



Malawi

Table of Key Performance Indicators (Quarter 10 Results: January to March 2016) Report Date: May 10, 2016

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 10 Actuals (Mar 2016)	Percent Compact Target Satisfied (Mar 2016)
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	Pending ¹	Pending	Pending
Infrastructure Development Project <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	Value of signed power infrastructure construction contracts	0	207,329,887 ³	167,664,516	81%
		Transmission Network Upgrade Activity Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity²	Percent disbursed of feasibility and design contracts	0	100	62	62%
Power Sector Reform Project <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)	142	120	76 ⁴	301%
		ESCOM Turnaround Activity <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 ⁵	129 ⁶	100	80 ⁷	170%
			Average Collection Period in days	54	45	183 ⁸	-1433%
Environment and Natural Resource Management Project <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	Value of signed ENRMAP contracts	0	Pending ⁹	5,408,427	Pending
			Value of signed SGEF Activity contracts	0	Pending ⁹	1,862,816	Pending
		Weed and Silt Management Activity <i>Outputs: Reduced impact of weeds and sedimentation by using mechanical measures at key generation or water flow management sites</i>	Value of signed weed and sediment management activity contracts	0	13,732,102	532,822	4%

¹ Target to be set pending approval of an Energy Plan by the Ministry of Natural Resources, Energy and Mines.

² All indicators are at the project level.

³ Target updated from TBD pending an M&E plan revision.

⁴ Actual ratio may be lower (and therefore closer to target) due to indicator formula adjustments. Performance has declined compared to the previous quarter due to lower revenues and higher rate base.

⁵ Performance is measured on a quarterly basis with 100% execution targeted; this is not a cumulative indicator.

⁶ Baseline is above 100% due to outdated figures for planned maintenance budget at start of Compact.

⁷ Compact support for maintenance planning and execution is underway through mentoring for ESCOM personnel. Performance on this indicator is in part linked to revisions to budgeting/accounting practices.

⁸ Actual number is 94 days (formula adjustments to calculate indicator are required) - this represents a decline in performance compared to the previous quarter due to higher receivables and lower post-paid sales. A positive trend is an increase in total sales from previous quarter which includes pre-paid sales - reflecting increasing use of pre-paid meters by ESCOM.

⁹ Target to be set pending M&E plan revision.