

**STATUS OF PROJECTS IN EXECUTION – FY06**  
**SOPE**  
**REGION: AFRICA**  
**COUNTRY: MALAWI**

**Operations Policy and Country Services**  
**SEPTEMBER 19, 2006**



**Report on the Status of Projects in Execution - FY06**  
**SOPE**  
**Region: Africa**  
**Country: Malawi**

**Introduction**

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY06 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

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<sup>1</sup> Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.



**Country: Malawi**

**Project Name (ID): INFRASTRUCTURE SERVICES ( P057761 )**

**Country: Malawi**

**Board Approval Date : 06/27/2006**

**Closing Date : 11/30/2011**

**Loan/Credit/Grant Number : IDA-H2420, IDA-Q4590, IDA-Q4591, MULT-52611**

**Sector(s):** Roads and highways (45%), General water, sanitation and flood protection (28%), Power (13%), General public administration (9%), Telecommunications (5%)

**Theme(s):** Infrastructure services for private sector development (P), Rural services and infrastructure (P), Other urban development (S), Decentralization (S), Other financial and private sector development (S)

**Project Development Objectives:**

To improve household welfare and strengthen economic growth in market centers and surrounding rural areas through the provision of core infrastructure services.

**Progress toward achieving development objective(s):**

The project was not effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-H2420	Not Effective	40.28	0.00	40.28	0.00
IDA-Q4590	Effective	0.60	0.60	0.00	0.00
IDA-Q4591	Effective	1.00	0.06	0.94	0.00
MULT-52611	Closed	0.09	0.00	0.09	0.00



**Project Name (ID):** Privatization and Utility Reform Project ( P063095 )

**Country:** Malawi

**Board Approval Date :** 06/27/2000

**Midterm Review Date :** 09/22/2003

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** IDA-33950, IDA-Q1520, IDA-Q1521

**Sector(s):** Central government administration (40%), General industry and trade (15%), Water supply (15%), General energy (15%), General information and communications (15%)

**Theme(s):** State enterprise/bank restructuring and privatization (P), Regulation and competition policy (S)

**Project Development Objectives:**

The objective is to improve quality of and access to economic and physical infrastructure for private sector development.

**The Project was restructured during the 2006 Fiscal Year**

The objective of the restructuring is to address the underlying causes of current slow implementation progress, respond to new challenges of parastatal reform, incorporate lessons learned and improve the effectiveness of the program. The revised Project Development Objective is to enhance the climate for private investment by reducing the state direct participation in the business sector.

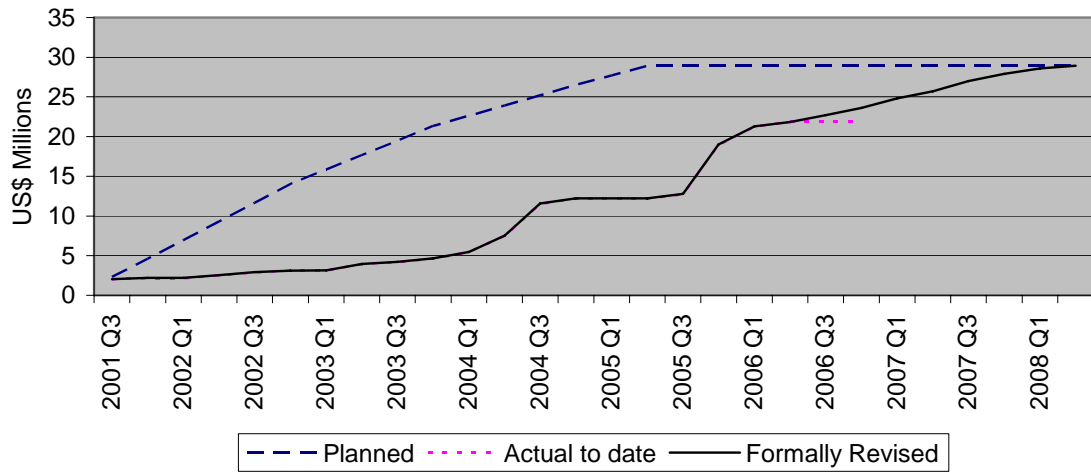
**Progress toward achieving development objective(s):**

The Malawi Telecom Ltd. (MTL) has been privatized. The Government of Malawi (GoM) has begun strengthening the telecom sector regulator and establishing other multi-sector regulators (in the transport & energy sectors). GoM has reaffirmed its commitment to proceed with privatization of Electricity Supply Corporation of Malawi Ltd. (ESCOM) by concession. Cabinet has approved restructuring of Agricultural Development and Marketing Corporation (ADMARC).

