS, then please describe the procedures for the following:
 - i. How do you assess compliance with national laws such as the Environment Management Act, and Energy Regulation Act for your projects?
 - ii. How do you undertake E&S risk assessment of your projects for key risks such as e-waste management, land acquisition, stakeholder engagement, gender equality, complaints or grievances, indigenous peoples and biodiversity? Please attach if you have procedures on any of the key risks listed here;
 - iii. Who in your company is responsible for E&S matters?
- e) Do you monitor the E&S performance of your projects? How or what methods do you use? How frequently do you do that? What are the key E&S indicators that you monitor? *(this question is not relevant to off-grid solar companies)*
- f) Do you have an Emergency Preparedness and Response plan to respond to emergency situations at your locations(premises) (e.g., fire plans and safety equipment at your warehouses)

4) Stakeholder Engagement and Information Disclosure

- a) How does the company engage with the local community and its leaders?
- b) How do the company's activities impact the community's health, safety and security?
- c) Has appropriate (technical level, language, location, etc.) disclosure of assessment information to, and consultation with the communities been/or is being conducted in a timely and culturally appropriate manner?
- d) Is there a mechanism to receive and register concerns/grievances from affected communities and other stakeholders such as the borrowers, general public, NGOs, etc.? If yes, please briefly describe the mechanism or attach evidence.
- e) Is there a defined process to screen, assess and resolve the issues raised and to determine how to respond? If yes, please briefly describe the process.
- f) Is the grievance mechanism easily accessible, understandable and predictable? Does it allow for anonymous complaints? Please describe.
- g) Is there a log or register to track incoming queries and responses?

h) How have you ensured the affected community and other stakeholders are aware of the grievance mechanism?

5) Assessment of risks associated with installation of Solar Home Systems, mini-grid or off-grid solar packages and clean or improved cooking technologies

5.1 Associated Environmental Risks

- a) Do you have a waste management plan? If so, please share a copy;
- b) Please describe sources of waste, quantities generated, and method of disposal (fill in table);
- c) Do you use a waste disposal company or contractor to dispose of e-waste? If so, please provide the name of the disposal company (this question is relevant mostly to off-grid companies. Mini-grids which are undergoing major maintenance should also provide this information).

Sources of waste	Quantity generated	Describe the disposal mechanism
Batteries		
Used equipment collected from users		
Hazardous waste (mention the type of waste)		
Solar panels		
Used wires		
SHSs accessories		

d) Do any of your operations lead to environmental pollution? If yes, please fill in the following table. (Fill in this table only if it is relevant to your operations)

	Source of pollution	How is it managed?
Air pollution		
Noise pollution		
Water contamination		
Terrestrial (Land) pollution		

e) Is the environmental pollution monitored? If yes, please provide copies of all monitoring reports for the last year (such as air quality monitoring data, noise monitoring, and effluent monitoring data).

5.2 Associated Social Risks

- a) Does the implementation of the project activities require land acquisition? If yes, what is the size of the land required?
- b) Have negotiations been carried out with the owners of the 'required' land? If yes, has settlement been done with the land owners?
- c) If the required land is donated to the project, has the owner of the land signed a land use agreement?
- d) Does the Code of Conduct for workers contain phrases meant to deter workers from engaging in GBV, SEA, SH related activities?
- e) What are the factors influencing consumers' adoption of improved cooking stoves, if applicable?

6) Human Resources Policies and Working Relations

- a) Do you have a human resources (HR) policy? Please provide copies.
- b) In line with Employment Act (2000), and Labour Management Procedures for ASCENT Project, does your HR policy include the following:

HR policy contents	Yes/ No	Copy attached (please put a tick)
Terms and conditions of employment		
Employees/ worker's rights related to hours of work, wages, overtime, compensation, benefits, etc.		
Employee code of conduct		
Recruitment policy		
Progression policy		
Employee grievance mechanism		
Anti-harassment policies, including a Sexual Harassment Policy and Gender-Based Violence Policy?		
Policy on Non-discrimination and Equal Discrimination		
Policy prohibiting child labor and forced labor		
Right to organize		
Retrenchment		
Whistle Blower Policy		

- c) How are the working conditions and terms of employment communicated to all staff/ workers?

- d) Do workers have legal contracts and benefits according to the law: social security, minimum age, working hours, collective bargaining?
- e) Do sales agents have contracts?
- f) In the case of contracted personnel, is there reasonable control over these aspects? Are environmental and social aspects introduced into the contract with service providers?
- g) Are equal opportunities granted to women and minorities?
- h) What is the share of women in the overall workforce?
- i) Does your company have a gender action plan in place (including policies on increasing the share of women in their workforce and/or offering employees flexible work hours)? If yes, please attach it. If not, a baseline assessment template will be provided if your application is approved, and you will need to agree to provide a gender action plan within 90 days of the loan agreement.
- j) How does the company ensure child labor and forced labor is not used through contractors or in your supply chain? Do you use covenants in your legal agreements with suppliers and contractors?

7) Occupation Health and Safety

- a) Does the company provide its workers with a safe and healthy work environment in line with the Occupational Safety Health and Welfare Act (1997)? Has the client taken steps to identify potential hazards to workers and prevent accidents, injury, and disease by minimizing the causes of hazards? What steps are these?
- b) Has the client trained workers in occupational health and safety?
- c) Does the company document and report on occupational accidents, diseases, and incidents?
- d) Do you monitor workplace noise and air quality? Please provide reports.

8) Environmental Regulations Compliance

- a) Is the company in possession of all required Health Safety and Environment (HSE) permits and approvals? Provide copies.
- b) Has the company paid any excess charges or fines/penalties for non-compliance with HSE regulations and standards (Solar companies and/or improved cooking technology companies should confirm this for all their projects) in the last two years? If yes, for what and why?
- c) Is the company exposed to potentially significant HSE liabilities, such as those arising from land/groundwater contamination, related to the company's past or ongoing operations (mini-grid companies should confirm this for all their projects)?
- d) If yes, specify the magnitude. Has the company had any significant accidents or incidents in the last two years (e.g., oil spills, fires) involving, lost time incidents, deaths or multiple serious injuries and/or significant environmental damage (mini grid companies should confirm this for all their projects)?

