African Development Bank

The Country Strategy and Program Evaluation for the Republic of Malawi (2005-2016)

Final Inception Report

March, 2017

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1 EVALUATION PURPOSE AND SCOPE

The present evaluation will cover both the Bank's strategy and program in Malawi over a **twelve years' period (2005-2016),** going through three strategic cycles. The ultimate **purpose** of this evaluation is to better inform the process of formulating future strategy and programming in Malawi and in countries where the Bank's program is considered to be similar.

This evaluation will thus try to **strike a balance** between backward-looking aspects focused on accountability and forward-looking parts concerned more with learning and integration of lessons learnt into future strategies. By understanding what worked well and less well during that time, the evaluation will inform the preparation of the next programming period for Malawi, which will run from 2018 to 2022. The evaluation will, thus, simultaneously respond to three major needs of the Bank, namely: **accountability, learning**, and **performance strengthening**.

This evaluation will focus on both the **strategic level** and the **level of individual interventions**. This is will be done in a manner that will assess, and to the best extent possible report on the **achievement of development results** and the contribution that the Bank's has actually given to this, the evaluation will also assess the **management aspects** of the design and implementation of the Bank's strategy and individual interventions. These will cover the quality of the design, but also the coherence and efficiency of the Bank's internal coordination and operational arrangements and procedures, as well as elements of knowledge management and donors' coordination and harmonization.

Bearing in mind these two main and interlinked areas of analysis (i.e. the concrete results and the management aspects), the evaluation questions will relate to four of the five OECD / DAC evaluation criteria (i.e. relevance, effectiveness, efficiency and sustainability) and to some additional AfBD-specific criteria (specifically the management of Cross-cutting Issues; Knowledge Management and Policy Improvement; Partnerships and harmonization; Management by Results and Lessons Learned), aiming at covering the above mentioned management-related elements and at revealing the added value and the **strategic positioning** of the Bank, compared to other development partners in Malawi. Moreover, the analysis will consider to what extent relevant **cross-cutting** issues related to inclusive growth (across gender, age group and regional) environmental sustainability, as well as governance and institutional development have been taken into account in the programming and then reflected in implementation modalities.

The main outputs of the evaluation are: the Inception Report; Sector Reports (transport, water and sanitation, social development, agriculture and multisector); a Final Technical Report, and a final workshop for presenting emerging findings to stakeholders.

The evaluation will be managed by Khaled Samir Hussein (Task Manager, BDEV) and Oswald Abgadome (Co-Task Manager, BDEV), accompanied by a team composed of Team Leader (Robert LeBlanc), three sectors experts, Charlotte Vaillant (governance, poverty reduction, budget support, private sector development), John Clifton, (transport and water and sanitation), Doreen Chanje (agriculture), and a program analyst, Silvia Cifarelli. The evaluation will be carried out over a period of six months, January – June 2017,

Tentative timeline of the evaluation process:

Inception phase	Data collection and validation/field visit	Reporting phase
January-February	March-April	May-June

The present report is the **final inception report** for the evaluation and contains the basic information related to the methodology, and implementation modalities of the exercise. The report is divided in **six main sections**:

1. An overview of the general country background including the government and AfDB strategies in the country

2. A brief portfolio analysis
3. The general theory of change of the main strategies of the Bank
4. A detailed analysis of the AfDB support to the five main sectors, including sector intervention logics
5. Evaluation questions
6. Evaluation methodology.

A number of **Annexes**, including details on the Government of Malawi's national strategies (Annex c), list the list of documents consulted (Annex A), as well as the table of comments to the revised Inception Report (Annex G) are attached to the report.

Annex G Table of comments to the revised Inception Report have been included to this version of the Inception Report since the table includes the answers of the evaluation team which specifically responds to comments on the initial version of the inception report and indicates how the comments will be addressed.

2 BACKGROUND

The Republic of Malawi is a land-locked country in South-East Africa, bordering Tanzania, Zambia and Mozambique. Divided in 28 districts and three regions (north, central and south), Malawi has a total surface of 118,484 sq. km and an estimated population of 16,4 million in 2015[1], with 67,02% of the population being under 24 years of age, only 5,72% over 55 years and a population growth rate of 2,8%[2]. The capital is Lilongwe (population 905,000[3]) and the other major urban areas are Blantyre, Mzuzu and Zomba. Although around 80% of the population lives in rural areas, the urban growth rate is 3.8%, thus making urbanization a future challenge.

Figure 1: Malawi map



2.1 Political background and governance

Previously known as the British protectorate of Nyasaland, Malawi became independent in 1964. After thirty years of single-party rule, the country became a multi-party democracy in 1994 and adopted its Constitution the following year. A presidential democratic republic, since 2014 Malawi is led by President Arthur Peter Mutharika, leader of the Democratic Progressive Party (DPP), for a five-year term. Albeit being relatively stable compared to other African countries[4], Malawi experienced political instability, civil unrest and massive anti-government protests in 2010-2011 and a constitutional change of leadership in 2012, with the People's Party taking power and replacing the DPP until the ensuing 2014 elections. Division of power between legislature, executive and judiciary is enshrined in the Malawian Constitution but limited resources and capacities have negatively affected the effective separation of power. Furthermore, even if the judicial system

[1] African Development Bank, https://www.afdb.org/en/countries/southern-africa/malawi/, accessed January 18th 2017
[2] Ibidem
[3] CIA World Factbook https://www.cia.gov/library/publications/the-world-factbook/geos/mi.html, accessed January 20th 2017
[4] AfDB Malawi Country Strategy Paper 2013-2017

appears to be independent from the executive branch, there are doubts about its efficiency, fairness and accessibility, especially in rural areas[5].

Malawi ranked 17 out of 54 African countries (with a rating of 56,6 out of 100) on the 2016 Ibrahim Index of African Governance (IIAG)[6] and 112 out of 168 (with a score of 31 out of 100) on the 2015 Transparency International Corruption Perception Index (CPI)[7]. The institutional framework appears to be rather weak in terms of transparency, corruption, human and organizational capacities and major difficulties remain in areas such as public finance management, service delivery, justice sector and the promotion of human rights. While Malawian governments from 1994 onwards have undertaken several measures to tackle corruption (for instance Corrupt Practices Act, Public Procurement Act, National Anti-Corruption Strategy, Public Officer's Declaration of Assets, Liabilities and Business Interests Bill), it remains a serious constraint to a vibrant economic development. Petty and grand corruption, patronage, nepotism and clientelism are still widespread, with the last huge high-level corruption scandal – the so-called "Cash gate"- occurring in 2013 and causing disruption of donors' aid. The African Development Bank, the IMF, several European countries, and the US froze $150 million in direct budgetary support, most of which has since been channeled through non-governmental organizations in the country[8]. However, despite being one of the poorest countries in the world, corruption levels in Malawi are still lower than in many other countries in the region or other countries with similar income levels[9]. In addition, the Government of Malawi (GoM) has undertaken several reforms regarding Public Finance Management (PFM). Good governance is key to achieve durable and sustainable development and, as stated in the Malawi Growth and Development Strategy II, "Government recognizes that the successful implementation of its development strategy depends on the prevalence of good governance"[10].

The Malawian Constitution guarantees rule of law, basic rights and freedoms, but human rights and liberties protection has been volatile. It deteriorated from 2009 to 2012, particularly during the 2010-11 turmoil, when several bills restricting civic and political rights were passed. The situation improved after 2014 and there have been no limitations on movement, religious freedom and expression. However, inequalities, discrimination and human rights violations remain, above all against women, children and other vulnerable groups, notably people with albinism and LGBTI people[11]. In 2015 a comprehensive marriage legislation passed, raising the minimum marriage age to 18 years and providing women legal protection on other issues, it also effectively banned same-sex marriage. Freedom House classified Malawi as "partly free" in 2016, with an aggregate score of 64 out of 100 and Political Rights and Civil Liberties rated 3 on a scale from 1 to 7[12].

[5] European Commission, Country Level Evaluation Republic of Malawi. Final Report Volume 1: Main Report, November 2011

[6] The Ibrahim Index of African Governance (IIAG), designed by the Mo Ibrahim Foundation (MIF), provides an annual assessment of the quality of governance in every African country. It scores countries on a scale from 0 to 100, from bad to good governance, and ranks them. The index consists of more than 90 indicators built up into 14 sub-categories, four categories (Safety & Rule of Law, Participation & Human Rights, Sustainable Economic Opportunity, Human Development) and one overall measurement of governance performance. Further information available at: http://mo.ibrahim.foundation/iiag/, accessed January 18th 2017.

[7] The Corruption Perception Index (CPI) scores and ranks countries/territories based on how corrupt a country's public sector is perceived to be, using a scale from 0 (highly corrupted) to 100 (very clean). Further information available at: http://www.transparency.org/cpi2015, accessed January 18th 2017.

[8] European Commission, Country Level Evaluation Republic of Malawi. Final Report Volume 1: Main Report, November 2011

[9] Transparency International, Overview of Corruption in Malawi, 3 September 2014.

[10] Malawi Growth and Development Strategy II (MGDS II)

[11] Amnesty International Report 2015-2016

[12] Freedom in the World 2016 by Freedom House evaluates the state of freedom in 195 countries and 15 territories during calendar year 2015 on a scale from 0 (least free) to 100 (most free) and gives Political Rights and Civil Liberties a score from 1 (most free) and 7 (least free). Further information at: https://freedomhouse.org/report/freedom-world/2016/malawi, accessed January 20th 2017

2.2 Social context[13]

Malawi is classified as a Low Human Development country, having a Human Development Index of 0,445 and ranking 173 out of 188 countries[14]. Poverty remains widespread above all in rural areas, with a poverty headcount ratio at national poverty lines estimated at 50,7% in 2010[15]. Income is very low, with a GNI per capita of US$ 320 in 2015. Food insecurity persists and malnutrition remains "a silent crisis"[16]. A huge number of children are affected by nutrition disorders, such as stunting, wasting and underweight, notably in rural areas. Furthermore, HIV/AIDS is a plague and the incidence of other epidemic diseases is still high. In addition, inequalities are acute and rooted, with a Gini Coefficient of 46,12 in 2010[17] and several marginalized people. The population is very young and is urbanizing at a very fast pace, posing a key challenge for sustainable urban development, inclusive growth and services provision.

More precisely, the pace of urbanization varies across cities. The capital city Liliongwe (population: 670,000 in 2008 census) faces more rapid urbanization than the second largest city, Blantyre, (population: 660,000, Ibid.), which used to be the most populated city from Malawi's independence until around 2010. This fact could have very important implications for this evaluation, in a sense that the southern part of Malawi, including Blantyre and the fourth largest and former capital city Zomba, have been much more developed than central and northern Malawi. In order to accelerate the economic development of both the central and northern region, and to eliminate the economic disparity between north and south, Malawi decided to move its capital from Zomba to Lilongwe in 1971. (In terms of decreasing demographic disparity, the above goal has recently become achieved). Keeping the foregoing historical background in mind, the evaluation will attempt to focus on the Bank's (and other donor's) contribution to the economic development in the central and northern part of Malawi as part of the 'inclusiveness' issues that are integrated into the Evaluation Questions. .

In 2013 the employment rate was 80% with 64% of employed people working in agriculture, forestry and fishing and only 4% in managerial, professional technicians and associated professional occupations[18]. The adult literacy rate is 65.8%[19], school life expectancy amounts to 11 years[20] and the country's development is negatively affected by a limited skill-base. Considering the high percentage of youth in the population, investing in education appears to be crucial to allow the labor force to improve and specialize.

Women are still marginalized in Malawi, despite the fact that equality is constitutionally guaranteed. Gender issues have become more mainstreamed in political dialogue and policies but major issues such as cultural bias, GBV, scarce women representation and scarce women access to finance and technology remain of concern. The government is addressing such problems by reviewing the National Gender Policy and Programme and designing a gender sector-wide approach.

2.3 Economic context and private sector

Malawi has a narrow-based economy, heavily relying on agriculture, which accounts for about one-third of GDP and 90% of export revenues[21]. The main exports are tobacco (around 50% of the total), tea, sugar, and cotton. Wholesale and retail trade, including the tourism industry, is the second major GDP contributor[22]. Regional integration is crucial to the country's development because Malawi is landlocked, and Malawi is a member of ACP, COMESA and SADC. Malawian economy is strongly dependent on development assistance from international donors, thus is vulnerable to its fluctuations

[13] The social context of Malawi is also treated in Chapter 5 where the needs are explained in the context of national strategies.
[14] UNDP Human Development Reports, http://hdr.undp.org/en/countries/profiles/MWI accessed January 20th 2017
[15] World Bank Open Data, accessed January 20th 2017
[16] Malawi Growth and Development Strategy II (MGDS II)
[17] World Bank Open Data, http://data.worldbank.org/, accessed January 20th 2017
[18] ILO, GoM, AfDB, Malawi Labour Force Survey 2013. Key Findings Report
[19] CIA World Factbook
[20] Ibidem
[21] AfDB Malawi Country Strategy Paper 2013-2017
[22] Ibidem

and to external shocks in general. In addition, Malawi's financial sector is underdeveloped, consisting of only ten deposit banks and a small stock market, and its business sector is rather weak. Private sector is characterized by a few big companies and many small and micro enterprises and its growth has been slowed by inadequate reforms, unfavorable macroeconomic conditions and poor macroeconomic management.

The country is also classified as a low-income in the World Bank classification; its GDP PPP amounting at USD 20.36 billion in 2015. From 2006 to 2010 Malawian economy experienced sustained economic growth thanks to the expansion of the maize and tobacco industries, with an estimated real GDP growth averaging 7,1%[23] that slowed down in the following years, mainly because of inappropriate macroeconomics policies, high inflation rate, rising budget deficits and weather shocks. In 2015 the estimated real growth rate was 2,9%[24], down from 5.7% in 2014[25]. Contraction in agricultural production and reduced demand caused food insecurity for around 2.8 million people and affected the wholesale, retail and manufacturing sectors[26]. The growth outlook is thus premised on favorable weather conditions, macroeconomic stability, consistency in policy implementation and renewed private-sector confidence. Lastly, Malawi ranks 46 out of 178 in the fragile states index[27]. It should carefully be noted that Malawi has historically and continually experienced drought conditions whereby agriculture production has severely been affected (and then downward impact on GDP growth).

In regard to the impact of weather shock on the economy, the Evaluation Team will take this "periodical" effect into account when assessing the effectiveness of each project. Specifically, it will note if the logframe of each project in Malawi considered and included weather shocks as a critical risk factor to be carefully monitored.

The factors and problems described above require sustained economic growth to improve people's lives and overcome poverty. Population growth, poor infrastructure, corruption, inadequate private sector support, limited skill-base, increasing pressure on agricultural lands, limited diversification and epidemic diseases (first of all HIV/AIDS) represent major constraints for Malawian development[28]. At the same time, the country benefits of abundant water (Lake Malawi is the third largest in Africa), a strategic location for regional integration, a strong agricultural basis and a good mining potential.

Note: This section will be further developed in the sector and final reports and will draw on multiple sources to provide a more comprehensive analysis. For example, the recent boom on mineral resources development, including uranium mining in Kayelakera in the northern region and rare metals in the southern region, will be further expanded upon; it is documented that uranium exploitation has caused both positive and negative arguments around environmental safeguards, governance (extractive industry and government regulatory frameworks) and economic development. Mining and other sectors will be developed further.

2.4 National development agenda

In its Vision 2020, the Government of Malawi (GoM) committed to make the country "secure, democratically mature, environmentally sustainable, self-reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and being a technologically driven middle-income country".

To tackle the development challenges under the evaluation period, three national policy documents have been in place i.e.

- 2002-2005 MPRSP (Malawi Poverty Reduction Strategy)

[23] AfDB Malawi Country Strategy Paper 2013-2017
[24] Ibidem
[25] African Development Bank.org
[26] Ibidem
[27] Fragile State Index, http://fsi.fundforpeace.org/, accessed January 18th 2017
[28] Ibidem, AfDB Country Strategy Paper 2013-17

- 2005-2011 MGDS I (Malawi Growth & Development Strategy)
- 2011-2016 MGDS II

The documents defined the overarching strategies of the country in order to accelerate the attainment of its long-term development aspirations and the Millennium Development Goals (MDGs).

The main objectives of the three strategies are presented below while details for the MGDS are provided in Annex C for each sector.

The objectives of the **MPRSP 2002 - 2005** included:

- a united, secure and democratically mature nation with full participation of the population;
- access to quality health and education for all;
- sustainable growth and development with a per capita income of US$1000 by 2020;
- a technology-based manufacturing led economy generating 25% of GDP;
- a fair and equitable distribution of wealth;
- a sustainable managed environment;
- food security for all.

This strategy had a three-pronged approach:

- emphasise small holder agriculture to raise the productivity and income of the rural poor;
- promote private sector growth to expand off-farm employment through a number of measures including reduction of transport costs;
- expand social services.

MGDS I

Overall MGDS I priorities

The overriding philosophy of the MGDS I was "poverty reduction through sustainable economic growth and infrastructure development". The MGDS I identified **six key priority areas**, which defined the **direction the country intends to take in the next five years** to achieve economic growth and wealth creation because, it is noted, these are "critical for immediate improvement in the economic well-being of Malawians". These priority areas were:

1. agriculture and food security;
2. irrigation and water development;
3. transport infrastructure development;
4. energy generation and supply;
5. integrated rural development; and
6. prevention and management of nutrition disorders, HIV and AIDS.

The MGDS noted that: "These six key priority areas will accelerate the attainment of the Millennium Development Goals MDGs), *thereby recognizing the importance of sectors (sic) of health, education, gender, environment and governance",* and so treat both health and education somewhat like cross-cutting issues, rather than, as noted in the italicized passage, by prioritizing them as sectors. In fact, priority number 6 was only a small part of the heath sector in Malawi (although it has very deep pocketed funding sources from the Global Fund). Education was not mentioned. The MGDS noted that while most citizens may benefit from economic growth and development, others will likely be left behind due to their inability to actively participate in the Malawi Growth and Development Strategy process. The GoM included plans to provide social protection to marginalized groups of people in the MGDS; targets included the elderly, women, people with disabilities and children. Social protection programs were to be developed in line with human capital needs to transform these groups to access social basic needs.

Main assumptions of MGDS I

The main assumptions of the MGDS I were that:

- Malawi achieves a sustainable macroeconomic growth within a stable political and economic environment.

- Malawi attains a minimum annual growth rate of 6.0 percent of Gross Domestic Product (GDP) in order to meaningfully reduce poverty.
- Malawi qualifies for debt relief under the Highly Indebted Poor Countries (HIPC) and Multilateral Donor Debt Relief Initiative (MDDRI).
- Private sector invests and actively participates in socio-economic development activities.
- Public and private sector investment in infrastructure as a pre-requisite for the creation of an enabling environment is realized and institutionalised.
- There are adequate resources and capacity to provide educational needs at all levels, delivery of essential health package, prevention and mitigation of the socio-economic impacts of HIV and AIDS.
- Good governance is entrenched and institutionalised to avoid wastage of scarce financial and other resources that would have otherwise contributed to the achievement of sustainable economic growth and development.
- Effective social protection programmes are designed to mitigate negative side effects of growth and development.
- There is political will and change of mind-set to enforce the implementation of the national strategy over its period.

After stating its priorities, MGDS I then goes on to define the goals, mid-term expectations and strategies for each theme and/or priority.

MGDS II

The MGDS II succeeded the MGDS (2006-2011) as an overarching operational medium-term national development strategy, designed to address Malawi's Vision 2020 and the strategies incorporated in the Malawi Poverty Reduction Strategy of 2002 (revised 2005). It was a product of a highly consultative process involving a broad range of stakeholders and therefore, represented a consensus on how Malawi could further accelerate the attainment of its development objectives. The MGDS II also incorporated lessons learnt from the implementation of the MGDS I while simultaneously addressing the MDGs.

The GoM stressed that the successful implementation of this strategy, therefore, required commitment of all stakeholders, both national and international. While the GoM was to spearhead the implementation of the MGDS II, all stakeholders including the private sector, civil society organizations, donors, cooperating development partners, and the general public had specific responsibilities in the implementation process.

Depending on the perspective of the analyst, there was either something to cheer about in the progress made in MGDS I, or there was little to cheer about in what, in relative terms, was the little that was accomplished compared to the need. The GoM's position was that the MGDS I had generally been effective as an instrument of achieving the country's developmental goals; having experienced stagnant, and at times negative, growth spanning over 15 years prior to the implementation of the MGDS I, poverty had increased significantly in Malawi; incomes dwindled; and the livelihoods of the majority of Malawians adversely impacted upon. The introduction of MGDS I had reversed some of these challenges, but that was clearly still not sufficient, Malawi had begun to record positive economic growth and a small, even if it was not spectacular, positive start had been taken on the development crisis.

Malawi maintains that the country made some progress on all its targets and was considered to be on track to attain five of the eight MDGs targets by the year 2015. On eradicating extreme poverty and hunger, the poverty headcount had declined from 50 percent in 2005 to 39 percent in 2010. The proportion of population below minimum level of dietary energy requirement had decreased from about 22 percent in 2005 to 15 percent in 2009. Under universal primary education, there had been an increase in primary school net enrolment from 73 percent in 2006 to 83 percent in 2009, while the youth literacy rate had increased from 74.9 percent in 2005 to about 84 percent in 2009. Progress had also been made on gender equality and empowerment of women. The ratio of girls to boys in

primary school had increased from 0.95 in 2005 to 1.03 in 2009. The proportion of seats held by women in Parliament had significantly improved from 14 percent in 2004 to 22 percent in 2009 (Malawi MDG Report, 2010).

In addition, progress had also been made on reducing child mortality and improving maternal health. Infant mortality rate had declined from 76 deaths per 1,000 live births in 2004 to 66 per 1,000 live births in 2010, while under-five mortality rate had declined from 133 deaths per 1,000 live births in 2004 to 112 deaths per 1,000 live births in 2010. Maternal mortality rate had declined from 984 births per 100,000 live births in 2004 to 675 births per 100,000 live births in 2010. The HIV prevalence rate among pregnant women aged 15 to 24 years had declined from about 14.3 percent in 2005 to 12 percent in 2009, while deaths associated with tuberculosis cases had declined from 19 percent in 2005 to 8 percent in 2009 (DHS Report, 2010).

Although progress had been made in all the goals, Malawi still lagged behind in achieving targets in three goals, namely; improve maternal health, achieve universal primary education and promote gender equality and women empowerment. In this respect, efforts were to be made to achieve all the MDG targets during the implementation of the MGDS II.

Overall MGDS II priorities

The MGDS II was structured somewhat differently than its predecessor: the top level of analysis was the “theme”, and only the second was “priority”, thus providing a more focused approach.
The MGDS II identified **six** thematic areas, namely;

1. Sustainable Economic Growth;
2. Social Development;
    a. Nutrition
    b. Population
3. Social Support and Disaster Risk Management;
4. Infrastructure Development;
5. Governance; and
6. Gender and Capacity Development.

The MGDS II pointed to **nine** key priority areas from the themes. Much as what was done in MGDS I, these were considered “necessary to achieve rapid economic growth and improvement in the well-being of Malawians” within the implementation period.

The key priority areas were:

1. Agriculture and Food Security;
2. Energy, Industrial Development, Mining, and Tourism;
3. Transport Infrastructure and Nsanje World Inland Port;
4. Education, Science and Technology;
5. Public Health, Sanitation, Malaria and HIV and AIDS Management;
6. Integrated Rural Development;
7. Green Belt Irrigation and Water Development;
8. Child Development, Youth Development and Empowerment; and
9. Climate Change, Natural Resources and Environmental Management

It should be noted that the priorities in MGDS II that are the same as those in MGDS I are underlined.

Main Assumptions of MGDS II

MGDS II was premised on the following assumptions:

- The country sustains and accelerates real GDP growth rates to continue on its poverty reduction path;
- Prudence in management of fiscal and monetary policies;
- Continued political stability;
- Conducive macroeconomic environment;

- Increased diversification and value addition of export commodities to effectively drive export led growth;
- Effective aid management and further improvement in domestic debt management;
- Adequate resources and capacity to implement MGDS II activities Note that in MGDS I, the emphasis is on social programs) ;
- Good governance is entrenched and institutionalised to avoid wastage of scarce resources;
- Effective social protection programmes are designed to mitigate negative side effects of growth and development; and
- Continued political will.

The assumptions in this strategy are stated quite differently from the assumptions in MGDS I.

2.5 The Development Assistance Context in Malawi

Malawian economy is heavily dependent upon international donor support. As shown in the table below, Official Development Assistance from Multilateral and Bilateral Donors increased from 2005 to 2015 and amounted to USD 1.103,983 Million in 2015. Aid is concentrated in four main sectors, i.e. Health, Education, Governance and Agriculture, which receive around 80% of the total annual disbursement[29].

Table 1: Total Amount of ODA Gross Disbursement to Malawi from all donors, 2005-2016 USD Mln

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bilateral Donors	324,954	403,697	601,503	437,852	423,825	511,040	449,029	641,641	657,442	559,616	593,020
Multilateral Donors	273,229	2.684,013	1.133,281	477,504	329,479	502,168	362,158	544,255	510,681	461,460	510,963
Total	598,183	3.087,710	1.734,783	915,355	753,304	1.013,208	811,187	1.185,896	1.168,123	1.021,076	1.103,983

Source: Elaboration from OECD Statistics – Creditor Reporting System

The major donors for Malawi in the last three years (i.e. 2014, 2015 and 2016) are listed in the table below. United Kingdom and Norway are the main bilateral donors while the World Bank qualifies as the first multilateral donor and the African Development Bank ranks second.

Table 2: Main Donors and their disbursements in USD over the last three years (2014-2016)

Main Donors	Actual Disbursements (USD)
World Bank	372,404,788
Department for International Development	216,061,291
Global Fund (HIV/AIDS & Malaria)	189,368,981
African Development Bank	183,572,709
Norway	171,403,571
European Union	155,232,567
Centers for Disease Control and Prevention	90,222,008

Source: Malawi Aid Management Platform

The Development Assistance Strategy (DAS), a donor coordination platform, promotes donor coordination and aid harmonization, as well as the respect of the principles of the Paris Declaration and the Accra Agenda for Action on donor coordination with national government strategies.

[29] AfDB Malawi Country Strategy Paper 2013-2017

2.6 The African Development Bank's cooperation with Malawi

The African Development Bank's cooperation with Malawi dates back to 1969 and the opening of the Malawi Field Office (MWFO) in 2007 is claimed to have helped enhance portfolio management, Policy dialogue and aid coordination.

The AfDB country strategies roughly corresponded to the two principal Malawi MGDS. CSP (2005-2009) and ICSP (2011-2012) corresponding to MGDS I (2005-2011) with a planning construct that began to take the direction of the GoM in its yet-to-be published MGDS II into account. The CSP (2013-2017) corresponds to MGDS II (2011-2016).

For the period under review in this evaluation the Bank's assistance encompasses three strategic cycles, consisting of two **Country Strategy Papers** (CSP 2005-2009 and CSP 2013-2017) and an **Interim Country Strategy Paper** (ICSP 2011-2012). In addition, Malawi was included in the **Regional Integration Strategy Paper** (RISP) for Southern Africa 2011-2015. The Country Strategy Papers provide a multiannual framework and a guide for the Bank's interventions in order to support the country's development agenda and priorities and operate in synergy with them. The Regional Integration Strategy Paper aim at providing support to member countries and Regional Economic Communities (RECs) in designing and implementing measures to tackle the regional infrastructure gap and accelerate economic integration.