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-33950	Effective	32.05	21.94	9.57	0.00
IDA-Q1520	Closed	0.60	0.00	0.00	0.60
IDA-Q1521	Closed	0.65	0.00	0.00	0.65





**Project Name (ID):** Regional Trade Facilitation Project - Malawi ( P070235 )  
**Country:** Malawi  
**Board Approval Date :** 04/03/2001  
**Midterm Review Date :** 05/15/2006  
**Closing Date :** 06/30/2011  
**Loan/Credit/Grant Number :** IDA-34920, IDA-Q2180  
**Sector(s):** Non-compulsory pensions, insurance and contractual savings (100%)  
**Theme(s):** Regional integration (P), Trade facilitation and market access (P),  
 International financial architecture (S), Export development and competitiveness (S)

**Project Development Objectives:**

The project's principal objective is to contribute to poverty alleviation through private sector led growth in participating countries by improving access to financing for productive transactions and cross-border trade.

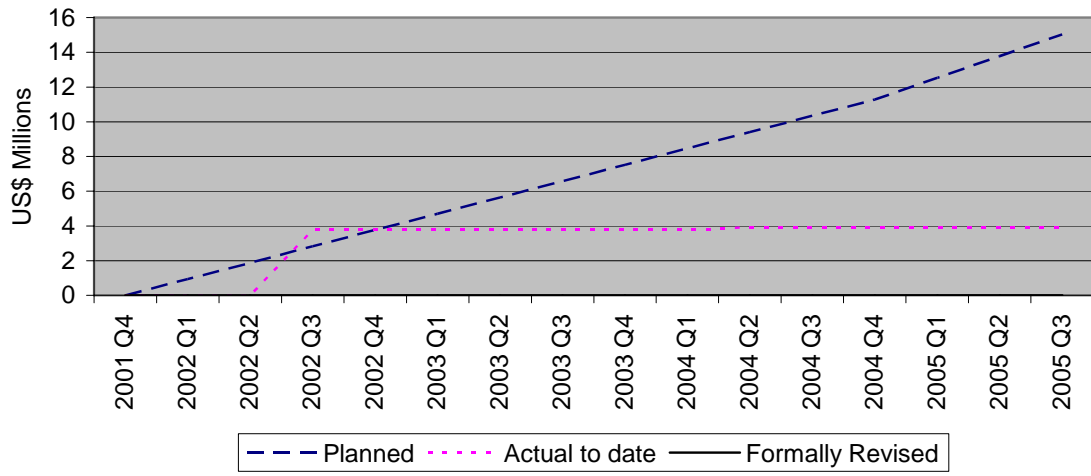
**Progress toward achieving development objective(s):**

It has been difficult for The African Trade Insurance (ATI) to write policies in Malawi due to a misalignment between ATI products offered and market demand. Initially, ATI was able to offer political risk insurance to the private sector only. The targeted volume of transactions was predicated on a high turnover of short-term business. It was anticipated that ATI would be able to offer comprehensive risk (including commercial risk), through its partnership with Atradius. While this partnership has enabled ATI to offer comprehensive cover to African exporters exporting to OECD (Organization for Economic Co-operation and Development) countries, Atradius was unable to cover commercial risks on African buyers due to constraints imposed on it by its reinsurers. The project will be restructured to expand the product line in response to market demand.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-34920	Effective	16.97	3.92	12.41	0.00
IDA-Q2180	Closed	0.17	0.00	0.00	0.17





**Project Name (ID):** Education Sector Support Project 1 ( P070823 )

**Country:** Malawi

**Board Approval Date :** 05/03/2005

**Midterm Review Date :** 11/20/2007

**Closing Date :** 09/15/2010

**Loan/Credit/Grant Number :** IDA-H1590, JPN-26408

**Sector(s):** General public administration (45%), Tertiary education (38%), Secondary education (13%), Primary education (2%), Health (2%)

