



1. CAS Data		
Country: Malawi		
CAS Year: FY13	CAS Period: FY13 – FY17	
CLR Period: FY13 – FY17	Date of this review: April 22, 2021	
2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
WBG Performance:	<i>Fair</i>	<i>Fair</i>
3. Executive Summary		
<p>i. This review of the World Bank Group’s (WBG) Completion and Learning Review (CLR) covers the period of the Country Assistance Strategy (CAS), FY13-FY17. The CAS was updated and extended for one year to FY17 in the Performance and Learning Review (PLR) dated March 25, 2015. The WBG has been operating without a strategy since FY17.¹ The CLR does not cover significant developments during the period FY18-FY20. The CLR and IEG’s validation use the updated results framework at the PLR to assess the Bank Group’s program in Malawi.</p> <p>ii. Malawi is one of the poorest countries in the world.² It is an agrarian landlocked country, with a population of 18.6 million (2019) growing at 3 percent per year. Between 2013 and 2017 real GDP and real per capita GDP grew at 4.0 and 1.2 percent per year, respectively. The poverty headcount ratio at the national poverty line was 51.5 percent in 2016, slightly above the 50.7 percent in 2010. The Gini index (World Bank estimate) stood at 44.7 in 2016, below its 2010 level of 45.5. The Human Development Index improved from 0.441 in 2010 to 0.47 in 2015 and to 0.477 in 2017. During the review period, Malawi faced several challenges including the governance and public financial management crisis in September 2013 (known as “cashgate”)³ and two natural disasters- the flooding in 2015 which affected half of the country and the drought in 2016. The “cashgate” led to temporary suspension of donor budget support and sharp reduction in disbursement of aid funds through government systems with the consequent impact on the fiscal deficit.</p> <p>iii. The FY13–FY16 CAS supported selected priorities of the Second Malawi Growth and Development Strategy (MGDS II 2011-2016), which had six thematic areas and nine key priority</p>		

¹ Per the CLR, the preparation of a new CPF was put on hold due to several factors including delays related to the preparation of the SCD and the country’s contested election in 2019. Preparation of a new CPF was resumed in 2020 with the decisive victory of the Tonse Alliance. During 2018-2020, the Bank Group continued to operate and committed new financing amounting to \$1.0 billion on the basis of the CAS. See Annex F of the CLR.

² According to WDI, Malawi is the second poorest country in the world in 2019 by per capita GDP.

³ In September 2013, the theft of public resources by a group of government and non-government individuals was exposed following the attempted assassination of a Ministry of Finance official. It was revealed that a high-level syndicate had gained illegal access to the national payment system and stolen public funds worth over US\$50 million. Source: PLR of the CAS for the Republic of Malawi for the period FY13-FY16, Report No. 95178, March 25, 2015, pp. 1-2

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areas. The CAS sought to promote sustainable, diversified, and inclusive growth (Focus Area I), enhance human capital and reduce vulnerabilities (Focus Area II), and mainstream governance for enhanced development effectiveness (Focus Area III). These focus areas were aligned with the MDGS II and addressed challenges identified in the MGDS II, the Bank's Africa Region Strategy, and verified through stakeholders consultations and surveys of about 600 representative clients. These challenges were identified by the Systematic Country Diagnostic (SCD) of Malawi (FY19) as central to growth and reducing poverty.

iv. At the start of the CAS period, IDA's outstanding commitments were US\$552 million for 13 investment operations. During the FY13-FY17, approved new commitments were US\$1,011 million, above the planned amount of US\$375 million in the PLR. The additional lending went to budget support for US\$180 million and to finance investment projects for US\$831 million. The new lending went to social protection and jobs (23 percent), social, urban, rural and resilience (18 percent), macro, trade and investment (18 percent), agriculture (17 percent), education (5 percent), digital development (7 percent), transport (7 percent) and health, nutrition and population (2 percent). The program can be characterized as dispersed. Trust funds (20) for US\$360 million financed projects and technical assistance; 15 of them for US\$357 million supported investment projects; the four largest funds accounted for 78 percent of the total, financing projects in education (US\$180 million) and agriculture. At the start of the CAS period, IFC had two active Advisory Services (AS) projects in manufacturing, agribusiness and services for US\$1.1 million. During the CAS period, IFC approved one AS project for US\$1.1 million and, together with the World Bank, managed US\$7.7 million in seven Advisory Service projects

v. Under the Malawi CAS for FY13-FY17, the WBG supported the government to address some of the problems behind the country's high poverty levels. The program had seven objectives and covered a wide set of issues ranging from the transparency of resource flows to economic management, ease of doing business, access to quality education, reliable nutrition and HIV/AIDS services, resilience for poor communities, and public sector performance. The program lacked selectivity and the results framework lacked coherence undermining its ability to reduce extreme poverty and promote shared prosperity. The World Bank and IFC worked together in two objectives but the extent and quality of their cooperation is unclear. The WBG identified the program's risks well and made transitory adjustments to them, but none of the adjustments were substantive; the larger volume of lending and the program's structure were not affected by the "cashgate" scandal. The program helped to improve access to nutrition programs, HIV/AIDS services, water and sanitation services, and to enhance the communities' capacities to deal with floods and risks of disasters. The program failed to enhance governance and to promote sustainable, diversified, inclusive growth.

vi. IEG rates the CAS development outcome as **Moderately Unsatisfactory**. On Focus Area I, more people had access to financial products, and regulations on export products and the difference between budgeted expenditures and outturns fell. However, electricity losses rose, the financial cost of starting a business fell but not the time required to register a business, and it is unclear if macroeconomic management improved. On Focus Area II, nutrition programs, HIV/AIDS services and water supply and sanitation increased their coverage, and poor communities became more resilient to climate change and natural disasters, but in primary education survival rates fell. On Focus Area III, a computerized cadaster system was put in place and a public reporting of mineral sector revenues was made compulsory but there was no online access to it. There was no progress in the audit function, access to IFMIS by sub-national governments, reconciling the government's MG1 accounts at the Reserve Bank and raising transparency and accountability in the top-spending ministries and agencies.

vii. **IEG rates WBG performance as Fair**. The WBG program had relevant objectives and its active and closed portfolio performed well, but its overall results were modest. The program made progress in addressing key constraints to raising living standards, such as weak governance and low agricultural productivity. Its ambitious scope with compound objectives did not align with the



interventions and government capacity to deliver. Its indicators were excessive and did not measure the substance and achievement of objectives. The program can be characterized as dispersed. Compliance with safeguards was satisfactory overall, despite some weaknesses during project implementation. No inspection panel cases were registered. The PLR envisaged consolidation of the program, but that did not materialize. Some adjustments were made, such as extending the CAS period for one year to FY17 and revising some results indicators. By the end of the review period, total lending had doubled planned amounts.

viii. The CLR's most relevant findings and lessons are summarized as follows. One, governance and political economy trap is at the core of the slow progress on reform and growth. Two, there was no progress on prioritizing and being more selective, which the CAS had stressed as important. Three, the WBG can use its instruments better; in particular, it can: (a) use AAA for policy and program analysis to support DPO; and (b) use DPO for structural support while IMF arrangements can support macroeconomic stability.

ix. The review agrees with the CLR's findings and lessons and adds the following: (a) Casting a wide net over Malawi's many problems is likely to divert attention from the fundamental ones; (b) Poor quality design affects selectivity and poor selectivity harms design quality; both should be considered jointly; and (c) Improving governance and agricultural productivity requires sustained government ownership of goals and having long-term vision and discipline in executing economic policies.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Relevance of Country Program to Country Context.** The CAS/PLR objectives were congruent with the country's context and development challenges. Malawi is a landlocked country with limited integration to the regional economy. Its economy is dominated by agriculture, weak export base, population growth of 3 percent per year, and recurring cycles of weak governance and institutions. About 95 percent of the poor live in rural areas. According to the 2019 Systematic Country Diagnostic of Malawi: *Breaking the Cycle of Low Growth and Slow Poverty Reduction*, political and economic incentives in Malawi have promoted activities that generate high rents and have limited growth opportunities, stunting private sector growth in more complex and export-oriented industries. Weak governance and institutions encouraged corruption (e.g., the "cashgate" scandal), reinforced the country's vulnerability to shocks and contributed to cycles of corruption, scandals, economic crisis and food insecurity. These barriers made it difficult to reduce poverty when the economy was growing and explains why poverty fell little in Malawi compared with Sub-Saharan Africa.

2. The CAS/PLR objectives were aligned with the government strategy and priorities, focusing on sustainable, diversified and inclusive growth (Focus Area I), enhanced human capital and reduced vulnerabilities (Focus Area II), and mainstreamed governance for enhanced development effectiveness (Focus Area III). Addressing poor governance was essential, a serious problem exemplified by the "cashgate" scandal which exploded nine months after the CAS was approved. The program supported specific thematic outcomes under the government's strategy. For example, the sustainable, inclusive and diversified growth theme included increased productivity and commercialization of agriculture and sustainable management of water resources; the human capital and vulnerabilities theme included access to quality education, reliable nutrition, HIV/AIDS services and water supply and sanitation services. The governance theme included enhanced transparency on resource flows and service delivery and better public financial management (PFM), procurement, and enhanced statistics. The program, however, lacked selectivity and had overly ambitious scope and weak design.

3. **Relevance of Design.** The program's focus areas and objectives were aligned with government priorities. However, the focus areas were too broad in scope, the objectives were too



multifaceted, and the number of results indicators was excessive, and some were inadequate to measure achievement of objectives and sometimes were not linked to the interventions. The objectives, interventions and results reflect an excessively dispersed program given the limited resources the Malawi Country Office had to implement and monitor it. While World Bank and IFC interventions contributed to the program, their selection and deployment suggests underexploited synergies.

Selectivity

4. The Bank Group program lacked selectivity. The program covered a broad array of areas covering seven objectives. Of the seven objectives, some were compounded or comprised several dimensions, indicating a program with an even larger scope and less selective. The program could have been more selective by focusing on core constraints to the country's development: agriculture and environment and governance and public financial management. . The number of results indicators and their quality varied substantially across objectives, making it difficult to assess achievement of objectives.

Alignment

5. The CAS objectives were aligned with the 2013 WBG corporate goals of poverty reduction and shared prosperity. Focus Area I supported reducing poverty through higher agricultural productivity, better management of water resources, and less macroeconomic volatility and lower costs of doing business. Focus area II supported access to quality education, reliable nutrition, HIV/AIDS services, resilience to climate change and enhanced capacity to deal with disaster risk, most of which affect the poor. Focus area III addressed issues of governance, seeking to ensure a better use of resources by all levels of government.

5. Development Outcome

Overview of Achievement by Objective

6. This assessment follows the IEG-WBG Shared Approach on Country Engagement and considers the degree to which the CAS objectives (named outcomes in the CLR results matrix) are achieved. To assess development outcomes this review uses the PLR results framework. In line with the shared approach, the review applies the terms "focus area" and "objective" rather than the CLR's "theme" and "outcome". To assess achievement of objectives, the review distinguishes between achieving the targets for the indicators and achieving the objective. The targets may be achieved while the objective may not be if results indicators are insufficiently relevant to measure its achievement. Evidence beyond the indicators can be taken into account in assessing achievement of objectives.

Focus Area I: Promoting Sustainable, Diversified and Inclusive Growth

7. Focus Area I had three objectives: (i) improved macroeconomic management; (ii) improved ease of doing business; and (iii) Increased productivity and commercialization of agriculture and sustainable management of water resources for multiple uses. Annex Table 1 lists the sources of information for the results indicators discussed below.

8. **Objective 1: Improved macroeconomic management.** The World Bank Group supported this objective with a Rapid Response Development Policy Grant (FY13), an Economic Recovery Development Policy Operation (DPO, FY13), an Agricultural Support and Fiscal Management DPO (FY17); a Country Economic Memorandum, a Public Expenditure Review (FY15); and an Economic Monitor (FY16) . The objective had one indicator.

- Variance in primary expenditure between approved and actual outturn Baseline: 9.2 percent in 2012. Target: 5 percent in FY17. The indicator measures well the management of primary expenditure, a subset of issues related to macroeconomic management. The indicator does



not measure the quality of macroeconomic management, which focuses only on primary expenditure, a narrower target. The indicator was monitored under the Economic Recovery DPO, whose ICRR reported that the variance widened when the credit closed in FY14; from this standpoint the indicator was not achieved. More recent information shows that in FY17 the variance between approved and **actual** expenditure outturn fell to 1.5 percent, better than the 5 percent target; the information refers to total expenditure, not primary expenditure as stipulated by the results indicator. Aggregate public expenditure management improved, as two Public Expenditure and Financial Accountability (PEFA) reports of the PEFA secretariat show, with the score rising from B in 2011 to A in 2018. Because budget management is only one aspect of macroeconomic management; the objective was misaligned with the results framework and should have been specified more narrowly. The improvement cannot be wholly attributed to the first DPO which tracked the indicator nor to the policy grant since IMF's Extended Credit Facility also covered the issue. The agricultural DPO may have contributed to the lower variance as one of the actions it supported was to reduce the number of civil servants on payroll after exiting employment from 8004 to less than 500; the result was achieved (ICR00005158, par. 58). *Achieved*

Achieving the result does not mean that macroeconomic management improved or that internal and external balance was restored. The First review of the arrangement under the IMF's Extended Credit Facility for Malawi concluded that performance was satisfactory, but the target on the primary fiscal balance was missed due to expenditure overruns (IMF Country Report No. 18/336, p. 1). Moreover, debt levels and debt service rose between 2012 and 2017: total public debt from 40 to 55 percent of GDP and debt service from about 10 percent of revenue and grants to 40 percent. Some results for macroeconomic management (e.g., debt and the deficit) deteriorated, although primary expenditure exceeded its target. The indicator selected did not measure well the achievement of the objective. IEG rates Objective 1 as **Partially Achieved**.

9. **Objective 2: Improved ease of doing business.** The World Bank Group supported this objective with eight World Bank financed projects [Agriculture Sector Wide Approach Support Project (FY08), Energy Sector Support Project (FY11), Malawi Economic Recovery DPO (FY13), Skills Development Project (FY14), Regional Communication Infrastructure Project Phase 3 (FY15), Southern Africa Trade and Transport Facilitation Program (FY15), Regional Accelerated Program for Economic Integration (FY16), and Digital Malawi Project (FY17)]; three TA projects [Infrastructure PPP (FY14); Business Environment Strengthening (FY07), Financial Sector (FY11)]; the Malawi Growth and Competitiveness ESW (FY17); and IFC's Malawi Water PPP, Credit Reporting Project (FY17), Malawi Trade Program, AS: Malawi STCR (FY14), and AS-Malawi Investment Climate Program. The objective had 12 indicators:

- Cost to formally start a business. Baseline: 83.7 percent of income per capita in 2012. Target: 75 percent FY2017. The Doing Business report (DB, 2018) informs that the actual cost fell to 45 percent of per capita income. *Achieved*.
- Number of days taken to formally start a business. Baseline: 39 days in 2012. Target: 30 days in FY2017. The Doing Business report (2018) informs that the number of days fell to 37. *Not Achieved*.
- Percent of the adult population that is formally banked. Baseline: 19 percent in 2011. Target: 40 percent in FY2017. FinDev Gateway reports that in 2017, 34 percent of adults nationwide age 15+ had an account at a financial institution or through a mobile money provider. ([Malawi | FinDev Gateway](#), taken 1/14/2021). The Implementation Status Report (ISR) for a Financial Sector TA project reports that nationwide the percentage of adult population formally banked increased to 33 percent. *Mostly Achieved*.
- Proportion of women within the adult population that is formally banked. Baseline: 17 percent in 2011. Target: 30 percent in FY2017. FinDev Gateway reports that 30 percent of



female adults nationwide age 15+ had an account at a financial institution or through a mobile money provider in 2017. ([Malawi | FinDev Gateway](#), taken 1/14/2021). *Achieved*.