- e) Was the company inspected by relevant government/City, Municipality, Town or District Councils in the last 2 years (grid and off-grid, SHS companies or improved cooking technology companies should confirm this for all their projects)? If yes, provide results including any corrective actions/notices.

9) Regulatory permits and approvals

- a) Does your organization possess a licence from the Malawi Energy Regulatory Authority as required by the Energy Regulation Act (2004)? If yes, please provide a copy of the Licence;
- b) Are workers under you licensed to carry out their work? If yes how many are licensed and how many are not;

Annex 3: NNNF Worker's Code of Conduct



MINISTRY OF ENERGY

CODE OF CONDUCT FOR WORKERS UNDER NGWEE NGWEE NGWEE FUND (NNNF) SUPPORTED ACTIVITIES

COMPANY NAME: _____

Code of Conduct

I, _____, acknowledge that preventing any misconduct as stipulated in this code of conduct, including Gender-Based Violence (GBV), Sexual harassment, Sexual Exploitation, and Child Abuse/Exploitation (CAE) is important. Any activity, which constitutes acts of gross misconduct is therefore grounds for sanctions, penalties or even termination of employment. All forms of misconduct are unacceptable be it on the work site, the work site surroundings, or around the community. Prosecution of those who commit any such misconduct will be pursued as appropriate.

I agree that while working on this project, I will:

1. Consent to a security background check;

2. Treat women, children (persons under the age of 18) and persons with disability with respect regardless of race, colour, language, religion, political or other opinion, national, ethnic or social origin, property, birth or other status; Not use language or behaviour towards men, women or children/learners that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate;
3. Not participate in sexual activity with children/learners—including grooming or through digital media. Mistaken belief regarding the age of a child and consent from the child is not a defence;
4. Not exchange money, employment, goods, or services for sex, with community members including sexual favours or other forms of humiliating, degrading or exploitative behaviour;
5. Not have sexual interactions with members of the communities where you work including involving the withholding, promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex - such sexual activity is considered “non-consensual” within the scope of this Code;
6. Not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other employees and community members;
7. Not engage in violence, including sexual and/ or gender-based violence (for example acts that inflict physical, mental or sexual harm or suffering, threats of such acts, coercion, and deprivation of liberty;
8. Not engage in Sexual Exploitation, which means any actual or attempted abuse of a position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;

9. Not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
10. Maintain behavior respect for the community, especially in relation to children and avoid interacting with them during the course of the project;
11. Attend trainings related to HIV/AIDS, GBV, CAE, occupational health and any other relevant courses on safety as requested by my employer;
12. Report to the relevant structures/offices any situation where I may have concerns or suspicions regarding acts of misconduct by a fellow worker, whether in my company or not, or any breaches of this code of conduct provided it is done in good faith;

With regard to children under the age of 18

- Not invite unaccompanied children into my home, unless they are at immediate risk of injury or in physical danger.
 - Not sleep close to unsupervised children unless absolutely necessary, in which case I must obtain my supervisor's permission, and ensure that another adult is present if possible.
 - Refrain from physical punishment or discipline of children.
 - Refrain from hiring children for domestic or other labour, which is inappropriate given their age, or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury.
 - Comply with all relevant local legislation, including labour laws in relation to child labour.
13. Refrain from any form of theft of assets and facilities including from surrounding communities.

- 14.Refrain from the procession of alcohol, illegal drugs and other controlled substances in the workplace and being under the influence of these substances on the job.
- 15.Wear mandatory PPE at all times during work;
- 16.Follow prescribed environmental occupation health and safety standards;
- 17.Channel grievances through the established grievance redress mechanism.
18. Not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the grievance mechanism for Contractor's Personnel or the project's Grievance Redress Mechanism.

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by Contractor's Personnel may result in serious consequences, up to and including termination and possible referral to legal authorities.

SN	Act of violation of CoC	Penalty
1.	Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Contractor's or Employer's Personnel;	Disciplinary action would include the following according to the nature of the act of violation: <ul style="list-style-type: none"> • Suspension • Immediate dismissal • Report to Police

SN	Act of violation of CoC	Penalty
2.	Sexual Exploitation, which means any actual or attempted abuse of a position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;	Disciplinary action would include the following according to the nature of the act of violation: <ul style="list-style-type: none"> • Suspension • Immediate dismissal • Report to Police
3.	Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;	Disciplinary action would include the following <ul style="list-style-type: none"> • Immediate dismissal • Report to Police
4.	Any form of sexual activity with individuals under the age of 18, except in a case of pre-existing marriage	Disciplinary action would include the following: <ul style="list-style-type: none"> • Immediate dismissal • Report to Police
5.	Discriminate or harass other employees or physically assault (local or foreigner) or any other person concerned with the project on grounds of sex, tribe, religion, nationality, ethnicity, marital status, disability or employment status.	Disciplinary action would include the following according to the nature of the act of violation: <ul style="list-style-type: none"> • Suspension • IMMEDIATE DISMISSAL
6.	Entertaining unauthorized visitations including minors on the worksite.	Disciplinary action would include the following: <ul style="list-style-type: none"> • Suspension • IMMEDIATE DISMISSAL
7.	Verbal conduct that leads to sexual harassment	Disciplinary action would include the following according to the nature of the act of violation: <ul style="list-style-type: none"> • Written warning

SN	Act of violation of CoC	Penalty
		<ul style="list-style-type: none"> • Suspension • IMMEDIATE DISMISSAL
8.	Retaliation against any person who raises a concern	Disciplinary action would include: <ul style="list-style-type: none"> • Suspension • IMMEDIATE DISMISSAL

I understand that the onus is on me to use common sense and avoid actions or behaviours that could be construed as misconduct or breach of this code of conduct.