The 2005-2009 CSP

The 2005-2009 CSP had three core principles: (i) *support the implementation of the new MGDS* to achieve its goals and help eventually lead to the attainment of Malawi's Vision 2020 goals and MDGs; (ii) provide a clear *focus on results and outcomes*, to improve the rate of return on the Bank Group's interventions; and (iii) improve the *coordination of Bank Group activities* with government and other donors. The Bank Group's interventions will continue by *providing project and policy-based support*.

The AfDB strategy was thus structured around three pillars:

- I: Expanding rural infrastructure (increased levels of irrigation infrastructure and power supply to support agricultural, rural and private sector development).
- II: Developing human capital and institutional capacity (enhanced skills through better education, improved health service delivery and strengthened institutional capacity).
- III: Improved policy and institutional framework for Governance (support of policy and institutional reforms for good governance).

The preparation of an **interim Country Strategy Programme** was agreed with the Government of Malawi (GoM) in order for the Bank to align to the timeframe for the preparation of the second Malawi Growth and Development Strategy (MGDS II) which was expected for 2012. This allowed the Bank to effectively align its next strategy from 2013 onwards to the country's new poverty reduction strategy (i.e. MGDS II). The **ICSP 2011-2012** focussed on two pillars

- I: Improving infrastructure (to help remove infrastructure bottlenecks hindering Malawi's competitiveness and to open access to regional markets by reducing transport costs and improving trade competitiveness).
- II: Accelerating Private Sector Development (to help create an enabling environment for business growth and innovation focussing on the 'missing middle' in the private sector supporting value chain integration, improving business infrastructure and improving access to finance).

The **CSP 2013-2017** responds to GoM priority focus areas identified in MGDS II and the Economic Recovery Plan 2012 focusing on areas of sustainable economic growth, infrastructure development and improved governance under two pillars:

- I: Address infrastructure bottlenecks to competitiveness and growth in order to address weak infrastructure constraints to service delivery, private sector growth and competitiveness supporting interventions in transport, energy, water supply and irrigation (including

addressing regulatory and market challenges in infrastructure services and Malawi's regional integration agenda).
- II: Support actions to expand private sector investment and trade including policy reform and actions to improve the economic and business environment (such as improved PFM, trade and regional integration and improved financial services for SMEs).

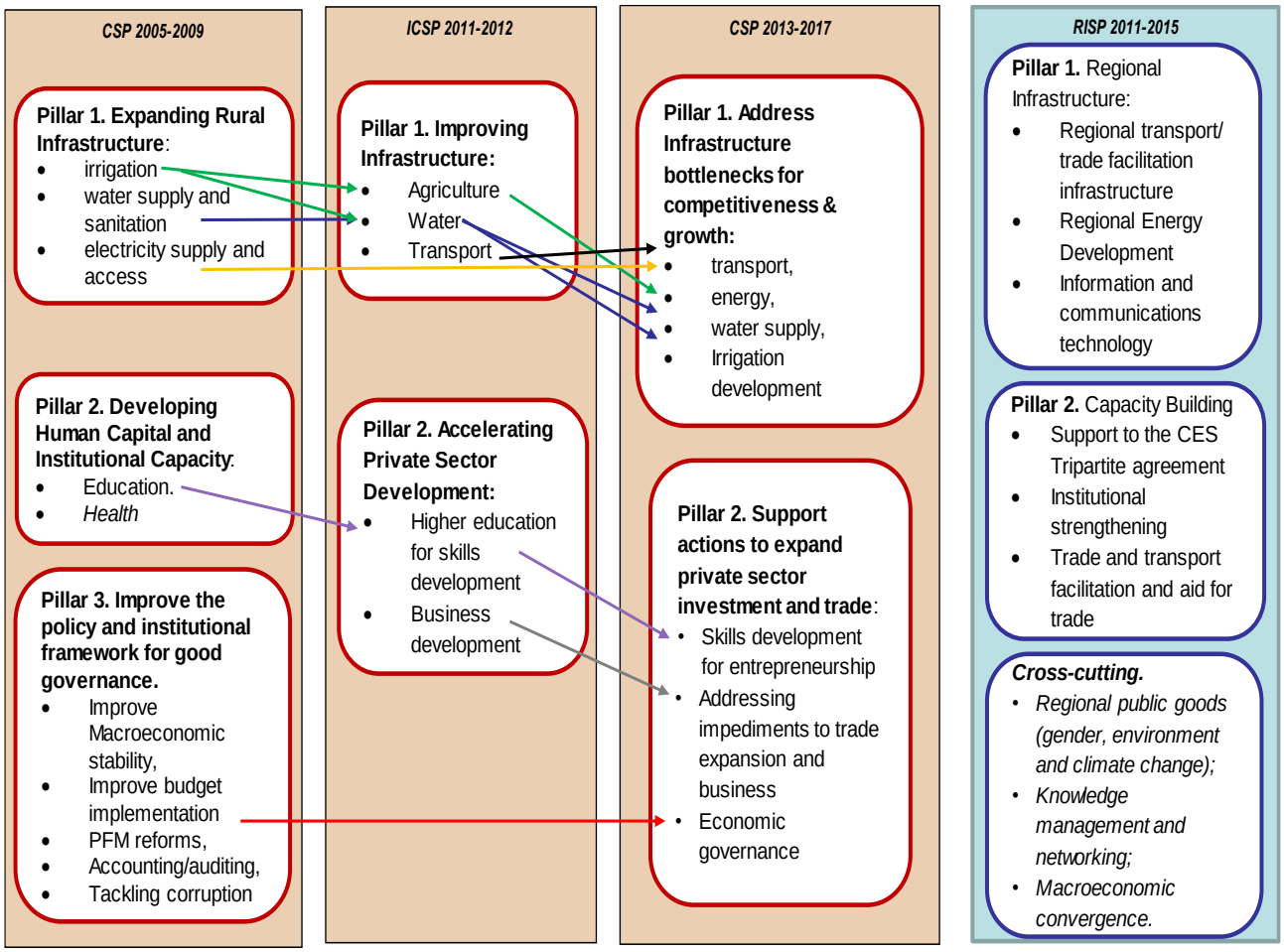
This CSP is unique in that it specifically added a focus on regional strategies. It notes, for instance, that: "To ease challenges posed by Malawi's landlocked position, the Bank will scale-up support to regional infrastructure to deepen the country's integration with its neighbors. Accordingly, more than 50% of the indicative lending operations are regional". As clarified by a member of the AfDB, this assessment depends on the definition of "regional investment", and will be clarified in the evaluation, considering that it is expected to uncover the extent to which the Bank's interventions in Malawi have actually contributed to the regional integration agenda (again, as noted by the Bank official)

The **SARISP 2011-2015** has a primary focus of enhancing and advancing development of key corridors with the objective of fostering and sustaining economic growth and social integration by means of increased intra-regional trade, greater legal, institutional and regulatory harmonization and lower production cost structure. There are two support pillars:

- I: Regional infrastructure focusing on environment and climate friendly infrastructure programmes in transport, energy and ICT.
- II: Capacity building in support of infrastructure focusing on supporting the CES Tripartite Arrangement as well as developing joint frameworks to improve regional coordination by means of strengthening institutional capacity of RECs and national implementation units for implementation of infrastructure programmes and trade facilitation activities.

As shown in the figure below in all three strategic cycles there has been a focus on infrastructure (transport at the national and regional level, energy, water supply, irrigation, communication). In the first one, the other major area of intervention was human capital and institutional capacity development, with a shift to private sector development, investment and trade from 2011 onwards. The importance given to regional integration increased in the same period with the approval of the RISP. In addition to the projects, the Bank's strategy in Malawi includes a range of non-lending activities, mainly policy dialogue, knowledge and analytical work and donors' coordination, aid harmonization and alignment.

Figure 2: Evolution of Pillars of the Bank's CSPs for Malawi 2005-2016



Between 2006 and 2016, the Bank financed 46 projects in Malawi across several sectors (Agriculture, Environment, Multisector, i.e. governance, public finance, budget support and private sector development, Power, Social sector, i.e. health and education, Transport, Water and Sanitation) with a total amount of UAC 428 Million (USD 576 Million)[30], see the below section on portfolio for more details.

[30] The conversion UA-USD has been made applying the January 2017 Exchange Rate provided by AfDB. More details at: https://www.afdb.org/en/documents/financial-information/exchange-rates/, accessed January 19th 2017.

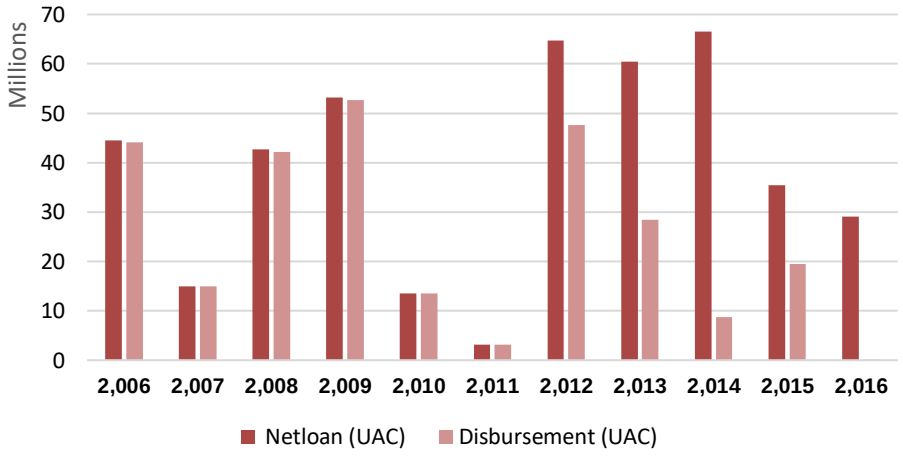
3 PORTFOLIO OVERVIEW

3.1 Portfolio Analysis

The analysis covers all projects being implemented during the period 2006 – 2016 by AfDB in Malawi[31]. Over the evaluation period, the committed funds[32] amount to **UAC 428 Million** (USD 576 M[33]) for a total of 36 programmes[34], (see full list in table 5), and the corresponding disbursements amount to UAC 275 Million (USD 369 M). The 36 programmes include 46 operations. This means that some operations belong to the same programme. The analysis is carried out at operation programme in order to keep track of the information of single operations.

The total contribution per year amounts to an average of UAC 36 M; however, from 2010 the funds have sharply decreased reaching UAC 3 M in 2011 (see figure 1). This can largely be explained by the financial transaction profiles during the transitionary period from the CSP 2005-2009 to the ICSP 2011-2012 and then to the CSP 2013-2017. The disbursed amount covers 64% of the total committed amount, however, for the period 2006-2011, disbursement equal the commitments while from 2012 there is a normal decrease due to ongoing and approved projects. Notably in 2016 the disbursed amount are close to zero with a total of UAC 30.688, corresponding to one project in the Agriculture sector.

Figure 3: AfDB Committed and Disbursed amounts by year in Malawi, UAC Millions (2006-2016)

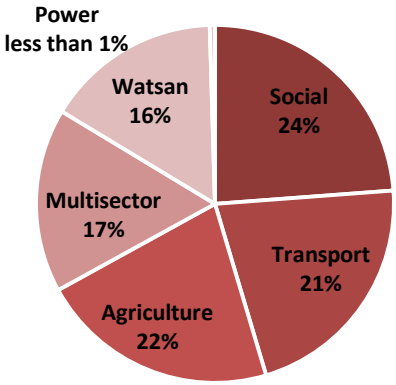


Source: AfDB data

In terms of sectoral distribution, it is evident from the below figure that the AfDB contribution is equally distributed to all macro sectors with a particular focus on the social sector which accounts for 24% of the total funds and with the exception of the power sector which received less than 1% of the total committed amount.

[31] The analysis of the portfolio is based on the data provided by AfDB Malawi in January 2017. For a full details description of the methodology see section 3.2.
[32] The datasheet provides several financial data: *Project cost, Capital applied for, Contract capital, Netloan, Value-Dated Capital*. The team has based the analysis on the committed and disbursed amount. From the observation of the portfolio, this information is provided by the *Netloan* for the committed amount and the *Value-Dated Capital* for the disbursed amount.
[33] AfDB Exchange rate as of January 2017
[34] Among the 36 programmes, 3 have been approved at the end of 2016 and will be active in 2017, therefore, for the time being financial data are not available.

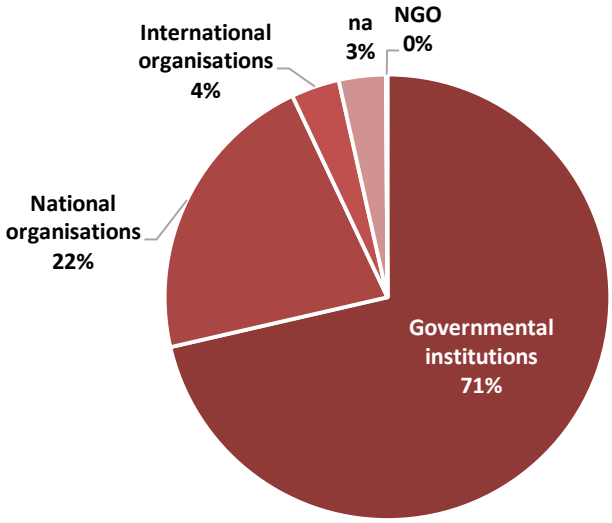
Figure 4: AfDB Commitments by sector in Malawi (2006-2016) (with rounding-off)



Source: AfDB data

In terms of business partner, it is worth noting that 71% of the funds have been disbursed through the public sector of which 34% through the Ministry of Finance, 25% through the Ministry of Agriculture and 18% through the "Government of Malawi" (see table 3).

Figure 5: AfDB Commitments by Implementing Agency in Malawi (2006-2016)



Source: AfDB internal database

Table 3: AfDB Commitments to Governmental institutions

Governmental institutions	Commitment (UAC)	Percentage
Ministry of Finance	102.641.000	34%
Ministry of Agriculture	76.181.530	25%
Government of Malawi	55.202.708	18%
Ministry of Irrigation and Water Develop	27.890.518	9%
Ministry of Local government and rural dev	17.162.000	6%
Ministry of Health and population	14.668.070	5%
Ministry of Industry and Trade	10.000.000	3%
Ministry of Energy Department of Energy	2.000.000	1%
Total	**305.745.825**	100%

The datasheet provides information on the status of the projects, (see table 4). At the moment of the analysis, the closed and complete projects number 20 and the ongoing and approved ones number 26. Among this latter group, the sectors with the biggest number of active projects are the social and agriculture sector, with 8 and 7 projects respectively. Looking at the columns of "date of commitment" and "the planned project completion date", we have calculated the duration of the operations. The

average pf the duration per sector is provided in Table 6. The longest operations are under the Social sector, with an average of 5,9 years, followed by the Watsan sector with an average of 5 years.

Finally, the datasheet combined with the documents provide information about the types of service provided or instrument used, namely grant, loan or study, see Table 5. The majority of funds are provided as loans for an amount of UAC 246 Millions, accounting for 58% of the total amounts.

Table 4: AfDB Commitments by status and sector

Status	Commitments AUC	N. of projects						
		Multi	Social	Trans	Watsan	Agri	Power	Total
ongoing	208.442.058		2			2	5	
approved	28.000.000	1	1		1	2	5	1
closed	33.596.491	4	1	4	4	2	15	4
complete	158.140.337	2	7	3	5	5	21	2
Total	**428.178.886**	**7**	**11**	**7**	**10**	**11**	**46**	**7**

Table 5: AfDB Commitments by type of service and sector

Status	Commitments AUC	N. of projects						
		Multi	Social	Trans	Watsan	Agri	Power	Total
Grant	175.554.659	6	5		4	4		19
Loan	248.591.597	1	4	6	6	4		21
Study	4.032.629					3	1	4
na	0		2					2
Total	**428.178.886**	**7**	**11**	**6**	**10**	**11**	**1**	**46**

Table 6: AfDB pogrammes average duration by sector

Sector	Duration of programmes – avarage years
Agriculture	4,0
Multisector	1,8
Power	3,6
Social	5,9
Transport	4,5
Watsan	5,0

3.2 Portfolio Methodology

This section presents an elaboration of the portfolio of the interventions implemented by AfDB in Malawi during the period 2006- 2016.

The goal of the portfolio analysis is to

1. Contribute to the *theory of change* coming out from the analysis of policy documents;
2. Help show in a synthetic way, the size, the sectoral and financial distribution of the interventions and their evolution over time through tables and graphs.

The process followed can be synthesized in two main steps.

Step 1 Data classification:

Classify the intervention-related data according to the following thematic areas, with a view to enhancing the understanding AfDB's interventions in Malawi:

- Macro sectors: The sectors and sub-sectors are already provided in the datasheets however macro sectors have been created for analytical purposes as follows:

Macro sector	Description
WatSan	Water supply and sanitation
Multisector (Multi)	Public Sector Management, Institutional Support, Poverty reduction support interventions
Agriculture (Agri)	Agricultural development, Food security, Irrigation, Rural development, Environment (climate adaptation for rural development)
Social services (Social)	Education, Health, Poverty Alleviation And Micro-finance
Transport (Trans)	Transport (roads, rail, ports)
Power	Hydro power

- Type of business partner: The types of business partner are already provided in the datasheets however macro areas have been created for analytical purposes as follows

Type of Implementing Agency	Description
Governmental institutions	The government of Malawi and the Ministries
National organizations	National Road Authority, Malawi Investment and Trade Centre (MITC)
International organizations	WFP, IDA/ADF
NGO	National/International NGO
N.A.	Not available

- Status of the project: The status of the project is already provided in the datasheets and the acronyms have been spelled out for communication purposes:

Status	Description
ONGO	Ongoing
CLSD	Closed. Project Completion Report available
COMP	Completed. All implementation targets achieved
APVD	Approved. The Board of Directors approved the project

- Year of commitment: the datasheet provides several dates (Commitment date, Entry into force, Effective 1st Disbursement, Planned project completion date, planned final Disb. Date, Latest Disbursement). For analytical purposes, the relevant year has been selected from the commitment date.
- Type of service: the data sheet does not provide clear information on the type pf

service provided by the Bank, namely grant, loans, and studies. The information has been collected during the scoping mission and cross-checked with the documents received.

- Duration of the programmes: the duration of the programmes has been calculated considering as starting date the "commitment date" and as final date "the planned project completion date"

Step 2: Data aggregation

The data have been analyzed and aggregated in macro category as described above in order to yield useful information to be used for the Theory of Change analysis of each sector.

Step 3. Data validation.

During the scoping mission, additional information has been collected and validated. In particular, the nature of the projects has been clarified (e.g. loans, grants, study etc.), the duration and status of the projects has been updated. The single operations have been aggregated by programme, thus resulting in a total of 46 operations for 36 programme.

Table 7: List of projects

SD-Sector Dept	N.	Long name	Finance project	Status	TSK MANAGER NAME	Sector	Name	Year of commitment	Duration	Netloan (commitments)	Value-Dated Capital (disbursement)	Type of service provided
AHAI	**1**	FOOD CRISIS RESPONSE BUDGET SUPPORT PROGRAMME	P-MW-A00-006	approved	COOMPSON Joseph Akrofi	Agriculture	MINISTRY OF FINANCE	2016	1	12.000.000	0	grant
AHAI	**2**	SMALLHOLDER IRRIGATION AND VALUE ADDITION PROJECT (SIVAP/FUN	P-MW-AA0-026	ongoing	OLADAPO Olagoke	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2013	5	29.306.198	15.718.991	grant
AHAI	**2**	SMALLHOLDER IRRIGATION AND VALUE ADDITION PROJECT (SIVAP/FUN	P-MW-AA0-026	ongoing	OLADAPO Olagoke	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2013	5	253.000	194.964	study
PIFD	**3**	FEASIBILITY STUDY ON THE ESTABLISHMENT OF AN AGRICULTURE COO	P-MW-AA0-028	ongoing	MACHARIA Lilian Wanjiru	Agriculture	MINISTRY OF FINANCE	2016	1	365.000	30.689	study
AHAI	**4**	HUMANITARIAN EMERGENCY ASSISTANCE TO MITIGATE EFFECTS OF 2015	P-MW-AA0-029	complete	KISYOMBE Vinda Highson Lutamyo	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2016	0,5	740.056	0	grant
AHAI	**5**	AGRICULTURE DEVELOPMENT PROGRAMME - ISP	P-MW-AAA-004	ongoing	KISYOMBE Vinda Highson Lutamyo	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2009	7	15.000.000	14.532.277	loan
AHFR	**6**	(SCPMP) SMALLHOLDER CROP PRODUCTION AND MARKETING PROJECT (co-financing loan with CARLA project below)	P-MW-AAC-001	complete	KISYOMBE Vinda Highson Lutamyo	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2006	8,9	14.882.276	14.882.276	loan
AHFR	**7**	SHIRE VALLEY IRRIGATION PROJECT FEASIBILITY STUDY	P-MW-AAC-008	ongoing	VERDEIL Daniel	Agriculture	Ministry of Irrigation and Water Develop	2014	4	1.414.629	1.100.586	study
AHAI	**8**	AGRICULTURAL INFRASTRUCTURE AND YOUTH AGRIBUSINESS PROJECT	P-MW-AAZ-004	approved	FATOYINBO Makanjuola Femi	Agriculture	MINISTRY OF AGRICULTURE & FOOD SECURITY	2016	5	16.000.000	0	loan
AHAI	**9**	HUMANITARIAN EMERGENCY ASSISTANCE TO THE 2005 DROUGHT VICTIM	P-MW-AZ0-002	closed	ANGLOW Mary	Agriculture	WORLD FOOD PROGRAMME - WFP- MALAWI	2006	1,6	370.028	0	grant
PECG	**10**	GEF CARLA CLIMATE ADAPTATION FOR RURAL LIVELIHOODS AND AGRICUlture (co-financing grant with SCPMP project above)	P-MW-C00-001	closed	GAHUNGA Nathalie Gisabo	Agriculture	MINISTRY OF IRRIGATION AND WATER DEVELOP	2012	4,5	2.220.167	2.219.716	loan
PICU	**11**	MALAWI TRUNK ROAD REHABILITATION: BLANTYRE-ZOMBA	P-MW-DB0-011	complete	MAKASA Davies Bwalya	Transport	NATIONAL ROAD AUTHORITHY	2009	5,2	19.034.450	19.034.450	loan

PICU	**11**	MALAWI TRUNK ROAD REHABILITATION: BLANTYRE-ZOMBA	P-MW-DB0-011	complete	MAKASA Davies Bwalya	Transport	NATIONAL ROAD AUTHORITHY	2009	6,0	159.222	159.222	loan
PICU	**12**	MALAWI: MZUZU-NKHATABAY ROAD REHABILITATION PROJECT	P-MW-DB0-012	ongoing	MAKASA Davies Bwalya	Transport	NATIONAL ROAD AUTHORITHY	2013	5	21.890.000	4.991.151	loan
PITD	**13**	MALAWI NACALA RAIL AND PORT VALUE ADDITION PROJECT	P-MW-KB0-002	complete	BA Aissatou	Transport	Malawi Investment and Centre (MITC) (Private sector financing)	2017	1,0	0	0	loan
PICU	**14**	NACALA ROAD CORRIDOR (MALAWI) - phase I	P-Z1-DB0-067	complete	MAKASA Davies Bwalya	Transport	NATIONAL ROAD AUTHORITHY	2009	6,0	8.925.658	8.925.658	loan
PICU	**15**	NACALA ROAD CORRIDOR PROJECT PHASE IV (LIWONDE-MANGOCHI) MA	P-Z1-DB0-084	ongoing	MAKASA Davies Bwalya	Transport	NATIONAL ROAD AUTHORITHY	2014	4	42.360.000	3.313.755	loan
PESD	**16**	KOLOMBIDZO HYDRO POWER PROJECT FEASIBILITY STUDY	P-MW-FA0-001	ongoing	HARMSE Liezl Cecilia	Power	Ministry of Energy Department of Energy	2013	4	2.000.000	1.496.749	study
AHWS	**17**	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004	complete	NKHOMA Benson Bumbe	WATSAN	GOVERNMENT OF MALAWI	2008	5,0	15.200.000	14.746.195	loan
AHWS	**17**	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004	complete	NKHOMA Benson Bumbe	WATSAN	GOVERNMENT OF MALAWI	2008	5,0	10.728.000	10.661.911	loan
AHWS	**17**	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004	complete	NKHOMA Benson Bumbe	WATSAN	GOVERNMENT OF MALAWI	2008	5,0	2.774.708	2.774.708	grant
AHWS	**18**	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IMPROVED HEALTH AND LIVELIHOODS	P-MW-E00-006	ongoing	NKHOMA Benson Bumbe	WATSAN	MINISTRY OF IRRIGATION AND WATER DEVELOP	2014	5	15.000.000	2.011.450	loan
AHWS	**18**	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IMPROVED HEALTH AND LIVELIHOODS	P-MW-E00-006	ongoing	NKHOMA Benson Bumbe	WATSAN	MINISTRY OF IRRIGATION AND WATER DEVELOP	2014	5	2.761.407	720.664	grant
AHWS	**18**	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IMPROVED HEALTH AND LIVELIHOODS	P-MW-E00-006	ongoing	NKHOMA Benson Bumbe	WATSAN	MINISTRY OF IRRIGATION AND WATER DEVELOP	2014	5	5.000.000	1.628.968	loan
AHWS	**19**	MZIMBA INTEGRATED URBAN WATER AND SANITATION PROJECT	P-MW-E00-007	ongoing	NKHOMA Benson Bumbe	WATSAN	--	2015	5	10.989.824	0	loan

AHWS	**19**	MZIMBA INTEGRATED URBAN WATER AND SANITATION PROJECT	P-MW-E00-007	ongoing	NKHOMA Benson Bumbe	WATSAN	--	2015	5	3.600.000	122.649	loan
AHWS	**20**	STRENGTHENING WATER SECTOR MONITORING AND EVALUATION	P-MW-EAZ-001	closed	MSHAM Hawa Sekela	WATSAN	MINISTRY OF IRRIGATION AND WATER DEVELOP	2010	3,4	1.494.315	1.494.315	grant
AHWS	**21**	IMPROVING ACCESS TO WATER & SANITATION FOR URBAN POOR IN BLANTYRE	P-MW-EAZ-002	complete	HOLLHUBER Franz	WATSAN	CCODE CENTER FOR COMMUNITY ORGANIZATION	2010	5,0	481.897	481.897	grant
AHHD	**22**	JOBS FOR YOUTH MALAWI	P-MW-IA0-005	approved	BANDA Kelvin Kanswala	social	Ministry of Labour	2017	4	0	0	na
AHHD	**22**	JOBS FOR YOUTH MALAWI	P-MW-IA0-005	approved	BANDA Kelvin Kanswala	social	Ministry of Labour	2017	4	0	0	na
AHHD	**23**	SUPPORT TO SECONDARY EDUCATION (EDUCATION V) PROJECT	P-MW-IAC-001	closed	BANDA Kelvin Kanswala	social	IDA/ADF EDUCATION PROJECTS	2006	6,6	14.621.981	14.621.981	grant
AHHD	**24**	Support to Higher Education, Science and Technology (HEST)	P-MW-IAD-001	ongoing	BANDA Kelvin Kanswala	social	GOVERNMENT OF MALAWI	2012	7	6.500.000	2.477.458	loan
AHHD	**24**	Support to Higher Education, Science and Technology (HEST)	P-MW-IAD-001	ongoing	BANDA Kelvin Kanswala	social	GOVERNMENT OF MALAWI	2012	7	10.950.000	5.165.758	grant
AHHD	**24**	Support to Higher Education, Science and Technology (HEST)	P-MW-IAD-001	ongoing	BANDA Kelvin Kanswala	social	GOVERNMENT OF MALAWI	2012	7	9.050.000	4.439.735	loan
AHHD	**25**	SUPPORT TO THE HEALTH SECTOR PROGRAMME	P-MW-IB0-005	complete	KGOSIDINTSI Nana Beth Gokwadilwe	social	MINISTRY OF HEALTH & POPULATION	2006	8,0	14.668.070	14.668.070	grant
AHHD	**26**	SUPPORT TO LOCAL ECONOMIC DEVELOPMENT	P-MW-IE0-002	ongoing	BANDA Kelvin Kanswala	social	MINISTRY OF LOCAL GOVERNMENT & RURAL DE	2008	8	14.000.000	13.968.722	loan
AHHD	**27**	SUPPLEMENTARY LOAN LOCAL ECONOMIC DEVLOP	P-MW-IE0-003	ongoing	BANDA Kelvin Kanswala	social	MINISTRY OF LOCAL GOVERNMENT & RURAL DE	2011	6	3.162.000	3.136.780	loan
AHHD	**28**	COMPETITIVENESS AND JOB CREATION SUPPORT PROJECT	P-MW-IE0-004	ongoing	BESONG Raymond Eyoh	social	Ministry of Industry and Trade	2012	6	10.000.000	7.318.945	grant
AHHD	**29**	PROTECTION OF BASIC SERVICES (Health) budget support (ring-fenced)[35]	P-MW-IE0-005	ongoing	BESONG Raymond Eyoh	social	MINISTRY OF FINANCE	2015	3	19.000.000	19.000.000	grant

[35] Malawi had serious balance of payments problems so the Bank's FOREX helped. The funds are for direct support of operations of sectors.