- Annual electricity losses [distribution] per year in the project areas. Baseline: 17.4 percent in 2012. Target: 14% in FY2017. The available information shows that the Electricity Supply Commission of Malawi (ESCOM) had losses of 18 percent in December 2016. The July 2017 ISR for the Electricity Project reports that electricity losses in the project areas had increased to 25 percent. *Not Achieved*.
- Power capacity deficit (gap between system capacity and peak-load) reduced. Baseline: 283 MW in 2012. Target 354 MW in 2017. A report from the Electricity Supply Corporation of Malawi (ESCOM) shows that the installed power capacity was 365.2 MW in 2016, above the 354 MW target. The number is the latest available information within the CAS period and shows that capacity increased. The indicator description refers to a *gap* between peak demand and power capacity, but the indicators selected are inappropriate to measure the gap. *Not Verified*.
- Increased use of public-private partnerships (PPP) in infrastructure. Baseline: 5 PPP schemes in place in 2012 –rail, lake, immigration, road traffic, cargo handling) Target: 9 PPP schemes in place FY17. The CLR reports that by FY17 there were 5 schemes completed, 2 at contracting stage and 4 at planning stage. The CEO of Malawi's PPP Commission confirmed the information via e-mail. The target of 9 was not met. *Not Achieved*.
- One-stop border post (OSBP) at Songwe and other locations. Baseline: not implemented. Target: Implemented in FY 2017. The ISR#14 for the Southern Africa Trade and Transport Facilitation Project reports that by December 2020 the one-stop border post had not been established at Songwe or any other location. *Not Achieved*.
- Number of export products requiring an export permit (reduce to strengthen policy uncertainty). Baseline: 25 items in 2013. Target: 8 in FY2017. By FY17 the number had fallen to 10 according to a press release by the Ministry of Industry and Trade. *Mostly Achieved*.
- Number of agencies operating at border (Mwanza and Songwe) reduced to shorten delays. Baseline: 14 in 2013. Target: at most 10 in FY 2017. The CLR reports that by FY17 the number of agencies had fallen to 10, reaching the target. IEG could not verify the information. *Not Verified*.
- Student intake in tertiary education. Baseline: 117 per 100,000 inhabitants in 2012. Target: 166 per 100,000 inhabitants in FY2017. Data from the Ministry of Education, Science and Technology (Malawi Education Statistics 2017/2018) show that the number of students nationwide increased to 141 students per 100,000 inhabitants. *Partially Achieved*.
- Number of recommended laws/regulations/amendments/ codes enacted, or government policies adopted. Baseline: 0 in 2015. Target: 2 in 2016. The number reached 6, exceeding its target. *Achieved*.

The large number of indicators reflects the number of activities grouped under this objective. The activities do not represent a coherent strategy to achieve the objective. Some activities had more impact (e.g., electricity) than others (e.g., formal banking); quantity does not replace quality, obscures what is relevant and does not help measure the achievement of the objective due to the supported efforts. The indicators do not measure well achievement of objectives. Of the three indicators achieved (cost to formally start a business, proportion of women formally banked, number of laws enacted) none measures well the achievement of the objective. The program mostly achieved the targets for two other indicators, partially achieved them in two, and did not achieve them in four. IEG could not verify progress with one indicator. The financial cost of starting a business fell but the number of days to start eon barely changed. The country expanded its capacity



in electricity but distribution losses in the system increased. Fewer products require an export permit and fewer agencies are operating at the border; the one-stop border post was not implemented. The number of regulations (laws, permit, etc.) adopted exceeded the target; but number alone does not mean that doing business is easier. Last, student intake in tertiary education rose less than expected. **IEG rates Objective 2 as Partially Achieved.**

10. **Objective 3: Increased productivity and commercialization of agriculture and sustainable management of water resources for multiple uses.** The World Bank supported this objective (which is, in effect two distinct objectives) with six projects on infrastructure (FY06-13), irrigation (FY06 and additions up to FY15), agricultural productivity (FY13) and commercialization (FY17), agriculture SWAP (FY14-17), four IFC projects and advisory services, four ASA (expenditure and urbanization reviews FY15, growth and competitiveness, FY17 and drivers of services FY17), and two trust funds (one for the SWAP project and one GEF for agriculture development program). The objective had eight indicators:

- Average national maize yield (mt/ha). Baseline: 1.9 mt/ha in 2012. Target: 2.1 mt/ha in FY17. The yield was 2.0 metric tons per ha, (mt/ha) in Dec-31-2016; the yield increased 0.5 mt/ha, above the targeted change of 0.2 mt/ha. *Achieved.*
- Average national irrigated rice yield (mt/ha). Baseline: 1.5 mt/ha in 2012. Target 3.6 mt/ha in FY17: The baseline value is incorrect. A recent IEG PPAR report shows a value of 3.6 mt/ha in 2012; the report also shows that the nationwide yield in *irrigated rice* reached its peak in 2009, at around 4.2 mt/ha; since then, it has fallen and by 2018 it was about 3,5 mt/ha (. Data from the Ministry of Agriculture and Water Development corroborate the PPAR result, showing that the yield fell from 3.7 mt/ha in 2012 to 3.65 mt/ha in 2017. *Not Achieved.*
- Legume production as share of total agricultural production. Baseline: 5 percent in 2012. Target: 15 percent in FY 2017. The share increased to 27 percent, almost double the target. The CLR notes that this achievement is uncertain because it is unclear how the baseline was calculated. The indicator does not measure well the effect on production and productivity. The share of legumes in total agricultural production increases when agricultural production falls relatively more than legume production. *Achieved.*
- Enhanced planning and control of water flows in Shire River Barrage enables improvements in generation and irrigation capacity, and water supply. Baseline: No agreed planning framework or decision support in 2012. Target: Multisector integrated Shire Basin Plan and decision support system operational in FY17. An operational decision support system for flood and drought forecasting was developed that uses near real-time data to calculate levels and flows in 25 sub-catchments. The system issues automated alerts and warnings to stakeholders in the flood prone area of Lower Shire and to Kamuzu barrage operators. *Achieved.*
- New loans and outstanding portfolio/SME (#). Baseline: 5,000 in 2010 Target: 25,000 in 2015. The CLR reports that the number of credits secured with movable property increased to 5,348 in 2015; the increase, 348, represents less than 2 percent of the expected increase of 20,000. The CMU confirmed the result in an explanatory note sent to IEG on 2-09-2021. A supervision report for an IFC project mentions that 3,517 SMEs were granted credit backed by moveable property. It is unclear if the indicator refers to national results or to results of WBG financed projects. As stated, the indicator refers to both a flow (i.e., new loans) and a stock concept (i.e., outstanding portfolio), in which case it needs two numbers to measure achievement. If the original intent was one number, its definition is incorrect and its intent is unclear. *Not Achieved.*
- New loans and outstanding portfolio/SME (\$). Baseline: \$10,400,000 in 2010. Target: \$52,000,000 in 2015. The CLR reports that the value of outstanding SME portfolio was (\$) 13.5 million in 2015, about seven percent of the targeted change in value. The CMU



confirmed the result in an explanatory note sent to IEG on 2-09-2021. The indicator has the conceptual problems noted above. *Not Achieved.*

- New loans and outstanding portfolio/agribusiness loans (#). Baseline: 0 in 2010. Target: 15,000 in 2015. The CLR reports that no new loans were granted. The CMU confirmed the result in an explanatory note sent to IEG on 2-09-2021. IFC supervision reports for two projects do not have information on the allocation for agribusiness. The indicator has the same conceptual problems pointed out above. The indicator refers to change and to stock values but provides a single number for result. *Not Verified.*
- New loans and outstanding portfolio/agribusiness loans (\$). Baseline: 0 in 2010. Target: \$20,000,000. The CLR reports that no new loans were granted. The CMU confirmed the result in an explanatory note sent to IEG on 2-09-2021. The indicator has the conceptual problems noted above. *Not Verified.*

The targets were achieved in three indicators, not achieved in three and not verified in two. Targets in agricultural production were achieved with the rise in maize yields and the larger share of legumes in total production, but not for rice where yields fell. The government has put in place a system that forecasts drought and floods and issues automatic alerts to stakeholders in flood prone areas and to barrage operators. Having a framework is a first step to manage water flows better but does not ensure sustainability. There was no progress in access to credit. If there had been, it is unclear how it contributes to achieving the objective. **IEG rates objective 3 as *Partially Achieved.***

11. The program partially achieved Objectives 1, 2 and 3. . IEG rates the outcome of WBG support under Focus Area I as **Unsatisfactory**

Focus Area II: Enhancing Human Capital and Reducing Vulnerabilities

12. Focus Area II had two objectives: (i) Improved access to quality education, reliable nutrition, HIV/AIDS services and sustainable water supply and sanitation services (ii) improved resilience for poor communities. Annex Table 1 lists the sources of information for the indicators discussed below.

13. **Objective 4: Improved access to quality education, reliable nutrition, HIV/AIDS services and sustainable water supply and sanitation services** The WBG supported this objective with five projects [Education Quality in Malawi (FY10), Education Sector Improvement Project (FY17), Nutrition & HIV/AIDS Project (FY12), Second National Water Development Project (FY07, AF FY11), Lilongwe Water and Sanitation Project (FY18)]; ASA work on education, HIV and labor, health; and trust funds for disadvantaged children, water, nutrition, teacher deployment, and education. The objective had six indicators:

- Education: Standard 5 survival rates. Baseline in 2010: boys 60 percent: girls: 57 percent. Target in FY17: boys: 68 percent: girls 66 percent. Information from the Malawi Education Management and Information System operated by the Ministry of Education shows that the nationwide survival rate for both boys and girls was 85 percent in 2010; by 2017 the survival rates were 78 percent for boys and 79 percent for girls. The information presented differs from that in the PLR and CLR, whose sources are not specified; the SCD notes that survival rates differ by type of educational institution. IEG used the Ministry's Information System that provides consistent figures over time. [Note: Standard 5 refers to Grade 5 students who have successfully completed lower primary (up to Standard 4) and move to Standard 5 of upper primary] *Not Achieved.*
- Nutrition: Community nutrition program coverage of under-two-year-old children. Baseline: 0 percent. Target: 25 percent in FY17. The June 2017 ISR for the Nutrition and HIV/AIDS project reports that the coverage of the target population increased to 75 percent by May 2017. *Achieved.*



- **HIV/AIDS services:** Men and women 15-49 who have had more than one sexual partner in the last 12 months reporting use of a condom in last intercourse (%). Baseline in 2010: women 27.3 percent, men 23.6 percent. Target in FY17: 33 percent for men and women. Both the ICR and the ICRR for the Nutrition and HIV/AIDS project reported that 35 percent of the people used condom in their last sexual intercourse in 2018. UNAIDS reports that 61.9 percent of adults aged 15-49 used condom in their last high-risk sexual intercourse in FY16. ([AIDSInfo | UNAIDS](#)). *Achieved.*
- Percent of infants born to HIV+ women enrolled in PMTCT services in target districts who receive a DNA PCR test for HIV within 2 months of birth. Baseline: 25 percent in 2010. Target: 45 percent in FY17. The ICRR for the Nutrition & HIV/AIDS project reports that by August 2018, 73 percent of infants born to HIV+ women received a DNA PCR test for HIV within two months of birth. *Achieved.*
- **Water and Sanitation:** Number of people provided with new or improved water supply through the project. Baseline: 0 in March 2012. Target: 1.7 million in FY17. The ICRR of the Second National Water Development Project reports that a total of 2.2 million people nationwide were provided with new or improved water supply by October 2015. *Achieved.*
- Number of people provided with improved sanitation facilities through the project. 0 in March 2012. Target: 70,000 in FY17. By October 2015, about 73,682 more people had access to improved sanitation facilities as a result of the water and sanitation project. *Achieved.*

The targets were achieved in five indicators and not achieved in education where survival rate deteriorated. With the program there were overall gains in nutrition with the larger coverage of nutrition programs, in HIV/AIDS treatment with better HIV/AIDS services and in access to water and sanitation services where more people were covered by them. The WDI indicators show similar trends. **IEG rates Objective 4 as *Mostly Achieved*.**

14. **Objective 5: Improved resilience for poor communities.** The World Bank Group supported this objective with: (a) six projects [Shire River Basin Management Program Phase-I (FY12); GEF trust fund for the Shire River Project (FY12), Strengthening Safety Nets Systems (MASAF) IV Project (FY14), Third Malawi Social Action Fund – APL II Project (FY08-FY14), Floods Emergency Recovery Project (FY15), and Drought Recovery and Resilience Project (FY17)] and three pieces of ASA [Disaster Risk Management TA (FY14); Reducing Poverty and Vulnerability (FY15); Malawi Flood PDNA (FY17)]. The objective had five indicators targeting the poor:

- **Social Safety Net.** Social safety net (SSN) established. Baseline: Public Works Programs in 2012. Target: Unified Beneficiary Registry (UBR) established in 20 districts (FY17). The August 2017 ISR for the Safety Net Systems Project IV reports that 2 districts had established the united beneficiary registries by February 2017. The pace accelerated after that; by August 2020, the UBR system had been established in 19 districts, 11 funded by the MASAF IV project and 8 funded by other donors. *Mostly Achieved.*
- Beneficiaries with savings of at least 50% of public works wage one year after participation. Baseline: 13,500 in 2012. Target: 100,000, of which, 62% female in FY17. The ICR of the Social Action Fund APL II reports that by October 2014 a total of 78,758 beneficiaries had saved at least 50 percent of their wages from the public works program; women were 61 percent of beneficiaries. The actual increase was 75 percent of the target. *Mostly Achieved.*
- **Resilience to Climate Change.** Vegetation cover change as percentage of baseline in selected catchments (= approx. 100,000 ha). Baseline: 0 percent in 2012. Target: 8 percent in FY17. The ICR for the Shire River Basin Management Program project reports that about 18,715 ha of the land area rehabilitated under the project registered a change in land use



between 2012 and 2018 categorized as positive; the area represented 56 percent of the rehabilitated area. *Achieved.*

- People served by improved flood management, including mitigation and adaptation (early warning). Baseline: 0 percent in 2012. Target: 200,000 in FY17. The December 2017 ISR for the Malawi Floods Emergency Recovery Project reports that about 405,409 people in the target areas had benefitted from flood management, mitigation and adaptation by October 2016. *Achieved.*
- Improved mainstreaming of gender-aware climate and disaster risk reduction issues with focus on vulnerable communities within sector investment planning (especially in Bank and IFC-supported sectors and programs). Baseline: none. Target: Mainstreaming evident in at least four sectors (FY17). The CLR reports that mainstreaming was evident in at least four sectors in FY17: housing, education, agriculture and water. *Achieved.*

Three indicators were achieved and two were mostly achieved. There was clear progress in improving the resilience of communities, as project beneficiaries from public works saved more, more people were better protected from the risks of floods, and some degraded land was rehabilitated with vegetation cover. The target of social safety net expansion in 20 districts was not achieved during the CAS period. While gender awareness of climate risks is desirable, it is unclear how awareness alone translates into more resilience. **IEG rates Objective 5 as Mostly Achieved.**

15. The program mostly achieved objectives 4 (improved access to quality education, reliable nutrition, HIV/AIDS services and sustainable water supply and sanitation services) and 5 (improved resilience for poor communities). Of the eleven indicators for Focus Area II, eight were achieved, two were mostly achieved, and one was not achieved. In sum, there was some progress in reducing vulnerabilities to natural disasters, in improving health outcomes, and in establishing a social safety net and raising awareness of climate and natural disaster risks. IEG rates the outcome of WBG support under Focus Area II as **Satisfactory**.

