



# Malawi

## Table of Key Performance Indicators (Quarter 17 Results: October to December 2017) Report Date: February 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/Outcome	Projected Economic Benefits and Beneficiaries	Activity/Outcome	Key Performance Indicators	Baseline	End of Compact Target	Quarter 1 through Quarter 17 Actuals (December 2017)	Percent Compact Target Satisfied (December 2017)
Compact Wide	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.		Investment in Power Sub-Sector - total USD million committed by financial close	435,000,000	No Target	Pending	No Target
Infrastructure Development Project Outcomes: Improve the availability, reliability and quality of the power supply by increasing the throughput capacity and stability of the national electricity grid	Benefits and beneficiaries are calculated at the compact level only	Infrastructure Development Project	Total system losses (technical and non-technical)	22	20	18	168%
			Average duration of outages/interruptions	3.65	2.15	4.05	-26.67%
			Value of signed power infrastructure construction contracts	0	251,501,184	247,238,295	98%
			Percent disbursed of power infrastructure construction contracts	0	100	40	40%
		Nkula A Refurbishment Activity	Generation capacity added - On-grid (Megawatts)	0	12.0	0	0%
		Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity	Transmission substation capacity added (MVA)	0	670.0	0	0.0%
		Transmission Network Upgrade Activity	Kilometers of transmission lines upgraded or built - 66kV	0	103	0.0	0.0%
			Kilometers of transmission lines upgraded or built - 132kV	0	133	0.0	0.0%
			Kilometers of transmission lines upgraded or built - 400kV	0	173	0.0	0.0%
		Power Sector Reform Project Outcomes: Create an enabling environment for future expansion by strengthening sector institutions and enhancing regulation and governance of the sector	Benefits and beneficiaries are calculated at the compact level only	Power Sector Reform Project	Operating Cost Recovery Ratio - operating expenses + depreciation + return (weighted average cost of capital (WACC) X rate base). <sup>1,2</sup>	113	100
Percent disbursed of signed power sector reform project contracts	0				100	66	66%
ESCOM Turnaround Activity Outputs: Restored financial health to ESCOM; ESCOM rebuilt into a financially strong, well-managed company	Maintenance expenditure asset value ratio <sup>3</sup>			N/A	2.5	3.9	56.0%
	Average Collection Period - Quarterly <sup>4</sup>			72	60	98.4	-220.0%
	Billing System Installed <sup>5</sup>			N/A	30-Apr-18	Pending	Pending
Environment and Natural Resource Management Project Outcomes: Increase efficiency of hydropower generation	Benefits and beneficiaries are calculated at the compact level only	Environment and Natural Resource Management Project	Percent disbursed of signed ENRM project contracts	0	100	69	69%
			ENRM Action Plan Activity	Dredged material placement area constructed at Kapichira <sup>5</sup>	0	31-May-18	Pending
		Social and Gender Enhancement Fund Activity 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	Women provided with leadership training <sup>6</sup>	0	2,787	1,659	60%
			Members of established Village Savings Loans <sup>6</sup>	0	19,245	11,888	62%

<sup>1</sup>Percent 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.

<sup>2</sup>This indicator has declined from previous quarters. ESCOM's revenues remain depressed (down 2.3% from previous quarter, 7.2% from the same quarter previous year). This is due largely to low water levels in Shire River reducing sales. In addition, Opex increased (29% from two quarters prior - the last comparable period); this is likely driven by costs of energy purchase from EGENCO.

<sup>3</sup>Maintenance expenditures increased from previous quarter but remain low against historical rates and against planned expenditures.

<sup>4</sup>Improvement over previous quarter largely due to improvements in post-paid sales with slower increase in accounts receivable. Indicator remains inflated due to presence of high-levels of aged accounts receivable (>90 days overdue) which are unlikely to be collected.

<sup>5</sup>The DMPA procurement was done. Contract was signed (February 2018).

<sup>6</sup>This data is under review by the MCC and MCA GSI and M&E teams (March 2018)