



Malawi

Table of Key Performance Indicators (Quarter 12 Results: July to September 2016) Report Date: November 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 12 Actuals (September 2016)	Percent Compact Target Satisfied (September 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	435000000 ¹	Pending ²	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	188,322,871.7	91%
		Transmission Network Upgrade Activity					
		Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity	Percent disbursed of feasibility and design contracts	0	100	98	98%
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	80.81 ³	278%
		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	129	100	280.2 ⁴	280%
			Average Collection Period in days	54	45	72 ⁵	-200%
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	8025498.22 ⁶	Pending
			Value of signed SGEF Activity contracts	0	Pending	2034632.92 ⁷	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	544339.8 ⁸	4%

* All indicators are at the project level

¹ Baseline value represents the MCC Compact and a World Bank power sector program

² Target to be set pending approval of an Energy Plan by the Ministry of Natural Resources

³ Ratio has declined from previous quarter but this is not necessary a negative outcome. Revenues increased from previous quarter while expenses for maintenance and capital expansion have increased in line with ESCOM execution of programs

⁴ Maintenance expenditures increased substantially in the previous quarter while planned expenditures were largely static driving this increase. Maintenance expenditure figure may be exaggerated through incorrect accounting for certain expenditures, but still likely that this represents an increase in expenditures - a positive trend.

⁵ Indicator is lower than previous quarter, representing an improvement in this measure. GoM arrears were reduced late during this quarter as a result of off-set to dividend taken from ESCOM by the GoM.

⁶ Eleven grants were signed with NGOs for ENRM and SGEF activities in key watersheds in the Upper and Middle Shire Basin that are contributing disproportionately to the sedimentation. The first year of implementation has been completed. MCA conducted an internal evaluation of performance and developed with each NGO an action plan to improve implementation. All 11 grantees were approved for their second year funding.

⁷ A bidder was selected to supply a dredger and equipment for Kapichira as well as a new weed harvester, conveyor and tripper trucks for Liwonde. MCA is currently working with the supplier to exercise the option of a second dredger for Nkula using surplus funding from IDP. This action should be completed next quarter and the final contract signed.