Focus Area III: Supporting Accountable Governance through Public-Financial Management and Decentralization.

16. Focus Area III had two objectives: (i) improved public sector performance; (ii) enhanced transparency on resource flows and service delivery. Annex Table 1 lists the sources of information for the indicators discussed below.

17. **Objective 6: improved public sector performance.** The World Bank supported this objective with the Phase I of Economic Recovery DPO (FY13) and three projects financed with multi-donor trust funds (MDTF): Public Finance and Economic Management Reform Program (FY12), Financial Reporting and Oversight Improvement Project (FY13), and the Trust-funded Malawi Procurement Capacity Building Project (FY12). The objective had four indicators:

- Number of sub-national governments covered by the Integrated Financial Management and Information System (IFMIS) rollout. Baseline: 22 in 2012. Target: 34 in FY17. The ICR review for the Financial Reporting and Oversight Improvement Project reports that at project closing (FY18) the new IFMIS had not been rolled out, and the Government of Malawi agreed to purchase IFMIS with its own resources. Instead of a new IFMIS, the Financial Reporting project supported the enhancement of EPICOR⁴ with new hardware and software. The new system was rolled out to the districts and councils. However, the new system was not fully functional. While it allowed the preparation of financial statements, problems remained due to lack of an appropriate interface between systems at the central and local levels. The use of EPICOR reduced the backlog of financial statements, but the quality of financial reporting still needs to improve; the reports are often incomplete and lack

⁴ EPICORE is the brand name of a software already in use in Malawi to operate the existing IFMIS



accurate reconciliation. The ICR concludes that not procuring a new IFMIS created dependence on EPICOR, a system which is unreliable and has already begun to undermine any gains in the project. *Not Achieved.*

- Number of audit observations resolved. Baseline: none. Target: 70 in FY217. The CLR reports that the process improved but does not present statistics on cases resolved. The IEG review of the ICR for the Malawi Economic Recovery DPO1 notes that a total stock of 93 of 114 audit issues (82 percent) remained unresolved at the time of closing. *Not Achieved.*
- Status of MG1 [main Malawi Government account] and the sub-MG (SMG) accounts at the Reserve Bank of Malawi. Baseline: 0 in March 2015. Target: 100% of MG1 and SMGs within 1 month after the end of each month in FY17. The projects listed above did not mention or monitor the status of the MG and sub-MG accounts. The IMF monitored the accounts under an extended credit facility to Malawi. An IMF review under the Three-year Extended Credit Facility Arrangement ⁵ concluded that by November 2018 the government had not reconciled all MG1 accounts and seven operating accounts within 90 days after the end of each month. The PEFA review for 2018 rates bank account reconciliation with a D, the same low rating as in its 2011 review. *Not Achieved.*
- Strengthened transparency, accountability, and capacity of public procurement, focusing on the eight top-spending ministries and parastatals. Baseline: 0 in 2012. Target: 18 including National Statistical Office, Foreign Affairs, Internal Security, Labor, Water Boards (2017). The CLR reports that there has been some progress in institutions which have procurement staff in place and prepare annual procurement plans. The CLR does not identify them. It is unlikely that transparency in public procurement improved. The 2011 and 2018 Public Expenditure and Financial Analysis (PEFA) indicate deterioration in: (i) budget documentation; (ii) the system for allocating transfers to sub-national governments; (iii) public access to fiscal information; (iv) the expenditure composition outturn; and (v) the quality of annual financial reports. *Not Achieved.*

None of the indicators was achieved. The indicators are intermediate steps to build the infrastructure needed to improve public sector performance; achieving them does not guarantee or mean better public sector performance. **IEG rates Objective 6 as *Not Achieved*.**

18. **Objective 7: Enhanced transparency on resource flows and service delivery.** The Bank supported this objective with three projects [Rapid Response Development Policy Grant FY13, Mining Governance and Growth Support Project FY11, Agricultural Support and Fiscal Management DPO FY17], four ASA (PER FY15, Primary Education PET-QSD Study FY15, Decentralization Note FY13, Constraints to Service Delivery FY16) and five trust funds (Public Finance and Economic Management FY12, Financial Reporting and Oversight FY13, and two TF to Strengthen Social Accountability –overall and in education). The objective had three indicators:

- Number of good governance tools used and scaled up including citizen feedback and redress mechanisms, transparency in the use of resource flows (e.g. expenditure tracking, independent budget analysis, PETS, citizens charters). Baseline: 2 in 2011. Target: 6 in FY17. The indicator is inadequate to draw any conclusion on transparency of resource flows and service delivery. Its vagueness makes it difficult to assign interventions to achievement and to identify adequate results indicators. The CLR says there is insufficient information to assess outcome. *Not Verified.*
- Geodata management center providing online access. Baseline: No in 2012. Target: Yes, in FY17. IEG's ICR review of the Mining Governance and Growth Support Project concludes

⁵ [Malawi: First Review Under the Three-Year Extended Credit Facility Arrangement and Requests for Modification and Waivers of Nonobservance of Performance Criteria-Press Release, Staff Report, and Statement by the Executive Director for Malawi \(imf.org\)](#)



that the geo-data management information system (GDMIS) was up and running, but online access was not available by project closing. *Not Achieved.*

- Modern computerized mining cadaster in use. Baseline: No in 2012. Target: Yes, in FY17. The IEG review of the ICR for the Mining Project concludes that computerized cadaster is being used including processing of all license applications through the system by a trained team of officers in 2017. *Achieved.*

For mining, the cadaster indicator was achieved but there is not yet online access to the geodata management center. One indicator could not be verified. In sum, transparency in the resource flows from mineral products has improved but there is no transparency in service delivery. **IEG rates Objective 7 as Partially Achieved.**

19. The program partially achieved Objective 7 (enhanced transparency on resource flows and service delivery) and did not achieve objective 6 (improved public sector performance). The PEFA assessment shows an overall deterioration in most categories of public expenditure and financial accountability, several of them not captured by the indicators selected for objectives 6 and 7. Transparency in resources flows improved somewhat but not in-service delivery. IEG rates the outcome of WBG support under Focus Area III as **Unsatisfactory.**

Overall Assessment and Rating

20. IEG rates the CAS development outcome as **Moderately Unsatisfactory.** On Promoting Sustainable, Diversified and Inclusive Growth (Focus Area I), more people had access to financial products, regulations on export products and the cost of starting a business fell, and the difference between budgeted expenditures and outturns fell. Electricity losses rose and the time to formally start a business did not fall and it is unclear if macroeconomic management improved. On Enhancing Human Capital and Reducing Vulnerabilities (Focus Area II), nutrition programs, safety net programs, HIV/AIDS services and water supply and sanitation services increased their coverage, and poor communities became more resilient to climate change and natural disasters, but in primary education survival rates fell. On Mainstreaming Governance for Enhanced Development Effectiveness (Focus Area III), a computerized cadaster system was put in place; also, a public reporting of mineral sector revenues was ensured but there was no online access to it. There was no progress in the audit function, access to IFMIS by sub-national governments, reconciling the government's MG1 accounts at the Reserve Bank of Malawi and raising transparency and accountability in the top-spending ministries and agencies.

Objectives	CLR Rating	IEG Rating
Focus Area I: Promoting Sustainable, Diversified and Inclusive Growth	Moderately Satisfactory	Unsatisfactory
Objective 1: Improved Macroeconomic Management	Achieved	Partially Achieved
Objective 2: Improved ease of doing business.	Mostly Achieved	Partially Achieved
Objective 3: Increased productivity and commercialization of agriculture and sustainable management of water resources for multiple uses	Mostly Achieved	Partially Achieved
Focus Area II: (Theme 2): Enhancing Human Capital and Reducing Vulnerabilities	Satisfactory	Satisfactory
Objective 4: Improved access to quality education, reliable nutrition, HIV/AIDS services and sustainable water supply and sanitation services	Achieved	Mostly Achieved
Objective 5: improved resilience for poor communities	Mostly Achieved	Mostly Achieved
Focus Area III: (Theme 3): Mainstreaming Governance for Enhanced Development Effectiveness	Moderately Unsatisfactory	Unsatisfactory



Objective 6: Improved public sector performance	Partially Achieved	Not Achieved
Objective 7: Enhanced transparency on resource flows and service delivery	Partially Achieved	Partially Achieved

6. WBG Performance

Lending and Investments

21. At the start of the CAS period, IDA's outstanding commitments were US\$552 million for 13 investment operations. During the FY13-FY17, approved new commitments were US\$1,011 million, above the planned amount of US\$375 million in the PLR, though the WBG had decided to reduce budget support in response to the "cashgate" financial scandal. The additional lending went to budget support for US\$180 million and to finance investment projects for US\$831 million. The new lending went to social protection and jobs (23 percent), social, urban, rural and resilience (18 percent), macro, trade and investment (18 percent), agriculture (17 percent), education (5 percent), digital development (7 percent), transport (7 percent) and health, nutrition and population (2 percent). The program can be characterized as dispersed. Trust funds (20) for US\$360 million financed projects and technical assistance; 15 of them for US\$357 million supported investment projects; the four largest funds accounted for 78 percent of the total, financing projects on education (US\$180 million) and agriculture. At the start of the CAS period IFC had two active Advisory Services (AS) projects in manufacturing, agribusiness and services for US\$1.1 million.

22. During the review period, Malawi's portfolio of closed projects performed well with respect to its comparators. Of the 10 projects that IEG validated in FY13-17, those rated Satisfactory or Moderately Satisfactory accounted for 91 percent of the total value and compared well with the average ratings for Africa and the World Bank (both 72 percent). For the 10 projects, the risk to development outcome (RDO) rated moderate or lower was 2 percent for Malawi measured by value of commitment, below the 31 percent for Africa and the 41 percent Bank-wide.

23. The portfolio of active projects during FY13-FY17 also performed better than comparators. Malawi has a lower percentage of the portfolio at risk than projects in Africa and the Bank. The percentages for Malawi, Africa and the Bank were 15, 26 and 24 by number of projects; by value of commitments, the respective percentages were 17, 33 and 23.

24. IFC's had a modest investment services program in Malawi. At the start of the CAS period, IFC's total outstanding portfolio was US\$11.87 million for long-term finance and US\$13 million for short-term finance. During the CAS period, IFC made two total net long-term commitment investments in the food and agribusiness sectors for US\$11 million, and a net short-term finance investment commitment of US\$2.2 million through a Global Trade Finance Program (GTFP) facility, adding to ongoing GTFP investments with original commitments of \$17 million. At the end of the CAS period, IFC's outstanding portfolio was US\$9.5 million in long term finance and US\$6.0 million in short term finance.

25. For IFC projects, IEG validated three Extended Project Supervision Reports (XPSRs), two in the telecoms sector and one in the services sector. IEG rated one project mostly successful and the other two as less than Mostly Successful. The successful project financed the expansion of a telecoms network that increased access to telecommunication services to MSME, local companies and the general public. Of the unsuccessful projects, one experienced lapses in implementation associated with completion delays and cost overruns; the depreciation of the kwacha and the economic slowdown in Malawi compounded the problems. In the other project, changes in ownership and the business priorities of the new owners changed its nature and prospects.

26. MIGA did not issue and did not have outstanding guarantees during the CPF period.



Advisory Services and Analytics

27. The World Bank delivered 28 ASA tasks, 16 of them economic and sector work (ESW) and 12 non-lending technical assistance (TA). They covered topics aligned with the CAS and PLR objectives. The bulk of the ESW tasks covered macroeconomics, trade and investment (7), education (4) and governance (2), and reviews on investment climate, urbanization, and targeting mechanisms. The ASA undertaken during the CAS period informed the preparation of the 2018 Systematic Country Diagnostic. There is little evidence of dissemination of most of this work: the CLR does not discuss it and a search in Google for the 16 pieces shows that only 4 of them can be downloaded from the World Bank's external website. The non-lending TA supported advice and project preparation in transport, disaster risk management, the preparation of a report on health gaps and options for financing ([World Bank Document](#)), a longitudinal school survey, statistical capacity building, a plan for debt management reform, policy dialogue on poverty, and a poverty report ([MalawiPovAssess.pdf](#) [worldbank.org](#)). The ASA paid insufficient attention to issues of political economy and their connection to weak governance.

28. At the start of the CAS period, IFC had two active Advisory Services (AS) projects in manufacturing, agribusiness, and services (MAS) for US\$1.1 million. One sought to improve access to telephony services in Malawi (Village Phone program); the other sought to increase market access and create linkages between local producers and large international organizations in the baobab and mafura supply chains in Malawi and Mozambique.⁶ During the CAS period, IFC approved one AS project for US\$1.1 million for a warehouse receipts program in the area of equitable growth, finance, and institutions (EFI), and managed US\$7.7 million in seven Advisory Services projects in collaboration with the Bank. A total of US\$3.5 million supported three investment climate projects; three other projects sought to help increase access to finance, and the seventh, for US\$1.5 million, went to public-private partnership (PPP) advisory in the water utility sector.

29. IEG validated two AS Project Completion Reports (PCRs) and rated them Unsuccessful. The projects supported improving telephone services and increasing market access while promoting the ethical sourcing of biodiversity projects. One project failed because of weak design and a shift in IFC priorities in AS; the other failed because IFC's counterparty thought there was not a business case for the project because the financial incentives for entrepreneurs were weak. IFC assessed the development outcome of four projects and rated three of them Mostly Unsuccessful or lower and the fourth as Mostly Successful; IEG has not validated them yet.

Results Framework

30. The CAS results framework was characterized by broad focus areas, weak coherence across objectives, interventions and indicators, and lack of selectivity in the choice of results indicators. This reflects a weak results chain between objectives, interventions and indicators, which helps explain the program's subpar results while closed projects have generally good outcome ratings. The lack of coherence also extends to the selection of indicators and their relation to achievement of objectives. For example, objective 3 in Focus Area I covers aspects of productivity and commercialization of agriculture and yet there are results indicators, such as individuals with bank accounts and multi-sector SME loans, that have unclear links with agriculture. Objective 2 has 12 results indicators covering about six topics. In this objective IFC worked on advisory services projects but did not track indicators directly (e.g., cost of starting a business –indicator 1– or the number of individuals and the share of women with bank accounts –indicators 3 and 4–; some other indicators were not related to IFC activities, such as the student intake in tertiary education. In Objective 6, there was no intervention supporting or tracking indicator 3.