I acknowledge that I have read and understand this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact _____ (enter the name of the Company's responsible person with relevant experience) and the implications have been explained with regard to sanctions ongoing employment/ engagement should I not comply.

Signed by: _____

Signature: _____

Date: _____

FOR THE EMPLOYER

Signed by: _____

Signature: _____

Date: _____

ATTACHMENT 1 TO THE CODE OF CONDUCT FORM

BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA) AND BEHAVIORS CONSTITUTING SEXUAL HARASSMENT (SH)

The following non-exhaustive list is intended to illustrate types of prohibited behaviors

(1) Examples of sexual exploitation and abuse include, but are not limited to:

- A Contractor's Personnel tells a member of the community that he/she can get them jobs related to the work site (e.g. cooking and cleaning) in exchange for sex.
- A Contractor's Personnel connecting electricity input to households says that he can connect women-headed households to the grid in exchange for sex.
- A Contractor's Personnel rapes, or otherwise sexually assaults a member of the community.
- A Contractor's Personnel denies a person access to the Site unless he/she performs a sexual favor.
- A Contractor's Personnel tells a person applying for employment under the Contract that he/she will only hire him/her if he/she has sex with him/her.

(2) Examples of sexual harassment in a work context

- Contractor's Personnel comments on the appearance of another Personnel (either positive or negative) and sexual desirability.
- When a Contractor's Personnel complains about comments made by another Personnel on his/her appearance.
- Contractor's Personnel comments to another that he/she is "asking for it" because of how he/she dresses.

- Unwelcome touching of a Contractor's or Employer's Personnel by another Personnel.
- A Contractor's Personnel tells another that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.

Annex 4: Code of Conduct for Participating Organizations

CODE OF CONDUCT FOR PARTICIPATING ORGANISATIONS

[Note to Client: include this requirement for supervision of infrastructure contracts (such as Plant or Works) and for other consulting services where the social risks are substantial or high.]

Note to the Client:

The following minimum requirements shall not be modified. The Client may include additional requirements to address identified issues, informed by relevant environmental and social assessment.

Delete this Box prior to issuance of the RFP.

Note to the Consultant:

The minimum content of the Code of Conduct form as set out by the Client shall not be substantially modified. However, the Participating Organisation may add requirements as appropriate, including to take into account Contract-specific issues/risks.

CODE OF CONDUCT FOR PARTICIPATING ORGANISATION(S)

We are the Participating Organisation, _____
[enter the name of the Participating Organisation]. We have signed a contract with _____ [enter name of Client] for _____ [enter description of the Services]. These services will be carried out at [enter the Site and other locations where the services will be carried out, as appropriate]. Our contract requires us to implement measures to address environmental and social risks related to the Services, including the risks of sexual exploitation, sexual abuse and sexual harassment.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the NNNF activities. It applies to all our staff, labourers and other employees at the Works Site or other places where the works are being carried out.

This Code of Conduct identifies the behaviour that we require from Participating Organisations (POs) personnel employed for the execution of NNNF activities at the locations in Malawi where the works are undertaken.

Our workplace is an environment where unsafe, offensive, abusive or violent behaviour will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

REQUIRED CONDUCT

Each member of the PO employed for the execution of the Contract at the locations in Malawi where the works are undertaken shall:

1. Carry out his/her duties competently and diligently;
2. Respect reasonable work instructions (including those regarding environmental and social norms);
3. Comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Experts and any other person;
4. Maintain a safe working environment including, as applicable, by:
 - a. ensuring that workplaces, equipment, machinery and processes under each person's control are safe and without risk to health;
 - b. wearing required personal protective equipment; and
 - c. following applicable emergency operating procedures.
 - d. meeting sanitation requirements (for example use of specified sanitary facilities provided by their Employer/accommodation and not open areas).
 - e. using lawful and appropriate measures relating to chemical, physical and biological substances and agents;
5. Report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
6. Treat other people with respect, and do not discriminate against specific groups such as women, people with disabilities, migrant workers or children;
7. Not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with Contractor's Personnel (if applicable) or Client's Personnel;

8. Not engage in Sexual Exploitation, which means any actual or attempted abuse of a position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
9. Not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
10. Not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
11. Complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including health and safety matters, Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH);
12. Report violations of this Code of Conduct; and
13. Not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Client, or who makes use of a grievance mechanism for Experts, if any, or the project's Grievance Redress Mechanism.

RAISING CONCERNS

If any member of the PO observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

1. Contact _____ [*enter the name of the Participating Organisation's social expert with relevant experience in handling sexual exploitation, sexual abuse and sexual harassment cases, or if such person is not required under the Contract, another individual designated by the Participating Organisation to handle these matters*] in writing at this address [] or by telephone at [] or in person at []; or
2. Call [] to reach the Participating Organisation's hotline (*if any*) and leave a message.

The person's identity will be kept confidential unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action.

We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behaviour prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by a member of the Participating Organisation may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR PARTICIPATING ORGANISATION:

We, the Participating Organisation, have received a copy of this Code of Conduct written in a language that we comprehend. We understand that if we have any questions about this Code of Conduct, we can contact _____ [*enter the name of Client's contact person(s) with relevant experience*] requesting an explanation.