ECGF	**30**	RESTORATION OF FISCAL STABILITY AND SOCIAL PROTECTION	P-MW-KA0-002	complete	KAMANGA Fenwick Dingiswayo	multisector	MINISTRY OF FINANCE	2012	1,4	26.000.000	26.000.000	grant
ECGF	**31**	SUPPLEMENTARY BUDGET SUPPORT TO RFSSP	P-MW-KA0-003	complete	KAMANGA Fenwick Dingiswayo	multisector	MINISTRY OF FINANCE	2013	0,5	4.000.000	4.000.000	grant
ECGF	**32**	PUBLIC FINANCE MANAGEMENT INSTITUTIONAL SUPPORT PROJECT	P-MW-KF0-002	ongoing	KAMANGA Fenwick Dingiswayo	multisector	MINISTRY OF FINANCE	2013	5	2.980.000	2.080.181	grant
ECGF	**33**	PUBLIC FINANCE MANAGEMENT INSTITUTIONAL SUPPORT PROJECT-PHA	P-MW-KF0-003	ongoing	KAMANGA Fenwick Dingiswayo	multisector	MINISTRY OF FINANCE	2015	3	1.860.000	358.278	grant
ECGF	**34**	POVERTY REDUCTION SUPPORT LOAN	P-MW-KZ0-003	closed	GEBRE-SELASSIE Kalayu	multisector	MINISTRY OF FINANCE	2007	1,2	14.890.000	14.890.000	loan
ECGF	**35**	POVERTY REDUCTION SUPPORT GRANT I	P-MW-KZ0-004	complete	TENCH Kate Mirran	multisector	MINISTRY OF FINANCE	2009	0,7	10.000.000	10.000.000	grant
ECGF	**36**	GOVERNANCE AND POVERTY REDUCTION SUPPORT GRANT II (GPRSG II)	P-MW-KZ0-005	complete	KAMANGA Fenwick Dingiswayo	multisector	MINISTRY OF FINANCE	2010	1,0	11.546.000	11.546.000	grant

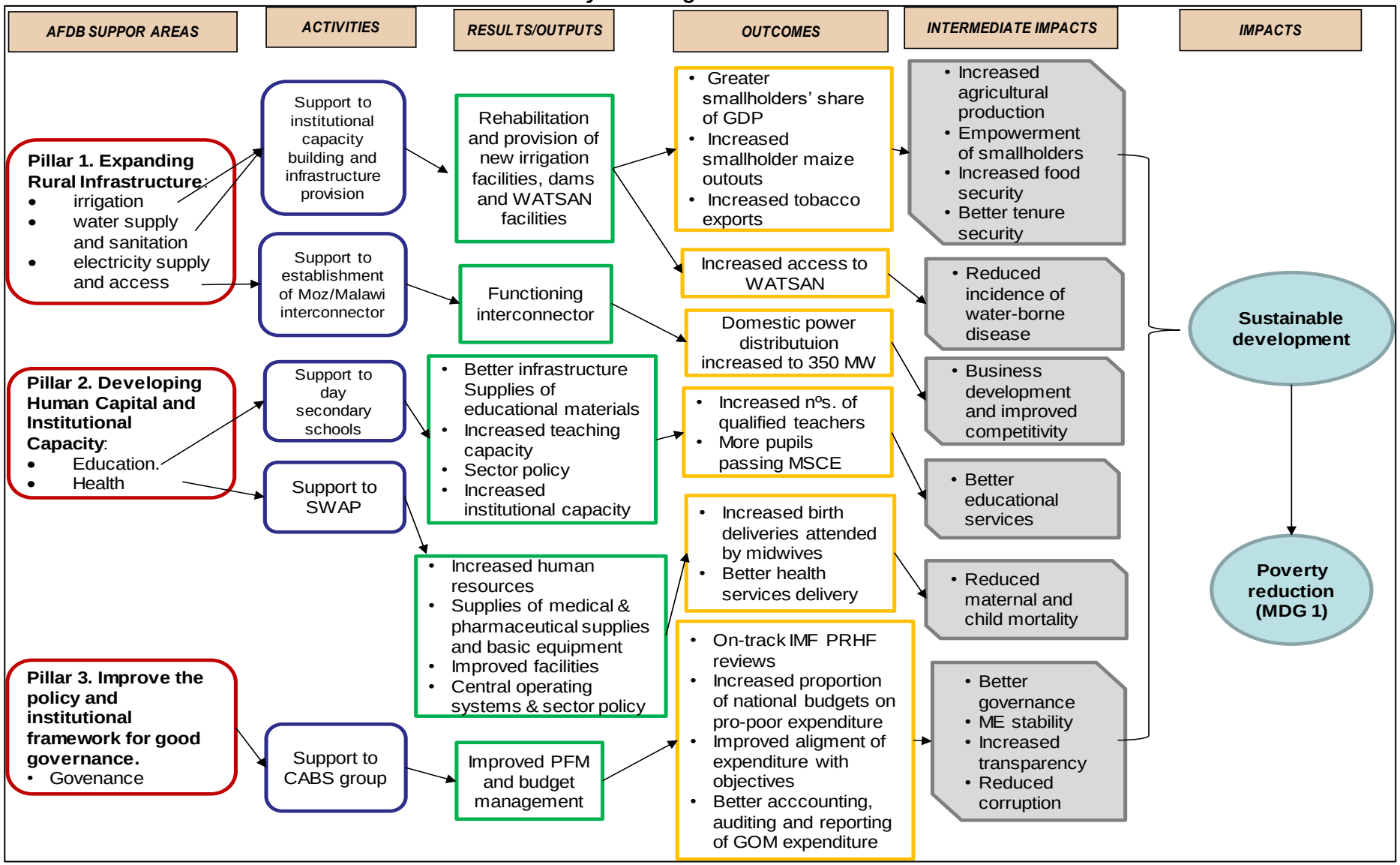
4 THEORY OF CHANGE

A theory of change (ToC) is an outcomes-based approach for describing the overall logic of an intervention. It explains how activities are understood to produce a series of results that contribute to achieving the final intended impacts. It can be developed for any level of intervention – an event, a project, a programme, a policy, a strategy or an organization.

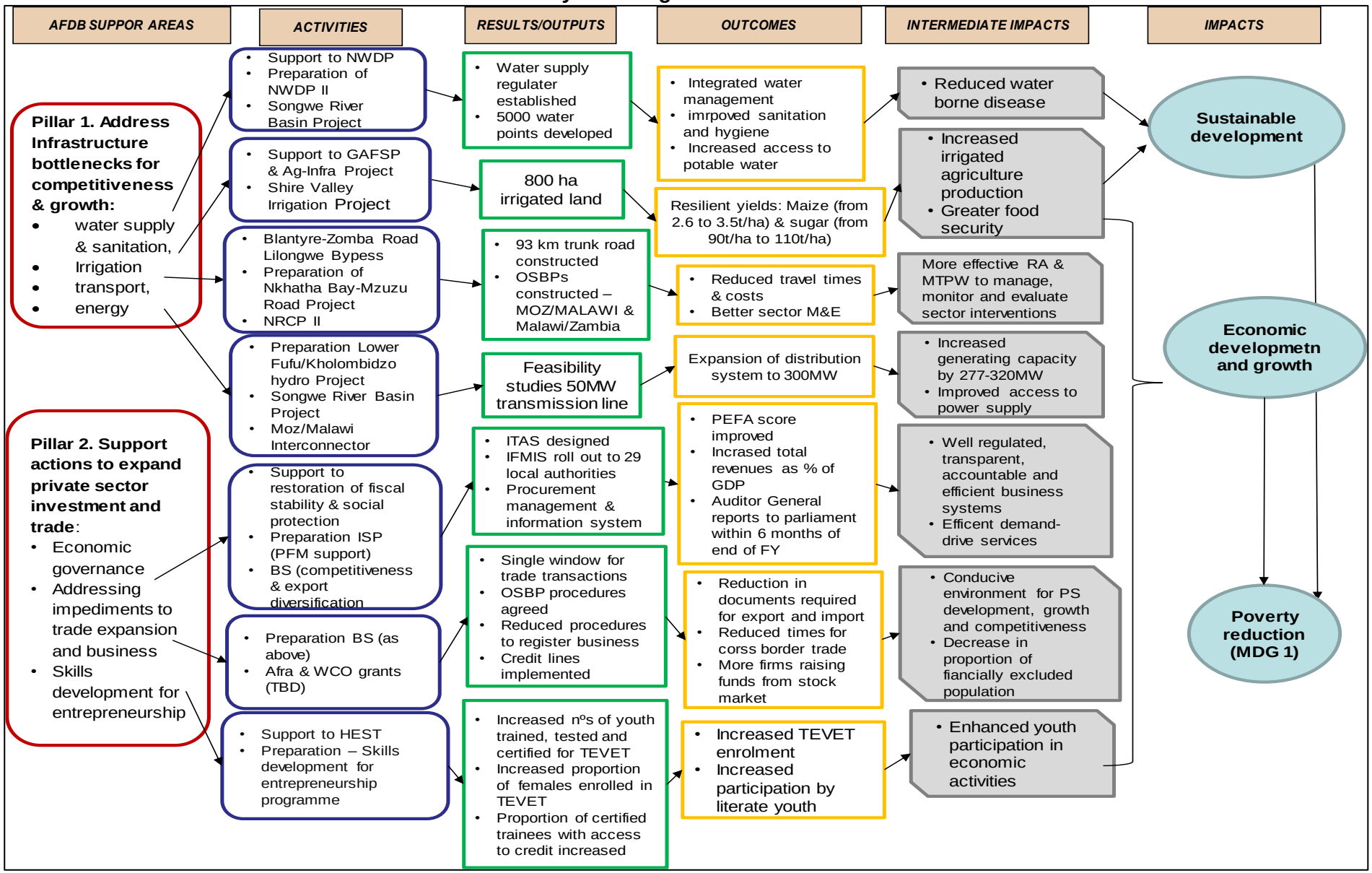
The following ToCs are a simplified reconstructed high-level theory, which try to capture the overall AfDB strategy towards Malawi during the two strategic periods, 2005-2009 and 2013-2017. It is not that the ToC for the ICSP 2009-2011 is essentially identical to the ToC for CSP 2013-2017, since both were designed to align to the MGDS II and it is therefore not illustrated.

The following ToCs, therefore, represent the intervention logic as it evolved by strategic documents and decisions made over time. They aim to take account of the complexity and diversity of the portfolio and helps examine how specific interventions at national levels in Malawi contributed to the achievement of the overall objectives, although it is by no means exhaustive.

Theory of change CSP 2005-2009



Theory of Change CSP 2013-2017



5 SECTOR SUPPORT AND INTERVENTION LOGICS

5.1 Social Sector

5.1.1 Sector background

The Team has been guided by the MGDS I (2006-2011) and II (2011-2016) themes and strategies in creating a boundary around what could be called "the social sector". The principal justification for the final selection is the Bank's own policies of alignment (to national strategies and plans) and ownership (on behalf of the GoM).

Both MGDS I and MGDS II have a number of priority areas and themes (see section 2) and, although it could be interpreted that all of these will impact, in one way or another, on the people of the Country, neither explicitly use the term "social sector". This sub-section will outline the main social constructs of the MGDS I and II. More details on the national strategies are presented in Annex C.

Social development within the MGDS I
It should be recalled that the only "priority" of the MGDS I that deals explicitly with a "social" sector is "*6. Prevention and management of nutrition disorders, HIV and AIDS*." Neither education nor gender are specifically included in the list. What could be called the "social sector" is highly deconstructed and elements are found in various parts of the MGDS I, so to understand the scope of the national plans and strategies requires a consolidation of sorts. But even that requires a filter on the part of the analysist: if all economic or social or cultural actions are in one way or another "social" then where does the analyst place the boundaries with respect to the current evaluation of the AfDB programs and strategies? It is noted many documents and analysis from various sources (WHO, WB, etc.) conclude that HIV/AIDS has historically and continuously been a major constraint for economic development in Malawi.

The various parts of the MGDS I that deal with "social" issues that were retained for this evaluation are:

- Health (overall),
- HIV/AIDS as a special focus because of the emergency in the Country
- Population dynamics
- Education
- Gender

The MGDS I notes that while most Malawians may benefit from economic growth and development, some may be left out due to their inability to actively participate in the development process. The MGDS I indicates that it is the intent of the Government to provide what it calls "social protection" and basic services delivery to these groups of people. The MGDS are recognized that human development and basic services were important if the Country was to achieve its economic growth and development targets. Malawi also sought to achieve and sustain socially-related MDGs which were to become long-term targets and aspirations for the people of the country. As such, building a healthy, educated and gender-sensitive population was a priority for Malawi. The strategy recognized the interrelated nature of issues such as health, HIV and AIDS, nutrition, education, and gender, hence the need to deal with these in a coherent and balanced manner. The overall goal of the MGDS I was, therefore, to develop human capital for full participation in the socio-economic and political development of the country. This was to take place through efforts directed in **three sub-themes: Health and population, education and gender.** For more information on each single sector see Annex C.

Social Development within the MGDS II

MGDS II notes that "Malawi requires a healthy and educated population that grows at a sustainable rate. High rates of population growth have far reaching implications on social and economic development of a country. Provision of social services such as health and education in the country is greatly affected by the prevailing population dynamics. Thus fertility, mortality and migration affect the population size, age-sex structure, life expectancy, dependency ratio and spatial distribution which in turn determine resource allocation."

The MGDS II notes that from 2006-11, the GoM had "significantly improved the provision of social services in health, education, child development and protection, youth development, nutrition and HIV and AIDS management". The Country's fertility rate had dropped from 6.0 in 2005 to 5.7 in 2010 (DHS 2005, 2010). However, the fertility rate was still high and remained a challenge to socio-economic development of the Country. Recognizing the interrelated nature of population and socio-economic development, the GoM was to implement interventions focusing on "population, education, health, child development and protection, youth development and nutrition".

Within MGDS II, **three Themes** explicitly contain "Social Development" content: i.e. 2.; 3; and 6[36] . It is noted however, that health and education are not considered as themes per se.

The MGDS II's Theme 2 deals explicitly with Social Development, although there are social development issues introduced implicitly in most Themes. Within Theme 2, we note that three of the priorities that were specified for the entire MGDS II are present, i.e.

4. Education, Science and Technology;
5. Public Health, Sanitation, Malaria and HIV and AIDS Management; and
8. Child Development, Youth Development and Empowerment.

As with MGDS I, a number of other domains that are clearly "social" (ex. gender) are discussed or addressed in this follow-on national strategy. Again, as with MGDS I, this evaluation will only cover education, health, local economic development, youth employment, basic services support, and job creation (these are the social domains that are addressed by the Bank during the 2006-05 period).

5.1.2 AfDB Support

CSP 2005-2009

AfDB Strategy

The CSP 2005-2009 was based on three pillars, only one dealing with "social" development: Pillar II: Developing Human Capital and Institutional Capacity. In support of this finding, the CSP notes that "CSP Pillar II interventions seek to enhance skills and knowledge through better education, improve health service delivery to the population, and strengthen institutional capacity."

The CSP contains a section (2.3) that deals with sector context issues. No social issues are explicitly noted there, indicating that health and education, for example, are not sectors. "Population"; "Gender Equality"; "HIV/AIDS" and "Labor market" are all treated as cross-cutting issues. Education is not treated as either a sector or a cross-cutting issue, although access to it is discussed as a "context", along with access to health. The existence of a high pool of unskilled labor is treated as a private-sector issue (that is why the responsibility within GoM was given to the Ministry of Labor).

The Bank's strategy for its Pillar II was largely based on the strategy that: "expanding education and health facilities will contribute to achieving the MGDs related to education, child mortality, maternal health, health, gender and the environment". An imbalance is also evident between the level and quality of existing institutional capacity and what is necessary to help reduce poverty.

[36] Being: 2. Social Development (Nutrition and Population); 3. Social Support; 6. Gender and capacity Development.

Specifically, the CSP proposed: a **secondary education** intervention to cover a niche, as no other donor was active in that area. The Pillar also focused on strengthening efforts to tackle Malawi's major **health** problems, such as weak health care delivery systems, along with the main killer diseases such as Tuberculosis, Malaria and HIV/AIDS. Bank Group interventions in this area were to be built on the on-going health sector SWAp.

The **expected outcomes** of the Bank's contribution during CSP 2005-2009 were the following:
A) Education:

- Increased secondary school enrolment
- Improved secondary school teaching and quality

B) Health:

For child mortality:

- Increased food security raises child nutritional levels.
- Support to health SWAP helps reduce child mortality levels

For maternal health:

- Increased food output raises incomes that boosts health spending.
- Support to health SWAP helps improve maternal health levels

For HIV/AIDS:

- Support to health SWAP helps improve efforts to reduce main killer diseases

C) Gender

- Increased girls' participation in secondary school education

For education, the expected results were linked to four (prior) earlier Bank Group education projects, managed (for all donors) by the GoM through its Policy and Investment Framework (PIF), and Education Sector Plan (ESP). The development of the ESP was an important process that strengthened donors' coordination.

For health, the Bank Group's interventions during ADF-X aimed specifically to assist the sector through participation in the health SWAp to achieve health-related goals in the MGDS and MDGs. The SWAp contained a Joint Program of Work covering the period 2004-10 which outlined a shared and preferred future for the health sector and proposed strategic options for bringing this about by implementing, with the assistance of its partners, the Essential Health Package over a period of six years. The Program consisted of six priority components in the areas of human resources, pharmaceutical and medical supplies, essential basic equipment, infrastructure facilities, routine operations at service delivery level, and policy and systems development. The implementation of the program was expected to be accomplished by:(i) expanding the range and quality of health services focused on maternal health and children under five years old; (ii) improving the general status of the population by strengthening, expanding and integrating relevant health services; (iii) increasing access to health care services; (iv) increasing, retaining and improving the quality of trained human resources and distributing them efficiently and equitably; (v) providing better quality health care in all facilities; (vi) improving efficiency and equity in resource allocation; and (vii) strengthening collaboration. The Bank Group's track record in supporting health-related interventions was demonstrated by five (prior) project approvals made by the Boards of Directors since lending began that had a health component or main focus.

Expected targets of the results under the Bank's Pillar II:
Education:

1. By year 2010: All project schools upgraded to project's minimum physical standards
2. Unqualified teachers in project schools reduced to 24% 2010 from 63% in 2004
3. Pupils passing MSCE in project schools increased to 70% 2010 from 32% in 2004
4. Girls passing MSCE in project schools increased to 70% in 2010 from 21% in 2004

Health:

1. By 2010: Increase the number of deliveries attended to by skilled health workers from current 55% to 75%
2. Reduce maternal mortality ratio from current 1,120 to 700/100,000
3. Reduce child mortality rate from current 189 to 104/1,000 live births
4. Increase in health facilities able to provide Essential Health Services from current 10% to 80%

In addition to the above, the Common Approach to Budget Sector (CABS) initiative also contains a number of performance targets that are 'social" in nature.

Issue	Indicator	Baseline	Target
Education	Pupil per qualified teacher ratio in primary school in rural areas	1: 118 (2001)	1 to less than 104 by 2005
	Primary School Net Enrolment Rate (Male)	81% in 2001/2	90% at least in 2005
	Primary School Net Enrolment Rate (Female)	23% in 2004	21.5% in 2005
	a) Education ORT out-turn as % of total discretionary out-turn: in relation to: (b) education approved ORT as % of total approved discretionary expenditure	NA	A is greater than B
Health	a) Health ORT out-turn as % of total discretionary out-turn: in relation to: (b) health approved ORT as % of total approved discretionary expenditure	NA	A is greater than B
	Under 1 year immunization by each antigen (BCG, Pentavalent III, Polio III, Measles)	56% in 2002	80% by end 2005
	Deliveries attended by skilled health staff	58% in 2003	59 +% in Dec 2005
	Out Patient Department (OPD) Utilization Rate (per 1000 pop) in rural areas.	960 in 2003	980+ in end 2005
	Prevalence of under 5 child malnutrition	25% 1995-2002	23 or less % in Dec 2005
	HIV prevalence among adults 15-49 age group	2003: 14.4% for age group 15-49	2004: 14.4% 2005: 14.2% 2006: 14 %
Gender	Women in decision making positions	12.8% = 2004	≥ 13% by September 2005

Aid coordination

The CSP 2005-2009 contains a brief overview of the donors and stakeholders that intervened in the key sectors of the MGDS I. In terms of Health & Education, the document notes that: "The health and education sub-sectors are led by DfID. The Bank Group currently has a portfolio amounting to UA43.6 million. Other donors active in this sector include the World Bank, UNICEF, WFP, WHO, CIDA, DfId, Germany, JICA, Norway, Sweden, and USAID. Donors play an important role in the financing of the health and education sub-sectors. Currently, the ADF is a major donor to secondary education, which is experiencing pressure to increase supply after years of primary school expansion. The health system is severely constrained by shortages of drugs and other essential supplies, a critical shortage of skilled staff and the impact of HIV/AIDS. A health SWAp has been created to address these numerous problems."

ICSP 2011-2012

There were only two pillars in this ICSP, the first dealing with Infrastructure improvement and the second with private sector development. The latter contained a "support to Higher Education" initiative that was classified as a "social sector" initiative by the Bank because it dealt with TEVET, which is rather a private sector issue (and not a social issue) as described above. The following refer to that initiative.

Country Development goals (MGDS)	• Broaden the skills base to facilitate innovation and competitiveness
Constraints to achievement of country development goals	• Low access to TEVET and higher education • Poor infrastructure for higher education
FINAL OUTCOMES (Expected by 2012)	• Enrolment rate for university education increases from 51/100,000 in 2010 to 52/100,000 in 2012 • Ratio of female to male in tertiary education improves from 51 in 2007 to 52 in 2012 • Enrolment rate for TEVET increases from 34/100,000 in 2010 to 34.5/100,000 in 2012 • Secondary school net enrolment increases from 13.1% in 2010 to 14% in 2012 • Female progression to secondary school increases from 75% in 2010 to 76% in 2012
Final outputs (Expected by end of ICSP period in 2012)	• The Higher Education Science and Technology is approved to support university and TEVET infrastructure development • 80 secondary school class rooms constructed to supply candidates for university and TEVET education
AfDB Interventions (New and On-going)	• Pipeline Support to Higher Education Science and Technology Project GPRSG.II • On-going Education V project: Support to Community Day Secondary School GPRSG.III

CSP 2013-2017

AfDB Strategy

CSP 2013-2017 was based on two pillars, one dealing with infrastructure and the other on private sector investment and trade. The latter focused on capacity building, skills development and entrepreneurship training to address the challenges of youth unemployment and job creation to reduce poverty and harness the demographic dividend of Malawi's young population. The consistency with the ICSP is remarkable.

Pillar 2 also recognized that more resources were required to build skills at the level of artisans, master-craftsmen and technicians, with a particular focus on women. This was an area not currently being addressed by the on-going Bank Higher Education Science and Technology (HEST) project, nor adequately undertaken by other partners. Through a proposed skills development for entrepreneurship program, the Bank would also be filling the huge gap in tertiary education and creating a synergy with youth's access to finance for entrepreneurship.