⁶ Ma fura is an East African tree (*Trichilia emetica*) having capsular fruit whose seeds yield a fatty substance resembling cocoa butter that is used for soap and candles. <https://www.merriam-webster.com/dictionary/mafura>



Partnerships and Development Partner Coordination

31. The CAS noted that the Government of Malawi took significant steps to strengthen donor coordination through its Department of Debt and Aid in the Ministry of Finance. The coordination system works mainly through sectorial working groups such as transparency on resource flows (objective 7) or nutrition and HIV/AIDS (objective 4) where donors like Ireland and CIDA contribute to the nutrition part of the HIV/AIDS project. The WBG coordinated with development partners to support improvements in the country's public financial management system, and the Bank worked closely with the IMF on an action plan for public financial management and on assessing the risks of external and domestic debt distress, which was rated high overall (IMF, Country Report 18336, p. 42). The WBG remains engaged with other development partners; after the 'Cashgate' scandal some donors believe that keeping project implementation units would ensure more accountability. The CLR notes that while people in government would like to see more WBG involvement and effort in coordinating donors and supporting government priorities, the small number of WBG staff in the country makes it difficult to be more involved in that effort.

Safeguards and Fiduciary Issues

32. Compliance with safeguard was satisfactory overall, despite some weaknesses during project implementation. IEG validated 10 projects that closed during the CAS period, of which seven triggered at least one environmental and social safeguard policy in the energy, health, social protection, agriculture and education sectors. The ICRs and ICRRs noted some weaknesses in safeguards implementation including poor identification of environmental and social issues, poor documentation and failure to pay compensation on time. Lack of capacity of counterparts on the ground was constantly noted. To address those issues, the Bank project teams conducted a series of skill enhancement activities and technical workshops to address the gap and correct non-compliance. The Bank also engaged with the contractors and all the stakeholders in mentoring, due diligence and capacity building activities to raise awareness on safeguard issues. Both ICRs and ICRRs of the 10 projects noted that the government was committed to address all pending issues in accordance with the Bank's environmental and social safeguard requirements. No inspection panel cases were registered during the CAS period.

33. Between FY13 and FY17 INT opened 12 cases in Malawi. One was related to a concern raised by another international development agency that Malawi's financial systems might have been breached, which was ultimately resolved because there was no link to a Bank project and therefore INT had no jurisdiction. The other eleven cases were in the following sectors: Energy and Extractives (1); Finance (1); Transport & Information Communication Technology(1); Social Protection & Labor (1); Education (2); Water sectors(2); Governance (3). All of these cases were closed because there was no prima facie indication of a sanctionable practice.

Ownership and Flexibility

34. The CLR does not report on these dimensions. To draw up the CAS and the PLR, the WBG held consultations (2010-2012, 2015) with government officials, parliamentarians, civil society, academia, media, private sector and development partners. The consultations revealed agriculture, the macro-economy, and public sector governance as areas requiring more WBG support. The 2010 and 2013 client surveys revealed as major issues growth, energy, governance, education, agriculture and government effectiveness. The 2015 consultations with civil society and parliamentarians revealed the macroeconomic situation as a major issue, governance and infrastructure as cross-cutting issues, and health as a sector where the WBG should support its public service reforms. The WBG showed its flexibility when it provided support after the flood in 2015 and the drought in 2016. The March 2015 PLR envisaged engagement on economic governance on two tracks: the first was to restructure a financial reporting project financed through a multi donor trust fund to continue addressing weaknesses in PFM; the second was to support broader and more systemic PFM and public sector reforms through DPOs. The financial flows to Malawi increased while the program's objectives, interventions and indicators remained unchanged.



WBG Internal Cooperation

35. Internal cooperation within the WBG was modest, even though the World Bank and IFC supported objectives 2 (doing business) and 3 (agriculture and water resources). Their interventions sought to achieve separate results indicators in each objective (see above, on results framework), and the combination of interventions, results indicators and their large number indicates that the interventions did not try to exploit synergies. The CAS did not mention cooperation within the WBG; the PLR mentions increased cooperation across global practices as well as IFC and MIGA after FY17. Although the CAS lacked a private sector strategy, the WBG sought to improve the business environment, albeit in a less synergistic manner. The World Bank and IFC worked in parallel or through joint AS units to provide AAA and AS interventions in doing business, but it is unclear who was responsible for the results indicators. Some IFC specific indicators, such as SME loans, do not have clear connections with the CAS objectives where they are mapped. Also, there are no indicators related to MIGA's guarantee interventions. In sum, there is no evidence of internal cooperation.

Risk Identification and Mitigation

36. The CAS/PLR identified nine risks. It rated high the fiduciary risk, and substantial five risks: macroeconomic, institutional capacity, political and governance, environmental and social, sector strategies and policies. Three risks were rated moderate or low. The fiduciary risk stood out, with the September 2013 "cashgate" scandal, which led donors to suspend budget support, an action whose sequel was a severe fiscal problem. Catastrophic floods hit the country in January 2015. A severe drought hit it in 2016. The weaknesses in capacity, governance, policies and strategies magnified the impact of the three events. The PLR report concluded that the CAS remained relevant but needed some adjustments: specifically, adopting a more cautious approach to budget support, paying more attention to fiduciary oversight and protecting the funding of projects. In sum, the WBG identified the risks correctly and acted appropriately. The risks persist and they arise from structural problems whose solution requires long-term vision and actions applied with discipline to a few central problems such as governance and low agricultural productivity.

Overall Assessment and Rating

37. **IEG rates WBG performance as Fair.** The WBG program had relevant objectives and its active and closed portfolio performed well, but its overall results were modest. The program addressed key constraints to raising living standards, such as weak governance and low agricultural productivity. Its ambitious scope with compound objectives did not align with the interventions and implementation capacity. There were too many results indicators, and many did not measure the substance and achievement of objectives. The program was dispersed. Compliance with safeguards was satisfactory overall, despite some weaknesses during project implementation. No inspection panel cases were registered. The PLR envisaged consolidation of the program, but that did not materialize. Some adjustments were done, such as extending the CAS period for one year to FY17 and revising some results indicators. By the end of the review period, total lending doubled the planned amounts.

Design

38. The CAS/PLR addressed critical problems and its objectives touched on areas aligned with some of the thematic areas in the government's Second Development Strategy. The content of the three Focus Areas was broad in scope and did not focus on key binding constraints identified in the analytical work underpinning the CAS/PLR. Because of this, the interventions were unlikely to help pull the country out of poverty and improve governance and institutions. This made evident the program's lack of selectivity which the CAS had noted and which the WBG did not correct. Last, the WBG identified the potential risks well, with the most important ones materializing.



Implementation

39. The WBG implemented the program as planned, with total lending doubling from planned amounts. After the “cashgate” scandal the WBG still provided budget support in FY17; a second follow-up operation did not advance because of concerns with governance issues and the uncertainty linked to approaching elections. The WBG delivered more AAA than planned in response to requests from the government and other stakeholders to support policy dialogue and projects. There is little evidence of dissemination of this work. The Bank mitigated the risks identified by conditioning support to verifiable improvements in governance and public sector performance. At the program’s mid-term, the WBG made some minor corrections to the results indicators; their quality did not improve nor their usefulness to measure results and achievement of objectives. Closed projects in Malawi perform better than those in Africa and the Bank; for the active portfolio, the share at risk is lower in Malawi than in Africa and the Bank. On safeguards, IEG’s ICR reviews found that, despite some weaknesses, compliance with safeguard was satisfactory overall.

7. Assessment of CLR Report

40. The CLR presents adequate evidence about implementation and achievements of the program. It also examines program design and relevance and discusses its weak selectivity, which the CAS document had already noted. Most of the information presented is adequate to assess achievement of the results indicators. IEG could not verify some indicators. For each result claimed, the CLR could have supplied the source of its information, together with the web link to retrieve it, a practice which should be standard procedure for any CLR. The CLR reports on fiduciary and safeguard issues without reporting if the activities supported triggered investigations.

8. Findings and Lessons

41. The CLR’s most relevant findings and lessons are summarized as follows. One, the governance and political economy trap is at the core of the slow progress on reform and growth. Two, there is inadequate prioritization and selectivity, which the CAS had stressed as important. Three, the WBG can use its instruments better; in particular, it can: (a) use AAA for policy and program analysis to support DPO; and (b) use DPO for structural support and IMF instruments for macro stability.

42. The review agrees with the findings and lessons and adds the following ones:

- Casting a wide net over Malawi’s many problems is likely to divert attention from the fundamental ones.
- Poor quality design affects selectivity and poor selectivity harms design quality; both should be considered jointly.
- Improving governance and agricultural productivity requires sustained government ownership of goals and having long-term vision and discipline in executing economic policies.

Annex Table 1: Summary of Achievements of CPS Objectives – Malawi

Annex Table 2: Planned and Actual Lending for Malawi, FY 13-17

Annex Table 3: Analytical and Advisory Work for Malawi, FY13-17

Annex Table 4: Trust Funds Active for Malawi, FY13-17

Annex Table 5: IEG Project Ratings for Malawi, FY13-17

Annex Table 6: IEG Project Ratings for Malawi and Comparators, FY 13-17

Annex Table 7: Portfolio Status for Malawi and Comparators, FY13-17

Annex Table 8: Total Net Disbursements of Official Development Assistance and Official Aid for Malawi, FY13-17

Annex Table 9: Economic and Social Indicators for Malawi, FY13-17

Annex Table 10: List of IFC Investments in Malawi (US\$, Thousands)

Annex Table 11: List of IFC Advisory Services in Malawi, FY13-17 (US\$, Thousands)

Annex Table 12: List of MIGA Projects Active in Malawi, FY13-17 (US\$, millions)

Annex Table 1: Summary of Achievements of CPS Objectives – Malawi

	CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
Major Outcome Measures	1. CPS Objective: Improved macroeconomic management		
	Indicator 1: Variance in primary expenditure between approved and actual outturn. Baseline: 9.2% (2012) Target: 5% (FY17)	The CLR reports 1.2% difference between approved and actual outturn of total expenditure. Further reporting from the CMI informs that the difference is 1.5 percent, still within the target of 5 percent, which was exceeded as the indicator was stated as <i>less than 5 percent</i> . The 2018 PEFA gives a score of A to the aggregate expenditure outturn in 2018, compared with a B score in 2011. The result does not guarantee that internal and external balance are restored. Achieved.	This objective is supported by Rapid Response Economic Policy Grant (P126155, FY13), Economic Recovery Development Policy Operation 1 (P133663, FY13), and Agricultural Support and Fiscal Management DPO (P153753, FY17); Country Economic Memorandum (P154607); ASA Public Expenditure Review (P133262, FY15); and ASA Economic Monitor (P153806, FY16). At the PLR stage the indicator target year was modified from the original 2016 to 2017.
	2. CPS Objective: Improved ease of doing business, through better economic infrastructure, regional integration and access to demand-responsive vocational training.		
	Indicator 1: Cost to formally start a business reduced. Baseline: 83.7% of income per capita (DB 2012) Target: 75% (FY17)	The Doing Business report (2018) for Malawi reports that the cost of starting a business per capita decreased from 83.7% in 2012 to 44.6% in 2017. The IFC AS Malawi IC Project (#60159) Completion Report dated Jan 29, 2020 (post CAS period) informs that the project achieved 31 recommended procedures against the target of 20. Some recommendations such as simplified and streamlined forms for applications likely helped reduce the cost of starting a business. These outcomes were however achieved after the CAS period, The Doing Business Memorandum highlighted that the project recommended a risk-based approach to licenses and inspections to eliminate the requirements to obtain a business license, and removal of company seals, which were attained as reported in the Doing Business Report 2018. Achieved.	The objective was supported by WB's Business Environment Strengthening Technical Assistance Project (BESTAP) (P103773, FY07); Malawi Growth and Competitiveness ESW (P151674, FY17); TA Infrastructure PPP (P131741, FY14); and IFC AS-Malawi Investment Climate Program (#601590). At the PLR stage the indicator target year was modified from the original: 2016.
	Indicator 2: Number of days taken to formally start a business. Baseline: 39 days (DB 2012) Target: 30 days (FY17)	The Doing Business report (2018) for Malawi reports that it takes 37 days to formally start a business. The positive outcomes of the AS Malawi IC Project (#60159) did not prove strong	The objective was supported by the Business Environment Strengthening Technical Assistance (BESTAP) (P103773, FY07); and WB's FSTAP (P122616, FY11); World Bank's

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
	<p>enough to make a significant change in reducing the number of days to start a business.</p> <p>Not Achieved.</p>	<p>Agriculture Sector Wide Approach Support Project (ASWAP-SP-II) (P105256, FY08); and IFC AS-Malawi Investment Climate Program (# 601590).</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 25 days (2016)</p>
<p>Indicator 3: % of the adult population that is formally banked.</p> <p>Baseline: 19% (2011, Finscope Survey) Target: 40% (FY17)</p>	<p>The April 2017 ISR: MS of P122616 reports that nationwide the percentage of the adult population that is formally banked increased from 19% to 33% against 40% target as of January 2017 suggesting an improvement and access to economic infrastructure.</p> <p>While the AS Malawi STCR (#599868, FY14) and Credit Reporting Project (#601844, FY17) increased MSMES' access to finance, it did not aim to increase the number of individuals with bank accounts. It is quite possible that individuals opened bank accounts for the first time to obtain financing, but they were not tracked in these two AS projects.</p> <p>Mostly Achieved.</p>	<p>This objective was supported by the Financial Sector Technical Assistance Project (FSTAP) (P122616, FY11); and the following IFC AS: Malawi STCR (#599868, FY14); Credit Reporting Project (#601844, FY17).</p> <p>At the PLR stage the indicator target year was modified from the original 2016.</p>
<p>Indicator 4: Proportion of women within the adult population that is formally banked.</p> <p>Baseline: 17% (2011) Target: 30% (FY17)</p>	<p>The April 2017 ISR: MS of P122616 reports that nationwide the proportion of women within the adult population that is formally banked increased from 17% to 28% by January 2017 suggesting an improvement and access to economic infrastructure.</p> <p>FinDev Gateway reports that 30 percent of female adults age 15+ had an account at a financial institution or through a mobile money provider in 2017 (The Global Findex Database 2017).</p> <p>While the IFC AS Malawi STCR (#599868, FY14) and Credit Reporting Project (#601844, FY17) increased MSMES' access to finance, it did not aim to increase the number of individuals with bank accounts. It is quite possible that individuals opened bank accounts for the first time to obtain financing, but they were not tracked in these two AS projects.</p> <p>Achieved.</p>	<p>This objective was supported by the Financial Sector Technical Assistance Project (FSTAP) (P122616, FY11); and the following IFC AS: Malawi STCR (#599868, FY14); Credit Reporting Project (#601844, FY17).</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 40% (2016)</p>