Name of Participating Organisation: [insert name]

Signature: _____

Date: (day month year): _____

Countersignature of an authorized representative of the Participating Organisation:

Signature: _____

Date: (day month year): _____

ATTACHMENT 1: Behaviours constituting Sexual Exploitation and Abuse (SEA) and behaviours constituting Sexual Harassment (SH)

ATTACHMENT 1 TO THE CODE OF CONDUCT FORM

BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA) AND BEHAVIORS CONSTITUTING SEXUAL HARASSMENT (SH)

The following non-exhaustive list is intended to illustrate the types of prohibited behaviors:

(3) Examples of sexual exploitation and abuse include, but are not limited to:

- A member of the Participating Organisation tells a member of the community that he/she can get them jobs related to the Services (e.g. cooking and cleaning) in exchange for sex.
- A member of the Participating Organisation that is connecting electricity input to households says that he can connect women-headed households to the grid in exchange for sex.
- A member of the Participating Organisation rapes, or otherwise sexually assaults a member of the community.
- A member of the Participating Organisation denies a person access to the Site unless he/she performs a sexual favor.
- A member of the Participating Organisation tells a person applying for employment under the Contract that he/she will only hire him/her if he/she has sex with him/her.

(4) Examples of sexual harassment in a work context

- A member of the Participating Organisation comments on the appearance of another Expert (either positive or negative) and sexual desirability.
- When a member of the Participating Organisation complains about comments made by another member on his/her appearance, the other member comments that he/she is “asking for it” because of how he/she dresses.
- Unwelcome touching of a member of the Participating Organisation or Client’s Personnel by another member.
- A member of the Participating Organisation tells another member that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.

**SEXUAL EXPLOITATION AND ABUSE (SEA) AND/OR SEXUAL HARASSMENT (SH)
PERFORMANCE DECLARATION**

[The following table shall be filled in for the Participating Organisation, each member of a Joint Venture and each subcontractor]

Participating Organisation's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member's or Subcontractor's Name: *[insert full name]*
RFP No. and title: *[insert RFP number and title]*
Page *[insert page number]* of *[insert total number]* pages

SEA and/or SH Declaration
<p>We:</p> <p><input type="checkbox"/> (a) have not been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.</p> <p><input type="checkbox"/> (b) are subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.</p> <p><input type="checkbox"/> (c) had been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations. An arbitral award on the disqualification case has been made in our favor.</p>
<p><i>[If (c) above is applicable, attach evidence of an arbitral award reversing the findings on the issues underlying the disqualification.]</i></p>

Annex 5: GRM Reporting Tool

GRM Reporting Tool

PART A. GRIEVANCE/FEEDBACK LOG IN

	Project District & Area	
	Date	
No	Grievance No.	
1	Grievance Redress Mechanism (GRM) Level (select as appropriate)	1. Community Grievance Redress Management Committee (CGRMC) 2. District Grievance Redress Management Committee (DGRMC) 3. Workers Grievance Redress Management Committee (WGRMC) 4. Project Grievance Redress Management Committee (PGRMC)
2	Name of the Grievance Redress Mechanism (GRMC) (Name as appropriate)	
3	Person Recording Grievance/Feedback	
3.1	Name of Person	
3.2	Position in GRMC	
3.3	Phone Number	
3	Person reporting grievance/feedback	
3.1	Name of Person	
3.2	Aggrieved or Representative?	
3.3	Role in NNNF Activities	
3.4	Phone Number	
4.	Details of Grievance/Feedback	
5	Has the Grievance/Feedback been reported elsewhere? If yes, give details.	
6	Has the Grievance/Feedback been referred from elsewhere? If Yes, give details.	
7	Initial Assessment of the Case	1. Accepted and to be handled by GRMC

		2. Referred to police/Court, others 3. Rejected, lacks credibility/substance
8	Signatures	
8.1	Signature of Person Recording/GRMC	
8.2	Signature of Person Reporting	
9	Name & Signature of Witness	
9.1	For the Complainant	
9.2	For the alleged perpetrator	
10	Dated Grievance/Feedback recorded	

PART B: ASSESSMENT, RESPONSE AND CLOSURE

S/No.	Grievance No.	
11	Composition of GRMC Assessing the 'Case'	
	Name of GRMC Member	Position in the GRMC
		Phone Number
		Signature
12	Case Assessment Approach (Specify as appropriate)	1. GRMC Meeting 2. GRMC confirmation visits 3. Hearing with the complainant 4. Full hearing with alleged accused party 5. Other investigations (Specify)
13	Details of GRMC Response/Resolution	
14	Response/Resolution Decision	1. Case resolved, closed 2. Case referral (Specify)
15	Signatures	

15.1	GRC Chair/Representative	
15.2	Aggrieved person/Representative	
15.3	Accused person/Representative	
16	Name & Signature of Witness	
16.1	For Aggrieved party	
16.2	For Accused party	
17	Date of Response/Resolution	

Annex 6: Capacity Building and Training Plan

QUESTIONNAIRE FOR TRAINING NEEDS ASSESSMENT

Section 1: Employee Information

1. Department: _____
2. Job Title: _____
3. Years of Service: _____
4. Level of Education: _____
5. Previous Training on Environmental and Social Issues: ☐ Yes
 ☒ If yes, please specify: _____ ☐
No ☐

Section 2: Knowledge and Awareness

1. How well do you understand the organization's environmental and social policies and procedures?
 - ☐ Very Well
 - ☐ Somewhat Well
 - ☐ Not Very Well
 - ☐ Not at All
2. Are you aware of the potential environmental impacts of the organization's activities and products?
 - ☐ Yes
 - ☐ No
 - ☐ Somewhat
3. What environmental impacts do you think are most relevant to our organization's activities and products? (Select all that apply)
 - Climate change
 - Water pollution
 - Air pollution
 - Waste management
 - Biodiversity conservation
 - Other (please specify): _____
4. Have you received any training on environmental issues related to our organization's activities and products?
 - Yes

- No

■ If yes, please specify:

5. How familiar are you with the organization's social responsibility policies and procedures?

- Very familiar
- Somewhat familiar
- Not very familiar
- Not at all familiar

6. What environmental and social impacts do you think are most relevant to our organization's activities and products? (Select all that apply)

- Human rights
- Labor practices
- Community engagement
- Health and safety
- Diversity and inclusion
- Other (please specify)