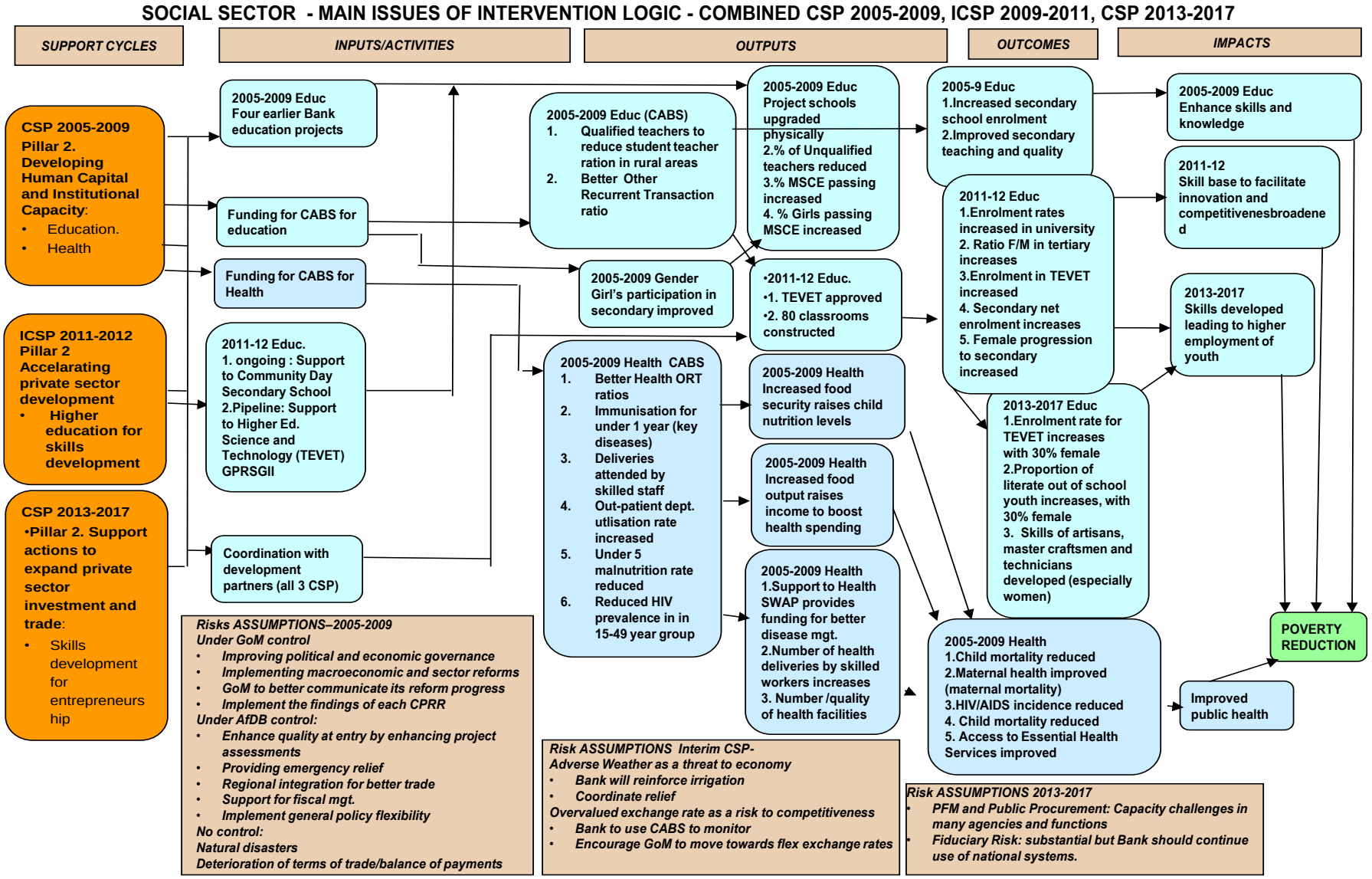
Goals of MGDS II	Final Outcomes and targets (expected by end of CSP, 2017)	Other related activities for the Bank
Enhance effective youth participation in economic activities.	Enrollment rate for TEVET increases from 34.5/100,000 in 2012 to 40/100,000 in 2017, of which 30% will be female Proportion of literate out of school youth increased from 35% in 2011 to 80% in 2017, of which 30% will be female	Lending activities (On-going) (i) Support to Higher Education Science and Technology (HEST) (Pipeline) (i)Skills development for entrepreneurship program

Aid coordination

In Malawi, the Development Assistance Strategy (DAS), a donor coordination platform, ensured the advancement of the principles of the Paris Declaration (2005) and the Accra Agenda for Action (2008), for the coherence of development partners' engagement with the GoM. Various groups provide the Bank with a platform to engage in dialogue with development partners and government on economic, financial and sectorial issues. These include Heads of Cooperation (HoC), Heads of Mission (HoM), Common Approach to Budget Support (CABS), Technical Working Groups (TWGs) and Sector Working Groups (SWGs).

Aid continued to be concentrated in a small number of sectors within the Country. The four largest recipient sectors (Health; Education; Governance; and Agriculture) received approximately 80% of total annual disbursements. In contrast, the five smallest recipient sectors (Information Technology, Public Administration; Energy and Mining; and Private Sector Development) received about 5.0% of total annual disbursements.

5.1.3 Intervention Logic



5.2 Transport Sector

5.2.1 Sector background

The situation in the Malawi transport sector is not static and this situation is characterized in MGDS I and MGDS II where 'snap shots' are provided at the start of each strategy cycle (2006 and 2011 respectively). More details on the national strategies are presented in Annex C.

The national (and regional) transport sector concepts, as analyzed by AfDB and used as a basis for identification of the AfDB assistance strategy, are discussed below.[37]

In preparation for the CSP 2005-2009, the AfDB and the GoM noted that the context for the transport sector was bleak and specifically pointed to the serious infrastructure deficits, which result in high national transport costs.[38] Transport sub-sector conditions and contexts are characterized as follows:

- Roads (>85% of all transport movement) - only about 20% of the national road network is surfaced (and much of this is in poor condition); many unsurfaced roads (~80% of the network) are impassable during rains.
- Rail – in poor condition constraining import and export activity.[39]
- Water – although the transport sector as a whole is described as having dilapidated services and limited modal shift facilities; high transport costs and poor transport infrastructure are identified as a problem for manufacturing, agriculture, tourism and private sector development, the water mode is clearly characterized as having these challenges.

In preparation for the ICSP, AfDB continued to identify under-developed and poorly maintained infrastructure as a constraint to access to internal and external markets and increasing business costs (transport costs represented 56% of the cost of imports, 30% of total cost of exports). More specifically, in Southern Africa transport costs are typically 30-40% of total costs of imports and exports (cf ~4% in Europe), sub-standard road segments increase costs and delay connectivity, increasing traffic and poor policy and regulatory frameworks and management constraints exert additional constraints on corridor performance. Mention is also made of deficiencies in water-related transport infrastructure. Specific reference is made to Malawi's landlocked situation in that 'multiple road blocks and cumbersome border procedures increased transit costs estimated to be as high as 56% of the export value in Malawi. For the first time, international linkages to Indian Ocean ports were identified as an issue[40]- given that the most reliable port services were offered by Durban, which was furthest away from Malawi whilst Nacala (or Beira) were much closer but with less reliability. Discussions with AfDB show that this could be a root cause for the weaknesses in economic development of Malawi. To be more precise, it is of critical necessity to discuss not only the port services themselves but also:

- The poor service level of the transport corridor (North-South Corridor, Dar es Salaam Corridor, Beira/Sena Corridor and Nacala Corridor),
- A highly inefficient cross-border function (at Muchinji/Chipata, Mwanza, Dedza, Nsanje/Marka, Chiponde/Mandimba, Songwe, etc.) while One-Stop Border Post projects are under implementation at some of the above border points, and
- Underutilized or abandoned railway transport in the entire region due to lack of capital investment/ maintenance/ rolling stock/ stemming from weak institutional and financial capacity of CEAR (this is one of the leading justifications why the Nacala Rail and Port project was launched)

[37] MGDP I identifies infrastructure development in Pillar IV i.e. 'improve transportation infrastructure to reduce cost of doing business in Malawi'.
[38] Up to 3 x the costs of some neighboring countries (this will be verified in the next phases of the evaluation). See also footnote 42.
[39] Although, to be fair, connecting rail lines in neighboring countries were in similar poor condition with limited operations.
[40] i.e. cost/reliability: Nacala: low/low; Beira: medium/medium; DES – high/medium; Durban: high/high

Footnote 40 illustrates the complexity of the sector; the situation is not as simple as is often portrayed and cannot be well understood by using reductionist logic. For example:

- Reliability (and perhaps efficiency) of the Port of Durban has been severely affected by the congested situation since mid-2000, while the port expansion project is on-going.
- The capacity of Beira port has historically been hampered by the sedimentation of river sands due to its location. Cargo handling efficiency (or "reliability" of service) has been noted as being much better in Nacala (after JICA's port expansion project).
- Nacala's efficiency is now dramatically improved after JICA's project as mentioned above.

While each of these statements is true, they cannot begin to describe the difficulties encountered by importers, shippers, customs, manufacturers, retail establishments and others as they try to get something either into or out of Malawi. Time is treated as being elastic and forgiving, all costs are loaded onto the eventual consumer, comparative advantages due to materials and wages disappear, haulage cartels are enabled, low backloads increase transport costs of all products, and poor people cannot consume imports.

Because of the lack of reliability, the movement of bulk goods were to be more expensive and uncertain. The potential for water transport (but only on Lake Malawi) for regional integration (Tanzania and Mozambique) was also noted, as was tourism.

Finally, regional integration was stated to be the key to Malawi's development (as a land-locked country) and reference was made to the AfDB RISP for Southern Africa which identified better regional transport infrastructure links and corridors as an area from which Malawi would benefit. Integration of national and regional infrastructure would enable Malawi to reduce substantially the national infrastructure funding gap.[41] [42].

5.2.2 AfDB Support

CSP 2005-2009

Although in the period 1969-2005 AfDB support to the transport sector comprised ~20% of total commitments to Malawi, under this support cycle, no AfDB support was actually given to the transport sector except for the delayed Koronga-Chitipa road brought forward from the previous support cycle.

Aid coordination

MGDS aid coordination provided a framework for all donor interventions in the sector (although it is noted that due to capacity constraints, the GoM struggled to manage and lead donor coordination meetings). AfDB had informed donors of the CSP content and had been involved in dialogue in preparation of the CSP in order to increase coordination levels. EU was lead donor in infrastructure activities (concentrating on road construction) whilst World Bank, Germany, JICA and OPEC had also been active in supporting roads and other transport projects. AfDB allocated UA 27.2M to two road projects between Karonga and Chitipa.[43]

ICSP 2011-2013

Overall, the ICSP provides a deepened focus on transport infrastructure. The transport sector represented 22% of total commitments to Malawi[44] under Pillar I: Improving Infrastructure. Support included the Nacala Corridor Road Development Programme[45] (UA 33M) aimed at improving access

[41] Estimated USD 200 M/annum.
[42] USD 0.06/ton km cf RSA USD 0.03/ton km – source MCC 2011.
[43] Support to the Karonga-Chitipa road projects (in the far north of Malawi) was delayed due to withdrawal of a co-donor. After re-financing works were scheduled to begin 2005/2006. This funding was allocated under AfDB 2002-2004 CSP but un-disbursed funding was carried forward to the 2005-2009 support cycle.
[44] Comparable to the period 1969-2005.
[45] Phase I is between Malawi and Mozambique, Phase II is between Mozambique and Zambia (although the investment is entirely in Zambia), Phase III is between Malawi and Zambia.

to Indian Ocean ports in Mozambique including one stop border posts (OSBPs). The strategy was to reduce transport costs, facilitate trade and strengthen economic linkages between Zambia, Malawi and Mozambique. This support included two interventions:

- Phase I: Lilongwe Bypass (10km – ADF loan UA 14.32M)
- Phase III: 152km of trunk road in Malawi and 2 one-stop border posts.

Additional (ongoing) support included the rehabilitation of the Zomba-Blantyre trunk road (45km – ADF loan UA 23M)[46].

Under the AfDB Indicative Non-lending Programme a feasibility study was proposed for the Shire-Zambezi waterway (UA 3.6M – African Water facility). This intervention requires some further attention in the context of regional integration, as i) the project is still alive with high enthusiasm by the current President Peter Mutharika and ii) there is a fact that the Bank funded the feasibility study. (The feasibility study report concluded that "project is technically feasible but not financially viable without a yearly investment from the member states or other institutions.")[47]

Expected outputs of AfDB sector support included an improved road network condition[48] and a modest reduction in transport costs (as a percentage of total costs of imports and exports.[49])

Aid Coordination

EU continued to be the lead partner in transport financing new construction, maintenance and development of multi-modal frameworks. AfDB thus sought co-financing with EU in the transport sector.

CSP 2013 – 2017

The transport sector was noted as comprising 19% of total AfDB portfolio value under Pillar I: "Addressing infrastructure bottlenecks in competitiveness and growth". Interventions included components of the Nacala Road Development Corridor Phase III (i.e. 152km of road rehabilitation in Malawi and construction of one-stop border posts at Chiponde (Mozambique border) and Chipata (Zambia border)); development of the Mtwara Corridor[50] (UA 100M – ADF XIV loan of which the Malawi component is UA 20M), and Sena Corridor (Mozambique/Malawi (amount yet to be determined – ADF XIV) with objectives of improved trade facilitation (by way of reduced travel costs and expedited border crossings) and increased private sector participation in major productive sectors. For the first time, reference is made to promotion of private sector participation in service delivery and infrastructure through PPPs.[51]

Concerning the Mtwara Corridor project, the GoM and the sector analysis could consider this as a port development project, not as a road corridor project, notes an AfDB official. There are documents that lead to the possible finding that the relevance of this project could be questioned. This is due to the opinion that the demand for lake transport between Nkhata Bay and Mozambican (or Tanzanian) side would remain limited even if all the road along the Mtwawa Corridor were to be upgraded and rehabilitated. This issue will be examined during the next phase; if the project budget is supported by the Regional Operation Envelope (probably the PAR may highlight its regional integration characteristics), the legitimacy of this project's selection through the Bank Regional Operations Selection and Prioritization Framework could be examined and assessed.

Ongoing interventions (Blantyre-Zomba truck road rehabilitation 60km, Lilongwe Western Bypass 13km) and pipeline projects (Mzuzu-Nkatha Bay road rehabilitation 46km; NRC Phase III 174km) had an overall objective of reducing travel times by 30%. Indicative non-lending operations included

[46] No reference to this support appears in RBSCP 2005-2009.
[47] Quote from an AfDB technical source
[48] % of road network in good condition increases from 33% in 2009 to 34% in 2012.
[49] Transport costs as a % of total cost declines between 2010 and 2012 – imports 56% to 55.5%; exports 30% to 29.5%.
[50] Which comprises provision of port infrastructure at Nkatha Bay and Ngala (Malawi), Meponda, Metangula and Cobue (Mozambique) and road/bridge works at Matchedje (Mozambique/Tanzania).
[51] The PPP Act was enacted in 2011.

the design of the Mangochi–Chiponde road rehabilitation project (Nacala Regional Corridor Phase III) – UA 0.5M (2013) and studies on rail links (UA 1M) (Sena Corridor) with potential collaboration of WB and NORAD.

Aid Coordination

No specific reference was made to coordination of support in the transport sector[52] but rather to higher level coordination and harmonization principles (e.g. Paris Declaration 2005, Accra Agenda for Action 2008) plus the activities of TWGs & TSWGs (Technical and Sector Working Groups). Reference was made to participation in the 2011 survey on monitoring of the PD Malawi registering progress in ownership, alignment and mutual accountability with challenges remaining in harmonization and 'managing for results'.[53]

Southern Africa RISP 2011-2015

The 'headline' of RISP was that it was gradually being realized that regional integration is relevant to economic growth and Africa's role in the global economy. And yet, poorly developed regional transport infrastructure[54] reduces competitiveness by increasing cost and time of transport.[55] Thus, AfDB support focused on transport through a corridor approach. Initiatives underway to improve regional integration included transport corridor programmes and a start on taking advantage of the comparative advantages of rail transport for bulk, long haul transportation.[56]

Noting that regional integration is key to AfDB's mandate, the AfDB regional strategy is based on two pillars: I: Regional infrastructure, and II: capacity building. Under Pillar I, an area of focus is regional transport and trade facilitation infrastructure under a regional development approach. However, a regional approach has serious challenges – scale, complexity, weak implementation capacities and need for robust justification.[57] The AfDB approach thus proposed a focus on backbone regional transport (with special emphasis on rail – network development, maintenance, concessions), trade facilitation infrastructure, and leveraging private sector investment within complementary national and regional support programmes. AfDB was to focus on the N-S corridor and link corridors (Beira, Nacala, Maputo, DES, Tazara, Mtwara are relevant to Malawi)[58].

RISP interventions were expected to include pre-investment studies (eg. feasibility, ESIAs, detailed design) and investment in infrastructure complemented by capacity building under Pillar II. Under

[52] Although EU continues as lead partner.

[53] The reason for identified challenges being the limited participation of major DPs in programme-based approaches and shortcomings in M&E respectively.

[54] Not only transport but also energy, ICT and unsuitable legal, institutional and regulatory frameworks.

[55] As noted in section 5.2.1, "more specifically in Southern Africa transport costs are typically 30-40% of total costs of imports and exports (cf ~4% in Europe), sub-standard road segments increase costs and delay connectivity, increasing traffic and poor policy and regulatory frameworks and management constraints exert additional constraints on corridor performance. Mention is also made of deficiencies in water-related transport infrastructure. Specific reference is made to Malawi's landlocked situation in that 'multiple road blocks and cumbersome border procedures increased transit costs estimated to be as high as 56% of the export value in Malawi" Source: John Clifton Team Member, from previous evaluations in the Country and Region. Exact sources will be presented in the sector reports.

[56] Although this requires the re-generation of colonial rail networks, some of which have been moribund for decades.

[57] To avoid 'vanity' projects beloved by politicians.

[58] RISP gives a 'snap shot' summary status of each of the corridors relevant to Malawi

N-S:Priority infrastructure (roads and OSBPs) identified – feasibility and technical studies and construction in progress. Corridor Management Committee not functional.

Beira:Corridor Management Committee established but dysfunctional. Rehabilitation of Sena rail line in progress (but only to Moatize in Mozambique). Beira port rehabilitation in progress. Beira railway under concession (but concession agreement subsequently cancelled by Mozambique government). Some elements of Beira port infrastructure and services under concession.

Nacala:Corridor Management Committee dysfunctional. Rehabilitation of Nacala rail line proceeding shortly. Rail line under concession. OSBPs identified at Mandimba/Chiponde (Malawi/Mozambique) and Mchinji/Chipata (Malawi/Zambia) – Steering Committee established.

Mtwara:Currently dominated by plans to construct rail system linking Malawi, Tanzania, Mozambique and Zambia Corridor. Corridor Management Committee dysfunctional.

Tazara/DES:Corridor Management Committee functional. OSBPs identified including Songwe/Kasumulo (Tanzania/Mozambique). DES port rehabilitation in progress and some elements of port infrastructure and services under concession.

Focus Area 2.3 Trade and transport facilitation and 'Aid for trade'. AfDB's approach involves both provision of 'hardware' (i.e. regional infrastructure) and 'software' (i.e. support to simplification and harmonization of international trade procedures such as border and customs formalities).

Expected outcomes of AfDB sector support included increased movement of goods and services leading to increased intra-regional trade from 15% of total trade in 2008 to 20% in 2015.[59]

Overall deliverables and targets for RISP for Malawi included:

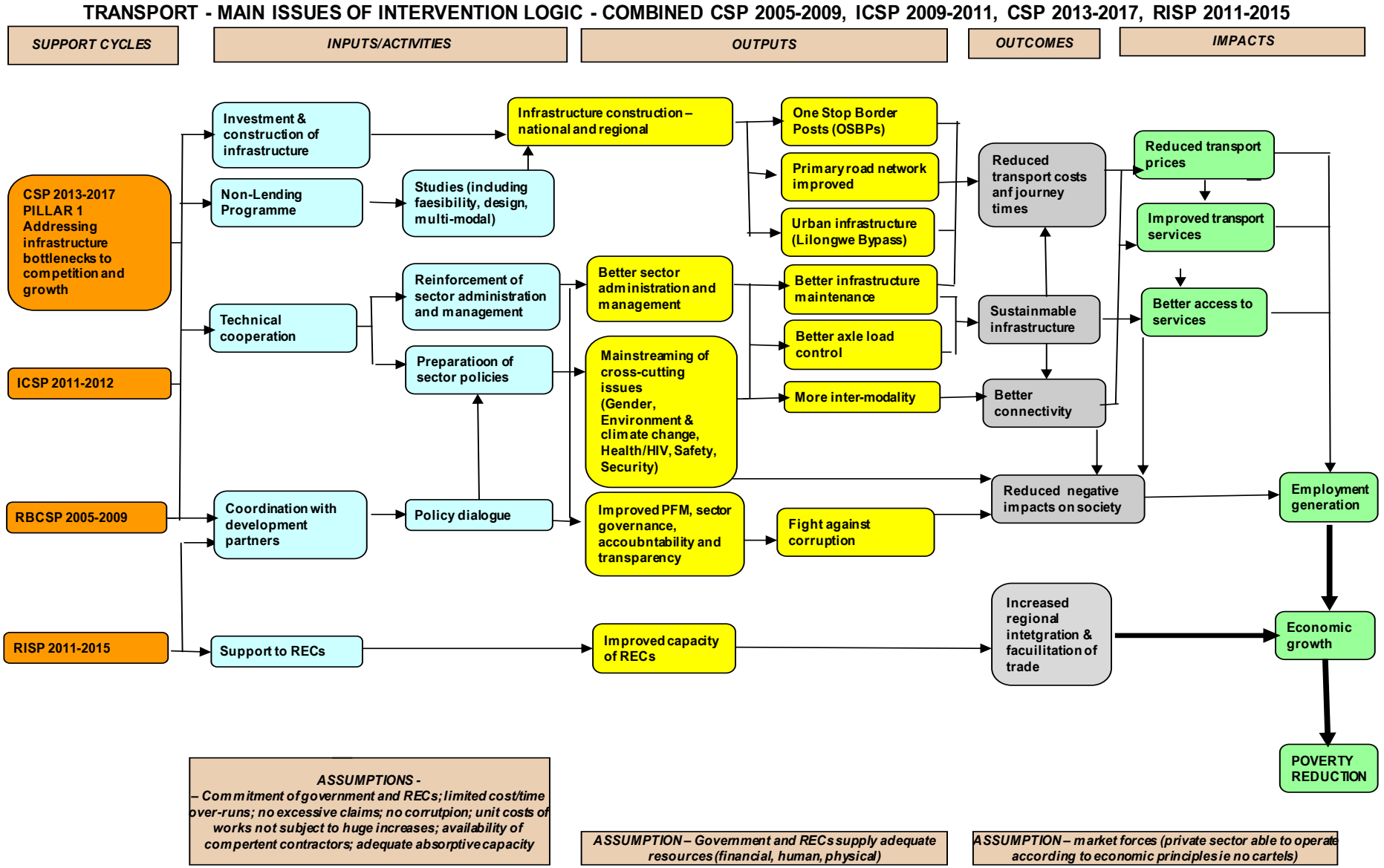
- Roads: N-S Transport Corridor Investments – Nacala Corridor (note that the N_S corridor does not physically pass through Malawi. Its importance should be understood in the context that Malawi still heavily relies on the Port of Durban and the N-S Corridor for importing consumer goods
- Rail: Upgrading of rail links.
- Trade facilitation: OSBPs (plus standards, policy formalization and regulatory reform).

Aid Coordination

AfDB was not identified as an IPC supporting SADC or COMESA in the transport sector – EU is the lead donor, other major donors including EIB, EB, USAID, Australia and SADC. The AfDB strategy restricted interventions to areas for which AfDB had a comparative advantage, which included support to transport infrastructure at national levels.

[59] A corollary to these outcomes is the eventual establishment of an FTA encompassing COMESA, EAC and SDC, multiple memberships of RECs being an enduring issue (eg Malawi is a member of COMESA and SADC).

5.2.3 Intervention Logic



5.3 Water and Sanitation Sector

5.3.1 Sector background

"Irrigation and water development" is recognized as a key issue for Malawi having direct linkage to agriculture (irrigation), environment (conservation), social wellbeing, health and poverty (water supply and sanitation), industry (water supply) and power generation (hydro-electricity).[60] MGDS I and MGDS II both characterized the sector situation (in 2006 and 2011 separately) and then identified national development strategies for the sector.

The **WATSAN** sector is characterized by uneven distribution of resources, poor coordination and fragmented institutional arrangements. The CSP 2005-2009 notes that whilst sanitation and hygiene issues are complementary it is proposed that addressing shortcoming requires different strategies, objectives and activities. Malawi has a national water policy but does not have a separate sanitation policy. In 2005 it was estimated that 51% of rural populations and 69% of urban populations had access to clean water; similar percentages for access to improved sanitation are 4% and 22% respectively.[61] These figures reflect the situation after major donor funding in preceding years (to support sector reforms and increase capacity through strategies such as the establishment of regional water boards, the development of district based community managed approaches to rural water supply and sanitation, and the establishment of a Water Resources Management Board.)

The main environmental issue is **land degradation** in which water depletion is a contributing factor.[62] Irrigation is limited[63] and water supply is intermittent and unreliable due to dilapidated infrastructure, high non-revenue water and poor management efficiency. Whilst access to potable water had increased, access to improved sanitation had lagged behind.[64] Unreliable urban water supply affects private sector operations, down time for manufacturing and processing and constrains economic growth. The issues around water depletion in Malawi will be put into more perspective in the sector report, but fundamentally, while a severe drought has continuously caused food shortages (Malawi declared a state of disaster due to drought several times over the last decade), it needs to be noted that Malawi also suffers frequent floods. The rainfall during the rainy season from December to June is around 700-800mm, which is substantial. Overall, documentation from AfDB and the WB indicate that Malawi did not effectively utilize its water resources (including both rainfall and Lake Malawi/Shire River) in a holistic and efficient manner.

5.3.2 AfDB Support

It is not clear at this point whether the Bank has tackled the issues of urban/peri-urban water supply in a strategic manner or not, although it has long been recognized among donors that rapid urbanization in Malawi has caused unreliable urban water supply. Initial reviews by the evaluation team show that the AfDB CSPs have narrowly focused on rural water supply (and access to water in the rural area), and irrigation since 2005, and has kept away from urban water issues. The justification for this, and in fact its validation, will be undertaken in the next phase when the Evaluation Team looks at the rationale behind the Bank's strategic focus in the WATSAN sector.

CSP 2005-2009

Under RBCSP Pillar I: "Expanding Rural Infrastructure" the proposed AfDB sector interventions aimed at expanding irrigation infrastructure, water supply and sanitation to support agricultural/rural

[60] Water transport covered under the transport sector.
[61] Although overall it is estimated that 77% of the population have access to basic sanitation. Source John Clifton from previous work in Malawi and the region
[62] Despite Malawi having abundant water (e.g. Lake Malawi outflows into the Shire River).
[63] 99% of agricultural land is subject to rain-fed cultivation and productivity is thus prone to weather shocks.
[64] 51% of the population in 2010.

and private sector development[65]. AfDB support to irrigation infrastructure[66] aimed at synergy with other donor operations (especially EU and DFID)[67] and AfDB I lead this sub-sector (see below). Under Pillar III: "Improving policy and institutional framework for Governance", the AfDB continued to support WATSAN under RWSSI (Rural Water and Sanitation Supply Initiative).[68] The objectives of AfDB sector support are improved sector capacity, increased access and reduced water borne disease. Expected results for support to irrigation infrastructure are:[69]

- increased smallholder share of GDP
- increase in land with functional irrigation facilities
- increased smallholder maize and tobacco outputs
- increased capacity for management of irrigation systems

For WATSAN support under RWSSI, expected results were increased access to safe water supply and good sanitation and capacity improvements, thus reducing water borne diseases and improving hygiene.

Aid coordination

MGDS provides a broad framework for donor coordination, more specific donor coordination is undertaken by means of ad hoc meetings of the Consultative Group and 'Paris Club'[70] plus workshops, 'round tables' to discuss sectoral and thematic policy issues, meetings in connection with CABS (Common Approach to Budget Support)[71] and GFEM (Group in Financial and Economic Management). Overall, the GOM struggles to manage and lead these groups. In accordance with the 2005 Paris Declaration on Aid Effectiveness, increased donor coordination is proposed – AfDB contribution has been 'informing other donors in Malawi what the RBCSP contains'.

Under MGDS I, Pillar IV Infrastructure includes transport, WATSAN and energy. EU is lead donor under this pillar but in the WATSAN sector donors include WB, CIDA, SADB, EIB, Germany, JICA, Norway, Sweden, USAID, NGOs as well as AfDB. Such donor support has included infrastructure and institutional change where Regional Water Boards and Water Resources Management Boards have been established.