**Theme(s):** Education for all (P), Child Health (S), Nutrition and food security (S), Decentralization (S)

### Project Development Objectives:

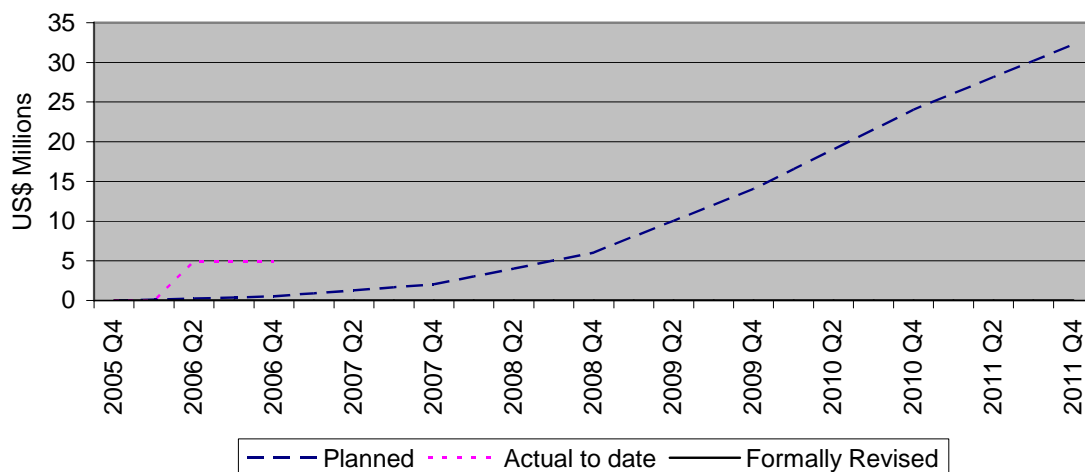
The objective is to improve the education quality by improving the conditions and processes of teaching and learning at the school level, and the capacity for education service delivery across the education system.

### Progress toward achieving development objective(s):

Implementation of the project faced some starting difficulties as to project management and is lagging behind by about 6 months. While there has been progress in the implementation of four of the key components of the project, like the Direct Support to Schools, and the School Health Nutrition, the component on Capacity Building and Policy Development has not yet gained sufficient momentum for a full start.

### Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H1590	Effective	32.34	4.96	27.22	0.00
JPN-26408	Closed	0.60	0.20	0.40	0.00



**Project Name (ID):** Multi-Sectoral AIDS Project (MAP) ( P073821 )

**Country:** Malawi

**Board Approval Date :** 08/25/2003

**Midterm Review Date :** 06/05/2006

**Closing Date :** 12/31/2008

**Loan/Credit/Grant Number :** IDA-H0620, JPN-51636

**Sector(s):** Central government administration (47%), Other social services (38%), Health (10%), Sub-national government administration (5%)

**Theme(s):** HIV/AIDS (P), Social risk mitigation (P), Population and reproductive health (S), Participation and civic engagement (S), Poverty strategy, analysis, and monitoring (S)

**Project Development Objectives:**

The development objectives are to reduce the transmission of HIV, improve the quality of life of those infected and affected by AIDS, and mitigate the impact of HIV/AIDS in society.

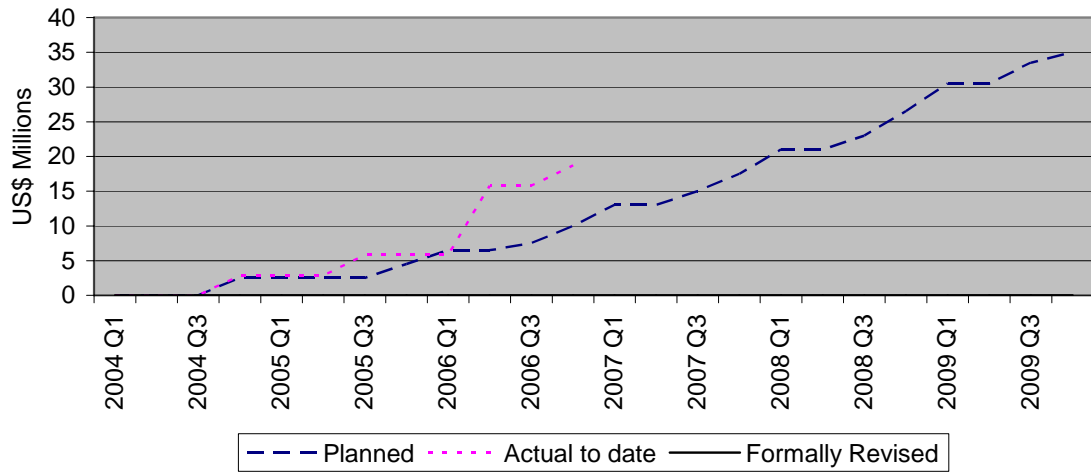
**Progress toward achieving development objective(s):**