7. Do you know how your role contributes to or impacts the environment and society?

- Yes
- No
- Somewhat

8. Have you received any training on social responsibility issues related to our organization's activities and products?

- Yes
- No

■ If yes, please specify:

9. Are you aware of relevant environmental and social regulations and legislation?

- Yes
- No
- Somewhat

Section 3: Skills and Competencies

1. Do you have the necessary skills to identify and assess potential environmental and social risks associated with your work?
 - Yes
 - No
 - Somewhat
2. Are you able to effectively implement environmental and social best practices in your daily work?
 - Yes
 - No
 - Somewhat
3. Do you have the skills to monitor and report on environmental and social performance?
 - Yes
 - No
 - Somewhat
4. Do you feel confident in your ability to communicate environmental and social issues to others?
 - Yes
 - No
 - Somewhat

Section 4: Attitudes and Behaviours

1. Do you believe that environmental and social responsibility is important to the organization's success?
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
2. Do you feel personally responsible for contributing to the organization's environmental and social performance?
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
3. Do you actively seek ways to improve your environmental and social performance at work?
 - Always

- Often
 - Sometimes
 - Rarely
 - Never
- 4. Do you feel motivated to participate in environmental and social improvement initiatives?
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

Section 5: Training Needs

1. What specific training do you believe would be most beneficial to improve your understanding of environmental and social issues?
 -
 -
2. What skills or competencies would you like to develop further related to environmental and social impacts?
 -
 -
3. What are your preferred methods/ formats of training?
 - Classroom/ workshop training
 - Online training
 - On-the-job training
 - Coaching or mentoring
 - Self-paced learning
 - Other (please specify)
4. How often would you like to receive training on environmental and social impacts?
 - Quarterly
 - Bi-annually
 - Annually
 - As needed

Section 6: Other Comments

Please provide any additional comments or suggestions you may have regarding your training needs or suggestions for improving our organization's environmental and social responsibility practices.

Section 7: Training Program

The training will be conducted by Project Implementation Unit of the NNNF, Ministry responsible for Gender, Ministry of Labour (Department of Occupational Health and Safety). Table 1 presents a sample proposed training program.

Table 1: Training Programme

Day	Topic
Day 1	Environmental and Social Safeguards Screening
	E&S Legal and Policy Framework
	Project cycle and ESMS (including E&S clauses in project contracts)
Day 2	ESMS for NNNF (Project cycle and ESMS including E&S clauses in project contracts; Environmental and Social Risk Screening Categorization; Exclusion List Criteria; Grievance Redress Mechanism; Stakeholder engagement; Gender Based Violence and Waste (E-Waste) Management);
Day 3	Resource Efficiency and Pollution Control
	Stakeholder Engagement & Involuntary Resettlement
	Labour laws and working conditions
	HIV and AIDS and other STIs
	Gender Based Violence including SEA and SH
Day 4	E&S Project Monitoring
	Resettlement policies and procedures
	Identification of beneficiaries
	Occupational Safety and Health issues.
	Emergency Preparedness and Response

Annex 7: Budget for implementation of ESMS-related activities

S/No	Activity Description	Unit Cost (MK)	Unit of Measurement	Frequency	Total Cost (MK)	Total Cost (USD)
1	Environmental and Social Screening of NNNF activities	10,500,000	District	27	283,500,000	163,494.81
2	Environmental and Social Risk Assessment	10,500,000	District	27	283,500,000	163,494.81
3	Develop a training manual on environmental and social safeguards	2,000,000	Number of Manuals	5	10,000,000	5,767.01
4	Training and Capacity Building (POs, NNN Staff)	10,500,000	Frequency of Trainings	4	42,000,000	24,221.45
5	Stakeholder Engagement Activities	10,500,000		20	210,000,000	121,107.27
6	Handle grievances related to the implementation of NNNF activities	150,000,000	Lumpsum	Lumpsum	150,000,000	86,505.19
7	Compliance monitoring of E&S activities	10,500,000	Month	12	126,000,000	72,664.36
8	Develop environmental and social safeguards instruments where applicable including Waste Management Plans	10,500,000	No. of Plans	5	52,500,000	30,276.82
9	Documentation and Reporting	3,000,000.00	Month	12	36,000,000	20,761.25
	TOTAL				1,193,500,000	688,292.97

NB: Exchange Rate Used: 1USD=MK 1,734

Annex 8: Occupational Safety and Health Plan

1. Project Description

The Government of Malawi, with support from the World Bank, is preparing the Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) Project which will focus on increasing access to electricity and clean cooking in the country which will be implemented for 5 years starting in June 2025. The Ministry of Energy (MoE) and Electricity Supply Corporation of Malawi (ESCOM) Limited will be the main implementing partners.

Under the ASCENT) Project, The Ministry of Energy (MoE) has established the Ngwee, Ngwee, Ngwee Fund (NNNF) which will be used to implement Solar Home Systems and off-grid Solar systems for public institutions such as schools and Health Facilities. In addition, NNNF will be used to provide clean energy cooking solutions, primarily through the deployment of electric, liquefied petroleum gas (LPG), and pellet-based cookstoves, while supporting a sustainable, private-sector-driven clean cooking market throughout the country.

The implementation of NNNF-supported activities will likely lead to impacts and risks related to occupational health and safety (OHS) hence the need to develop an OHS plan.

2. Legal requirements

The Occupational Safety, Health and Welfare Act (1997) regulates work conditions with respect to the safety, health, and welfare of workers. The duty of ensuring the safety, health, and welfare of workers rests with the employer. However, every employee is required to take reasonable care for his/her own safety and that of other workers.

In compliance with the requirements of the Act, an Occupational Health and Safety Plan has been developed for use by all NNNF-supported activities. Furthermore, according to Section 58 (Part VI), all workers that will be involved in the installation of Solar Home Systems, off-grid solar systems, installation of clean cooking systems will be provided with appropriate personal protective equipment (PPE) and these will include work suits, industrial boots, hard helmets and gloves during the construction period.