ICSP 2011-2012

The completion report[72] for the RBCSP 2005-2009 notes that in districts supported by AfDB, access to safe drinking water increased from an average of 88% whilst smallholders' irrigation interventions resulted in increased productivity.[73] Ongoing AfDB support budgets included agriculture (21%) and WATSAN (17%) as percentages of total AfDB support to Malawi.[74] The Evaluation Team recognizes that not only the improved irrigation schemes but also other factors such as reliable and continuous supply of fertilizer (quite important in the context of Malawi) affect agricultural productivity

AfDB support to agriculture under the ongoing Smallholder Crop Production and Marketing Project and AISP (Agricultural Infrastructure Services Project) aimed at smallholder outputs of 800 ha of

[65] In response to MGDS I Pillars I, II and IV which target private sector growth, provide social protection and improve national infrastructure
[66] Integrated WATSAN interventions in Central and Northern Regions.
[67] Other donors active in irrigation development are FAO, IFAD and JICA.
[68] AfDB sector support goes back to the 70s including water supply system in Malawi Districts, Blantyre Water Supply, District Water Supply, DWS Phase II (intervention and study), Moura Balaka Water Supply, DWS II Sanitation Study, BWS Phase VII, Blantyre Sanitation Master Plan (Study), Integrated Water Supply & sanitation Project (ADF & grant) and SSIDS (small-scale Irrigation Development Study) which in 2004 identified 5 small-scale irrigation projects using seasonal flood waters comprising 28 industrial schemes (1000 ha) plus a scoping study for another 600 ha. All except IWSSP are ADF.
[69] Outcomes of such support may influence and be influenced by issues such as land tenure, resettlement, access to rural credit, road and market access and market forces.
[70] Ad hoc indeed – RBSCP (dated 2005) noted that the most recent CG meeting was held in May 2000.
[71] AfDB is an observer
[72] Prepared in 2010
[73] Maize – 1t/ha to 3.5t/ha; sugar cane – 80t/ha to 130t/ha Source: research by John Cliftion for evaluation team.
[74] Other AfDB support sectors are transport (22%), social (33%), BS (9%).

irrigated maize production and 1200ha of sugar cane with an outcome of increased percentages of land under irrigation from 19% in 2010 to 20% in 2012. Under the ongoing NWDP II (National Water Development Project), the AfDB proposed support included provision of sanitation and hygiene facilities at 2600 schools and 1700 health centers and markets rehabilitation of gravity feed water supply systems (GFS) and 19700 point water systems (PWS) with new construction of 26 GFS and 13000 PWS. Expected outcomes were:

- access to safe drinking water within 500 m increased from 75% of the population (2010) to 77% (2012)
- access to improved sanitation increased from 56% of the population (2010) to 57% (2012)
- Malawi Water and Energy Regulatory Authority established and operational.

Aid coordination

There was basically little change from the situation under the previous RBCSP. MDPC (Ministry of Development Planning and Cooperation) coordinated aid activities supporting MGDS I under PSIP (Public Sector Investment Programme); EU continued as lead donor in infrastructure (focussing on transport and agriculture – FIDP (Farm Income Diversification Programme) whilst WB lead on WATSAN focussing on urban water supply. An increasing contribution to WATSAN provision was being made by some mining operations as they were now required to undertake social development interventions including provision of potable water in the immediate locality of the mine (e.g. Paladin – Kaywerekera mine; Globe Metals – Central Malawi).

CSP 2013-2017

At the end of 2012, AfDB's support portfolio included agriculture (14%) and WATSAN (14%) (as defined in AfDB sector –related information systems)in its support portfolio.[75] In preparing this CSP, support consideration was given to lessons learned from the implementation of the preceding ICSP 2011-2012 as recorded in the 2012 Portfolio Review, i.e.:

- Complementarity between pillars was needed to ensure coherent and timely delivery of development programs/strategies. Thus, in the new CSP, Pillar I would focus on 'hard' deliverables, whereas Pillar II would support 'soft' actions and reforms to assist these sectors.
- The areas of intervention identified by the ICSP were still relevant. Hence, infrastructure and private sector development were the key areas of GoM requests for the Bank's support during the new CSP period.
- Results based logical frameworks for shorter duration CSP's needed to be more realistic in design. In the new CSP, the Bank was to focus on 16 outcomes over 5 years compared to 17 outcomes during the 2 year ICSP.
- A strong level of project ownership and commitment was needed at high-level to ensure that critical portfolio issues were resolved in a timely manner.
- Government should utilize the Bank's Project Preparation Facility (PPF) to improve quality at entry by undertaking project preparatory activities prior to project implementation period.
- Portfolio performance would benefit from more flexibility in the Bank's internal processes if greater authority was based on threshold for no-objection issuance, in line with the Bank's Delegation of Authority Matrix as given to Field Offices (MWFO.

In addition to these lessons learned, it was noted that AfDB effort was needed to streamline the procedures for procurement, disbursement, project design, coordination with other donors and dissemination of information.

AfDB proposed to supplement on-going support to NWDP (National Water Development Programme)[76] plus support to facilitation of integrated water use to promote regional energy and development of water resources. Expected results:

[75] Other sector support: social (40%), transport (19%) and multi-sector (BS) (13%).
[76] Co-financing with AusAid

- Increased access to water – to 90% of population; 5000 water ports developed
- Increased access to sanitation – from 51% to 63% of population
- Improved institutional capacity for management of water resources – Water Supply Regulation established; 250 sanitation centers connected
- Optimal use of shared regional water resources (e.g. Lake Malawi, Shire and Songwe River basins)

Irrigation development

Interventions are proposed to promote natural resources management, agro forestry, watershed management and conservation.[77] Expected results:

- enhanced food security;
- enhanced incomes through increased agricultural productivity and profitability by establishing market-linked smallholder farming ventures (linked to sugar estates);
- increased irrigated land professionally operated (8000 ha);
- resilient maize yield raised (exact result levels will be checked in the next phase)
- sugar yield (exact result levels will be checked in the next phase

Aid coordination

The ICSP POR identified donor coordination as an important contribution to attainment of ICSP Sector Outcomes, which enabled the leveraging of extra resources for the water sector and the establishment of a JIU (Joint Infrastructure Unit) comprising AfDB, DFID and WB.

The Development Assistance Strategy (DAS) donor coordination platform operated in accordance with the Paris Declaration (2005) and Accra Agenda for Action (2008). The AfDB was engaged in dialogue under various thematic and sectoral groupings.[78] Malawi participated in the 2011 survey on monitoring of the Paris Declaration principles and targets in aid effectiveness – and progress was registered on ownership, alignment and mutual accountability whilst 'harmonisation' and managing for results' were still problematical.[79]

AfDB opened the Malawi Field Office (MWFO) in 2007 and as this office has become increasingly operational there has been improved dialogue and coordination. AfDB was chair of the CABS group in the 1st semester of 2012, lead donor in the water and agriculture SWGs in 2011, chair of HDC group and activity participates in HOM activities.

SARISP 2011-2015

Unsurprisingly, this RISP concentrated on cross-border and shared water resources (e.g. river basin management, water transport) and not on water supply for irrigation interventions. The justification for this decision will be examined in the next phase However, the importance of water related infrastructure was noted[80] and a separate study of the southern Africa water sector was proposed. It was further proposed that the water sector should be examined during the MTR of RISP after further analysis and identification of potential interventions.

Environmental issues of regional significance were identified including inadequate access to clean water and sanitation services, climate change leading potentially to water scarcity, lowering water tables[81] although reference was also made to SADC and COMESA protocols governing, inter alia,

[77] In accordance with AfDB's Agricultural Sector Strategy
[78] E.g. Heads of Cooperation (HOC), Heads of Mission (HOM), Common Approach to Budget Support (CABS), Technical and Sector Working Groups (TWGs and SWGs).
[79] Due to limited donor participation in programme based approaches and poor M&E respectively.
[80] For food production (i.e. irrigation), living standards (i.e. water supply and sanitation) and transportation (i.e. trans boundary waterways)
[81] Deforestation is a major factor due to expansion of agriculture into more marginal lands.

shared water resources and climate change.[82] Both RECs were developing Infrastructural Master Plans (which include water supply and sanitation projects).

Having reviewed AfDB regional operations a number of lessons learned had been identified by report authors which, although not specific to the water sector, were relevant for AfDB sector support interventions, especially as regards capacity of ROs:

- ensure commitment of funds;
- develop (AfDB) business practices appropriate to the reality of RO capacities; strengthen QA arrangements to ensure that ROs have a vision consistent with CSP (for pipeline development);
- integrate regional approaches into national CSPs and strategy documents produced by RECs and RMCs;
- strengthen ESW (economic and sector work) for regional approach in both AfDB and client countries;
- Encourage greater RMC ownership and commitment to regional support programme implementation.

Thus, a first component in regional support was proposed to be capacity building of RECs and support to the Tripartite Secretariat to develop bankable projects and carry out adequate M&E[83].

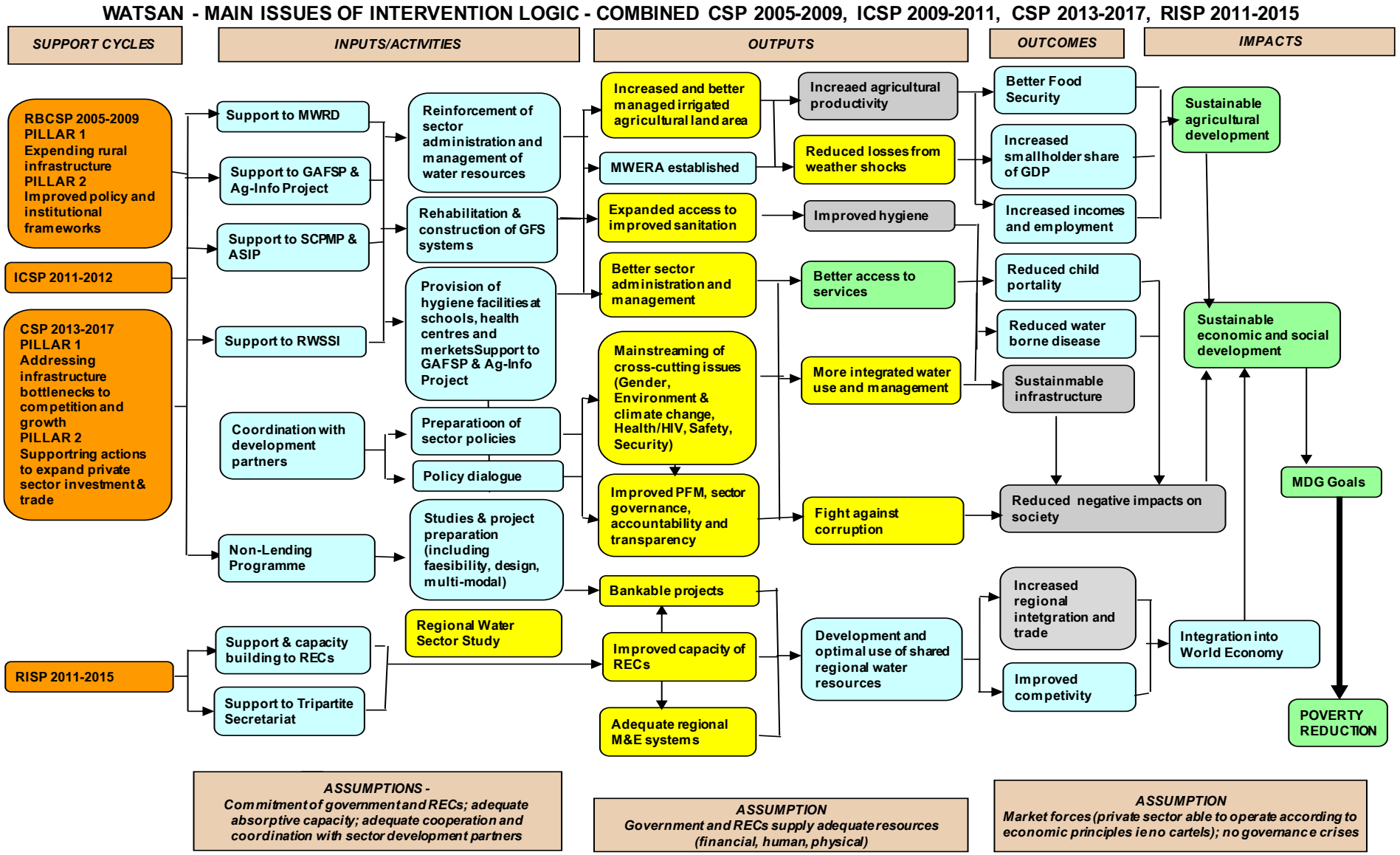
Knowledge management and networking were considered as cross-cutting issues. Under this focus area and as a component of AfDB's new approach to ESW, a 'Water Sector Study' was proposed to examine issues concerning shared water resources and adoption of policy measures. Interestingly, RISP considered private investment (historical and potential) in various sectors in southern Africa with an eye upon leveraging. As regards provision of WATSAN services, returns on investment were estimated to be below commercial levels and politically sensitive[84], thus unattractive for private sector funding.

Aid coordination

SADC and COMESA coordinated donor support to regional programmes in accordance with the 2006 Windhoek Declaration including water.[85] ICPs (international Cooperating |Partners) supported the SADC water sector included WB, USAID, UNDP, AfDB, EU, DFID, Norway, Germany, Sweden, Denmark and Switzerland. EU was lead donor of the Joint SADC – ICPs Task Force (JTF) which had objectives of improving coordination between IPCs and SADC. Coordination relationships were in accordance with the Paris Declaration although such principles were more readily applicable to national rather than regional support contexts.[86] RISP had been developed within the donor coordination mechanism and sought to enhance collaboration with regional development partners (especially DFID. JICA, WB. EU and regional DFIs e.g. DBSA) to leverage financing of regional projects.

[82] These protocols are in addition to various international environmental agreements such as UN Conventions on Climate Change, Combat Desertification and Biological Diversity; Basil Convention on Persistent Organic Pollutants and the RAMSAR Convention.
[83] Which should also facilitate donor alignment, harmonisation and coordination
[84] (i.e. low absolute profit potential and low speed to profit)
[85] Other sectors of regional cooperation include HIV/AIDS, capacity building, agriculture and food security, trade, industry, finance and investment, energy and transport.
[86] Because a lack of clear definition of responsibilities between RECs and member states results in duplication of effort at national levels; also RECs are less ideally capacitated for implementation of development programmes than national governments.

5.3.3 Intervention Logic



5.4 Agriculture Sector

5.4.1 Sector background

Agriculture has always been recognized as the single most important sector of the Malawian economy as it employs about 80 per cent of the workforce, and contributes over 80 per cent of foreign exchange earnings. Above all, it also contributes significantly to national and household food security.[87].

The agricultural sector contributes, on average, to the tune of around 40% of GDP, and generates income for 84% of the population. Smallholder agriculture provides a livelihood to 2.4 million people and contributes around 80% of agricultural GDP (commercial farmers produce the rest).

Despite the country's large natural resource base and potential water resources, agriculture production is erratic[88], such that in 2005, early dry weather resulted in substantial food shortage estimated at nearly 1 million metric tons; in 2001 there was a food shortage of 1.5 m tons. Low agricultural productivity and limited investment in the sector compounded with problems of land tenure, reliance on rain, lack of rural credit, inadequate physical infrastructure and poor marketing institutions. These combined to keep the country's capacity for food production and exports at a low level. More than 2.1 million ha had been estimated to have high potential for irrigation, located largely in the south. The area of irrigated sugar estates and rice schemes was estimated at approximately 48,000 ha with another 8,000 ha of smallholder irrigated land, equivalent to around just 3% of the total[89].

Malawi has a limited number of products, (tobacco, tea, sugar and cotton) that account for approximately 68% of the export basket. Tobacco exports dominate at (53%), followed by tea (6.9%) ; resulting in the country's vulnerability to tobacco export revenues. As noted in the ICSP of 2011-12, the country's continued heavy reliance on tobacco was worrisome and showed limitations in the diversification strategy. This notwithstanding, there had been increased production in other crops for export including groundnuts, sugarcane, cotton and coffee; which from 2006 to 2010 had grown on average by 69.8%, 24.6%, 285% and 15% respectively[90]. The reasons for the very rapid increase in these key commodities will be explained in the next report

More than 99% of agricultural land remained under rain-fed cultivation. This affected agricultural productivity owing to weather shocks and natural disasters e.g. droughts and floods. However, the country was endowed with water resources from Lake Malawi, the third largest in Africa, and major rivers such as the Shire River, which provided an opportunity for development of irrigation and water transport facilities. Government considered the Green Belt Irrigation initiative and water development as key priority areas. The strong agricultural base provided an opportunity to exploit the growth potential of this sector for food security and poverty reduction.

Malawi FISP had contributed significantly to increases in maize productivity, doubling yields from 1.3 MT/ha prior to 2005/6 to about 2.6 MT/ha in 2011, and increased the share of smallholder agriculture in GDP from 1.5% in 2004 to 14% in 2009. As a result, the country achieved food self-sufficiency both at household and national level.

The agricultural sector remained uncompetitive with very little agro-processing; constituting only 1.7% of manufactured exports in 2010 according to the NES. Thus, efforts to diversify into other non-traditional crops and other industries would need to be targeted and sustained in order to reduce the country's balance of trade vulnerability.

[87] 2006-2011-Malawi-Poverty Reduction Strategy Paper
[88] ADB-BD-WP-2005-103-EN-MALAWI-2005-09-CSP
[89] ADB-BD-WP-2005-103-EN-MALAWI-2005-09-CSP
[90] 2013-2017 Malawi Country Strategy Paper

This IR stopped short of dealing with the fishery and aquaculture sub-sector in the context of Malawi's agriculture sector. Since Malawians get some 70% of their animal protein from aquatic resources, Malawi's fishing industry still plays an important role in the nation's dietary life. While fish catches in Lake Malawi, Lake Malombe, Lake Chilwa and other large lakes have shown a sharp declining trend, Tilapia (Chambo) is still an important dietary source for the Malawian people both in historical and cultural perspectives. The evaluation team will look at whatever Bank's interventions were undertaken in these sub-sectors

5.5 AfDB support

CSP 2005-2009

During the evaluation period, agriculture intervention accounted for 21% of the Banks' portfolio with only one big program included in Pillar 1 "Expanding Rural Infrastructure".

Aid coordination

The MGDS, to which this CSP was aligned, provided a sound basis for coordination of aid interventions by all donors in the country. The AfDB had discussed the contents of the CSP with other donors active in Malawi, which resulted in a tighter focus on key poverty reducing areas in the CSP, increased synergies, and reduced duplication.

CSP 2011-2012

For the ICSP period, the Bank recognized that low agricultural technology adoption was an issue in the agriculture sector. Whereas the Farm Input Subsidy Programme (FISP) was recognized as an internationally-applauded social safety net, the Country's smallholder farmers were still limited in their use of improved seed varieties, fertilizers, irrigation and improved farm implements. The majority of smallholder farmers still used handheld hoes with only about 5% using irrigation. The low technology uptake compounded the land scarcity problem. At 132.4 persons/km^2 in 2010, the high population density was already creating pressure on agricultural land. 58% of smallholders owned less than a hectare of land while 11% were near landless[91]. Further improvement to agricultural productivity, therefore, lay in accelerating technology adoption among smallholder farmers.

Furthermore, the ICSP acknowledged the challenge that the country was facing through its over-reliance on tobacco as the highest ranking export crop. The need to diversify had become even more urgent in light of recent Canadian legislation and WHO guidelines for the Framework Convention on Tobacco Control, approved in November 2010, which banned tobacco additives. These would principally affect burley tobacco that needed additives to make it less bitter. Malawi was the largest world producer of burley tobacco.

For the ICSP, there were no new agriculture projects.

The proposed operational focus during the ICSP period complemented the Bank's on-going smallholder irrigation projects for maize, sugarcane and horticulture approved in 2007 and 2009 in order to increase land under irrigation from 19% in 2010 to 20% in 2012. These included the i) Smallholder Crop Production and Marketing Project Agriculture, targeting development of 800 Ha of maize under irrigation and 1,200 Ha of smallholder sugarcane under irrigation, and the ii) Infrastructure Services Project (AISP), designed to support GoM's Green Belt Program under the Agriculture SWAp. The projects are supporting improvements in agricultural yields and export crop diversification. The completion report for the CSP (2010) showed that support to smallholder maize and sugarcane irrigation increased productivity from 1 ton/ha to 3.5 tons/ha and 80 tons/ha to 130 tons/ha respectively.

The ICSP's indicative non-lending program aimed to inform the on-going country dialogue and lay the groundwork for the preparation of the Bank Group's country strategy from 2013. For the agriculture sector, the non-lending program intended to support the i) Regional Comparative

[91] Malawi-ICSP 2011-12

Fertilizer Subsidy Study for 1.2 UA mn and the ii) Shire Irrigation Feasibility Study for 0.5 UAmn. The proposed fertilizer subsidy study was intended to inform country dialogue on sustainability.

Aid coordination

Guided by the MGDS, the Ministry of Development Planning and Cooperation (MDPC) coordinated aid activities overall. At sectoral level, the lead partner for agriculture was the EU, through the flagship Farm Income Diversification Project (FIDP).

CSP 2013-2017

By end of 2012, the Banks' portfolio in agriculture accounted for 14% of the total investment. Under the CSP 2013-17, agriculture was supported under *Pillar I (Result 4) Irrigation Development.* The support to agricultural infrastructure development under Pillar I was to contribute to agricultural productivity, leading to inclusive growth and a reduction of rural poverty. To promote climate resilience and green growth, interventions in irrigation were to ensure that activities promoted natural resources management, agro-forestry, watershed management and conservation. The results of the intervention in this area were to be:

(i) enhanced food security;
(ii) enhanced incomes, through increased agricultural productivity and profitability by establishing market-linked smallholder farming ventures (linked to sugar estates); and
(iii) Increased irrigated land professionally operated.

Non-lending activities were to include identification of mechanisms for agricultural financing beyond the FISP.

As an on-going project at the time of commencement of the CSP, the Agriculture infrastructure support project was rated unsatisfactory in terms of procurement performance, activities, and works.

Aid coordination

In Malawi, the Development Assistance Strategy (DAS) was a donor coordination platform that ensured the advancement of the principles of the Paris Declaration (2005) and the Accra Agenda for Action (2008), for the coherence of development partners' engagement with the GoM. The Bank also had opportunities to engage with other donors and government agencies through platforms and/or groupings such as Heads of Cooperation (HoC), Heads of Mission (HoM), Common Approach to Budget Support (CABS), Technical Working Groups (TWGs) and Sector Working Groups (SWGs).

Malawi participated in the 2011 Survey on Monitoring the Paris Declaration (PD) principles and targets on aid effectiveness. Out of the five PD principles with applicable targets in 2010, the country had registered progress in ownership, alignment and mutual accountability, while challenges were observed in the areas of harmonization and managing for results. The opening of the Malawi Field Office (MWFO) in 2007 allowed for improved portfolio management, country dialogue and aid coordination.

RISP 2011-2015

The first Regional Assistance Strategy Paper (RASP) for Southern Africa focusing on SADC was prepared in 2004 and served as the main instrument for delivering the Bank's ROs support in Southern Africa during the period. As at August 2010, the Bank had 1 agriculture related project with the SADC secretariat, namely "Strengthening of institutions for risk management of transboundary animal diseases", approved in 2006 for 13.71 UAmn. Under the cooperation with the COMESA region, the Bank Group approved the "Agricultural Marketing Promotion and Regional Integration project," approved on 24-Mar-04 for 3.74 UAmn.

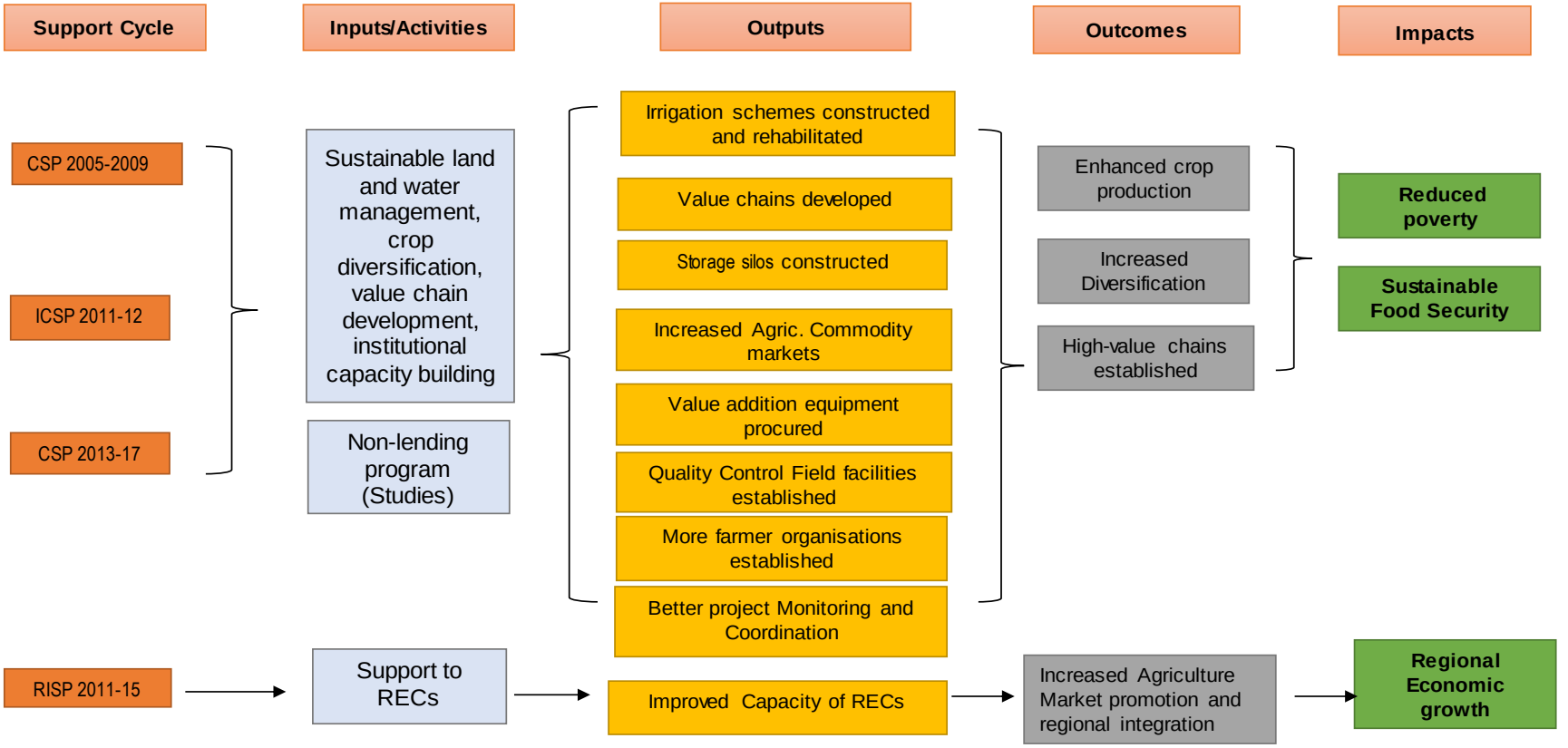
Aid coordination

Support for regional programmes by International Cooperating Partners (ICP) was coordinated by the 2 RECs. The partnership between SADC and its ICPs was guided by the Windhoek Declaration adopted in April 2006.

The European Commission (EC) was the lead donor in the Joint SADC-ICPs Task Force (JTF), whose primary objective was to improve coordination between ICPs and the SADC Secretariat. The European Investment Bank, the World Bank, USAID, the UK, the EC and the AfDB were major donors to SADC and COMESA programmes. The Bank closely coordinated with other ICPs and specialized agencies when implementing its activities.