The Project is making steady progress in its support of the national HIV/AIDS response, and is on track to meet its development objectives. The National AIDS Commission's (NAC) programs are multi-sectoral and inclusive, reaching out to all segments of society. The NAC's Board has been constituted and the recent six monthly review indicated that performance of the program - measured by flow of funds towards key activities and proportion of agreed work program completed, continues to improve. The use of the financial management agency has streamlined the NAC grant-making process, resulting in increased numbers of NGOs, CBOs and Ministries receiving these program resources. The recently held mid-year review showed progress in a number of key areas. For example, there are now 60 facilities providing antiretroviral therapy with an estimated cumulative total of 37,840 patients receiving treatment. There are now 40 sites providing services to prevent the transmission of mother-to-child infection and nearly 50 percent of all registered tuberculosis patients have been tested for HIV.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-H0620	Effective	37.34	18.70	18.46	0.00
JPN-51636	Closed	0.07	0.01	0.00	0.06





**Project Name (ID):** Community-Based Rural Land Development Project ( P075247 )

**Country:** Malawi

**Board Approval Date :** 04/13/2004

**Midterm Review Date :** 10/02/2006

**Closing Date :** 06/30/2009

**Loan/Credit/Grant Number :** IDA-H0810, IDA-Q3180, IDA-Q3181

**Sector(s):** General agriculture, fishing and forestry (89%), Sub-national government administration (6%), Central government administration (5%)

**Theme(s):** Land administration and management (P), Rural markets (P), Participation and civic engagement (S), Decentralization (S)

### **Project Development Objectives:**

The objective is to increase the incomes of about 15,000 poor rural families by implementing a decentralized community-based approach to land acquisition and farm development in four districts.

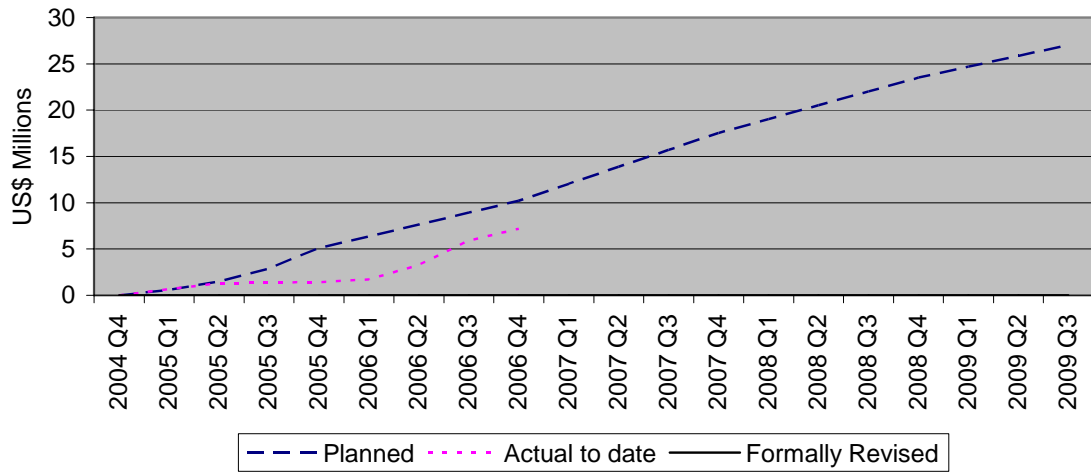
### **Progress toward achieving development objective(s):**