In addition, all Participating Organizations (POs) shall ensure that a well-stocked First Aid Box is made available at the construction site or work site for use by workers as provided for under Section 33 (Part IV) of the Act. The First Aid Box shall be under the charge of a well-qualified person. In line with Part II, Section 6 of the Occupational Safety, Health and Welfare Act, the contractor shall also apply for the registration of the construction camp as a workplace.

3.0 Measures and Actions for Risk Prevention

3.1 Hazard Identification, Risk Assessment and Determining Controls

All POs will carry out hazard and risk assessments for each of the project activities. The results of these assessments will be incorporated into the hazard register of the

assessment of hazards and risks for the execution of the project. Hazard and risk assessments will be carried out for a given set of works or work areas. Risk assessment reviews are critical processes that must be completed before each activity on site. Project hazard and risk review sessions will be established and included in our planning. These sessions may include some or all of the following methods for managing hazards and risks.

A formal hazard review will be performed on any work that has the potential to affect or create a principal hazard. A principal hazard is associated with catastrophic risk and has the potential to cause multiple fatalities, or significant environmental damage or to adversely affect the plant operation.

3.1.1 Critical Works

Critical works are those that have a high potential of causing serious incidents. The following works fall into the category of critical works:

- Working at height;
- Excavations ($\geq 1,5\text{m}$)
- Hot works;
- Confined space works;
- Lifting operations.

All critical works will be issued a work permit by the safety officer before commencement, when necessary.

3.1.2 Hierarchy of Risk Control

Following hazard assessment, possible remedial measures must be defined for situations of excessive risk. A hierarchy of control measures to eliminate or minimise the risk should be followed in the following order of priority:

Firstly, try to eliminate the hazard. If this is not possible, prevent or minimise exposure to the risk by one or a combination of:

- Substituting a less hazardous material, process or equipment;
 - Redesigning equipment or work processes Isolating the hazard.
- (Note: These measures may include engineering methods)

As a last resort, when exposure to the risk is not (or cannot be) minimized by other means:

- Introduce administrative controls; and
- Use appropriate Personal Protective Equipment (PPE).

3.1.3 Remedial Action Items

The Hierarchy of Control will be used when deciding upon the action to be taken to eliminate or reduce the risk of a hazard. The most appropriate form of control is elimination with the least effective being the PPE.

3.1.4. Initial risk assessment

Risk analysis will be required and done for all activities.

It is developed with the document risk and opportunities register.

4. Implementation and Operation

4.1 Resources, Roles, Responsibility, Accountability and Authority

An organizational chart detailing the management structure for the project shall be compiled as required by the Health and Safety specification. All the activities will be defined, namely resources, roles and responsibilities on the Method Statements for each activity.

The project leaders shall provide strong, visible leadership and commitment, and ensure that this commitment is translated into the necessary resources, to develop, operate and maintain the Health and Safety Management System and to attain the policy and strategic objectives. Management shall ensure that full account is taken of QHSE Policy requirements and shall provide support for all actions taken to protect health and safety.

All project leaders will create and sustain a project culture that supports the health and Safety Management System based on:

- Giving Health and Safety priority status over other primary project objectives. Management through effective leadership shall visibly recognise and reward when and where this is successfully applied. Clear guidelines and supporting behaviours shall be established to enable management to act without hesitation in support of this strategy;
- Belief in the management's desire to improve health and safety performance. Targets shall be set for improvement in all areas of Health and Safety. These targets will necessarily include both input (lead) indicators and output (lag) indicators. Some characteristics of the effective performance indicators that fully support and guide the implementation of the Project Health and Safety System are: "measurability", "trend ability" and "target ability".
- Acceptance of individual responsibility and accountability for health and safety performance. Health and safety performance shall be included as a factor in the appraisal and reward of staff. Expected health and safety performance and behaviours for individuals shall be established. The consequences of success or failure to achieve these performance and behaviour expectations shall be clearly defined and the application of these outcomes demonstrated.
- Participation and involvement at all levels in the health and safety process development. Employees of both the project and its subcontractors will be involved in the creation and maintenance of such a supportive culture;
- All the Subcontractors that will be engaged under the NNNF shall be compiled on the Project Subcontract Appointment Register and this document shall be the base for the induction planning for subcontractors.

All project leaders shall pursue effective leadership through:

- Ownership
- Planning of tasks and resources within the framework of policy and objectives
- Resource allocation;
- Assignment of responsibilities; authority and accountability (standards, job descriptions);
- Support for innovation (reward for innovation);
- Coordination of planning across the project and agreed delegation of actions (action planning process);
- Ensuring that decisions are followed through and performance assessed against predetermined criteria (Project Management Review Group, close out of actions and KPIs);
- Determining the effectiveness of the project's management system (management review – progress reports);
- Identifying, planning and implementing opportunities for improvement (audit schedule, actions plan);
- Communication of the project values and policies unambiguously throughout the organisation and ensuring understanding and acceptance of these (letters and workshops);
- Ensuring that all work is done safely; being prepared to delay or stop activities where controls are not in place to manage identified hazards or unsafe conditions exist where there is a danger to the persons concerned or others;
- Ensuring that employees identify hazards and plan work before commencement to ensure that it is carried out safely.

Safety Culture and Leadership

- Leadership plays a crucial role in instilling a safety culture;
- Visible felt leadership in H&S motivates employees to take part in H&S.

What employees expect from leadership

- If you stop a task for a safety reason, we will back you up;
- If you bring up a safety concern, we will address it promptly. It will not go into a black hole.
- If there is an injury, we will conduct an Incident Investigation in such a way that the person is NOT blamed. We need to learn so that we can eliminate the next injury.