5.5.1 Intervention Logic

AGRICULTURE SECTOR COMBINED CSP 2005-2009, ICSP 2009-2011, CSP 2013-2017, RISP 2011-2015 INTERVENTION LOGIC



Assumption: Sustained economic growth and good governance

Risk: Poor farmer organisation. **Mitigations:** Intensify farmer mobilisation and sensitization.
Risk: Environmental degradation and climate change **Mitigation:** (i) Promotion of sustainable land and water management; and (ii) processing of generated waste.
Risk: poor performance of contractors and suppliers. **Mitigation**: (i) Provide adequate training during project launching (ii) use stringent evaluation method and (iii) follow-up contract execution
Risk: Inadequate irrigation water. **Mitigation**: (i) improve water management, (ii) plant drought tolerant crops & (iii) reduce irrigable area
Risk: Land Conflict: **Mitigation:** scheme land issues already sorted by SCPMP/GoM. Rainfed, no land reallocation.

5.6 Multi-Sector

5.6.1 Sector background

There was significant scope for improving macro-economic management, strengthening public finance management (PFM) systems, and promoting greater accountability and transparency (including the fight against corruption) at the beginning of the evaluation period. The business environment also remained poor, with the legal and institutional framework, limited physical infrastructure, and a poorly developed financial sector constituting some of the main constraints to private sector development.

Notwithstanding GoM commitment and significant donor support in the following years, progress in pursuing policy reforms remained overall slow and marginal, with the country's performance "*generally falling short of expectations because of a lack of ownership, weak planning, insufficient monitoring, limited implementation capacity, and governance issues*".[92]

In 2012, the new government stepped up its commitment to strengthening fiscal discipline and pursuing essential reforms. The kwacha was devalued by 49% and price controls for petroleum products were removed and replaced by an automatic adjustment system. Consequently, the IMF approved a three-year Extended Credit Facility (ECF) in July 2012, which resulted in the resumption of direct budget support by donors.

The Cash gate scandal uncovered in 2013 – and involving large scale thefts of public funds – prompted all donors to withdraw their budget support to the country in the following year. According to the 2016 African Economic Outlook report, while some remedy actions have been taken since (with notably the creation of independent audit committees) and the IMF ECF is now back on track, restoring donor confidence will require deeper PFM reforms to improve accountability and transparency in the management of public funds. External budget support was still suspended as of late 2016. Clearly, the fundamental question will be "to what extent will the Bank tackle this issue in a more effective and coordinated manner in the next CSP?"

Today, governance indicators continue to place Malawi in the bottom ranks:

- Malawi's score in Transparency International's Corruption Perception Index has worsened in the wake of the Cashgate Scandal to 33/100,
- Improvement in Malawi's business environment and competitiveness continues to be slow due to weak reforms and an uncertain macroeconomic situation, with the 2016 ease of doing business index ranking Malawi 144th out of 189 countries, up three from 141st.
- The 2015 Global Competitiveness Index ranked Malawi 132nd out of 144 countries, down from 129th in 2013, due to weakening macroeconomic indicators.

5.6.2 AfDB Support

The Bank's three country strategies under review each come with a specific pillar to help the Malawi government address key policy challenges related to economic and financial governance. These are:

- CSP 2005-09: Pillar III – Improving the Policy and Institutional Framework for Governance
- Interim CSP 2011-12: Pillar II - Accelerating Private Sector Development
- CSP 2013-17: Pillar II: Support actions to expand private sector investment and trade:

A review of the Bank's country strategies and their result frameworks show that the CSP 2005-09 pillar firmly focused on strengthening PFM. In contrast, the pillars under the interim CSP and CSP 2013-17 evolved to give more emphasis to business reforms, including an additional goal to increase youth participation in economic activities.

[92] ADB CSP 2005-09

Policy-based instruments (loans and grants) have constituted the core of the Bank's related portfolio in this area (classified as "multi-sector" in its portfolio).

Some **complementary** interventions were planned to strengthen PFM, support SME development, and promote higher education and skills development for entrepreneurs. Over the period, the Bank successfully launched two institutional strengthening projects in PFM and a number of relevant interventions in the social sector (see 5.1). Plans to approve a line of credit to commercial banks have not materialized yet, however.

The policy areas selected in the Bank's poverty reduction support loans and grants were as follows:

AfDB Interventions	Date	Amount planned	Amount disbursed	Selected policy areas
Poverty Reduction Support Loan	2007	14.890.000	14.890.000	• Macro-economic and PFM reforms *(with performance indicators focusing on sound macro-economic management and PFM)* • Developing human and institutional capacity *(with performance indicators focusing on increased access to health and education)* • Improving the policy and institutional framework for governance *(with performance indicators focusing on justice and anti-corruption)*
Poverty Reduction Support Grant I	2009	10.000.000	10.000.000	• Improved public financial management, accountability and transparency *(with performance indicators focusing on improving budget process, procurement, external audit)*
Governance And Poverty Reduction Support Grant Ii (GPRSG Ii)	2010	11.546.000	11.546.000	• Enhance efficiency, transparency and accountability in the use of public resources and more public service delivery (for the poor) • *(with performance indicators focusing on improved PFM, external audit and procurement)*
Restoration Of Fiscal Stability And Social Protection **Supplementary Budget Support To RFSSP**	2012 2013	26.000.000 4.000.000	26.000.000 4.000.000	• Credible, transparent and accountable budget system (*with performance indicators focusing on budget comprehensiveness, domestic revenue Administration, and external audit*) • Enhanced Social Protection System (*with performance indicators focusing on budget allocation requirements for health and education and the existence of a National Social Support Programme and Policy*).

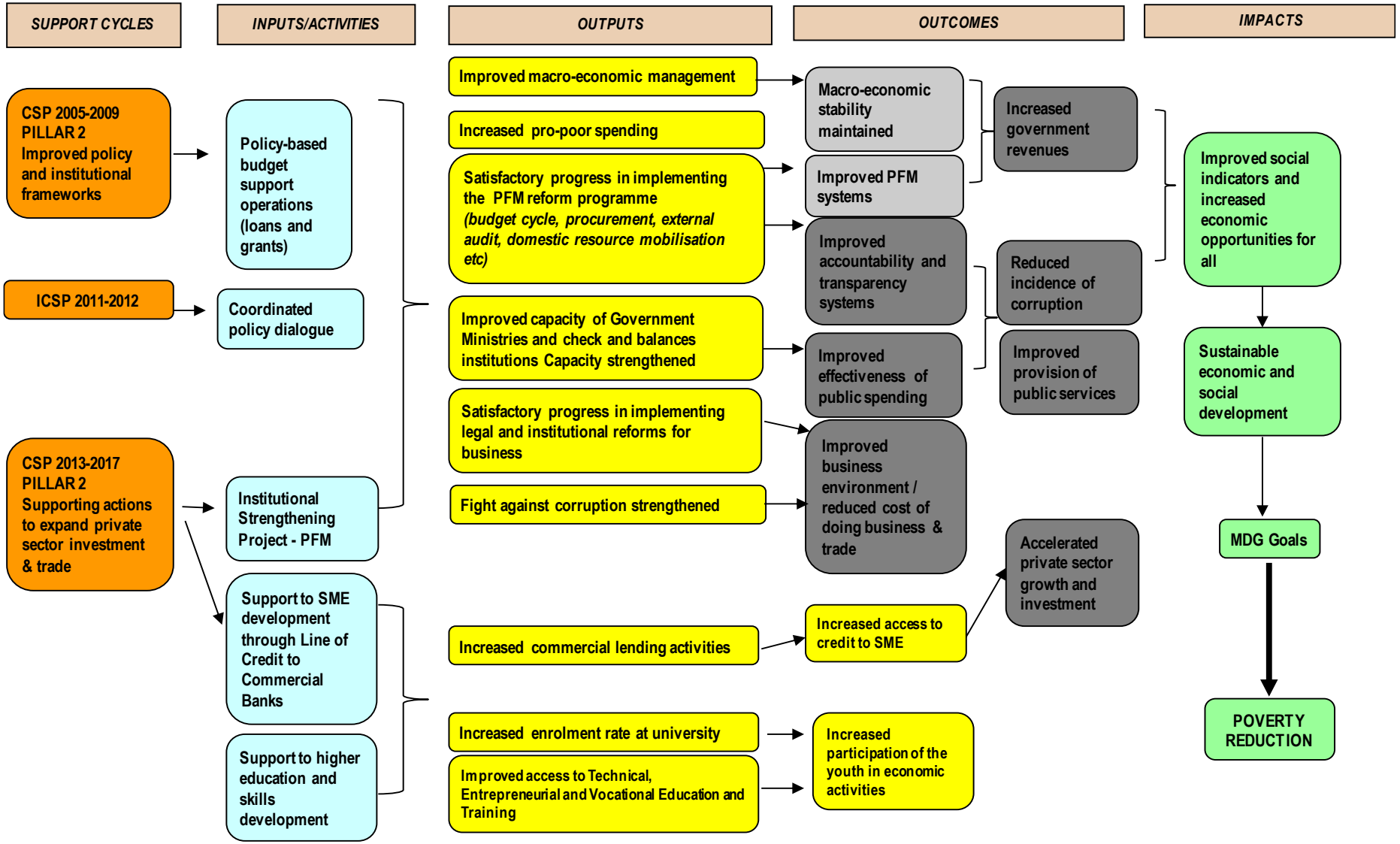
Aid coordination

The Bank has been committed to coordinating its support with other budget support donors under the so-called "Common Approach to Budget Support" (CABS). The other donors participating in the CABS include the World Bank, DFID, EU, Germany, and Norway (the Bank initially participated in the initiative as an observer). All participating donors use a common Performance Assessment Framework (PAF) to support their own disbursement procedures. The PAF is jointly negotiated with the government and is, in principle, aligned to its development priorities and sector policies. Progress is reviewed on a bi-annual basis.

5.6.3 Intervention Logic

The intervention logic overleaf captures the CSP's expected "multi-sector" results. It is worth noting that while the strategic objectives of the CSP pillars are firmly grounded in addressing economic and financial governance issues, the policy coverage of the Bank's annual budget support programs has varied quite significantly over time, some including a social dimension, others not. The broad alignment to the government's poverty reduction strategies and the CABS framework largely explain this situation. None of the policy areas selected in the Bank's programs, however, includes a specific focus on business enabling reforms. *There is, therefore, a disconnect between CSP stated goals and objectives and the way the Bank's annual policy-based loans and grants have in effect been formulated.*

MULTI-SECTOR - MAIN ISSUES OF INTERVENTION LOGIC - COMBINED CSP 2005-2009, ICSP 2009-2011, CSP 2013-2017, RISP 2011-2015



5.7 Energy sector

Although the ToR does not explicitly ask for an in-depth analysis of the Energy sector, the team has included a general analysis of the energy sector in the inception report since it is part of the AfDB strategy. It is noted that the energy sector will be considered in the overall analysis particularly for its general final impact in the country but case studies and sector report will not be developed for this sector.

5.7.1 Sector background

Energy is universally recognised as being crucial to industrial processing and manufacturing and is thus a pre-requisite for economic growth. Malawi has many potential energy generation resources but the provision of energy is inadequate, unreliable and largely inaccessible. Contributory factors to this situation include structural, operational and institutional issues. MGDS I and MGDS II describe the sector situation (in 2006 and 2011), then propose sector strategies and activities to improve the dire situation (see Annex C for more details).

As noted by the CSP 2005-2009, fuel wood was Malawi's main source of energy with demand rising at an unsustainable 6% per annum resulting in widespread deforestation. Electricity supply was unreliable, black outs and load-shedding causing major problems for manufacturing and business and dis-incentivising necessary investment. Four hydro-power stations had opened in the Shire River since 1989 are were operating at far below design capacity due to low river levels and increased weed blockages. Controlled ESCOM tariffs were unrealistically low, such that revenues were insufficient for operations and maintenance, never mind investment and development. An inter-connector link to Cahora Bassa power station in Mozambique could have added 50-100 MW from 2007[93] [94]

Electricity, gas and water reported an average demand growth rate of 4.7% between 2007-2009 but utilities performance remained poor which had resulted in reduced growth in manufacturing (from 7.1% 2007-2009 to 6.2% in 2010). Structural reforms (and adequate foreign exchange) were seen as keys for improvements in energy availability to maintain economic growth.

The potential impacts of climate change were identified but remain unquantified. Changes in weather patterns had increased the frequency and magnitude of drought and flooding which had obvious impacts on Malawi's generation capacity.[95] Also, aging power generation plants (e.g. Nkuta and Tedzani) could not maintain outputs and increasing demand could not be met, resulting in continuing and increasing outages. ESCOM's totaled installed capacity was 302MW but maximum output is available against demand of 295MW.[96] Energy constraints continued to adversely affect investment and economic growth.[97]

Under the second strategic period the sector deficiencies continued. Thus, improved sector performance required improved planning, huge investment in rehabilitation of existing and construction of new generation, transmission and distribution systems.

In terms of regional development, the energy sector in Southern Africa has characteristics in common with that in most of sub-Saharan: it has huge power generation potential[98] but there are

[93] This was subsequently re-programmed to start in 2015 – see below also

[94] The typical dilemma of the power utilities in Sub-Saharan Africa is to ensure full cost recovery where the tariff structure needs to be designed in a manner to cover maintenance and asset replacement costs, while enabling the low income customers to access to electricity at an affordable rate. In practice this has become an elusive objective almost everywhere.

[95] 95% of Malawi's energy is from hydropower; hydropower plants on Shire River are operating at low capacity due to low water levels and uncleared weed infestation.

[96] Demand is estimated to rise to 478 MW by 2015.

[97] A World Bank survey (2009) estimated that lost output due to power outages were 17%, the third highest of 117 countries surveyed.

[98] It is estimated that only 8% of this potential is currently developed (whilst there are examples of wastage eg most gas released from oil production in Angola is being flamed off rather than used for power generation).

continuing energy shortages leading to blackouts and load shedding with high economic costs. Contributory factors include low investment, unclear regulatory frameworks for PPPs, lack of power purchase trade agreements, low generation capacity (i.e. plant load factor-based), [99] grid bottlenecks[100], equivocal government commitment, unsustainable tariffs, lack of synergies between national planning and regional commitments, prioritisation of development of national energy resources to the detriment of more optimal joint exploitation, weak policies, inefficient operation and maintenance, little historical involvement by donors, missing links in regional connections and under-developed backbone transmission lines. Coal remains an important power source which is likely to expand in the short/medium term given previous and ongoing investment in such plants and the large coal reserves being exploited in Tete province of Mozambique[101] and in the RSA.

There were various pan-African and regional initiatives which affected the energy sector. Apart from NEPAD (New Partnership for Africa's Development), both COMESA and SADC programmes were in partnership with the AU/NEPAD Africa Action Plan (AAP); AfDB, in partnership with AU and NEPAD, had launched a study on the Programme for Infrastructure Development in Africa (PIDA) which covered, inter alia, energy and trans-boundary water resources. The sector report will touch on power pool initiatives such as ehe Southern Afric Power Pool (see Footnote 99)

Private investment in the energy sector during the period 1994-2008 was only 7% (US$2.3B) of total private sector investments in infrastructure.[102] Among the various major infrastructure funds not all target energy – these including energy as a sector focus include Pan-African Infrastructure Development Fund, PME Africa Infrastructure Opportunities and Africa Energy Infrastructure Fund.

5.7.2 AfDB support

CSP 2005-2009

CSP 2005-2009 proposed three pillars of support to Malawi – energy is included under *Pillar I: "Expanding rural infrastructure"* with proposed interventions in the form of project and policy based support. GOM requested AfDB funding (US $59M) for the Mozambique-Malawi Power Interconnector Project. Using ADF-X multinational funds this project involved the construction of 200km of 220kv double circuit transmission lines and two sub-stations (at Phombeya, Malawi and Matambo, Mozambique).[103] AfDB and WB are the only donors involved. The interconnection was expected to supply 50MW, thus increasing domestic power distribution to potentially ~350MW.

Aid coordination

Given that donor support to energy represented only a small proportion of ODA, aid coordination for energy was subsumed in overall coordination structures [i.e. in the medium term framework of MGDS I plus donor coordination structures such as the Consultative Group, Paris Club, Round Tables and National Workshops (for sectoral and thematic policy issues). These coordination efforts were in addition to CABS and GFEM meetings].

ICSP 2011-2012

Under the Bank's indicative non-lending programme (ADF XII), US$3M was earmarked for hydropower feasibility studies in 2012.

[99] 2009 analysis of SAPP power demand balance indicates low generation capacity (87% generation capacity availability i.e. ratio of available capacity to installed capacity) albeit that the reserve margin of 10.7% meets the SAPP benchmarks of 10.2%. (Reserve margin is the capacity of infrastructure to generate/transmit more energy than the system requires in case demand rises above expected peak levels – regulatory bodies internationally require a constant reserve margin of 10-20%).

[100] Despite the establishment of the Southern Africa Power Pool (SAPP) in 1995 to provide reliable and economic power supply to customers in member countries and facilitate development of competitive electricity market under the short-term Energy Market (STEM). Malawi is one of 12 member states although Malawi is a 'missing link' in the SAPP grid.

[101] Coal burning has obvious carbon trading and climate change implications as well as constraining development of 'less easy' generation potential (e.g. hydropower and clean energy).

[102] By comparison ICT represented 75% (US$25B) and transport 18% (US$6B).

[103] Previous AfDB energy sector support (1969-1993) consists of five projects: hydropower and rural electrification

Aid coordination

Donor support to the Energy sector continued to be less than 5% of total ODA between 2007/8 and 2009/10 financial years. Thus, sector donor coordination remained a component of higher level coordination efforts of GOM under the Development Assistance Strategy (DAS) in line with the 2005 Paris Declaration. Under this structure, AfDB had been requested by GOM to support some hydropower feasibility studies, whilst MCC had committed US$351M for rehabilitation of existing power plants

CSP 2013-2017

For the first time, the AfDB CSP made specific reference to a 'regional focus to strengthen linkages with the country's neighbours' with reference to the RISP (see below). AfDB proposed to enhance support to regional operations in order to enhance connectivity to regional and international markets, including energy pools.

Under CSP *Pillar I: "Address infrastructure bottlenecks to competitiveness and growth",* AfDB support was proposed for the energy sector *(Result 2)*. Proposed interventions during this CSP implementation period included:

- feasibility studies for power generation;
- assist in structuring PPPs. There is some question whether ESCOM could be an off-taker in PPPs. Some sort of viability gap funding mechanism must have been done and the sector report will identify if it has and what the conclusions were.
- adding 290-380 MW to the national system.(note: There may be confusion here with total achievable levels. Not sure if the totals will be 350 Mwh as identified on previous page) or whether 380 Mwh will be added to existing 302 Mwh)

Interventions targets were:

- increased supply capacity by support to generation and transmission;
- increasing access to electricity;
- promoting regional energy trade by support to inter-connectivity;
- studies to explore alternative energy sources and clean energy (now INDC);[104]
- directly finance non-sovereign investment projects in some GOM priority sectors (including energy).

Specific interventions identified in CSP included:

- 2015 Malawi-Mozambique interconnector with collaborating partners WB and Norway UA75M (ADF XIII UA15M – loan) 50MW[105].
- 2015: Kholambidzo/Lower Fufu Hydro-power projects with collaborating partners WB UA 63M (ADF XIII UA 10M – loan) 100-200 MW.
- 2016: Songwe River Basin Development Programme with collaborating partner Norway UA30M (ADF XIII UA 15M – loan) 142 MW.

Aid coordination

Energy continued to receive only about 5% of total donor support to Malawi – donors active in the energy and mining sector being DFID, EU, Japan and UNDP (with a total of 6 project interventions). There is no reference to specific donor coordination or policy dialogues activities in this sector, higher level coordination being addressed by the DAS (Donor Assistance Strategy), a platform for advancement of the principles of the Paris Declaration and Accra Agenda for Action.

[104] This support would be in the context of implementation of the National Climate Change Policy and Response Strategy, NAMAs (National Appropriate Mitigation Actions), NAPAs (National Adaptation Programme of Action) and CDM (Clean Development Mechanism) as well as supporting greater access to climate finance and investment in climate-proof development.

[105] Originally programmes for 2007

RISP 2011-2015

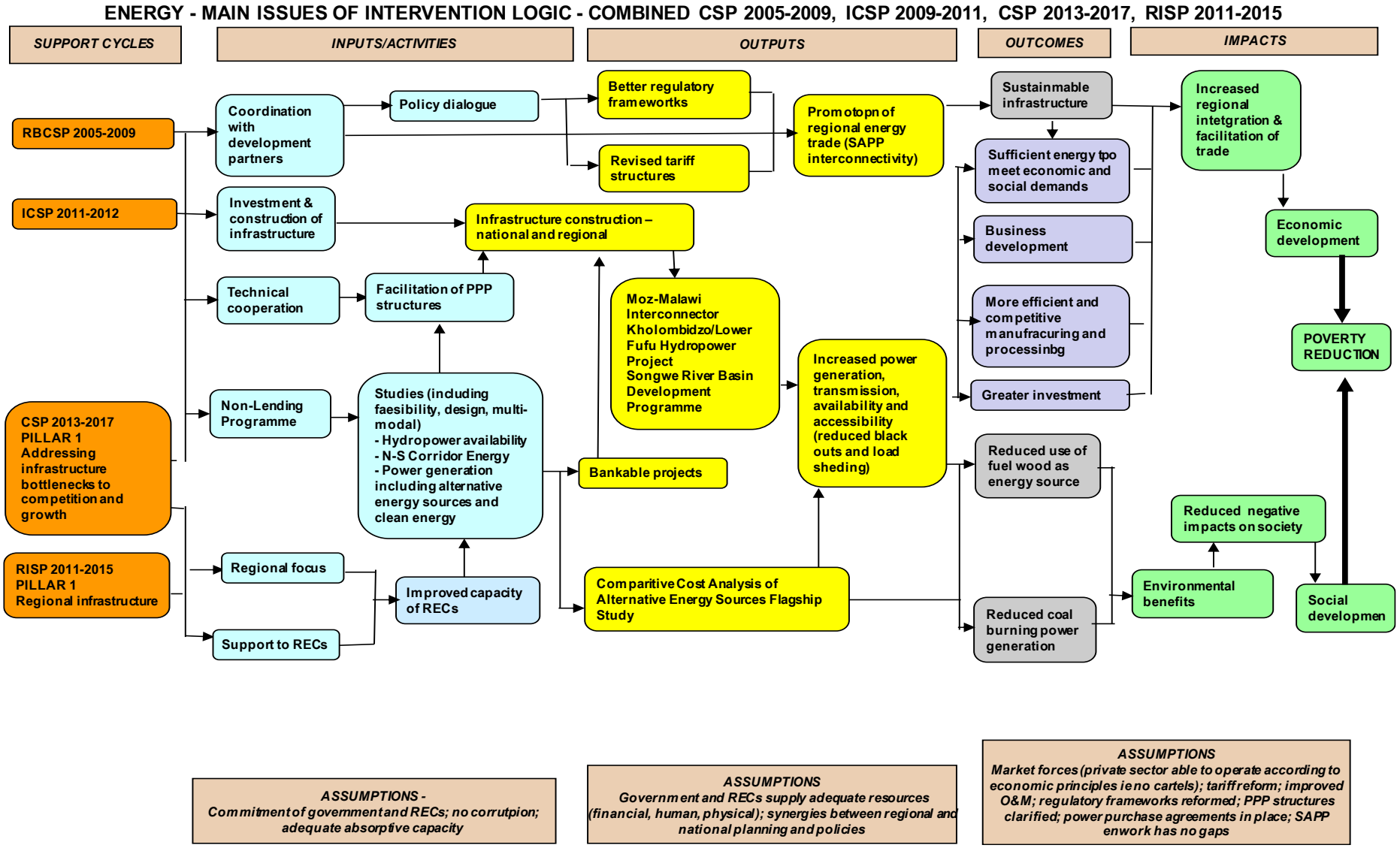
RISP proposed support under two pillars: *Pillar I: "Regional Infrastructure"* and *Pillar II: "Capacity Building"*. Regional energy development was included under Pillar I. Whilst the final outputs of proposed RISP support to the energy sector were the interconnection of all countries in the region to SAPP, and while power production increased from 48649 MW (2010) to 64098 MW (2015) with an outcome of increased reserve margin from 10.7% (2010) to 16.2% (2015), the indicative RISP programme did not include any interventions in Malawi, only proposed feasibility studies for the N-S Corridor Energy (US$10M) (intended to identify bankable projects and undertake training and institutional capacity development for facilitation of regional energy projects).

The AfDB proposed support included cross-cutting issues across both pillars including environmental and climate change issues with focus on AfDB infrastructure interventions, especially energy (and transport). AfDB had financed various analytical reports for the Southern region including a 'Comparative Cost Analysis of Alternative Energy Services Flagship Study' aimed at informing policy dialogue and donor coordination of clean and more climate friendly energy sources.

Aid coordination

Support for regional donor support programmes was coordinated by SADC and COMESA (in line with the 2006 Windhoek Declaration in which energy was identified as an area of cooperation). EU was lead donor of the JTF (Joint SADC-IPCs Task Force) which coordinated donor support and the SADC Secretariat. SADC donors in the regional energy sector were EIB, WB, EU, SADB, Norway, Germany, Finland and Austria. The AfDB coordinated with other donors and noted that it restricted support activities to areas of comparative advantage (such as infrastructure and related capacity building). Overall, aid coordination mechanisms were noted as being in accordance with the Paris Declaration.

5.7.3 Intervention logic



6 EVALUATION QUESTIONS

6.1 EQs presentation

The Team has taken the 22 EQs proposed by the Bank in the Evaluation ToR and generated an evaluation matrix based on them and on the logic of the CSPs for Malawi in the temporal scope. This IR proposes that ten aggregated-level EQs should be used instead of the proposed 22 because the issues raised in the ToR can readily be re-grouped so that they more directly correspond to the logic of the Bank's programming on the one hand and to the combined evaluation criteria of the OECD-DAC and the Bank on the other.

In defining the reduced number of EQs we have used the following as a guide:

- Each main evaluation question can include sub-questions expressed as Judgment Criteria (JC). Each JC should be directly relevant for answering the main question under which they fall.
- We have prioritized and ranked questions in terms of importance to the Bank as we understand them. In part, the order of the questions corresponds to the three EQ clusters within the ToR. An exchange with IDEV on the structure and wording of the EQ resulted in some adjustments.
- The questions are clearly linked to the evaluation purpose stated in the ToR
- The questions are realistic in number and kind given the time and resources available. A large number of EQ also makes any reporting onerous to read. They also often give the impression that evaluations are comprehensive, but not focused or priority-driven.
- Assuming that there is data available in the sources we have indicated, the questions can be answered definitively.
- We believe that the EQs reflect real stakeholders' needs and interests, as we know them. This issue centers on the question of utility.
- No EQ contains two or more questions.
- The EQs individually and as a whole focus on what was achieved, how and to what extent, and not simple yes/no questions.

We have used the ten overall 'characteristics' or criteria of interest to the Bank (see ToR p. 17-18) and have proposed ten EQs. All the original EQs (of the Bank) are now used as JC.