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
<p>Indicator 5: Annual electricity losses per year in the project areas.</p> <p>Baseline: 17.4% (2012) Target: 14% (FY17)</p>	<p>The July 2017 ISR: MU of P099626 reports that electricity losses per year in the project areas did not fall. Instead, it increased to 25% by April 2017.</p> <p>Note: losses refer to distribution losses (World Bank Document, of P099626, p. 31)</p> <p>Not Achieved.</p>	<p>This objective was supported by the Energy Sector Support Project (P099626, FY11).</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 14.4% (2015)</p>
<p>Indicator 6: Power capacity deficit (gap between system capacity and peak-load) reduced.</p> <p>Baseline: Capacity 283 MW (2012) Target: 354 MW (FY17)</p>	<p>According to the Electricity Supply Corporation of Malawi (ESCOM) report, the power plants capacity totaled 365.18 MW in 2016, which is the latest available data within the CPS period.</p> <p>Not Verified</p>	<p>This objective was supported by the Energy Sector Support Project (P099626) that closed in October 2018.</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 347 MW (2016).</p> <p>After 2013, ESCOM annual report only provided financial statements.</p>
<p>Indicator 7: Increased use of public-private partnerships (PPP) in infrastructure.</p> <p>Baseline: 5 PPP schemes in place (2012) (rail, lake, immigration, road traffic, cargo handling) Target: 9 PPP schemes (FY17)</p>	<p>The CLR reports that 5 schemes are completed, 2 are at contracting stage, and 4 at planning stage in 2017 as confirmed by an e-mail (dated May 17, 2017) from the CEO of Malawi's PPP Commission:</p> <ul style="list-style-type: none"> • 5 PPP schemes completed: <ul style="list-style-type: none"> - CEAR Railway concession; Liwonde National Park; Nkhotakota Wildlife Reserve and the Regional Communication Infrastructure Project, as well as the IFC-supported Malawi Water PPP (# 599358). However, according to the FY21 Supervision report, the project is unlikely to proceed as a PPP. • 2 at contracting stage: <ul style="list-style-type: none"> - Malawi Cargo Centers; and - Student accommodation for public universities. • 4 PPP schemes at planning stage: <ul style="list-style-type: none"> - Digital Malawi; - MITC and PPPC office complexes; - Shire Valley Irrigation Project; and - Road Tolling. <p>Not Achieved.</p>	<p>This objective is supported by the Southern Africa Trade and Transport Facilitation Program (P145566, FY15), the Regional Communication Infrastructure Project Phase 3 (P111432, FY15) and the Digital Malawi Project (P160533, FY17); and IFC Malawi Water PPP (# 599358)</p> <p>At the PLR stage, the target fiscal year was modified from the original 2016.</p>

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
<p>Indicator 8: One-stop border post (OSBP) at Songwe and other locations.</p> <p>Baseline: Not implemented (2012) Target: Implemented (FY17)</p>	<p>The April 2017 ISR: S of P120370 reports that the OSBP has not been established as of April 3, 2017. The post had not been established by December 2020, according to ISR #14: MS for the project.</p> <p>Not Achieved.</p>	<p>This indicator was supported by P120370 – Southern Africa Trade and Transport Facilitation Project (SATTFP-APL1), FY13.</p> <p>At the PLR stage target fiscal year was modified from the original 2016.</p>
<p>Indicator 9: Number of export products requiring an export permit (reduce to strengthen policy certainty)</p> <p>Baseline: 25 items (2013) Target: 8 (FY17)</p>	<p>The CLR reports that the number of export products requiring an export permit fell from 25 to 10 by end of FY17 as confirmed by the Press Release by the Ministry of Industry and Trade.</p> <p>Mostly Achieved.</p>	<p>This objective was supported by the Malawi Economic Recovery DPO (P133663, FY13) and the Regional Accelerated Program for Economic Integration - APEI DPO (P146512, FY16)</p> <p>At the PLR stage, the indicator target was modified from the original: 10 (6/13)”</p>
<p>Indicator 10: Number of agencies operating at border (Mwanza and Songwe, reduced to shorten delays)</p> <p>Baseline: 14 (2013) Target: At most 10 (FY17)</p>	<p>The CLR reports that 10 agencies are operating at the border by FY17. IEG could not verify this result.</p> <p>Not Verified.</p>	<p>The objective was supported by IFC trade advisory services Malawi Trade Program (#601527); the Regional Southern Africa Trade and Transport Facilitation Program (North-South Corridor) SOP2 (P145566, FY15), the APEI DPO (P146512, FY16)</p>
<p>Indicator 11: Student intake in tertiary education</p> <p>Baseline: 117 per 100,000 inhabitants (2012) Target: 166 per 100,000 inhabitants (FY17)</p>	<p>The CLR reports that the student intake in tertiary education was 137 per 100,000 inhabitants by end of FY17.</p> <p>The IEG verified the result using data from the Malawi Education Statistics 2017/18, Ministry of Education, Science and Technology. The result was calculated from data on:</p> <ul style="list-style-type: none"> • Higher education enrollment: 25,000 • Malawi total population: 17,670,620 (WDI database) <p>Student intake nationwide = (25,000 / 17,670,260) x 100,000 = 141</p> <p>Partially Achieved.</p>	<p>This objective was supported by the Skills Development Project (P131660, FY14).</p> <p>At the PLR stage target fiscal year was modified from the original 2016.</p>
<p>Indicator 12: Number of recommended laws / regulations / amendments / codes enacted, or government policies adopted</p> <p>Baseline: 0 (2015) Target: 2 (2016)</p>	<p>The CLR reports 6 laws / regulations / amendments / codes enacted, or government policies have been adopted by 2017.</p> <p>The ICR of P103773 reports that the project supported the revision and drafting of 6 laws: i) Companies Bill; ii) Insolvency Bill; iii) Business Registration Bill; iv) Civil Procedure Amendment Bill; v) the</p>	<p>This objective was supported by BESTAP (P103773, FY07); IFC AS Malawi IC Program (# 601590); and Malawi STCR (#599868).</p>

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
	<p>Arbitration and Mediation Bill; and vi) the Credit Reference Bill by the end of the project in 2013.</p> <p>Eight (8) additional laws / regulations / amendments / codes were enacted but were not captured in the CLR:</p> <p>The IEG can verify from the documents of IFC AS (#601590) that (1) the Credit Reference Amendment Bill, (2) the Civil Procedure Amendment Bill, (3) the Insolvency Bill, (4) the Companies Bill and (5) the Business Registration Bill were enacted, and regulations were developed and operationalized through subsidiary legislation finalized with support of the project.</p> <p>In addition, the documents of IFC Malawi STCR (#599868) reports that (1) the Personal Property Security Act was enacted in 2013, and (2) the Personal Property Security Regulations ("Regulations") in April 2015, both meeting all international best practices. (3) The web-based collateral registry (Personal Property Security Registry System, "PPSRS") was launched in November 2015, housed under the Ministry of Justice and Constitutional Affairs in the Department of the Registrar General.</p> <p>Achieved.</p>	
<p>3. CPS Objective: Increased productivity and commercialization of agriculture and sustainable management of water resources for multiple uses.</p>		
<p>Indicator 1: Average national maize yield (mt/ha)</p> <p>Baseline: 1.9 mt/ha (2012) Target: 2.1 mt/ha (FY17)</p>	<p>The PPAR of P084148 reports (p. 35) that the average maize yield per hectare was 2.4 mt by 2017 (The source for the PPAR data is Malawi, Ministry of Agriculture, Irrigation and Water Development 2000–18).</p> <p>Achieved.</p>	<p>This indicator was supported by the Agricultural Development Program Support Project (P105256, FY08).</p> <p>At the PLR stage target fiscal year was modified from the original 2016 to 2017.</p>
<p>Indicator 2: Average national irrigated rice yield (mt/ha)</p> <p>Baseline: 1.5 mt/ha (2012) Target: 3.6 mt/ha (FY17)</p>	<p>The baseline value for irrigated rice is incorrect. The IEG PPAR of P084148 (See Figure A.1 in p. 35) shows a value of 3.6 mt/ha in 2012. The report also shows that the national yield in <i>irrigated rice</i> reached its peak in 2009 and fell since then. By 2018, that yield was about 3.5 mt/ha.</p>	<p>This indicator was supported by the Irrigation, Rural Livelihoods, and Agricultural Development Project (P084148, FY06); Agricultural Sector Wide Approach Support Project II AF (P148964); and the Regional Agricultural</p>

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
	<p>Additional data from the Ministry of Agriculture and Water Development shows the following:</p> <p><u>Irrigated Rice:</u></p> <ul style="list-style-type: none"> • 2012: 16,033 (production) / 4,289 ha = 3.73 mt/ha. • 2017: 15,202 (production) / 4,165 ha = 3.65 mt/ha <p>This demonstrates that irrigated rice yield decreased from 3.73 mt/ha in 2012 to 3.65 mt/ha in 2017.</p> <p>Not Achieved.</p>	<p>Productivity Program for Southern Africa (P094183, FY13).</p> <p>At the PLR stage, the indicator baseline/target was modified from the original: 2.0 mt/ha (2016)</p>
<p>Indicator 3: Legume production as share of total agricultural production.</p> <p>Baseline: 5% (2012) Target: 15% (FY17)</p>	<p>The CLR reports that legume production accounted for 27 percent of the total national agricultural production by FY17 (2017 National Agricultural Crop Production, Ministry of Agriculture and Water Development).</p> <p>Achieved.</p>	<p>This objective was supported by the Agricultural Sector Wide Approach Support Project II AF (P148964, FY14), the Regional Agricultural Productivity Program for Southern Africa (P094183, FY13), and the Irrigation, Rural Livelihoods, and Agricultural Development Project AF II (P131760, FY13).</p> <p>At the PLR stage, target fiscal year was modified from the original 2016.</p>
<p>Indicator 4: Enhanced planning and control of water flows on Shire River Barrage enables improvements in generation and irrigation capacity, and water supply.</p> <p>Baseline: No agreed planning framework or decision support (2012). Target: Multisector integrated Shire Basin Plan and decision support system operational (2017).</p>	<p>The IEG ICRR: MS of P117617 reports that an operational decision support system for flood and drought forecasting was developed that uses near real-time data to calculate levels and flows in 25 sub-catchments. The system issues automated alerts and warnings via SMS to stakeholders in the flood prone area of Lower Shire and to Kamuzu barrage operators.</p> <p>Achieved.</p>	<p>This indicator was supported by Shire River Basin Management Program (Phase I) Project (P117617, FY12).</p> <p>At the PLR stage, target fiscal year was modified from the original 2016.</p>
<p>Indicator 5: New loans and outstanding portfolio/SME (#)</p> <p>Baseline: 5,000 (2010) Target: 25,000 (2015)</p>	<p>The Supervision Report of IFC IS project #599868 reports that 3,517 SMEs were granted credit secured with moveable property by FY17.</p> <p>Not Achieved.</p>	<p>The objective was originally supported by IFC investments in NBS Bank (FY10); IFC AS project Advisory Malawi STCR (#599868) and Malawi Credit Reporting Project (#601844) also supported this objective.</p> <p>The CMU provided explanatory note sent to IEG on 2-09-2021</p>

CPS FY13-FY17: Focus Area: Promoting Sustainable, Diversified, and Inclusive Growth	Actual Results	IEG Comments
		that the NBS Bank new leadership in 2012 discontinued the IFC/NBS discussion for an IFC Agri-advisory engagement. Thus, the indicator was not reset.
<p>Indicator 6: New loans and outstanding portfolio/SME (\$)</p> <p>Baseline: 10,400,000 (2010) Target: 52,000,000 (2015)</p>	<p>The Supervision Report of IFC IS project #599686 reports that US\$44,562,403 was facilitated to SMEs by FY17. IFC IS Project #601844 shows \$581,779,099 financing was facilitated as of FY2017. However, there is no indication how much were for SMEs.</p> <p>Not Achieved.</p>	<p>This objective was supported by IFC Advisory Malawi STCR (#599868); and IFC Credit Reporting Project (#601844) also supported this objective.</p> <p>The CMU provided explanatory note sent to IEG on 2-09-2021 that the NBS Bank new leadership in 2012 discontinued the IFC/NBS discussion for an IFC Agri-advisory engagement. Thus, the indicator was not reset.</p>
<p>Indicator 7: New loans and outstanding portfolio/Agribusiness loans (#)</p> <p>Baseline: 0 (2010) Target: 15,000 (2015)</p>	<p>IFC IS projects #599868 and #601844 track loans facilitated but do not show how much were allocated for agribusiness.</p> <p>Not Verified.</p>	<p>The objective was originally supported by IFC investments in NBS Bank (FY10); IFC AS project Advisory Malawi STCR (#599868) and Malawi Credit Reporting Project (#601844) also supported this objective.</p> <p>The CMU provided explanatory note sent to IEG on 2-09-2021 that the NBS Bank new leadership in 2012 discontinued the IFC/NBS discussion for an IFC Agri-advisory engagement. Thus, the indicator was not reset.</p>
<p>Indicator 8: New loans and outstanding portfolio/Agribusiness loans (\$)</p> <p>Baseline: 0 (2010) Target: 20,000,000 (2015)</p>	<p>The Supervision report of IFC IS project #601844 reports that US\$581,779,099 financing was facilitated as of FY17. However, no information was provided on the allocation for agribusiness.</p> <p>Not Verified.</p>	<p>The objective was originally supported by IFC investments in NBS Bank (FY10). IFC AS project Advisory Malawi STCR (#599868) and Malawi Credit Reporting Project (#601844) also supported this objective.</p> <p>The CMU provided explanatory note sent to IEG on 2-09-2021 that the NBS Bank new leadership in 2012 discontinued the IFC/NBS discussion for an IFC Agri-advisory engagement. Thus, the indicator was not reset.</p>

	CPS FY13-17: Focus Area: Enhancing Human Capital and Reducing Vulnerabilities	Actual Results	IEG Comments
<p>Major Outcome Measures</p>	<p>4. CPS Objective: Improved access to quality education, reliable nutrition, HIV/AIDS services, and sustainable water supply and sanitation services</p> <p>Indicator 1: (Education) Standard 5 survival rates.</p> <p><i>Boys:</i> Baseline: 60% (2010) Target: 68% (FY17)</p> <p><i>Girls:</i> Baseline: 57% (2010) Target: 66% (FY17)</p>	<p>The statistics from the FY17 Education Management Information System (EMIS), managed by the Ministry of Education, Science and Technology, show that survival rates for boys and girls in standard 5 (grade 5) declined from 85 percent in 2010 to 78.5 percent in 2017 national. The IEGs result is calculated as shown below:</p> <p><u>Enrollment rates for grade 5:</u> 2010: 194,119 (boys); 197,371 (girls) 2017: 284,397 (boys); 304,209 (girls)</p> <p><u>Repeated Rates:</u> 2010: 29,702 (boys); 28,690 (girls) 2017: 62,912 (boys); 62,904 (girls)</p> <p><u>Survival Rates for Boys and Girls:</u></p> <p><u>2010 (baseline).</u> - Boys: $29,702/194,119 = 15\%$. $100\% - 15\% = 85\%$ - Girls: $28,690/197,371 = 15\%$. $100\% - 15\% = 85\%$</p> <p><i>2010 Average survival rate for boys and girls</i> 85%</p> <p><u>2017:</u> - Boys: $62,912/284,397 = 22\%$. $100\% - 22\% = 78\%$ - Girls: $62,904/304,209 = 21\%$. $100\% - 21\% = 79\%$</p> <p><i>2017 Average survival rate for boys and girls</i> 78.5%</p> <p>Thus, this shows that the survival rate declined from 85% in 2012 to 78.5% in 2017.</p> <p>Not Achieved.</p>	<p>This objective was supported by Improve Education Quality in Malawi (P114847, FY10) and the subsequent Malawi Education Sector Improvement Project (P154185, FY17).</p> <p>At the PLR stage, the indicator target number was modified from the original <i>Boys: 65% (2016); Girls: 64% (2016)</i></p>
	<p>Indicator 2: (Nutrition Security) Community nutrition program coverage of under-two-year-old children.</p> <p>Baseline: 0% (2010) Target: 25% (FY17)</p>	<p>The June 2017 ISR: MS of P125237 reports that 74.5 percent of children under two were receiving a monthly minimum package of community nutrition services in the component A intervention districts by May 2017.</p> <p>Achieved.</p>	<p>This indicator was supported by the Nutrition & HIV/AIDS Project (P125237, FY12).</p> <p>At the PLR stage, the indicator baseline was modified from the original: 14% (2016)</p>