The achievement of the development objective is at risk, as project implementation has been slow and inadequate. The number of beneficiaries relocated and sub-projects approved still remain low with only 4 Beneficiary Groups (BGs) with 136 beneficiaries relocated by mid-May 2006, against a target of 80 BGs by June 30, 2006. On the other hand, the four relocated communities have successfully produced a first harvest which will unquestionably increase their incomes and eliminate hunger. This first experience is very comforting, as it suggests that the BGs can achieve their income increase as anticipated with the size of the grants they are receiving. During the May 2006 implementation support mission, an action plan to overcome the major bottlenecks and improve project implementation performance, including stepped up BG relocation and improved project management was prepared. The action plan is being implemented and already 13 new BG sub-projects have been approved while other 37 sub-projects are being processed for approval.

### **Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-H0810	Effective	26.61	7.18	19.33	0.00
IDA-Q3180	Closed	0.58	0.00	0.00	0.58
IDA-Q3181	Closed	0.28	0.00	0.28	0.00





**Project Name (ID):** Third Social Action Fund (MASAF III) ( P075911 )

**Country:** Malawi

**Board Approval Date :** 06/10/2003

**Midterm Review Date :** 01/30/2006

**Closing Date :** 12/31/2006

**Loan/Credit/Grant Number :** IDA-37820, IDA-H0450, JPN-50619

**Sector(s):** Other social services (60%), General agriculture, fishing and forestry (10%), Roads and highways (10%), Micro- and SME finance (10%), General water, sanitation and flood protection (10%)

**Theme(s):** Other social protection and risk management (P), Participation and civic engagement (P), Social analysis and monitoring (S), Gender (S), Social safety nets (S)

**Project Development Objectives:**

The objective is to achieve capacity building for improved service delivery by communities, local governments and sector ministries within the Malawi Poverty Reduction Strategy Paper, so that Malawi can achieve its Millennium Development Goals (MDGs).

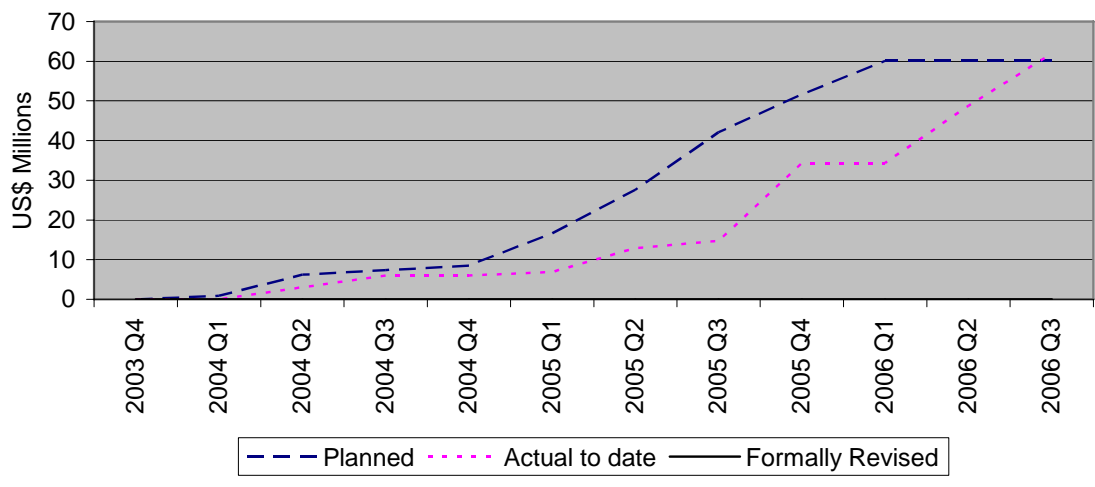
**Progress toward achieving development objective(s):**

The Project is progressing well in achieving its objectives. Nearly one million individuals have benefited from interventions which have created opportunities for increased access to health, education, water and food since the Malawi Third Social Action Fund (MASAF 3) commenced. Over 0.5 million individuals have earned income from social support projects and public work projects, which have been used to purchase food, household needs for orphans and as savings. Approved public works subprojects have transferred increased incomes to 18,000 individuals through the Local Authority Managed Project (LAMPs) component and an additional 504,012 individuals from the drought response Conditional Cash Transfer (PWP-CCT) mechanism implemented during October-November 2005. Contribution to specified MDGs will be assessed in a nation-wide district survey scheduled to take place in 2006.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-37820	Effective	35.43	33.79	1.52	0.00
IDA-H0450	Effective	29.40	28.11	1.42	0.00
JPN-50619	Closed	0.39	0.16	0.00	0.23