What message should leadership convey to employees:

- If it is not safe, do not do it, and do not have your co-worker do it either;
- If you see something that is unsafe, speak up immediately, there and then, to your supervisor, no matter whom - no matter what;

- If you are not sure of something or do not understand something, speak up and ask.

4.2. Competence, Training and Awareness

The goal of health and safety training is to provide a mechanism for employees under NNNF-supported activities to understand health and safety hazards, and how to protect themselves and others. Safety and health training programs include determining the training needs of employees. All of the training is designed for the type of work and potential hazards employees may be exposed to. All employees will be thoroughly trained to perform their jobs safely and productively. Employee training will be documented and reviewed as necessary to ensure consistent safe and healthy work practices. All training will be recorded on the Attendance Register.

4.3 Induction

Induction courses are presented to the individuals who partake in the activities of the project. All individuals will be requested to sign a compliance register on the Attendance Register at the end of the induction course. Course material is presented to the individuals for constant personal repetition and inquiry prevention.

4.4 Safety Meetings

The project safety team is a group that represents the interests of workers throughout the worksite. The team will include the most senior person in each discipline alongside a worker representative. Any day-to-day problems that are reflected in the safety management system must be immediately reported to the responsible persons.

4.5 Competence, Training and Awareness

The goal of health and safety training is to provide a mechanism for employees to understand health and safety hazards, and how to protect themselves and others. Safety and health training programs include determining the training needs, involving our employees in the program design and implementing the training.

All the training will be designed for the type of work and potential hazards employees may be exposed to and all employees will be thoroughly trained to perform their jobs safely and productively. Employee training will be documented and reviewed as necessary to ensure consistent safe and healthy work practices. Training topics will be changed according to the progress of the work and the relevant safety-related events identified on the work fronts.

4.6 Induction

Induction courses will be presented to the individuals who will partake in the activities of the project. All individuals will be requested to sign a compliance register on the Attendance Register at the end of the induction course. Course material will be presented to the individuals for constant personal repetition and inquiry prevention.

4.7 Safety Meetings

Safety committee meetings will be conducted monthly. The minutes of the meetings will be distributed to all participants as well as to all non-present personnel to ensure communication with all personnel on the worksite.

4.8 Toolbox Talks

Each day before the start of work, a Toolbox talk will be held. All site personnel will be involved in these meetings where the issues arising at other management and safety meetings will be communicated. Toolbox meetings will focus on discussion on hazards specific to the assignment or work as well as any recent incidents in the workplace.

The themes will be changed according to the progress of the work and the relevant safety-related events identified on the work fronts.

4.9 Communication, Participation and Consultation

In the monthly report, the Safety and Health, Monitoring Report will be presented with all information related to safety and health performance. Communication on issues related to safety management is one of the fundamental elements to promote a safe working environment on the project site. Regular structured meetings are necessary to ensure that effective communications take place between project management and workers.

4.10 Housekeeping

- Site work should be performed during daylight hours.
- Good housekeeping must be maintained at all times in all areas of the project.
- Common paths of travel should be established and kept free from debris or the accumulation of materials.
- Keep access to aisles, exits and emergency equipment free from any obstruction.
- Specific areas should be designated for the storage of materials
- Tools, equipment and materials shall be stored in an orderly manner.
- As work progresses, unessential materials must be neatly stored or removed from the work area.
- Waste shall be removed from the site area and disposed of correctly.
- All spills shall be quickly cleaned up.

4.11 Personal Protective Equipment

The project and its subcontractors must provide their workers with PPE in accordance with the client's requirements. The following should form part of the PPE:

- Mechanical protection helmets;
- work suit/ coverall;
- High visibility vests;
- Protective Gloves;

- Dust Masks;
- Ear Protector;
- Boots;
- Eye protectors where drilling or grinding will be done;
- PPE identified in the risk assessment of the activity to be carried out, e.g. use of adequate hearing protection when using vibrating plates.

The distribution of PPE to workers, subcontractors or visitors must be documented in the PPE distribution form, ensuring that the people who received PPE will be informed about the use, maintenance and limitations of the delivered PPE.

4.12 First Aid Management

POs (and their sub-consultants where applicable) will take all possible measures under the circumstances to ensure that in the event of an accident or emergency, workers receive first aid immediately.

One or more first aid boxes will be made available in or near workplaces. These (s) must be accessible for the provision of first aid to victims in the workplace. Considering the type of expected accidents, the nature of the activities carried out, and the number of workers in the places and work, the project must ensure that the contents of the first aid boxes are in accordance with the minimum and adequacy required by local legislation.

The place where the first aid box (s) will be located will be duly and clearly marked, as well as the identification of the person responsible for the same. All injuries involving cuts, open wounds or the like occurring in places where dangerous, toxic, corrosive or similar substances and/or preparations are manufactured, processed, used or handled, must be reported and the victim cannot resume before the wound has not been washed at least with water and soap or diluted disinfectant.

4.13 Existing Overhead and Underground Services

Plan and manage work near electric overhead power lines so that risks from accidental contact or close proximity to the lines are adequately controlled. Safety precautions will depend on the nature of the work and will be essential even when work near the line is of short duration. Safety can be achieved by a combination of measures:

- Planning and preparation
- Eliminating the danger
- Controlling the access
- Controlling the work

Way leaves must be obtained from the electrical department if work is to be performed in an area that has underground electrical cables. Risk assessment must be carried out to identify all potential risks.

4.14 Intoxicated persons

- Subject to Local Legislation, a PO or subcontractor, as the case may be, shall not permit any person who is or who appears to be under the influence of intoxicating liquor or drugs, to enter or remain at a workplace.
- Subject to Local Legislation, no person at a workplace shall be under the influence of or have in his or her possession or partake of or offer any other person intoxicating liquor or drugs.
- a PO or subcontractor shall, in the case where a person is taking medicines, only allow such person to perform duties at the workplace if the side effects of such medicine do not constitute a threat to the health or safety of the person concerned or other persons at such workplace.
- The consumption of and possession without permission of any intoxicating substance, excluding prescribed medication and then only when certified by a medical practitioner, is prohibited by the provisions of the company policy.
- When an employee is found to have the substance in their possession, they will be taken to the police station for investigation.
- When an employee is found to be under the influence of substances, he/she will be taken to hospital for medical examination.
- Any employee who is found to have exceeded the company's legal blood concentration levels will be disciplined in line with the company's business code of ethics.