The following table shows the relationship between the ten proposed EQs and the 22 original EQs. This table is useful for providing a trail between the original ToR and the proposed EQs. The evaluation questions have been concentrated in the following three groups, representing the three clusters spelled out in the ToR:

- **Achievement of development results** - which include issues such as relevance and design, coherence, effectiveness, and sustainability of the Bank's interventions; and factors affecting performance.
- **Management of the Bank's interventions** - which will include issues such as delivery and management for results, efficiency, coordination, harmonization, the Bank's positioning and leverage role.
- **Drivers of Success and Lessons Learned**

Proposed EQs	Original EQs found in ToR
CLUSTER 1: Achievement of development results	
Relevance and Design EQ 1. To what extent have the Bank's country strategies and operations been aligned to RMC's development needs and its own strategies and priorities?	1. To what extent are the country strategy and Bank operations aligned with: a. RMC development needs; b. RMC development strategies and priorities; and c. The needs of beneficiaries? 2. To what extent are the interventions in the country aligned with the Bank's strategy and priorities?
EQ 2: To what extent has the design and internal management of the Bank's strategic direction in Malawi reflected a	11. To what extent is the quality of the CSP satisfactory?

clear, viable and coherent path for achieving development outcomes in a changing national and international context?	12. To what extent has the Bank applied selectivity in designing its country portfolio and focused on areas where it brings added value? 13. To what extent has the Bank been innovative in adapting its approach to the country's context and development challenges/needs? 14. To what extent are the Bank's interventions coherent and well-coordinated internally?
Effectiveness [106] EQ 3: To what extent has the Bank contributed to the achievement of development objectives and results?	3. To what extent have the Bank's interventions achieved their expected results? 4. To what extent have the Bank's interventions benefited target group members? 5. To what extent have the Bank's interventions contributed to the achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)?
Sustainability EQ 4: Is it likely that the benefits realised as a result of Bank interventions will continue to exist once its support is terminated?	6. To what extent have achieved benefits continued or will be likely to continue once the Bank's interventions are completed?
Cross-cutting issues EQ 5: To what extent are key cross-cutting policy objectives[107] of the Bank (in terms of inclusiveness and a sustainable environment) mainstreamed within the Bank's interventions?	7. To what extent are the Bank's interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender and regions) in terms of gender equality and regional disparity? 8. To what extent are the Bank's interventions environmentally sustainable and support the transition to green growth?
CLUSTER 2: Management of the Bank's interventions	
Efficiency EQ 6: To what extent have the Bank's interventions in Malawi been successful in economically converting resources into expected results in a timely manner?	9. To what extent are the Bank's interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to results)? 10. To what extent are the Bank's interventions implemented in a timely manner and in compliance with operational standards?
Knowledge and policy advice EQ 7: To what extent has the Bank been successful in influencing policy through dialogue supported by the provision of expert advice and analysis?	15. To what extent has the Bank actively engaged in and influenced policy dialogue through relevant advice? 16. To what extent has the Bank delivered adequate analytical work in support of its interventions, positioning and policy advice?
Partnerships, harmonization and leverage EQ 8: To what extent are the Bank's interventions coordinated with other donors and stakeholders in a way that improves efficiency and enables complementarity?	17. To what extent are the Bank's interventions harmonized with those of other donors (avoiding duplication, simplifying procedures etc.)? 18. To what extent are the Bank's interventions and resources bringing in other players and being leveraged for maximizing development effectiveness at country level?

[106] The OECD-DAC definitions for the various evaluation terms will be used in this mandate, except for "capacity development' where the focus will be on the capability to perform as expected. A simplified question is "Does XYZ have all that it takes to perform as expected".

[107] The Team will need a definition of what constitutes a cross cutting issue (CCI) for this evaluation– there are the standard CCI (ex. gender, youth, environment, climate, HIV/AIDS) but the MGDSs have a very elastic and somewhat inconsistent grasp of what cross-cutting issues are (eg. at various points in MGDS II all the following are identified as cross-cutting: HIV/AIDS, science & technology, gender & empowerment, environment, governance, social protection and economic empowerment, whilst the following are classed as cross-cutting constraints: institutional capacity, inadequate systems, HIV/AIDS, slow adoption of ICT and poor infrastructure) – and the list is not exhaustive; there are probably more. Some policy documents from some donors list over 30 CCI. Only the following be used in this evaluation: a) gender, b) climate change; c) age and d) human rights.

Managing for results EQ 9: To what extent has the Bank managed its interventions and programmes, as well as its own internal processes, in a way that focusses on results	19. To what extent has the Bank successfully implemented management systems that focus on results and allow learning from past experience? 20. To what has the Bank supported the development of national capacities and management systems that focus on results?
CLUSTER 3: Drivers of Success and Lessons Learned	
Effectiveness and Outcomes EQ 10: Does the Bank's ongoing analyses of its achievement of development results inform its planning and operations?	21. What are the key factors positively and negatively influencing the achievement of development results? 22. What are the key lessons learned that could inform future strategies and program in Malawi?

In terms of the correspondence between the EQs and the Evaluation Criteria, the following table indicates, for each EQ, the carious evaluation criteria that the EQ addresses. Some of the Criteria are those accepted by the OECD-DAC and others are criteria that appear to be of importance to the Bank because the ToR makes reference to them in its sub-grouping of the EQs. As an epistemological reality, most EQs can be analyzed from more than one perspective. Achievement of results, for example, can be looked at as a question of effectiveness, efficiency, sustainability etc. The following diagram indicates which criteria each EQ could address. One of these criteria will be the key focus of this evaluation, and it has been identified in bold caps.

EQ	Relevance (OECD-DAC)	Effectiveness (OECD-DAC)	Sustainability (OECD-DAC)	Cross-cutting	Efficiency (OECD-DAC)	Knowledge and policy	Partnerships, harmonisation	Managing for results	Lessons learned
EQ 1:	**X**			x		x			
EQ 2:	**X**	x	x	x		x		x	x
EQ 3:		**X**	x	x		x	x		
EQ 4:		x	**X**					x	x
EQ 5:	x	x	x	**X**				x	x
EQ 6:		x			**X**			x	
EQ 7:		x	x	x		**X**	x		x
EQ 8:		x	x	x	x	x	**X**		
EQ 9:[108]		x	x			x		**X**	x
EQ 10:		x		x	x			x	**X**

6.2 Evaluation Matrix

In order to generate an Evaluation Matrix, an analysis was carried out to ensure that the rationale for the EQ was appropriate. The analysis also ensured the link between the evaluation's purpose and the results orientation, strategic direction and intervention logics of the Bank's operations in Malawi. The ten proposed EQs are qualified by Judgment Criteria (JC) and Indicators within the Matrix. There are now 26 Judgement Criteria, of which 22 represent the original EQs found in the ToR. Wording changes have transformed some of the original EQs into better statements of JC, and four new JC have been added in order to better represent the purpose of the evaluation. A first set of indicators is also included. These have been adjusted as part of the scoping mission but since the Evaluation Team was not in possession of most relevant documentation at the time of writing this final IR, they may yet undergo some relatively minor adjustments. Many of the indicators stem from the performance matrix of the Bank itself, ensuring that there is logic and consistency between the evaluation itself and the M&E functions that are an integral part of oversight by Bank Managers and Board Members. Those indicators also correspond to the information required to answer Judgment criteria. Stakeholders that will be interviewed during the scoping mission were invited to suggest additional indicators and sources, and a few suggestions were received and integrated.

[108] The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.

Table 8: Evaluation Matrix

Evaluation Question	Judgment Criteria	Initial set of Indicators/Notes *(to facilitate reading, it is understood that each JC that requires a sector analysis will contain specific indicators to that effect.)*
EQ 1. To what extent have the Bank's country strategies and operations been aligned to Malawi's development needs and its own strategies and priorities?	JC 1.1. The Bank's country strategies and key operational mechanisms have been aligned with Malawi's development needs and development strategies and priorities.	• Strategy and target correlation between GoM poverty-reduction strategies and development plans and AfDB CSP for Malawi • AfDB operational policies correlate with defined strategies and plans of GoM • AfDB operational policies support development realities of GoM
	JC 1.2. AfDB country strategies and key operational mechanisms are aligned with the needs of main (key) ultimate beneficiaries	• Beneficiary impact analyses (or equivalent) inform CSP and intervention design • Beneficiaries are well defined in planning documents • M and E systems of AfDB contain means to measure progress on beneficiary needs
	JC 1.3. Bank interventions , when viewed at a sector performance level in the country, are aligned with its country strategy and priorities	• Intervention design contains analyses that compare country strategies (CSP) to result framework of intervention • New operations rated satisfactory
EQ 2: To what extent has the design and internal management of the Bank's strategic direction in Malawi reflected a clear, viable and coherent path for achieving development outcomes in a changing national and international context?	JC 2.1. The CSP meets all quality standards of both the Bank and GoM	• AfDB guidelines on CSP quality standards exist • Mechanisms for monitoring and judging quality • Correlation between CSPs and Bank guidelines • Correlation between CSPs and policies of the Bank not covered in Guidelines Note: Quality standards will be defined in a way that refers to the requirements set out in Bank policies and guidelines. If these are unclear or not comprehensive, we will note that.
	JC 2.2. The Bank has applied selectivity in designing its country portfolio including a focus on areas where it brings added value?	• Bank's own definition of what it considers to be its domains where it has added value • Average CSP rating (from Bank Readiness review)
	JC 2.3. The Bank has adapted its approach to the country's context and development challenges/needs?	• Examples of where the Bank has specifically adapted its way of working to take Malawi's specific context into account. • Examples where GoM believes that the Bank has not been flexible and adaptable in its *approaches* • Existence of Country Portfolio Performance Reviews • Follow up of CPPR
	JC 2.4. Taken as a whole, the Bank's interventions have been coherent	• Interventions are sufficient to contribute to the realization of GoM objectives • Internal strategies and plans are documented for sector and inter-sector leverage (ex. rural roads having effects on agriculture, social services, trade etc?)

	(between interventions) and were well-coordinated internally	• Internal strategies are documented for using one intervention to leverage another in the same sector
EQ 3: To what extent has the Bank contributed to the achievement of development objectives and results?	JC 3.1. The Bank's interventions achieved their expected results (intermediate outcomes and outcomes)	• Expected effects from each interventions stated, monitored and achieved • Specific sector targets for Bank defined[109]: Transport, Power, Agriculture, Education, Governance, Regional integration. • Note: sector-specific indicators will be added to this list. For example in education the following mght be used: - % students that graduate from TEVET institutions find jobs in their field - % women that graduate from TEVET institutions - TVET training meets expectations of future employers.
	JC 3.2. The Bank's interventions benefited target group members[110]?[111]	• Monitoring reports from the interventions
	JC 3.3. The Bank's interventions contributed to the achievement of higher-level (outcomes and impacts) development objectives, both intended and unintended.	• "Completed operations rated as satisfactory" index[112] • Ex post evaluations of interventions
EQ 4: Is it likely that the benefits realised as a result of Bank interventions will continue to exist once its support is terminated?	JC 4.1 Benefits gained from past interventions (i.e. completed projects have continued to exist in the long-term (five years or more) even though the Bank's interventions are completed	• Existence of intervention and sector sustainability plans • Clear definition as to accountability for sustainability • Follow-up (M and E) actions and execution of sustainability commitments, including financial. • Evidence of internal sustainability support • Sustainability of climate and biodiversity based on solid science at individual and sector levels
	JC 4.2 Benefits gained from ongoing interventions will likely continue to exist once the Bank's interventions are completed	• Existence of intervention and sector sustainability plans • Clear definition as to accountability for sustainability • Follow-up (M and E) and execution of sustainability commitments, including financial.

[109] Refer to p. 12-17 of Results Measurement Framework-Indicators, 2013

[110] It is understood that the Team will interpret "target group" and "beneficiaries" in a way that does not include the infrastructures, officials, systems and processes that generate service delivery. Teachers, for example, are not targets; students are. Farmers are targets, but the Agriculture ministry is not. The only exception to this interpretation is where the intervention results framework specifically states otherwise.

[111] The difference between beneficiaries and targets is not necessarily clear. For the purpose of this evaluation, "Beneficiaries" are any individuals, groups or organisations that will reap some form of benefit from Bank activities in Malawi or in the region. "Targets" are those individuals, groups or organisations whose problems the intervention were specifically designed to resolve. Targets are subsets of beneficiaries, and must be specifically identified from the outset.

[112] Operations Evaluation Department

		• Existence of sustainability actions in place at least 48 months before end of intervention • Completed Operations with Sustainable Outcomes Rating (COSOR) • Analysis and follow-up of COSOR
EQ 5: To what extent are key cross-cutting policy objectives of the Bank (in terms of inclusiveness and a sustainable environment) mainstreamed within the Bank's interventions? Notes : [113];	JC 5.1. The Bank's interventions have been inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age and gender.	Below is a sampling of the type of indicators that might be used for this JC. The list will be reduced to 5-6 indicators and will reflect the existing practices for sector-specific evaluations wherever possible. We assume that we are dealing with the AfDB's CCO, and not those of the GoM. • Life expectancy • Enrolment in education (gross and net enrolment ratios)[114]. Graduation ratios • Enrolment and graduation rates in TVET institutions, as a share of total students enrolled in primary or secondary institutions. • Unemployment rates disaggregated, by various classifications such as looking or not for work, age brackets, gender, etc. • Women's and youth participation in the labor market. • Average salaries by gender and age • Gender-sensitive Country Institutions Index [115] and its component parts, • Access to finance for business • Gender-informed design in results framework • New projects with gender informed design (with sub indicators)
	JC 5.2. The Bank's interventions have been inclusive (i.e., expanding the economic base across all regions where poverty is most prevalent.	• Access to basic services including water sources; improved sanitation facilities; education facilities and services; • Improvements in population in GDP per capita; Population living below poverty line; Gini index calculations or equivalent; • Access to power; Access to markets and services through road networks (road density as a proxy) • Share of services in rural versus urban contexts • Percentage of people below poverty line • Country Policy and Institutional Assessments ratings • Access to finance (adults that have accounts in financial institutions)[116];

[113] We will use the definition of 'inclusiveness" accepted by the Bank in the "One Bank Results Measurement Framework 2013-2016"
[114] Part of UN Human Development Index
[115] Of the OECD
[116] Global Findex Database for example

	JC 5.3. The Bank's interventions are managed in a manner that will ensure that they are environmentally sustainable and/or support the transition to green growth.	Note: the scoping mission and a preliminary document review will determine the most useful indicators to use for this JC. The following are possible candidates. Five or six indicators will be retained • Food insecurity: Percentage of population at risk of caloric inadequacy[117] • Resilience to water shocks [118] Environmental management plans included in all stages of project planning and contracting • Reporting on environmental risk mitigation plans • Environmental monitoring by intervention steering committee (refer to agendas and minutes) • Independent audits or monitoring of environmental plans within interventions • Capability assessments for environmental stewardship (policy) and operational management (interventions) • Documented tie-in between interventions and green growth strategies and plans • Agricultural value-added per agricultural worker as a proxy for green growth • New projects with climate-informed design (with sub-indicators for share of projects that included satisfactory actions to mitigate against impacts of climate change, climate variability, extreme weather events and biodiversity loss • Premiums for Interventions that actually promote green growth
EQ 6: To what extent have the Bank's interventions in Malawi been successful in economically converting resources into expected results in a timely manner?	JC 6.1 Resources and inputs provided to GoM through the Bank's support are converted to results at a rate that reflects the assumptions in planning documents	• Development resources recorded on budget[119] • Operations no longer at risk ratio • Operations at risk • Cost of transforming inputs into outputs.
	6.2 The Bank's interventions are implemented in a timely manner (from the perspective of the beneficiary or implementing agency) and in compliance with the Bank's operational standards	• Predictable disbursements • Use of country systems (PFM and procurement) • Time to first disbursement • Disbursement ratio of ongoing portfolio • Time for procurement of goods and works • Time for approving operations • Time from identification to first disbursement • Extent of projects managed entirely from field • Administrative cost per UA 1 million planned • Cost of preparing lending project or grant project • Cost of supporting project planning

[117] Millennium Dev Goal Indicator for goal 1, target c (FAO)
[118] FAO Aquastat
[119] Global Partnership Monitoring Framework Indicator 6

		• Cost of supporting project implementation
	JC 6.3 The GoM and intervention partners and stakeholders meet their commitments as planned (ex. delivery of national commitments/contributions and short comings in performance by national partner(s)	• Mention of non-compliance in steering and management meetings • Intervention reports and evaluations are positive concerning non-Bank contributions and compliance.
EQ 7: To what extent has the Bank been successful in influencing policy through dialogue supported by the provision of expert advice and analysis?	JC 7.1. The Bank has actively engaged in and influenced policy dialogue through the provision of relevant advice that has been incorporated into policy decisions	• Strategic nature of policy dialogue • Strategy documents showing the Bank's policy dialogue plan • Diversity of policy dialogue effort, geared to objectives • Perception of usefulness of policy dialogue by cooperation partners • Perception of policy dialogue by GoM officials • Examples of effects of policy dialogue • GoM capability to use policy dialogue as a strategic tool
	JC 7.2 The Bank provided appropriate and adequate analytical work in support of its interventions, positioning and policy advice?	• New economic and sector papers produced using intervention modality • New economic and sector papers produced using existing Bank personnel modality • Perceived value of advice • Capability of GoM to generate evidence-based analysis for policies relevant to Bank
EQ 8: To what extent are the Bank's interventions coordinated with other donors and stakeholders in a way that improves efficiency and enables complementarity?	JC 8.1. The Bank's processes and interventions are harmonized with those of other donors (avoiding duplication, simplifying procedures etc.).	• Level of complementarity between donors • Joint evaluations and reviews • Joint strategic planning • Joint undertakings managed jointly • Use of non-Bank processes
	JC 8.2. The Bank's interventions and resources are influencing other stakeholders to become involved in the sectors that are the focus of country strategies	• Cases where new (non-traditional) sources of funding have been forthcoming based on opportunities with the Bank • Recent changes in membership in sector management fora,
	JC 8.3 The Bank's participation in Malawi is leveraged by other stakeholders with a view to maximizing development effectiveness at both country and regional levels?	• Subsidiarity • Joint financing under Bank management

EQ 9: To what extent has the Bank managed its interventions and programmes, as well as its own internal processes, in a way that focusses on results[120] ?	JC 9.1. The Bank has successfully implemented management systems that focus on results and allow learning from past experience?	• Intervention design is RBM • Monitoring systems focus on results • Reporting mechanisms are results based • Oversight is done at result levels
	JC 9.2 The Bank has supported the development of national capacities and management systems that focus on results	• Results-based capacity development efforts for GoM that are related to outcome improvement • % of GoM partners that have RBM-based internal systems
EQ 10: Does the Bank's ongoing analyses of its achievement of development results inform its planning and operations?	JC 10.1. Factors that have positively or negatively influenced the achievement of the development results supported by Bank Interventions are identified[121] and inform[122] Bank actions and strategies	• Means in place to capture positive and negative factors and store in a KM system • Evidence of use of KM in the design of CSP and interventions
	JC 10.2. Lessons learned from the Bank's experience in Malawi are identified and inform its future strategies and programs.	• Completed operations with a timely PCR (measure of the percentage of PCR that were submitted within the 12 months following closure date) • Systems allowing research quality access to Lessons Learned • Systems allowing for capture of knowledge • Justifications for CSP that refer to Lessons Learned

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[120] The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.
[121] The Team will consider only documented evidence as being "identified"
[122] This will be interpreted as being documented to show that there has been an influence.

7 EVALUATION METHODOLOGY

7.1 Overall approach

This evaluation will tackle **the Bank's support to Malawi in its entirety**, embracing individual projects, specific sectors, operational modalities, as well as policy dialogue at different levels and support at the regional level. Our focus will be on identifying the Bank's contribution to both **specific results** which bring about **overall long-term changes**, also unpacking the role of the various modalities and instruments used by the Bank in support of the sector-specific outcomes it expects to have been realized. The evaluation will thus identify to what extent the Bank activities, through their various facets, have acted as drivers of change, eventually bringing about concrete improvement to Malawian people's (beneficiaries and targets) lives, and to what extent they *have rightly fit* with the Government of Malawi's own efforts and strategies, including through provision of relevant policy support. At the same time, one of the key evaluation questions in this evaluation will aim at providing insights on **lessons learned** of the Bank's support and the management of that feedback.

Theory of Change: To fully grasp all the above mentioned elements, the Team will follow a **Theory of Change** (ToC) approach, which will aim to understand how the Bank believed it would contribute to complex positive change processes in Malawian society and economy. The initial efforts of the evaluation team will thus be directed towards analyzing the *rationale*, i.e. the potential *long-term strategy,* underlying the Bank's support to Malawi.

A number of ToC diagrammes will be generated: A) Each sector will be studied separately in order to determine the ToC that justified the Bank's interventions. B) A ToC diagramme will be created for each CSP (2005-09, 2010-11 and 2013-20117) and C) A diagramme (not specifically speaking in the form of a ToC) will illustrate the evolution of the thinking behind the three CSP over the temporal period under study. First drafts of each of these diagrammes are included in this IR. The Final Report will contain the improved diagrammes.

For each sector intervention, we will examine the risk management that was used so that our team eventually identifies the main difficulties that arose and how the challenges were dealt with The assessment of the relevance and coherency of the logic incorporated into any ToC, and of its actual implementation throughout the evaluation period, will thus be based on the answers to the EQs.

The ToC approach will provide the research baseline to evaluate the extent to which the overall logic of the Bank's engagement was sound. Our team will pay specific attention to identifying the core factors that did (and may continue to) affect the achievement of the Bank's strategy objectives (there is an EQ on this topic). We will thus investigate the interplay between **internal and external factors** that have helped, or not, to bring about change. This will allow us to better understand the context from which outcomes have emerged and thus facilitate the identification of what contribution the Bank's support has actually provided to Malawi's development.

The Evaluation Matrix reflect the ToCs generated and will be based on an **instrumental approach**, aiming to shed light on critical points of the overall rationale/logic of a sector or CSP, rather than evaluating comprehensively how each intervention worked out.

It is worth mentioning that, while the ToC is largely recognized as one of the most useful tools for the elaboration of programmes and thus for their evaluation, the Team is aware that it is still not yet in common use by all of the international community. Assessments of ToCs are hindered when time has passed without a ToC being generated and used, and an implicit ToC has to be reconstructed, based on stakeholder interviews and document review. This might translate into the construction of difficult-to-recognize ToCs, or ToC that are controversial. To avoid this, the methodology used by the Team for ToC development will be as participatory as possible, to keep the analysis within the

scope of the evaluation. They will be discussed generally during the scoping mission and key sector officials of the Bank and recipient organizations (ex. ministries) will be asked to comment and modify the Team's drafts.

We believe that the joint work with the IDEV Evaluation Officer will facilitate all this. The evaluation will indeed be based on **iterative feedback**. The team will apply a common approach to share findings and maintain open and constant communication flows between the evaluation team and IDEV, as well as other key stakeholders, primarily the Ministry of finance responsible for donor coordination. Each sector expert in the Evaluation Team will offer a ministry sector manager an opportunity to be briefed as work progresses. A section of Lattanzio's intranet system – allowing customized secure access – will be dedicated to document storage. In addition, timely attention will be given to the organization of the field visits and of all planned meetings. While being aware that different stakeholders and parties involved may hold different expectations from the evaluation, the evaluation team will aim to reconcile competing incentives and interests, by promoting a constant **consensus-building process described above.**

Evidence-based research will be applied to all the analysis done in this mandate, and document-supported data (information) will be privileged over perception-based responses. In fact, unless there is a significant proportion of respondents that have the same recall on any issue, verbal responses will only be used as a secondary validation measure.

Contribution analysis will be used to demonstrate whether, how, and why the Bank's activities are perceived as having made a difference. This epistemological approach will be used in those cases where quasi-experimental design approaches are not feasible or practical. The contribution analysis model promoted by John Mayne[123] will be applied. It has six steps:

- Step 1: Set out the attribution problem (logic) to be addressed
- Step 2: Develop the theory of change and the risks it identifies, and identify discriminating indicators
- Step 3: Gather existing evidence on the theory of change, tracking performance over time
- Step 4: Assemble and assess the contribution story, and challenges to it; test alternative explanations
- Step 5: Seek out additional evidence
- Step 6: Revise and strengthen the contribution story

Assessing the added value of the Bank's support entails both assessing the contribution of specific Bank's interventions, and of linking these contributions to an overarching picture. In this way, a comprehensive contribution story can be investigated, set out and reported. A strong **intellectual rigor** will characterize the research work, considering that to clearly untangle the actual contribution of the Bank's support, in a context where several actors (including the Government itself) and major events may affect the country's own path, would be quite challenging and beyond the resources of this mandate unless much of this work has already been done by, or for, the Bank. The results of the contribution analysis will therefore be assessed in terms of its likely validity using a risk-observation (matrix) approach.

The process that will be followed: Following the Terms of Reference and based on the methodology developed by IDEV, the country strategy programme evaluation for Malawi will follow three phases:

(i) an inception phase, including a scoping mission;

(ii) a data collection and validation phase, including a literature review and analysis, a detailed portfolio review, and a field mission

[123] Mayne, J., "*Contribution analysis: An approach to exploring cause and effect".* The Institutional Learning and Change (ILAC) Initiative, (2008).

(iii) Reporting phase, including the production of draft and final sector reports and a Synthesis Technical Report, the drafts of which being be discussed in person with the evaluation reference group.

7.2 Inception phase

The current inception phase has as main purpose the development of the **evaluation framework** including the elaboration of the final evaluation questions, the identification of information gaps, and the definition of the required data sources, data collection and data analysis methods. In this phase the theories of change are developed together with a detailed evaluation matrix, see above sections for all details.

At the outset of the inception phase, **a team introduction teleconference** was organized at the beginning of January 2017, where methodological, technical and organizational issues were discussed among the team members. An **Initial skype meeting with IDEV** was then organized to clarify the founding elements related to the scope and contents of the evaluation, as well as any important organizational and process-related aspects, particularly referred to the organization of the scoping mission. The ToR of the scoping mission were developed and approved, see Annex E in the PDF version of this report for more details.

While undergoing the initial literature and document review, an initial evaluability assessment of the whole exercise was made. All this has provided substantial elements for the construction of the theories of change (both at sectoral and overall levels). An initial list of documents that were either in hand or missing was prepared and distributed to the Coordinator for the evaluation in Lilongwe. The Team has begun to receive some of this documentation but much is still missing. An overview of the current gaps in the documents/information is provided in Annex D.

This version of the Inception Report is a revised version of the draft presented prior to the **scoping mission,** carried out in in 6-10 February**,** and has been improved based on information gathered during that mission. The **scoping mission notes** and decisions taken during the scoping mission are included as Annex E.

7.3 Data collection sources, methods and tools

Each EQ will have its own needs for data collection. These in turn will generate a need for specific tools that will be applied to sources of data and will likely be adapted from EQ to EQ and even between JCs. Details of these methods and tools will be found in Chapter 6. The following is an overview of how the key methods and tools will be applied during the inception and data collection phases.

