



Malawi

Table of Key Performance Indicators (Quarter 14 Results: January to March 2017)

Report Date: May 10, 2017

Compact Signing Date:	7-Apr-11
Entry into Force Date:	20-Sep-13
End of Compact Date:	19-Sep-18
Compact Closeout Period:	17-Jan-19
Current Compact Budget:	\$350,700,000

Project/Objective	Projected Economic Benefits and Beneficiaries	Activity/Outcome	Key Performance Indicators	Baseline	End of Compact Target	Quarter 1 through Quarter 14 Actuals (Mar 2017)	Percent Compact Target Satisfied (Mar 2017)
Compact Wide	<i>Estimated Present Value of approximately 2014 PPP \$567 million of incremental benefits over 20-year life of the investment, compared to discounted costs of 2014 PPP \$333 Million. These income benefits are expected to accrue to 983,000 people.</i>		Investment in Power Sub-Sector - total USD million committed by financial close	435,000,000	Pending	Pending	Pending
Infrastructure Development Project (\$256 Million Current Budget) <i>Outcomes: Improve the availability, reliability and quality of the power supply by increasing the throughput capacity and stability of the national electricity grid</i>	<i>Benefits and beneficiaries are calculated at the compact level only</i>	Nkula A Refurbishment Activity (\$39.8 Million Current Budget)	Value of signed power infrastructure construction contracts	0	207,329,887	212,111,028.2	102%
		Transmission Network Upgrade Activity (\$161 Million Current Budget)	Percent disbursed of power infrastructure construction contracts	0	No Target	30%	No Target
		Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity (\$54.9 Million Current Budget)*	New transmission substation capacity added by compact ²	992	1,661.5	883.0	-16.2%
			New 132-kV lines built ³	0	133	Pending	Pending
			New 400-kV lines built ³	0	103	Pending	Pending
			New 66-kV lines built ³	0	173	Pending	Pending
		Power Sector Reform Project (\$25.6 Million Current Budget) <i>Outcomes: Create an enabling environment for future expansion by strengthening sector institutions and enhancing regulation and governance of the sector</i>	<i>Benefits and beneficiaries are calculated at the compact level only</i>	Power Sector Reform Project	Cost Recovery Ratio - operating expenses + depreciation + return (weighted average cost of capital (WACC) X rate base). ⁴	142	120
ESCOM Turnaround Activity (\$19.2 Million Current Budget) <i>Outputs: Restored financial health to ESCOM; ESCOM rebuilt into a financially strong, well-managed company</i>	ESCOM Maintenance Expenditures ratio to planned maintenance budget ¹			128	100	70.14 ⁵	30%
	Average Collection Period in days ⁶			54	45	76.4	-248.9%
Environment and Natural Resource Management Project (\$28.0 Million Current Budget) <i>Outcomes: Increase efficiency of hydropower generation</i>	<i>Benefits and beneficiaries are calculated at the compact level only</i>	Environment and Natural Resource Management Project	Percent disbursed of signed ENRM_SGA project contracts ⁷	0	Pending	32.11%	Pending
		Social and Gender Enhancement Fund Activity (\$2.2 Million Current Budget) <i>Outputs: Participants sensitized to social and environmental issues, and development action plans; Women have acquired the skills to play a more active role in village communities</i>	Community Members engaged in ongoing community level dialogues ⁸	0	Pending	Pending	Pending
			Leaders Trained on social/gender/natural resource management issues ⁸	0	Pending	Pending	Pending

* All indicators are at the project level

¹Percent deviation from the target is calculated for this indicator instead of percent complete. Progress for this indicator is best tracked by percent deviation from the target, because the actual should be as close to the target as possible. A percent deviation of 0% implies the target has been reached, and percent deviation closer to 0% implies better achievement than a higher percent deviation. Percent deviation is calculated using the following formula: 100*|Actual-Target|/Target|.

²Negative value is due to data reported on existing capacity, not new capacity from the project. Challenging earthworks and weather/rains caused some delays, but work is progressing.

³Construction is delayed for resettlement implementation as well as weather related challenges, but progressing.

⁴This ratio declined when compared to last quarter as a result of: (1) an 8% reduction in total revenue (from MK23.5 billion to MK21.7 billion); (2) an 18% increase in Opex (from MK12.1 billion to MK14.3 billion); and (3) a 6% increase in the rate base (from MK 135 billion to MK144 billion). Depreciation increased marginally (from MK971.2 million to MK971.8 million) while WACC remained constant at 19.8%

⁵This ratio declined compared to previous quarters as a result of ESCOM cutbacks to maintenance expenditures.

⁶Slight increase over previous quarter; anticipated to decrease in the future due to increasing roll out of pre-paid meters, including to government institutions.

⁷ENRM and SGEF Grants are in their second year of implementation.

⁸The progress against targets is based on quarterly performance reports for seven grantees.