



# Malawi

## Table of Key Performance Indicators (Quarter 7 Results: April to June 2015) Report Date: August 10, 2015

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 7 Actuals (Jun 2015)	Percent Compact Target Satisfied (Jun 2015)
<b>Compact Wide</b>	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 <sup>1</sup>	0	Pending
<b>Infrastructure Development Project</b> <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>	<b>Nkula A Refurbishment Activity</b>	Value of signed power infrastructure construction contracts <sup>2</sup>	0	207,329,887 <sup>3</sup>	18,735,000 <sup>4</sup>	9%
		<b>Transmission Network Upgrade Activity</b>					
		<b>Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity<sup>2</sup></b>	Percent disbursed of feasibility and design contracts	0	100	73 <sup>4</sup>	73%
<b>Power Sector Reform Project</b> <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>	<b>ESCOM Turnaround Activity</b> <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 <sup>5</sup>	100	33 <sup>6</sup>	33%
			Bad Debt	22	2	48 <sup>7</sup>	-130%
		<b>Regulatory Strengthening Activity</b> <i>Outputs: A regulatory environment, consistent with best practices in independent power utility regulation</i>	Approved Tariff levels and schedules (Actual) (US cents/kWh)	0.06	0.12	0.10 <sup>8</sup>	67%
<b>Environment and Natural Resource Management Project</b> <i>Outcomes: Increase efficiency of hydropower generation</i>	<i>Benefits and beneficiaries are calculated at the compact level only</i>	<b>Weed and Silt Management Activity</b> <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	532,434	4%
		<b>Social and Gender Enhancement Fund</b> <i>Output: Improved land use management and natural resource-based economic development activities carried out by women and vulnerable groups in the Shire River Basin</i>	Grant agreements in place with civil society and private sector service providers	0	Pending <sup>9</sup>	0	Pending
			Value of signed ENRM & SGA project contracts	0	11745141 <sup>10</sup>	1,581,452	13%

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

<sup>2</sup> All indicators are at the project level.

<sup>3</sup> Updated target includes a contract for supervision, and has been updated from TBD pending an M&E plan revision.

<sup>4</sup> Contract awarded for supervision was switched to be included in the construction costs total, rather than the feasibility and design total.

<sup>5</sup> Baseline is above 100% due to outdated figures for planned maintenance budget at start of Compact.

<sup>6</sup> Financial and Operational Turnaround Support (FINOPS) consultancy is underway and will support ESCOM with maintenance planning and execution.

<sup>7</sup> Bad Debt increases beyond baseline level are likely due to increasing tariffs and unit sales, creating additional collection burden. FINOPS consultancy will support efforts to address billing/collections challenges.

<sup>8</sup> Energy regulator (MERA) approved 37.28% tariff increase in April 2014 to be phased in on an annual basis over four-year period.

<sup>9</sup> Target number of grants is pending finalization of grant agreements. Initial request for applications issued in January 2015, with awards expected in August 2015.

<sup>10</sup> Target updated from TBD is pending an M&E plan revision.