CPS FY13-17: Focus Area: Enhancing Human Capital and Reducing Vulnerabilities	Actual Results	IEG Comments
<p>Indicator 3: (<i>HIV/AIDS Services</i>): Men and women 15-49 who have had more than one sexual partner in the last 12 months reporting use of a condom in last intercourse (%)</p> <p>Baseline: Women: 27.3% (2011); Men: 24.6% (2011)</p> <p>Target: 33% (men and women) (FY17)</p>	<p>The ICR of P125237 reports that the percentage of men and women ages 15-49 who have had more than one sexual partner in the last 12 months and reporting use of a condom in the last intercourse increased to 35.4% by December 2014 nationwide. This indicator was later dropped during restructuring in May 2016.</p> <p>The ICR and the ICRR for the Nutrition and HIV/AIDS project reported condom use by 35 percent of people in their last sexual intercourse in 2018. Both reports say that the baseline value for men and women in 2011 was 51.9 percent, quite different from the baseline numbers from the PLR. The quality of the information on condom use is unreliable. According to UNAIDS, condom use at last high-risk sex among adults aged 15-49 was 61.9 percent in FY16 (AIDSInfo | UNAIDS). The AIDSInfo | UNAIDS reports that condom use at last high-risk sex among adults aged 15-49 in Malawi was 61.9 percent by 2016.</p> <p>Achieved.</p>	<p>The indicator was supported by investment Nutrition & HIV/AIDS Project (P125237, FY12) and its additional financing (P156129, FY16).</p> <p>At the PLR stage, the indicator target and fiscal year were modified from original: Women: 31% (2015); Men: 28% (2015)</p> <p>This indicator was dropped when P125237 was restructured in May 2016.</p>
<p>Indicator 4: (<i>HIV/AIDS Services</i>) % of infants born to HIV+ women enrolled in PMTCT services in target districts who receive a DNA PCR test for HIV within 2 months of birth</p> <p>Baseline: 25% (2010) Target: 45% (FY17)</p>	<p>The June 2017 ISR: MS of P125237 reports that the percentage of infants born to HIV positive women in target districts who received a DNA PCR test for HIV within two months of birth increased from 25% to 59% by June 2017. The ICRR of P125237 reports a rate of 73 percent by August 2018.</p> <p>Achieved.</p>	<p>The indicator was supported by investment Nutrition & HIV/AIDS Project (P125237, FY12).</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 40% (2015)</p>
<p><i>Water and Sanitation</i></p> <p>Indicator 5: Number of people provided with new or improved water supply through the project.</p> <p>Baseline: 0 (3/2012) Target: 1.7 million (FY17)</p>	<p>The IEG ICRR: MS of P096336 reports that the number of people with access to improved water sources reached 2,228,500 people nationwide by October 2015.</p> <p>Achieved.</p>	<p>This indicator was supported by the Second National Water Development Project (P096336, FY07, AF FY11).</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 1 million (2014).</p> <p>After 2015, the Lilongwe Water and Sanitation Project (P163794, FY18) continued to support the</p>

CPS FY13-17: Focus Area: Enhancing Human Capital and Reducing Vulnerabilities	Actual Results	IEG Comments
		<p>WSS agenda with focus on improving access to water and sanitation services in the Greater Lilongwe area. The project also included many activities to improve water security in the central region from rehabilitation of hydrological networks, developing long term WSS strategies and plans, enhancement of dam safety and water treatment capacity (with IFC and EIB), and by strengthening institutional capacity and sustainability of WSS services (Lilongwe Water Board and Lilongwe City Council).</p>
<p>Indicator 6: Number of people provided with improved sanitation facilities through the project Baseline: 0 (3/2012) Revised target: 70,000 (FY17)</p>	<p>The IEG ICRR: MS of P096336 reports that the number of people with access to improved sanitation facilities through the project increased from 0 (project baseline year: 2006) to 73,682 nationwide by October 2015.</p> <p>Achieved.</p>	<p>This indicator was supported by P096336 – Second National Water Development Project.</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 37,000 (2014)</p> <p>After 2015, the Lilongwe Water and Sanitation Project (P163794, FY18) continued to support the WSS agenda with focus on improving access to water and sanitation services in the Greater Lilongwe area.</p>
<p>5. CPS Objective: Improved resilience for poor communities through adequate social safety nets, improved climate resilience, and enhanced capacity to respond to disaster risk.</p>		
<p>Indicator 1: (<i>Social Safety Net System</i>): Social safety net (SSN) established. Baseline: Public Works Programs (2012)</p>	<p>The August 2017 ISR: S of P133620 reports that the project was able to establish UBR in 2 out of 20 districts by February 2017. Since then, the pace accelerated; by August 2020, the UBR system had been established in 19 districts, 11 funded by the MASAF IV project</p>	<p>This objective was supported by ASA Disaster Risk Management TA (122473, FY14); ASA Reducing Poverty and Vulnerability (P124004,</p>

CPS FY13-17: Focus Area: Enhancing Human Capital and Reducing Vulnerabilities	Actual Results	IEG Comments
Target: Unified Beneficiary Registry (UBR) established in 20 districts (FY17)	and 8 funded by other donors. <i>Mostly Achieved.</i> Mostly Achieved.	FY15); ASA Malawi Flood PDNA (P154774, FY17); and the Strengthening Safety Nets Systems Project (MASAF) IV (P133620, FY14) At the PLR stage, the indicator target and target fiscal year were modified from the original: Consolidated social safety nets (2015)
Indicator 2: (<i>Social Safety Net System</i>): Beneficiaries with savings of at least 50% of public works wage (PWP) one year after participation. Baseline: 13,500 (2012) Target: 100,000 (of which, 62% female) (FY17)	The ICR of P110446 reports that 78,758 of 100,000 (78.75%) public works beneficiaries (61% women) had savings of at least 50% of their wages from PWP one year after participation as of October 2014. Mostly Achieved.	This indicator was supported by the Third Malawi Social Action Fund – APL II Project (P110446, FY08-FY14). At the PLR stage, the indicator target and target fiscal year were modified from the original: 34,000, of which 62% female (2016). The 44% reported in the CLR was derived from the MASAF IV Project's Beneficiary Assessment, dated February 2017 and captured the percentage of beneficiaries that had used PWP wages for savings.
Indicator 3: (<i>Climate Change Resilience and Capacity to Respond to Disaster Risk</i>): Vegetation cover change as percentage of baseline in selected catchments (= approx. 100,000 ha) Baseline 0% (2012) Revised target: 8% (FY17)	The ICR of P117617 reports that remote-sensed data showed that 56 percent (18,715 ha) of the land area rehabilitated under the project has registered a change in land use categorized as positive between 2012-2018. Achieved.	This indicator was supported by the Shire River Basin Management Program (Phase-I) (P117617, FY12); At the PLR stage, target fiscal year was modified from the original: Baseline 0% (2012) Target: 8% (2016)
Indicator 4: (<i>Climate Change Resilience and Capacity to Respond to Disaster Risk</i>): People served by improved flood	The December 2017 ISR of P154803 reports that 405,490 people in target areas were served by improved flood management, including mitigation and adaptation by October 2016.	This objective was supported by the Shire River Basin Management Program (Phase I) Project (P117617, FY12;

CPS FY13-17: Focus Area: Enhancing Human Capital and Reducing Vulnerabilities	Actual Results	IEG Comments
<p>management, including mitigation and adaptation (early warning).</p> <p>Baseline: 0 (2012) Revised target: 200,000 (FY17)</p>	<p>Achieved.</p>	<p>a GEF trust fund for the Shire River project P127866, FY12), the Malawi Floods Emergency Recovery Project (P154803, FY15) and the Malawi Drought Recovery and Resilience Project (P161392, FY17).</p> <p>At the PLR stage, target fiscal year was modified from the original: Baseline: 0 (2012) Target: 200,000 (2016)</p>
<p>Indicator 5: (<i>Climate Change Resilience and Capacity to Respond to Disaster Risk</i>): Improved mainstreaming of gender aware climate and disaster risk reduction issues with focus on vulnerable communities within sector investment planning (especially in Bank and IFC supported sectors and programs)</p> <p>Target: Mainstreaming evident in at least four sectors (FY17)</p>	<p>The CLR reports that mainstreaming was evident in four sectors by FY17, namely:</p> <ul style="list-style-type: none"> ▪ Housing: Housing sector through the preparation of Safer Housing Construction guidelines. The ISR of P154803 reports the dissemination of the Safer House Construction Guidelines as a tool promoting local practices and low-cost technologies and identifying strategies for multi-hazard risk reduction ▪ Education: Facilitating the dialogue on Safer Schools. The ISR of P154803 notes the rehabilitation of schools which follows the build back better concept; ▪ Agriculture: The Government's Agriculture Risk Management Strategy directly informed the development of the National Resilience Strategy. In addition, the ICR and Aide Memoire (2017) of P117617 reports that gender was central across its agricultural activities such as access to project financed activities, catchment management, farmer schools, livelihood grants and other income generating activities by 2017. ▪ Water: Water Resources Sector through planning flood interventions and resilient infrastructures. The mid-term review (2015) of P117617 shared by the CMU informs that the project has contributed to mainstreaming climate and disaster risk management in water resources sector (p. 30, 59 and 88). <p>Achieved.</p>	<p>This Objective was supported by the Shire River Basin Management Program (Phase I) Project (P117617, FY12; GEF P127866, FY12), the Malawi Floods Emergency Recovery Project (P154803, FY15).</p> <p>There is no baseline.</p>

	CPS FY13-17: Focus Area III: Mainstreaming Governance for Enhanced Development Effectiveness	Actual Results	IEG Comments
Major Outcome Measures	6. CPS Objective: Improved public sector performance because of better PFM, procurement, M&E systems, and enhanced statistics		
	<p>Indicator 1: Number of sub-national governments covered by the IFMIS rollout.</p> <p>Baseline: 22 (2012) Target: 34 (FY17)</p>	<p>The IEG ICRR: MU of P130878 reports that that at project closing (FY18) the new IFMIS had not been rolled out, and the Government of Malawi agreed to purchase IFMIS with its own resources. Instead of a new IFMIS, the Financial Reporting project supported the enhancement of EPICOR⁷ with new hardware and software. The new system was rolled out to the districts and councils. However, the new system was not fully functional. While it allowed the preparation of financial statements, problems remained due to lack of an appropriate interface between systems at the central and local levels. The use of EPICOR reduced the backlog of financial statements, but the quality of financial reporting still needs to improve; the reports are often incomplete and lack accurate reconciliation. The ICR concludes that not procuring a new IFMIS created dependence on EPICOR, a system which is unreliable and has already begun to undermine any gains in the project</p> <p>Not Achieved.</p>	<p>This objective was supported by the Financial Reporting and Oversight Improvement Project (P130878, FY13); and the Public Finance and Economic Management Reform Program (MDTF, P129055, FY12).</p> <p>At the PLR stage, target fiscal year was modified from the original: 34 (2016)</p> <p>The Aide Memoire (2019) of P130878 reports that the subnational government IFMIS (Serenic Navigator) was procured by the Government of Malawi with its own resources and rolled out to all 35 subnational governments.</p>
	<p>Indicator 2: Number of audit observations resolved</p> <p>Target: 70 (FY17)</p>	<p>The CLR reports that an improvement in the process of audit observations resolution through established procedures were observed. However, formal statistics are not available.</p> <p>The IEG ICRR: U of P133663 found that “At the time of the ICR [August 28, 2015], a total stock of 93 of 114 audit issues (82 percent) remained unresolved.”</p> <p>Not Achieved.</p>	<p>This objective was supported Phase I of Economic Recovery DPO (P133663, FY13).</p> <p>There was no baseline. At the PLR stage, the indicator target and target fiscal year were modified from the original: Target: 50 (2016)</p>
<p>Indicator 3: Status of MG1 and the sub-MG (SMG) accounts at the Reserve Bank of Malawi.</p>	<p>The CLR reports there has been a significant improvement in bank reconciliations but the process is not completed within one month; old transactions remain unresolved.</p>	<p>The operations listed in indicators 1, 2 and 4 neither mentioned nor monitored the indicator.</p>	

⁷ EPICORE is the brand name of a software already in use in Malawi to operate the existing IFMIS

CPS FY13-17: Focus Area III: Mainstreaming Governance for Enhanced Development Effectiveness	Actual Results	IEG Comments
Target: 100% of MG1 and SMGs within 1 month after the end of each month (FY17)	<p>The IMF reports that the fourth structural benchmark of its three-year extended credit facility arrangements was not met and was partially implemented. The benchmark was “Reconcile all bank accounts MG1 and seven operating accounts and ways and means transactions within 90 days after the end of each month signed by the Accountant General and Secretary to the Treasury. The reconciliation should clear all the backlog and have a track record of three consecutive months.” Source: IMF, Country Report 18/336 of November 2018, p. 36</p> <p>Not Achieved.</p>	<p>No baseline.</p> <p>At the PLR stage, the indicator target and target fiscal year was modified from the original: 100% of MG1 and SMGs within 2 months after the end of each month (2016)</p>
<p>Indicator 4: Strengthened transparency, accountability, and capacity of public procurement, focusing on the eight top-spending ministries and parastatals.</p> <p>Baseline: 0 (2012) Target: 18 including National Statistical Office, Foreign Affairs, Internal Security, Labor, Water Boards (2017)</p>	<p>The CLR reports that there has been some progress in institutions which have procurement staff in place and prepare annual procurement plans such as preparation of bid documents, evaluation reports and contract documents. IEG could not verify this information.</p> <p>A PEFA assessment to identify progress on the PFM system in Malawi shows a deterioration in relevant categories related to this indicator. Specifically, on transparency of public finances, a comparison of the PEFA assessments of 2011 and 2018 show deterioration in: (i) budget documentation (A in 2011; B in 2018); (ii) the system for allocating transfers to sub-national governments (A in 2011, C in 2018); (iii) public access to fiscal information (C in 2011, D in 2018); (iv) the expenditure composition outturn (C+ in 2011, D+ in 2018); and (v) the quality of annual financial reports (C+ in 2011, D+ in 2018). PEFA rated with a D central government operations outside financial report in 2011 and 2018.</p> <p>(PEFA, https://www.pefa.org/node/246)</p> <p>Not Achieved.</p>	<p>This objective was supported by Trust-funded Malawi Procurement Capacity Building Project (MDTF-P126649, FY12).</p> <p>There was no project that monitored this indicator.</p> <p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 10; Agriculture, Health, Education, Transport and Public Works, Roads Authority, Irrigation and Water, ESCOM, Malawi Housing (2014)</p>
7. CPS Objective: Enhanced transparency on resource flows and service delivery.		
<p>Indicator 1: Number of good governance tools used and scaled up including citizen feedback and redress mechanisms, transparency in the</p>	<p>The CLR reports that there is insufficient information on the number and their effectiveness to assess achievement of the outcome. IEG could not verify the indicator.</p>	<p>At the PLR stage, the indicator target and target fiscal year were modified from the original: 5 (2015)</p>