**Project Name (ID):** FINANCIAL MANAGEMENT, TRANSPARENCY AND ACCOUNTABILITY PROJECT (FIMTAP) ( P078408 )

**Country:** Malawi

**Board Approval Date :** 03/06/2003

**Midterm Review Date :** 12/04/2006

**Closing Date :** 03/01/2008

**Loan/Credit/Grant Number :** IDA-37340, IDA-Q2960

**Sector(s):** Central government administration (100%)

**Theme(s):** Public expenditure, financial management, and procurement (P), Administrative and civil service reform (S), Other public sector governance (S), Poverty strategy, analysis, and monitoring (S)

**Project Development Objectives:**

The objective of the project is to: improve civil service and public expenditure management for better allocation and utilization of public resources.

**The Project was restructured during the 2006 Fiscal Year**

The goals for restructuring the project were: (a) to overcome slow implementation and disbursement arising principally from poor levels of ownership by sub-component managers; (b) to bring the project into greater conformity with the current Public Sector Reform and Public Expenditure Management priorities of the new government elected after project effectiveness; and (c) to better harmonize project activities with those being implemented by other donors.

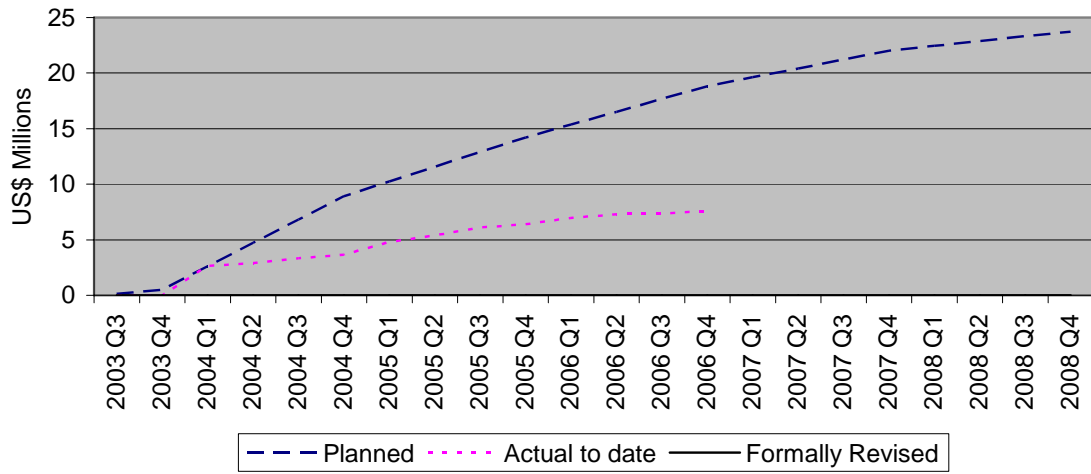
**Progress toward achieving development objective(s):**

The restructuring of the project was approved on June 29, 2006. Therefore, progress towards achieving the new PDO cannot yet be assessed. However, in those subcomponents that were retained after the restructuring, some progress was made in some subcomponents: (a) increased staffing of the Central Internal Audit Unit; (b) implementation of the Internal Audit Manual and Audit Charter; (c) some progress on implementation of the Government Wide Area Network; (d) completion of personnel audits. The Integrated Financial Management System (IFMIS) component was functionally removed from the project in FY06 and funded by the government and then under the Millennium Challenge Corporation's Malawi Threshold Plan through USAID. General capacity building activities through the Training Fund, another subcomponent which continued after the restructuring, lagged significantly behind targets.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-37340	Effective	25.87	7.61	18.13	0.00
IDA-Q2960	Closed	0.60	0.00	0.00	0.60





**Project Name (ID):** Health Sector Reform Project ( P083401 )

**Country:** Malawi

**Board Approval Date :** 12/14/2004

**Midterm Review Date :** 09/30/2006

**Closing Date :** 09/15/2008

**Loan/Credit/Grant Number :** IDA-H1380

**Sector(s):** Health (80%), Central government administration (10%), Sub-national government administration (10%)

**Theme(s):** Health system performance (P), Rural services and infrastructure (S), Decentralization (S)

**Project Development Objectives:**

The objective is to improve the effectiveness, efficiency and equity of the essential health care delivery system.