5.0 Emergency and Contingency Plan

As per the Emergency Response, Incident, Investigation and Reporting Procedure, the site accident and incident plan incorporates the technique of search and rescue and first aid application. a PO or subcontractor has to ensure that is defined and communicated where the nearest hospital or clinic is located and the emergency contact number.

All employees entering a site shall have completed and hold a valid Induction, in accordance with the Attendance Register at the end of the induction course. All people other than project employees entering a site shall complete the Visitors Entry Control. Visitors to any project-controlled work area must comply with the health and safety requirements as stated to them.

5.1 Public Safety

Care will be taken regarding access control of the construction site or workplace, which will be maintained during the construction activities. Sufficient hoarding will be placed around the project site with the necessary symbolic safety signs posted. Unauthorized personnel will not be entertained within the area of responsibility during installation activities.

5.2 Community Safety

There is a need to establish and maintain an effective health and safety management system for the communities around the project sites or workplace ensuring the following key requirements:

- Structural Safety of Project Infrastructure;
- Life and Fire Safety (L&FS);
- Traffic Safety;
- Communicable Diseases;

Community Notification if a local community may be at risk from a potential emergency arising at the facility with details of the nature of the emergency including protection details.

6.0 Monitoring Program

If the client requires it or the local legislation defines it, all employees shall undergo a medical fitness evaluation specific to the construction work to be performed, and such evaluation shall be performed by an occupational health practitioner.

All substances should be classified according to the severity of the risk they pose. The health and safety indicators will be registered on the Safety Health Status Report.

POs shall subject their OHS activities to monitoring by the Fund Manager, Department of Occupation Safety, Health and Welfare, and Malawi Environment Protection Authority to ensure compliance with the relevant national and local legislation and any other requirements.

POs shall introduce a Safety Health and Environment (SHE) Compliance Register that will be used as a guideline and the compliance status of each requirement will be entered into 'the compliance status column'. Where non-compliance is reflected, this must be raised as a non-conformance in the Non-conformance System and the procedure for corrective and preventive measures followed.

An incident reporting and investigation will be in accordance with the Emergency Response, Incident, Investigation and Reporting Procedure and recorded on the incident investigation Report, focusing on:

- A process to review the effectiveness of incident investigation action plans
- The conducting of first-aid needs and emergency response risk assessments
- A return-to-work program (restricted duties)
- A rehabilitation programme
- Trauma counselling
- Processes to ensure the appropriate authorities are notified in the event of a reportable incident.

Annex 9: Incident Reporting Template

Reported by:	
Name:	Department:
Email:	Phone:
Date of Occurrence:	Time:
Exact Location:	
Type of incident	
Accident <input type="checkbox"/> Incident <input type="checkbox"/> Near Miss <input type="checkbox"/> Theft <input type="checkbox"/> Ill Health <input type="checkbox"/> Safety <input type="checkbox"/> Environmental Safety (waste <input type="checkbox"/> , dust <input type="checkbox"/> and noise <input type="checkbox"/> Violence (Gender based <input type="checkbox"/> , Sexual Assault <input type="checkbox"/>)	
Is the incident reportable through the Environment and Social Incident Response Toolkit Yes <input type="checkbox"/> No <input type="checkbox"/>	
Police notified Yes <input type="checkbox"/> No <input type="checkbox"/>	Investigation required Yes <input type="checkbox"/> No <input type="checkbox"/>
What happened? Report any details that may have contributed to the incident (ie. Poor lightning). Use additional paper as necessary and attach it to the form.	
What caused the incident?	
Describe the outcome: harm/health effects/ damage.	
Describe the corrective measures taken to address immediate hazards related to the incident	
Provide further recommendation	

ESIRT : This is an Environment and Social Incidents Response Toolkit which is intended to assist Task Teams in addressing incidents that occur during the implementation of World Bank's Investment Project Financing (IPF) projects and to advise Borrowers on their response to such incidents.

Annex 10: Issues raised during consultations

Issues Raised During consultations included

SN	Comment
	Issues or comments raised by District Councils
1	People wanted to know the difference between ASCENT MP and MAREP.
2	People wanted clarity on how issues of compensation will be handled during the implementation of the NNNF
3	People wanted to know the number of targeted households and institutions and the criteria that would be used to select beneficiaries.
4	People wanted to know if part of the NNNF would be used to improve some existing solar-powered institutions such as Health Centres.
5	People wanted to know why the Fund Manager was an international Company, not a local company.
6	What will be the role of the Council in the implementation of the NNNF and ASCENT Project?
7	POs need to be properly managed and sensitized to ensure that workers do not abuse vulnerable households through Sexual Exploitation and Abuse.
8	Local structures at the District Council Level such as VDC and ADCs need to be well-sensitized about the project before service providers go to the areas.
9	District Councils should be given a chance to choose institutions that need to be connected rather than targeting Schools and Health Facilities.
	Issues or comments raised by POs
1	POs are struggling to convince international suppliers of equipment to agree to Take Back Policy for obsolete equipment because of the cost associated with it and the quantities are not good enough to motivate them to agree to that. However internally (within Malawi) POs agree with households to return any obsolete equipment.
2	POs should be advised to use Lithium Batteries rather than lead batteries because of the environmental and health risks associated with lead batteries.
3	There is usually a mismatch between specifications in the documents and the actual installed equipment.

4	POs should be provided with financial and technical resources to implement E&S activities.
5	The incentive of 20 USD per installation is too low and has to be revised.