CPS FY13-17: Focus Area III: Mainstreaming Governance for Enhanced Development Effectiveness	Actual Results	IEG Comments
<p>use of resource flows (e.g., expenditure tracking, independent budget analysis, PETS, citizens charters), user participation/feedback.</p> <p>Baseline: 2 (2011) Target: 6 (FY17)</p>	<p>Not Verified.</p>	<p>The PEFA was conducted in 2011 and 2018. (PEFA, https://www.pefa.org/assessments?&c_ids[]=141.)</p> <p>The Open Budget Survey (2017) ranks Malawi at 26th out of 100 for transparency on the open budget index. It highlights the year-end report and audit reports are published late or not published at all.</p>
<p>Indicator 2: Geodata management center providing online access. Baseline: No (2012) Target: Yes (FY17)</p>	<p>The IEG ICRR: MS of P120825 reports that the geo-data management information system (GDMS) was established by 2016. However, the system was not accessible online by project closing in July 2018.</p> <p>Not Achieved.</p>	<p>This objective was supported by the Mining Governance and Growth Support Project (P120825).</p> <p>At the PLR stage, the indicator target fiscal year was modified from the original: Yes (2016)</p>
<p>Indicator 3: Modern computerized mining cadaster in use. Baseline: No (2012) Target: Yes (FY17)</p>	<p>The IEG ICRR: MS (p. 6) of P120825 reports that the computer-based cadaster system went live in April 2017. All license data from 2009 to project closing was captured in the database, and all license applications were being processed through the system by a trained team of officers.</p> <p>Achieved.</p>	<p>This objective was supported by the Mining Governance and Growth Support Project (P120825).</p> <p>At the PLR stage, the indicator target fiscal year was modified from the original: Yes (2016)</p>

Annex Table 2: Planned and Actual Lending for Malawi, FY 13-17

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed IDA Amount	Proposed IDA Amount	Approved IDA Amount	Outcome Rating
Project Planned Under CPS/PLRFY13-17					<i>CPS</i>	<i>PLR</i>		
P133663	Malawi DPO 1 Programmatic (Economic Recovery DPO)		FY13	FY14		50	50	IEG: U
P126155	Malawi - Rapid Response Development Policy Grant		FY13	FY16		50	50	IEG: S
P094183*	Agricultural Productivity Program for Southern Africa (APPSA)		FY13	FY21		10	29.8	IEG: MS
P131760	Irrigation, Rural Livelihoods, Agricultural Development Project (IRLADP), AF II SL		FY13			50	50	IEG: S
P131648	Strengthen Safety Nets System - MASAF3 - Second Additional Financing		FY13	FY14		50	50	IEG: MS
P131660	MW Skills Development Project (Higher Education and Skill Development Project)		FY14	FY19			51	MS
P133620	Strengthen Safety Nets System-MASAF4		FY14	FY20			33	MS
P145566*	Southern Africa Trade and Transport Facilitation (STTFP) - APL 2	FY15	FY15	FY22		20	69	MU
P148617	Strengthening Safety Net Systems-MASAF-IV - Additional Financing	FY15	FY15			75	75	MS
P154803	Malawi Flood Emergency Recovery Project		FY15	FY20		50	80	MS
P153753	Malawi Agricultural Support and Fiscal Management DPO	FY16	FY17	FY18			80	
P155658*	Southern Africa Tuberculosis and Health Systems Support Project		FY16	FY24			17	S
P151847*	Eastern and Southern Africa Higher Education Centers of Excellence	FY13	FY16	FY23			12	MS
DROPPED	Accelerated Program for Economic Integration (APEI) I	FY16				10		
DROPPED	Accelerated Program for Economic Integration (APEI) II	FY16				10		
DROPPED	Energy Connectivity (FY14/15) (???)							
DROPPED	Public Sector Performance Project (FY14)							
Total Planned						375	647	

Note: - P158805 and P164354 were proposed during the CPS/PLR period, but approved after the review period. Thus, they were excluded in the total IDA amount.

Unplanned Projects during the CPS Period		Approval FY	Closing FY		Approved IDA Amount	Outcome Rating
P156129	Nutrition and HIV/AIDS Project AF	FY16	FY23		23	IEG: MU
P161392	Malawi Drought Recovery and Resilience Project	FY17	FY21		104	MS
P160533	Digital Malawi Program Phase I: Malawi Digital Foundations Project	FY17	FY22		72.4	MU
P158434	Malawi Agricultural Commercialization Project	FY17	FY23		95	MU
P160519	Second Additional Financing for MASAF IV	FY17			70	MS
Total Unplanned					0	364

Note: - The CLR did not report on P156129

On-going Projects during the CPS/PLR Period		Approval FY	Closing FY		Approved IDA Amount	Outcome Rating
P073821	MW-Multi-sectoral AIDS - MAP (FY04)	FY04	FY13		67.8	IEG: MS
P057761	MW-Infrastr Srvcs SIM	FY06	FY13		40	IEG: MS
P084148	MW-Irrig, Rural Livlihs & Agr SIL (FY06)	FY06	FY15		40	IEG: S
P103773	MW-Bus. Env. Strengthening SIL (FY07)	FY07	FY13		15	IEG: MS
P096336	MW-Sec Natl Water Dev Project SIL (FY07)	FY07	FY16		50	IEG: MS
P110446	MW-3rd Social Action Fund APL II (FY08)	FY08	FY14		50	IEG: MS
P105256	MW - Agric. Dev. Prog Support Project	FY08	FY17		32	IEG: S
P107545	MW- Multisect HIV/AIDS Prg-Add Fin (FY10)	FY10	FY13		30	IEG: MS
P121065	MW - MASAF AF (CRW)	FY10	FY14		14	IEG: MS
P114847	MW-Proj to Improve Education Quality in	FY10	FY15		50	IEG: MS
P124486	MW:Second Natl Water Dev Project-Add Fin	FY11	FY16		120	IEG: MS
P121120	Irrigation, Rural Livelihoods and Agricultural Development Project (FY06), AF	FY11	FY15		12.7	IEG: S
P128576	MW-Add Fin to Ag Dev Prg Support Project	FY12	FY17		30	IEG: S
Total On-going					552	

Source: CPS and PLR, WB BI as of 10/19/20

Notes:

- LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

- * Regional Project

Annex Table 3: Analytical and Advisory Work for Malawi, FY13-17

Proj ID	Project Name	Fiscal year	Product Line	Practice	RAS
P123238	Malawi -Decentralization Note	2013	ESW	GOV	No
P123372	Effective and Inclusive Targeting Mechanisms in Africa: Malawi	2014	ESW	SPL	No
P123408	Higher Education Study	2014	ESW	EDU	No
P144768	Malawi MTDS	2014	ESW	MTI	No
P133601	Malawi DTIS Update	2014	ESW	MTI	No
P148735	Malawi Primary Education PET-QSD study	2015	ESW	EDU	No
P147757	Malawi Policy Note Series	2015	ESW	MTI	No
P133262	Malawi Public Expenditure Review	2015	ESW	MTI	No
P153416	Higher Education Study Dissemination	2015	ESW	EDU	No
P146675	Malawi Urbanization Review	2016	ESW	URS	No
P157493	Malawi Binding Constraints to Service Delivery	2016	ESW	GOV	No
P153806	Malawi Economic Monitor 2015-16	2016	ESW	MTI	No
P151674	Malawi Growth and Competitiveness ESW	2017	ESW	Other	No
P154607	Malawi Country Economic Memorandum	2017	ESW	MTI	No
P155660	Adolescent girls in Malawi	2017	ESW	EDU	No
P160741	Malawi Economic Monitor 2016-17	2017	ESW	MTI	No
P122473	MALAWI - Disaster Risk Management TA	2014	Non-Lending TA	WAT	No
P127524	Transaction Advice on Concession Renegotiation of the Railways - Malawi	2014	Non-Lending TA	TDD	No
P129249	Malawi Rural Roads Project Component Preparation Support	2014	Non-Lending TA	TDD	No
P131741	Malawi: Project Pipeline Screening and Initial Feasibility Assessment of Potential Infrastructure PPPs	2014	Non-Lending TA	EAE	No
P130093	Malawi Debt Management Reform Plan	2014	Non-Lending TA	MTI	No
P124004	MW - REDUCING POVERTY/INEQUALITY & VULNE	2015	Non-Lending TA	POV	No
P155848	TA and Statistical Capacity Building	2015	Non-Lending TA	POV	No
P148272	Lilongwe Water Supply Policy Dialogue	2016	Non-Lending TA	WAT	No
P154211	Malawi Enhanced Poverty Diagnosis	2016	Non-Lending TA	POV	No
P154774	Malawi Flood PDNA 2015	2017	Non-Lending TA	URS	No
P157774	Malawi Health Financing	2017	Non-Lending TA	HNP	No
P158242	Malawi Longitudinal School Survey	2017	Non-Lending TA	EDU	No

Source: WB Business Intelligence 09/09/2020

Annex Table 4: Trust Funds Active for Malawi, FY13-17

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	Outcome Rating
P110157	Second National Water Development Project - Additional Financing (ACGF)	TF 91521	FY08	FY13	25	
P120973	LSMS-ISA MALAWI NATIONAL PANEL SURVEY	TF 96288	FY10	FY14	1	
P117094	Malawi: Strengthening the Accountancy Profession	TF 96297	FY10	FY14	0	S
P106671	Agriculture Development Program SLM	TF 92100	FY10	FY14	6	
P121496	Protecting Early Childhood Development in Malawi - Rapid Social Response (RSR)	TF 98515	FY11	FY13	2	
P114847	Project to Improve Education Quality in Malawi	TF 97559	FY11	FY16	90	IEG: MS
P110112	Effective Management of the Nkhotakota Wildlife Reserve	TF 13608	FY12	FY15	1	
P126025	Inclusive Education for Disabled Children	TF 99386	FY12	FY16	2	MS
P126649	Malawi Procurement Capacity Building	TF 12487	FY13	FY16	0	MS
P123926	Lilongwe CDS Phase 3	TF 10015	FY13	FY15	0	
P130878	Financial Reporting and Oversight Improvement Project	TF 13825	FY13	FY18	19	MU
P125237	Malawi Nutrition and HIV/AIDS Project	TF 12631	FY13	FY17	12	IEG: MU
P127866	Shire River Basin Management Program (GEF)	TF 12920	FY13	FY19	5	MS
		TF 12921	FY13	FY19	2	MS
P120825	MW: Mining Governance and Growth Support Project	TF 12935	FY13	FY18	4	IEG: MS
P148964	Second Additional Financing to the Malawi Agricultural Sector Wide Approach - Support Project	TF 16364	FY14	FY17	100	
P147819	Social Accountability Strengthening Project	TF 15842	FY14	FY19	1	
P147837	Strengthening Social Accountability in the Education Sector in Malawi	TF 15841	FY14	FY19	1	
P154185	Malawi Education Sector Improvement Project (MESIP)	TF A2913	FY17	FY21	45	MS
P154185	Malawi Education Sector Improvement Project (MESIP)	TF A2913	FY17	FY21	45	MS
Total					360	

Source: Client Connection as of 9/09/2020

** IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Malawi, FY13-17

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
FY13	P057761	MW-Infrastr Srvcs SIM	40.8	MS	SIGNIFICANT
FY13	P073821	MW-Multi-sectoral AIDS - MAP (FY04)	67.8	MS	HIGH
FY13	P103773	MW-Bus. Env. Strengthening SIL (FY07)	15.4	MU	MODERATE
FY13	P126155	Malawi - Rapid Response DPG	50.1	S	SIGNIFICANT
FY13	P133663	Malawi DPO 1 Programmatic	50.5	U	HIGH
FY14	P110446	MW-3rd Social Action Fund APL II (FY08)	107.9	MS	SIGNIFICANT
FY15	P084148	MW-Irrig, Rural Lvlhds & Agr SIL (FY06)	106.5	S	SIGNIFICANT
FY15	P114847	MW-Proj to Improve Education Quality in	49.3	MS	SIGNIFICANT
FY16	P096336	MW-Sec Natl Water Dev Project SIL (FY07)	164.4	MS	SIGNIFICANT
FY17	P105256	MW - Agric Dev Prog Support Project	51.6	S	SIGNIFICANT
Total			704.3		

Source: AO Key IEG Ratings as of 9/9/20

Note: ICRR ratings are provided through parent or original projects only.