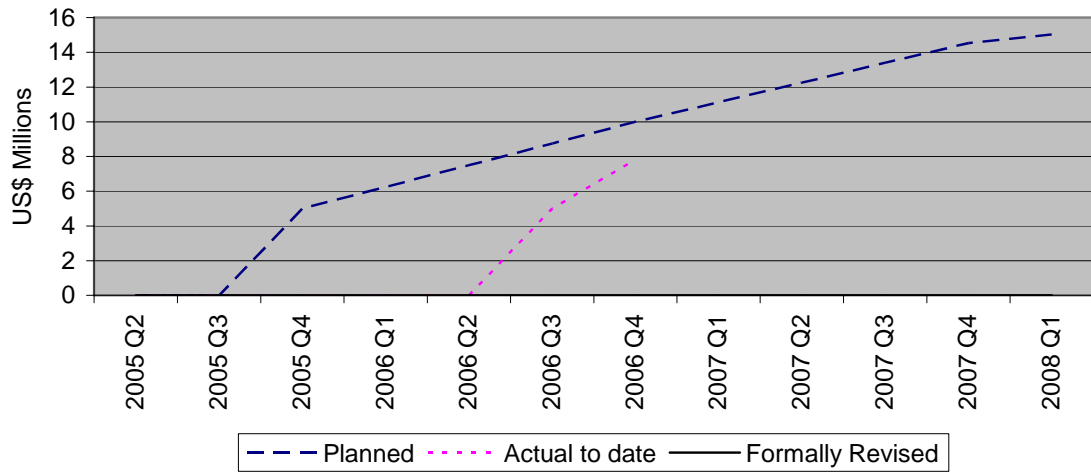
**Progress toward achieving development objective(s):**

Overall, progress on the Health Sector-wide Approach (SWAp), to which this project contributes, continues with increasing momentum especially through strengthened implementation and program coordination. Progress of the SWAp on technical and fiduciary issues has been steady and the implementation process has involved an expansion of civil society and private sector partnerships. The Ministry of Health remains strongly committed to decentralization and improved accountability at all levels. There also has been progress made with respect to human resource management, including a number of innovative pilots involving both monetary and non-monetary incentives for health workers. Preliminary findings from the recent program review indicate that the Maternal Mortality Ratio has leveled at 984 deaths per 100,000 live births, which is a positive achievement. District Level Service Agreements to enhance access to maternal health services have been proposed to strengthen focus on such critical issues. Emergency preparedness plans for Avian Influenza are being integrated within the SWAp's Implementation Plan and Budget. Strengthening of the national M&E system will be the focal activity of the forthcoming IDA investment under the Malaria Booster Program.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-H1380	Effective	14.85	7.81	7.00	0.00





**Project Name (ID):** Irrigation, Rural Livelihoods and Agricultural Development Project ( P084148 )

**Country:** Malawi

**Board Approval Date :** 11/29/2005

**Midterm Review Date :** 02/28/2009

**Closing Date :** 06/30/2012

**Loan/Credit/Grant Number :** IDA-H1900, IDA-Q4440

**Sector(s):** General agriculture, fishing and forestry (35%), Irrigation and drainage (30%), Agricultural extension and research (20%), Sub-national government administration (10%), Central government administration (5%)

**Theme(s):** Rural policies and institutions (P), Rural services and infrastructure (P), Water resources management (S), Other rural development (S)

**Project Development Objectives:**

The project development objectives are to: (i) raise agricultural productivity and net incomes of about 0.19 million poor rural households in 11 target districts of Malawi in a sustainable manner by providing an integrated package of support covering irrigation, agricultural/irrigation advisory services, marketing and post-harvest support; and (ii) strengthen recipient institutional capacity for long-term irrigation development.

**Progress toward achieving development objective(s):**

The project had just become effective before the close of the reporting period and was at a stage too early to report progress.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H1900	Effective	40.57	1.48	39.10	0.00
IDA-Q4440	Effective	0.60	0.00	0.00	0.60