Annex Table 6: IEG Project Ratings for Malawi and Comparators, FY 13-17

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO% Moderate or Lower Sat (\$)	RDO% Moderate or Lower Sat (No)
Malawi	704.3	10	90.6	80.0	2.2	10.0
AFE	13,460.9	202	74.1	71.5	31.1	31.3
World	130,533.3	1,387	82.9	71.7	45.6	40.8

Source: WB AO as of 09/09/2020

Annex Table 7: Portfolio Status for Malawi and Comparators, FY13-17

Fiscal year	2013	2014	2015	2016	2017	Ave FY13-17
Country						
# Proj	10	11	10	9	12	10
# Proj At Risk	1	3	2	1	1	2
% Proj At Risk	10.0	27.3	20.0	11.1	8.3	15
Net Comm Amt	840.8	810.5	737.8	666.2	1,025.6	816
Comm At Risk	169.2	214.7	135.6	50.9	125.0	139
% Commit at Risk	20.1	26.5	18.4	7.6	12.2	17.0
Region						
# Proj	403	438	458	474	502	455
# Proj At Risk	106	115	111	124	135	118
% Proj At Risk	26.3	26.3	24.2	26.2	26.9	26
Net Comm Amt	40,799.0	46,621.7	51,993.5	56,089.8	61,022.2	51,305
Comm At Risk	13,938.0	16,171.5	15,372.2	18,235.0	19,934.3	16,730
% Commit at Risk	34.2	34.7	29.6	32.5	32.7	32.6
World						
# Proj	1,337	1,386	1,402	1,398	1,459	1,396
# Proj At Risk	339	329	339	336	344	337
% Proj At Risk	25.4	23.7	24.2	24.0	23.6	24
Net Comm Amt	169,430.6	183,153.9	191,907.8	207,350.0	212,502.9	192,869
Comm At Risk	39,638.0	39,748.6	44,430.7	42,715.1	50,837.9	43,474
% Commit at Risk	23.4	21.7	23.2	20.6	23.9	22.5

Source: WB BI as of 9/9/20

Note: Only IBRD and IDA Agreement Type are included

Annex Table 8: Total Net Disbursements of Official Development Assistance and Official Aid for Malawi, FY13-17

Development Partners	2013	2014	2015	2016	2017
Official Donors, Total	1132.55	931.16	1049.38	1241.61	1518.06
DAC Countries, Total	646.07	509.04	580.8	700.98	789.13
Australia	22.51	5.62	5.44	3.02	4.07
Austria	0.11	0.08	0.06	0.1	0.07
Belgium	12.1	8.3	9.49	3.52	8.72
Canada	24.19	13.35	8.63	15.96	8.94
Czech Republic	..	..	0.07	..	..
Denmark	-0.04	0.08	..	0	-0.08
Finland	2.17	1.83	1.64	0.84	0.99
France	-0.06	0.07	0.03	0.02	0.3
Germany	27.55	33.98	41.38	50.18	67.38
Hungary	..	..	..	0	0
Iceland	5.66	5.29	4.59	4.54	3.81
Ireland	26.99	25.81	21.94	21.59	22.76
Italy	0.69	0.34	0.66	0.81	1.19
Japan	34.42	42.45	26.63	20.52	41.1
Korea	1.54	2.02	3.35	3.01	5.73
Luxembourg	0.8	0.26	0.51	0.55	0.2
Netherlands	0.01	..	..	..	..
New Zealand	0.04	0.06	0.07	0.1	0.2
Norway	107.36	84.41	73.26	62.75	57.82
Poland	..	..	0.02	..	..
Spain	0.17	0.32	0.1	0.05	0.05
Sweden	1.92	2.41	3.06	3.85	3
Switzerland	0.63	0.84	0.49	0.7	0.65
United Kingdom	177.14	99.56	130.73	138.64	115.33
United States	200.19	181.96	248.63	370.22	446.9
Multilaterals, Total	486.07	417.46	466.39	533.85	723.66
EU Institutions	104.58	78.42	73.15	82.17	106.16
International Monetary Fund, Total	11.61	-5.54	-6.06	50.55	5.25
IMF (Concessional Trust Funds)	11.61	-5.54	-6.06	50.55	5.25
Regional Development Banks, Total	44.62	38.11	42.73	45.89	54.26
African Development Bank, Total	44.62	38.11	42.73	45.68	54.26
African Development Bank [AfDB]	0.07	..	0.05	0.06	0.03
African Development Fund [AfDF]	44.55	38.11	42.68	45.63	54.23
Islamic Development Bank [IsDB]	..	..	..	0.21	..
United Nations, Total	30.36	25.19	53.63	44.7	38.45

Food and Agriculture Organization [FAO]	0.18	..	..	..	..
International Atomic Energy Agency [IAEA]	0.27	0.27	0.22	0.14	0.31
IFAD	3.13	3.87	9.46	6.96	3.97
International Labor Organization [ILO]	0.99	0.42	0.67	0.62	0.82
UNAIDS	1.15	0.88	1.17	1.02	0.86
UNDP	6.98	8.7	8.86	7.8	8.04
UNFPA	3.09	3.32	3.1	2.23	1.84
UNHCR	2.4	..	2.87	0.46	5.62
UNICEF	5.44	3.41	22.35	11.81	11.76
WFP	5.51	3.58	3.06	12.65	4.31
World Health Organization [WHO]	1.21	0.73	1.86	0.99	0.92
World Bank Group, Total	194.99	168.66	154.16	149.69	322.22
World Bank, Total	194.99	168.66	154.16	149.69	322.22
International Development Association [IDA]	194.99	168.66	154.16	149.69	322.22
Other Multilateral, Total	99.91	112.63	148.78	160.84	197.31
Arab Bank for Economic Development in Africa [BADEA]	-0.67	2.14	1.85	..	..
Global Alliance for Vaccines and Immunization [GAVI]	17.61	14.02	18.21	23.48	9.72
Global Environment Facility [GEF]	5.61	5.16	5.16	6.31	4.37
Global Fund	69.36	80.37	125.16	130.8	172.01
Nordic Development Fund [NDF]	0.22	0.21	-0.65	-0.79	-0.8
OPEC Fund for International Development [OFID]	7.78	10.73	-0.96	1.04	12.01
Non-DAC Countries, Total	0.41	4.65	2.2	6.78	5.28
Cyprus	..	..	0.01	..	..
Israel	0.22	0.11	0.03	..	0.03
Kuwait	-1.09	2.08	-1.34	2.21	2.16
Lithuania	..	..	0.01	0.01	..
Malta	..	..	0.02	0.01	..
Russia	1	..	..	..	..
Thailand	0.08	0.08	0.11	0.08	0.08
Turkey	0.19	0.36	..	0.17	0.51
United Arab Emirates	0.01	2.02	3.36	3.97	0.06
Private Donors, Total	21.63	18.7	20.13	17.63	33.19
Arcus Foundation	..	..	0.08	0.04	0.07
Bill & Melinda Gates Foundation	14.05	13.02	13.34	12.71	16.47
Charity Projects Ltd (Comic Relief)	5.06	4.62	5.43	3.07	2.37
Children's Investment Fund Foundation	..	..	..	..	3.17
Conrad N. Hilton Foundation	2.52	1.06	1.28	1.71	1.45
Ford Foundation	..	..	..	..	0.09
MasterCard Foundation	..	..	..	..	6.7
William & Flora Hewlett Foundation	..	..	..	..	0.53

United Postcode Lotteries, Total	..	..	..	0.1	2.25
Dutch Postcode Lottery	..	..	..	..	2.25
People's Postcode Lottery	..	..	..	0.1	..
Canada	24.19	13.35	8.63	15.96	8.94
France	-0.06	0.07	0.03	0.02	0.3
Germany	27.55	33.98	41.38	50.18	67.38
Italy	0.69	0.34	0.66	0.81	1.19
Japan	34.42	42.45	26.63	20.52	41.1
United Kingdom	177.14	99.56	130.73	138.64	115.33
United States	200.19	181.96	248.63	370.22	446.9
Austria	0.11	0.08	0.06	0.1	0.07
Belgium	12.1	8.3	9.49	3.52	8.72
Czech Republic	..	..	0.07	..	..
Denmark	-0.04	0.08	..	0	-0.08
Finland	2.17	1.83	1.64	0.84	0.99
Hungary	..	..	..	0	0
Ireland	26.99	25.81	21.94	21.59	22.76
Luxembourg	0.8	0.26	0.51	0.55	0.2
Netherlands	0.01	..	..	..	..
Poland	..	..	0.02	..	..
Spain	0.17	0.32	0.1	0.05	0.05
Sweden	1.92	2.41	3.06	3.85	3
EU Institutions	104.58	78.42	73.15	82.17	106.16

Source: OECD Stat, [DAC2a] as of 09/09/20

Annex Table 9: Economic and Social Indicators for Malawi, FY13-17

Series Name						Malawi	Sub-Saharan Africa	World
	2013	2014	2015	2016	2017	Average 2013-2017		
Growth and Inflation								
GDP growth (annual %)	5.2	5.7	2.8	2.5	4.0	4.0	3.26	2.85
GDP per capita growth (annual %)	2.26	2.78	0.00	-0.26	1.26	1.2	0.51	1.66
GNI per capita, PPP (current international \$)	1,080	1,050	980	1,020	1,010	1,028.00	3,549.40	15,298.58
GNI per capita, Atlas method (current US\$)	410	370	350	340	340	362.00	1,674.42	10,690.41
Inflation, consumer prices (annual %)	27.3	23.79	21.9	21.7	11.5	21.2	4.74	2.01
Composition of GDP (%)								
Agriculture, forestry, and fishing, value added (% of GDP)	28.7	28.7	27.5	25.9	26.1	27.38	15.07	3.54
Industry (including construction), value added (% of GDP)	14.8	14.6	14.8	14.6	14.4	14.65	26.27	25.77
Services, value added (% of GDP)	49.7	49.8	50.2	51.9	52.4	50.80	52.25	64.65
Gross fixed capital formation (% of GDP)	12.7	12.0	12.2	10.8	13.2	12.18	21.32	23.44
Gross domestic savings (% of GDP)	6.07	6.43	4.61	-1.75	4.50	3.97	19.43	25.02
External Accounts								
Exports of goods and services (% of GDP)	35.7	33.7	29.2	33.0	29.2	32.1	25.4	29.5
Imports of goods and services (% of GDP)	42.6	39.6	35.8	44.9	36.2	39.8	29.3	28.9
Current account balance (% of GDP)	-22.4	-18.7	-14.6	-19.4	-22.4	-19.5	...	...
External debt stocks (% of GNI)	29.2	28.3	27.8	34.3	34.8	30.9	...	...
Total debt service (% of GNI)	0.8	1.1	1.1	1.4	1.2	1.1	2.4	...
Total reserves in months of imports	1.6	2.2	2.8	2.9	3.1	2.5	5.2	13.0
Fiscal Accounts ¹								
General government revenue (% of GDP)	28.3	25.0	24.7	23.7	25.2	25.4	18.3	...
General government total expenditure (% of GDP)	34.7	29.8	31.1	31.0	32.6	31.8	22.3	...
General government net lending/borrowing (% of GDP)	-6.4	-4.8	-6.3	-7.3	-7.3	-6.4	-4.0	...
General government gross debt (% of GDP)	59.3	54.7	61.2	61.3	61.5	59.6	39.0	...

Series Name						Malawi	Sub-Saharan Africa	World
	2013	2014	2015	2016	2017	Average 2013-2017		
Health								
Life expectancy at birth, total (years)	59.9	61.0	62.0	62.7	63.3	61.8	59.9	71.9
Immunization, DPT (% of children ages 12-23 months)	89.0	91.0	88.0	84.0	88.0	88.0	71.2	85.1
People using at least basic sanitation services (% of population)	24.9	25.3	25.6	25.9	26.2	25.6	29.8	71.5
People using at least basic drinking water services (% of population)	65.1	66.1	67.0	67.9	68.8	67.0	59.1	88.7
Mortality rate, infant (per 1,000 live births)	42.7	39.7	37.3	35.3	33.5	37.7	57.2	31.6
Education								
School enrollment, preprimary (% gross)	..	..	83.6	..	..	83.6	29.3	47.9
School enrollment, primary (% gross)	146.9	147.4	146.4	144.5	145.5	146.1	98.6	103.4
School enrollment, secondary (% gross)	38.4	40.2	40.8	39.2	39.9	39.7	43.6	75.3
Population								
Population, total (Millions)	15,839,269.0	16,289,540.0	16,745,303.0	17,205,289.0	17,670,260.0	16,749,932.2	996,027,909.6	7,339,236,334.4
Population growth (annual %)	2.8	2.8	2.8	2.7	2.7	2.8	2.7	1.2
Urban population (% of total)	3.8	3.8	3.9	3.9	3.9	3.9	4.1	2.0
Poverty								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	..	..	..	70.3	..	70.3	42.7	10.6
Poverty headcount ratio at national poverty lines (% of population)	..	..	..	51.5	..	51.5	..	..
Rural population growth (annual %)	2.7	2.6	2.5	2.5	2.4	2.5	1.9	0.2
Urban population growth (annual %)	3.8	3.8	3.9	3.9	3.9	3.9	4.1	2.0
GINI index (World Bank estimate)	..	..	..	44.7	..	44.7	..	..

Source: Worldbank DataBank as of 09/09/20

*International Monetary Fund, World Economic Outlook Database, 09/09/20

Annex Table 10: List of IFC Investments in Malawi (US\$, Thousands)

Investments Committed in FY13-17

Project ID	Institution Number	Cmt FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
34816	783566	2014	34816	Active	Food & Beverages	15,000.0	5,000.0	1,000.0	-	1,000.0
33976	758106	2013	32863	Closed	Agriculture and Forestry	10,000.0	10,000.0	10,000.0	-	10,000.0
					Sub-Total	5,000.0	15,000.0	11,000.0	-	11,000.0

Investments Committed pre-FY16 but active during FY16-FY20

Project ID	Institution Number	CMT FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
					Sub-Total	-	-	-	-	-
					TOTAL	25,000.0	15,000.0	11,000.0	-	11,000.0

Source: IFC-MIS Extract as of 11/16/2020

SHORT TERM FINANCING

Investments Committed in FY13-17

Project ID	Institution Number	Cmt FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
35462	794055	2014	23898	Closed	Finance & Insurance	-	2,241.4	2,241.4	-	2,241.4
					Sub-Total	-	2,241.4	2,241.4	-	2,241.4

Investments Committed pre-FY16 but active during FY16-FY20

Project ID	Institution Number	CMT FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
27099	615672	2008	23898	Active	Finance & Insurance	5,000.0	126,973.8	126,973.8	-	126,973.8
					Sub-Total	5,000.0	126,973.8	126,973.8	-	126,973.8

Annex Table 11: List of IFC Advisory Services in Malawi, FY13-17 (US\$, Thousands)

Advisory Services Approved in FY13-17

Project ID	Project Name	Approval FY	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC (during CAS period)
599286	Biotrade Africa - Support to PhytoTrade Africa	2013	2013	2015	CLOSED	MAS	765,957.00
599868	Secured Transactions & Collateral Registries Malawi	2014	2014	2018	ACTIVE	EFI	1,150,000.00
600331	Malawi Warehouse Receipts Program	2014	2014	2019	CLOSED	EFI	1,114,356.00
599358	Malawi Water PPP	2016	2016	2020	TERMINATED	CPC-PPP	1,501,636.00
601590	Malawi IC	2016	2016	2019	ACTIVE	EFI	400,001.00
601844	Malawi Credit Reporting Project	2017	2017	2020	ACTIVE	EFI	510,000.00
601527	Malawi Trade Facilitation	2017	2017	2021	ACTIVE	EFI	2,131,209.00
601503	Promoting competition in SSA	2017	2017	2021	ACTIVE	EFI	916,500.00
Sub-Total							8,489,659.00

Advisory Services Approved pre-FY16 but active during FY13-17

Project ID	Project Name	Approval FY	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC (during CAS period)
563607	Village Phone Malawi	2009	2009	2013	CLOSED	MAS	342,212.00
Sub-Total							342,212.00
TOTAL							8,831,871.0

Source: IFC AS Portal Data as of 11/16/2020

Additional AS Projects (outside of CAS period)

Project ID	Project Name	Approval FY	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC (during CAS period)
602261	Southern Africa Power Project	2018	2018	2023	ACTIVE	INR	3,535,000
603282	Global Tea Macadamia Malawi	2019	2019	2023	ACTIVE	MAS	967,000
602178	Malawi Shire Valley Irrigation Project	2019	2019	2021	ACTIVE	CPC-PPP	770,000
602930	Mpatamanga Malawi Hydro	2020	2020	2022	ACTIVE	CAS-PPP	5,185,000
600545	C3PAF Water Sector Business Development	2022	2022	2023	ACTIVE	CPC-PPP	658,496
Grand Total							11,115,496

Annex Table 12: List of MIGA Projects Active in Malawi, FY13-17 (US\$, millions)

Project ID	Project Title	Project Status	Fiscal Year	Sector	Gross Exposure
<i>None</i>					
	Total				-

Source: MIGABI reporting database as of 10/16/2020