Methods	*Approach*	*What for?*
Document and literature review	The literature review will initially focus on strategy documentation and on capturing the facets of the Bank's positions regarding the opportunities and challenges to sustainable economic development in Africa and, more specifically, in Southern Africa and in Malawi. This review will also include the main strategic documents of the Government of Malawi. The review will be continued by including other donors' documents (cooperation strategies, sectoral intervention documents, Annual reports, other country strategy evaluations such as the evaluation of EU cooperation with Malawi, etc.); specific country analysis by research institutes as well as documents related to Malawi's political economy will also be included. Each Team Member will essentially gather information from these documents in an annex that will follow the logic of the Evaluation matrix. This annex is essentially a "dump" of information gathered from other documents or through other means, and forms the "evidence repository" for the mandate.	The analysis will serve to document the evolution of the Bank's broadest efforts in supporting Malawi. The results will help the team grasp the consistency/coherence at the various levels, start assessing the relevance to the GoM's priorities, and will feed into the analysis of theories of change and the possible refinement of the evaluation questions (EQ). In the end, the purpose of doing the literature and document review is to provide evidence that will be applied to the Judgment Criteria in order to answer the EQ. But importantly, the reviews lead the Team to posit a series of hypotheses concerning how the answers and JCs
Mapping of stakeholders	The vast thematic scope of the evaluation implies that a wide number of stakeholders have influenced the performance of the Bank; they will need to participate in the evaluation's fact-finding. There is therefore a need to identify and then prioritize these stakeholders in terms of which ones will be able to shed the most relevant light on particular issues, The evaluation team will undertake a mapping of all relevant stakeholders, including i) the Bank's staff (tasks managers, Officials in the Operation Complexes, policy experts, Staff at HQ, etc.), ii) international donors and organizations, regional organizations, iii) relevant country level governmental institutions and iv) important civil society representatives, such as private sector actors or cooperatives. Where possible, the mapping will identify targets and beneficiaries as Groups and not individuals.	The mapping will be necessary in order to identify key respondents for the various EQ. It will also provide a better picture of the Bank's specific contribution towards results achievement within the broader group of stakeholders, at each level of the evaluation.
Portfolio review	A comprehensive review of the full portfolio of the Bank's operations in Malawi will be undertaken. A rigorous overview of the Bank's financial flows concerning the activities and programs carried out during the evaluation period will be developed by the evaluation team. With the support of IDEV to identify and collect information and deploying our Excel spreadsheet, we will undertake a systematic screening of the information on financial engagements contained in the Bank's databases and administrative documents. The portfolio review will also include a mapping of non-spending activities.	The portfolio helps assess the relative financial importance of the various thematic areas and the aid modality implemented (budget support, grants, technical assistance etc.). The information gathered will directly feed into the Sectoral Reports and will support the responses given to the EQs.
Data gathering and analysis	Based on the above, after the scoping mission, the team will finally decide on the approaches to use in order to make informed and evidence-based judgements. Should case studies be used (if so, we will use R. Yin's case study methodology)? Should a fixed design or a flexible design be incorporated into the approaches (or a mixed approach)? To each of these questions an answer must be justified to the Bank (IDEV) in the final IR.	Ongoing analysis will provide data for in-depth review and will feed into the answers to the EQs. The data gaps identified during the inception phase will be an important driver of the contents of the field mission.

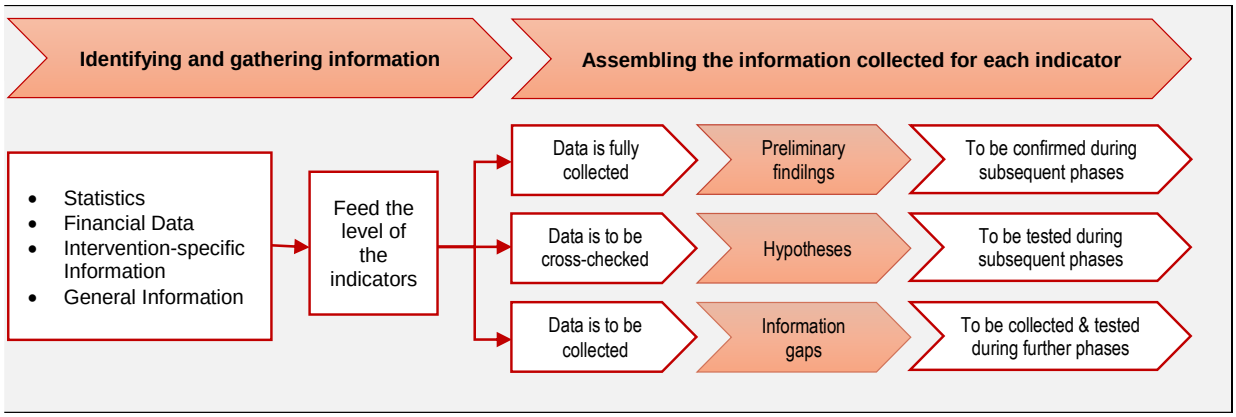
Methods	Approach	What for?
	As noted, the team will develop an intervention matrix that identifies how it will interface with the sources of information and data. Interviews are relatively easy to set up, but short interviews are of limited value if complex questions need to be analyzed in detail, for example. If more stable data is required, how will it be obtained: cases? scenario analysis? And how will non-process data be obtained, such as quality of advice provided to clients; extent of influence of Bank through dialogue; complementarity between stakeholders and the leveraging value of the Bank; the focus on cross-cutting factors such as gender, inclusiveness, youth, environmental sustainability, contribution to climate change mitigation, etc. In addition, the team will propose mechanisms to keep the Bank informed about, and overseeing the interfaces. The collection of **quantitative** data and their analysis started during the inception phase and will continue through the evaluation. Standard statistical methods will be used to identify gaps and trends, including through correlation and regression, if appropriate. The Team will then ensure that the results of the analysis are presented in as visual a manner as is feasible, in order to improve reader understanding. All quantitative analysis will be done so that: a) a source will be identifiable for future audit if required b) all data inputting will be double-checked c) a plausibility analysis will be done and signed by the analyst d) all statistical analysis will be checked by the Team Leader, who has extensive experience in these matters as a professor of statistical methods in a recognized top-tier university e) Appropriate sample analysis will be done using standard statistical tools Indicators and sources of data will be discussed with the IDEV, the GoM, other stakeholders (mainly donors) and the Bank's field office. It is envisaged that much of the data will be **qualitative** in nature, and therefore the epistemological standards that will be used will reflect the best practice in that research domain. Our reference will be Miles, Huberman and Saidana's influential text: "Qualitative Data Analysis, Third ed.", published by Sage in 2015. It is important to note that an important activity at this point in the project will be the bounding of the collection of data and the design issues that accompanies that, including determining in advance how the data will be analyzed. Once the Team identifies the information that must be collected via flexible design approaches, data collection tools and templates will be prepared. This will take place before the field mission takes place, and will be approved by IDEV. Records of data and information gathered will be kept in the evidence annex referred to above. It will be classified and key-word processed. Key points of Interviews, meetings and focus groups will be written up and stored for the sole use of the Team researchers, for reasons of professional ethics involving attribution of participants' comments. The results, however, (without attribution to source) will be included in the evidence annex.	

Methods	*Approach*	*What for?*
Sector Intervention Logic diagrammes	Intervention logics (IL) at sector level, for the five main sectors, will be analyzed to identify inputs, outputs, intermediate and long-term outcomes in the specific sectors. To generate these, available documents for each program areas will be reviewed. If the intervention logic is not explicit, it will be reconstructed if possible. Of particular relevance will be guidelines, such as the guidelines for sector program support and programme documents (completion reports, programme review, sector review etc.). If the existence of data supports it, an analysis of each sectoral IL will be carried out as a ToC diagramme with supporting information and will, inter alia, compare the alignment of each sectoral intervention with the overall strategy.	The sectoral intervention logics aim to state the reasoning (logic) behind the set of sectoral interventions so that results will be achieved. The analysis at sector level will be useful to provide a picture of the actions taken in the specific sector throughout the whole evaluation period. This analysis will be interlinked with the reconstruction of the overall ToC and will be at the basis of the Sectoral Reports.
Programme Strategy Logic diagrammes	Each of the three CSP will be transformed into a diagramme, based on Theory of Change logics, that illustrates the reasoning in place for assuming that the results chain, combined with internal and external vectors an influences, will generate expected outcomes.	It is important to fully understand the nature and extent of the long-term support to the GoM. Only by juxtaposing the three CSP side by side on a temporal axis can this be done
Semi-structured interviews	Semi-structured interviews were held in Malawi during the scoping mission and will be again during the field mission, with the Bank's staff, representatives of the Government of Malawi, donors and other stakeholders. If necessary and possible, additional interviews will be held, on a remote link-up basis (skype/telephone) with any other relevant participant. Staff of SARC (in South Africa) were not interviewed during the scoping mission due to the unavailability of key staff there. As a result, the team has an important gap in its knowledge base, especially with respect to regional programmes and power projects. It is envisaged that the RDGS will be interviewed in person before the beginning of the field mission in April.	The interviews are critical for a number of reasons: a)to gain consensus on the various aspects of the evaluation; b) top gather primary data on perceptions and versions of reality; c) to validate what has been concluded from other sources of information and d) to identify other areas of relevant inquiry and identify new avenues of research.
Sampling	A sampling of projects and activities to be analyzed more in-depth is proposed in this IR. It is based on the initial review of the available documentation and, subsequently, on the comprehensive portfolio review, as well as on the existence of "self-evaluation reports" (as indicated by the ToR) and on the exchanges with IDEV. It is clear to us that the sampling will not only include individual project investments, but also other non-spending activities, like analytical work, coordination, or capacity building.	The selection will be followed for the in-depth analysis that will be carried out during the subsequent phases and that will be relevant for answering the EQs in particular related to the results and added value.

As noted in the methods table above, an **analysis of existing data/information** will be undertaken on the basis of the methodological framework defined in the inception phase in order to produce preliminary findings and hypotheses that will be subsequently verified and confirmed during the field phase.

More specifically, a comprehensive **review of the project portfolio** will be done and will feed into the production of five Draft Sector Reports (covering the main sectors of intervention already mentioned above) to be submitted before the start-up of the main field mission. This analysis at various levels will rely on existing Bank's documents and data, including policy documents, country strategy papers, project appraisal reports, portfolio analysis reports, project completion reports and project performance evaluation reports etc. Such overview should then be completed by additional information and more detailed data that the team will obtain through interviews and field work. Refined administrative and national data, including statistical data, will be also analyzed (national statistics, data of social services, etc.). During this stage, hypotheses and information gaps will be also identified in order to be tested/filled during the field work, see figure below.

Figure 6: Data collection process



It should be noted that the above-noted methods and tools will be used to generate **sector reports**, which will be submitted in draft version before the commencement of the field mission. The sector reports will actually facilitate the organization of the field visit, by highlighting data gaps and controversies.

7.3.1 Field visit approach

The field visit is foreseen for the period **20 April – 6 May 2017**. During the first two days the Team Leader will carry out interviews with SARC in Johannesburg together with IDEVA Evaluation Manager. The whole team will then meet on Monday 24 in Lilongwe to start the field phase. Each expert will carry out interviews and site visits according to the sector covered. A detailed Agenda will be prepared for the organization of the meetings.

During the **field visit** a second stage of data collection (primary data collection) will be carried using several tools as described. The thematic coverage of this evaluation, the analysis at various levels required, and the involvement of numerous stakeholders require a clear strategy for ensuring quality of data. This is essential to produce robust conclusions. The following measures will be adopted by the Team:

- Production of comprehensive guidelines, interview tools and clear checklists for data collection ;
- Test of these tools through simulation within the team;
- Provision of guidelines and formats for data reporting, focusing on the reduction of subjectivity in reporting data and need to support any expert's judgment by solid evidence and possible indication of limit of data;
- Assurance of respondents' confidentiality so to enable them to speak freely;
- Accurate plan of field visit and relevant agenda. We will try to ensure that the field visit does not fall in a period of absence of key respondents or of other major events that could affect the good running of the visit, by an early verification of the government's agenda and by fixing the agenda for the field visit in advance and with realistic timing. The field visit will be organized under the leadership of IDEV.
- Triangulation of the information: secondary data collected through document analysis will be validated through interviews; unclear data will be also validated/clarified through the field visits; quality data from interviews and direct observation will be analyzed in a comparative way, using only the most frequent or common findings as global evidence. Finally data collected will be discussed by the team altogether. If there are inconsistencies, the evaluation team discusses possible explanations of the inconsistencies. If the reasons for the inconsistencies are not clear, the team will reanalyze the available quantitative and qualitative data and discuss again. If the

reasons for the inconsistencies are still not clear, ideally additional data will be collected so as to try to explain the inconsistencies.

Sampling process

The evaluation of the extent to which individual interventions have achieved their expected results (especially at the outcome or impact levels) requires that the intervention be mature enough to make those assessments. In practice this means that the projects must be either completed (with a PCR from which to gather data), or have been the subject of a Mid-Term Review which would include an analysis of the extent to which a) those results are likely to be achieved (and why), and b) there have been factors that have inhibited or favored the achievement of results.

The ToR identifies the following eight projects as having a PCR. (see table below). The team does not yet have the information required to identify which projects have MTRs. The sampling of projects that will be reviewed in detail in the field for the analysis of outcomes will be based on the following set of conditions:

- The projects will have a PCR or an MTR that deals with outcomes (the sum of all of these interventions will be known as the "exit portfolio")
- At least one two projects per sector. If there are related projects such as the "Support to higher education, science and technology", then they will all be included in the sample.
- All projects must have accessible data bases to validate from, and key individuals with specific knowledge about the project.
- There has to be self-evaluation reports on which to base the assessment (refer to ToR page 19)

Each intervention in the sample will be the object of a site visit to physically attest to the outputs and to interview beneficiaries and officials concerning the investment and its results. They will also be studied from the perspective of the policy dialogue/technical advisory services that took place.

Title	Project number
RESTORATION OF FISCAL STABILITY AND SOCIAL PROTECTION	P-MW-KA0-002
POVERTY REDUCTION SUPPORT GRANT I	P-MW-KZ0-004
GOVERNANCE AND POVERTY REDUCTION SUPPORT GRANT II (GPRSG II)	P-MW-KZ0-005
MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004*
POVERTY REDUCTION SUPPORT LOAN	P-MW-KZ0-003
SMALLHOLDER CROP PRODUCTION AND MARKETING PROJECT	P-MW-AAC-001
SUPPORT TO SECONDARY EDUCATION (EDUCATION V) PROJECT	P-MW-IAC-001
PROTECTION OF BASIC SERVICES	P-MW-IE0-005*

**The completion reports for these programmes are not available to the tem yet.*

The data collection tools described in the following paragraphs are expected to be used during the field work:

Tools & Methods	*Approach*	*What finr?*
Semi-structured interviews	As noted above in the section dealing with tools of the scoping mission, all interviews will be documented. The nature of the research enquiry implies that a wide variety of issues are to be discussed and there is no need to formulate trends and central tendency-type analyses. The idea would be to gather the perceptions of a significant sample of directly-involved people; for that reason, semi-structured (rather than structured) interviews are called for. The following are a sample of the key participants that would be interviewed: - The Bank's Resident Representative in Malawi - The Bank's staff in the Malawi Country Office, involved in the design, financing and management of individual programs and projects	This information will feed into preliminary findings, into the Sectoral Reports, the final Technical Report and thus into the responses given to the EQs

Tools & Methods	*Approach*	*What finr?*
	- Specific policy and sectoral experts, including experts from African Regional Economic Communities and regional member countries - Representatives of SARC (in case, on a remote basis) - Representatives of other donors supporting Malawi (notably EU and WB) - Regional Economic Communities (RECs) representatives - Government of Malawi representatives and decision-makers - Malawi's business memberships organizations and civil society organizations Each sector expert will need to interview people and organizations in the sector. The list will be prepared about a month before the field mission and sent to the IDEV Evaluation Manager for action by the Field Ofice in Malawi and Pretoria. As an example, the transport corrido projects could interview the following, although the final selection will be based on the value of the information that could be gathered in thiose interviews and the time available: • Corridor coordination committee • Nacala port and railway concessionaire –CDN (Mozambique) • Malawi railway concessionaire –CEAR • Beira port concessionnaire –Cornelder (Mozambique) • Freight forwarders at Port of Nalaca –including Bollore, MANICA, etc. • Freight forwarders in Malawi –including Bollore, etc. • Trucker's association in Malawi • Malawian truckers – including Siku, JJ Transport, etc. From the list above, it is clear tha the transport/Watsan /power expert on the team would have to travel great distances and spend much time in travel status if he were to venture out to see everyone and every organization on the list. Some of these interviews will therefore be held using cellular and computer technology (VOIP). There will clearly be a need to discuss the Bank's visions and performance with respect to regional investments, and the experts in that regard will hold a teleconference on Friday April 21 with appropriate representatives from SARC.	
Group discussions	Group discussions will be organized in the field to collect points of view and discuss specific issues of major importance for the evaluation. The group discussions will aim to put together persons of the same institutions in order to easily get divergent opinions, which will allow for a more focused investigation, in a single moment thus accelerating the data collection process during the field visit. In order to fulfil their potential, the evaluation team will determine the topic of the individual group discussion, as well as the composition of the group of participants (ideally a maximum of 5-10 people should participate in each group). Discussion will be guided in such a way that possible best practices and successful stories, as well as worst practices, are identified. In order to foster authentic participation and free expression, a positive and relaxed environment, conducive to constructive discussion, will be stimulated. The possibility of organizing group discussions	Group discussions are a valuable tool to help evaluators understand processes and motivations that underpin actions and decisions. This method aims to gather perceptions, possible attitude changes, and impact of the Bank's programs, by shedding some light on the most significant changes to which the Bank's support has actually contributed. Group discussions can also stimulate people to speak on topics they might not otherwise wish to address. The downside is that some

Tools & Methods	*Approach*	*What finr?*
	involving representatives of the final beneficiaries of the Bank's operations will be duly discussed with IDEV.	participants may not speak out if there are issues of power or hierarchy at play. This information will feed into both the Sectoral Reports and into the preliminary findings for the Technical Report and thus into the responses given to the EQs
Direct observation	Naturally, the evaluation team will conduct direct observation in the key operational areas across Malawi. The key intervention sample will form the basis of the sites where the observation will take place. If possible, each sector will have at least one site that will be visited. Specific attention will be given to the projects and activities previously selected (see above sampling) for in-depth analysis.	This information will feed into the preliminary findings, into the Sectoral Reports and thus into the responses given to the EQs
Additional Documentary analysis	Additional documentary analysis will take place with respect to the newly collected data during the field phase. This could for example relate to documents which were not available during previous stages of the evaluation or reports from stakeholders which have not been met beforehand.	To complement primary and other sources. This information will feed into the responses given to the EQs.

A briefing meeting with the Bank's Malawi Director will be held as soon as possible after the team arrives in the country. The team will conclude its field visit with a debriefing meeting with the same. No formal field report is foreseen. A debriefing note with main conclusions will be prepared in the form of a power point presentation. This presentation will be the essential element of a post-field phase debriefing meeting with the Reference Group. A first wrap up and start of synthesis will be done by the team at the end of the field phase, while the team is still together in Malawi.

7.4 Reporting phase

The Reporting Phase concludes the evaluation process and requires particular attention to harmonization of data derived from all the previous phases. The team members are largely dedicated to constructing evidence-based answers to the evaluation questions and formulating sound conclusions and useful recommendations. This is a critical stage of an evaluation, as the team must show the results of their joint analytical capacities, but also their drafting and presentation skills.

Content analysis will constitute the core of the qualitative analysis that will be undertaken by the team: documents, consultation/interview notes and qualitative data emerging from the fieldwork will be analyzed to identify common trends as well as diverging patterns for each of the EQs. **Comparative analysis** will be used to examine findings across different sectors and also to identify best practices and lessons learned. **Quantitative analysis** will be used to analyse quantitative data, both available as baseline and possibly emerging from the evaluation's own research on other international and Malawian sources.

Triangulation is a priority and will be conducted along three dimensions: (i) methods, (ii) sources of information, and (iii) types of key informants. Findings will thus be based on **multiple lines of evidence**. Secondary data collected through document analysis will be validated through interviews; unclear data will be clarified through the field visit; quality data from interviews, meetings and direct observation will be comparatively analyzed, using only the most frequent or common findings as global evidence. The triangulation will be a key instrument in order to validate the analytical process applied for the reconstruction of the contribution story.

In order to allow a systematic triangulation of sources, the collected information will be categorized against an agreed typology, for both qualitative and quantitative data. Moreover, qualitative data generated through desk review, interviews and meetings may, if the data allows, be coded using an

appropriate software (e.g. ATLAS.ti) to allow for robust and evidence-based analysis. The use of a quantitative rating scale will be duly discussed with IDEV. While recognizing that this is an extremely useful tool in the assessment of individual projects, it might represent a certain degree of rigidity when applied to "softer" elements, like coordination and management issues. It is recognized that the Synthesis Technical Report will contain ratings; the structure and rating framework will be discussed with IDEV before the field visit takes place.

Consistency tables might be created to ensure consistency of the logical chain of findings, conclusions and recommendations. Regular consultations between the team members will be held to ensure coherence in analysis the data/information. If there are inconsistencies, the evaluation team will discuss possible explanations for these. If the reasons for the inconsistencies are not clear, the team will reanalyze the available quantitative and qualitative data and re-discuss. If lack of clarity persists, ideally additional data will be collected (either through remote interviews or the support provided by the key expert based in Malawi – see next section).

Our experience in the preparation of **high quality evaluation reports** highlights three main principles:

- **The report must be an effective communication tool.** Results should be communicated clearly, accurately and appropriately. The report will be reader-friendly and accessible to all type of readers and be self-contained, to permit access by people who have not followed the entire process. The Executive Summary should provide the overall context of the evaluation, and deliver key messages in terms of findings, conclusions and recommendations.
- **Respect of the evaluation framework and rigor of the analysis** in order to fulfil the objectives of the evaluation and user expectations. Evidence for the findings and conclusions is crucial to ensure credibility of the work, and makes the report an instrument for future improvements.
- **Usefulness of the recommendations.** The final value of an evaluation report is determined by its capacity to affect processes and facilitate improvements. To do so, recommendations have to be clear and structured in such a way that the interested parties can feel "inspiration" as a result and can carry out any suggestions.

7.5 Limitations and challenges

The evaluation is likely to face a number of external risks, over which the team will only have limited control. Some of these are presented in the table below along with a rough assessment of the probability of them occurring and our approach to mitigating them.

Table 9: Risk and mitigation strategies

Risks	Mitigation strategy
Related to the evidence base	
Difficulties in locating key documentation from the Bank's internal database and other sources **Probability**: Likely	The team has developed a detailed methodological approach with a range of complementary desk-based research methods and tools. Moreover, the field visit will further close potential gaps with respect to lacking project documentation. However, a close collaboration with IDEV will be sought since the outset in order to facilitate the research in the right databases. This risk was also faced by the 2005-2009 MTR Team
Difficulty in finding other qualitative and quantitative data required for the indicators **Probability**: high	As highlighted above the methodological framework combines a variety of complementary research methods and tools. Additionally, it is noteworthy to mention that the team includes a key expert based in Malawi and an experienced Analyst / Research Assistant. This will further help to access data in a timely fashion. The main issue here is that most of the EQ do not simply relate to sector issues. Many indicators refer to outcomes, results, beneficiaries, access, equity, sustainability and other concepts for which the team cannot begin to gather primary information given the allocated time and resource base. The gaps and problems will be brought to the attention of IDEV as soon as they are perceived to have occurred.
Difficulty in finding answers to issues of internal management in the Bank due to length of	There is no appropriate mitigation strategy of this risk. The Team will qualify the findings as appropriate in the report, if they make use of the observations.

Risks	Mitigation strategy
time in temporal scope or lack of documentation to provide evidence	
Related to the analytical framework and methodological approach	
Potential disagreement on the focus of the analysis **Probability**: Low	The precise scope of the assignment will be discussed in a joint session by the team and IDEV. Moreover, the formulation of EQs and indicators during the Inception Phase will benefit from the experience of our team from recent similar assignments. Methods and tools will be designed in a flexible way, so that adjustments could be possible as soon as this is deemed necessary.
Critiques concerning the validity / robustness of the analysis **Probability**: Low	The risk will already be considerably mitigated by the experience of our team and the experience of key Bank officials This will contribute to ensuring an adequate design of the various activities. In addition, the range of complementary research methods which we plan to use will strengthen the robustness of the analysis. Regular exchange will also be organized between the TL and the internal management staff of LA to ensure timely actions on key methodological questions.
Related to the planning and execution of the assignment	
Slippage in the evaluation schedule due to delays (in delivering outputs and/or in receiving comments). **Probability**: High	Some degree of risk has to be considered due to the tight overall timeframe of the evaluation. For our part, we will reduce this risk by ensuring a constant monitoring of the evaluation process and by providing timely and effective responses to any unexpected event. On the other hand, whilst respecting the rights of participant entities to provide their inputs, there is a need to properly enforce the timeliness of commenting rounds.
Related to the field data collection phases in the course of evaluation process	
Poor cooperation with stakeholders due to busy schedules or lack of appreciation, etc. **Probability**: Medium	IDEV and the Bank will be expected to facilitate activities of the team by providing the necessary support, such as letters of introduction to relevant stakeholders. The team will also use acquaintances to maintain close relations with stakeholders to ensure smooth operation and thus accomplish the assignment as desired.

7.6 Structure of Final Report and the sector reports

The Final Technical Report will follow an outline agreed upon with the IDEV Evaluation Officer. It will synthetically present the main findings and discuss its recommendations and the way forward acknowledging any potential limitations of its findings and proposing possible alternatives thereof. A first draft Synthesis Technical Report will be elaborated and presented, upon receipt of the comments and feedback of IDEV and the peer reviewers, by the Team Leader in a **consultative workshop**, to be held either in Malawi or at SARC in South Africa. All comments collected during the workshop will be duly taken into consideration while preparing the final version of the Synthesis Technical Report.

Sector Reports – will be finalised after the end of the field mission. A separate report will be prepared for each sector.

The following is a prroposed table of contents for individual sector reports.

Table 10: A typical Sector Report – Proposed table of contents (transport examples are for illustrative purposes)

Heading	Content
1. AfDB – Malawi cooperation context *(this section will be common to all sector reports)*	Broad characteristics of Malawi Political and institutional situation Economy, commerce and private sector Governance Malawi's development strategies – MGDS I and MGDS II Development assistance
2. AfDB strategic framework for Malawi 2005-2016 *(this section will be common to all sector reports)*	RBCSP 2005-2009, ICSP 2011-2012 CSP 2013-2017, RISP 2011-2015

3. AfDB sector-level support to the XXX sector in Malawi	3.1 Sector characteristics 3.2 Malawi's sector development strategies – MGDS I and MGDS II and Theory of Change for Bank in sectoré 3.3 AfDB sector responses 3.3.1 RBCSP 2005-2009 Sector context Aid coordination AfDB sector response strategy 3.3.2 ICSP 2011-2012 Sector context Aid coordination AfDB sector response strategy 3.3.3 CSP 2013-2015 Sector context Aid coordination AfDB sector response strategy 3.3.4 RISP 2011-2015 Sector context Aid coordination AfDB sector response strategy
4. Answers to Evaluation Questions as they relate to the XXXX sector	*Statement of EQ1 and answer* *Statement and analysis of JC1* *Evidence from Indicator a* *Evidence from Indicator b* *Statement and analysis of JC2* *Evidence from Indicator c* *Evidence from Indicator d* *Statement of EQ2 and answer Etc.*
5. Lessons Learned	
6.. Conclusions	
Second volume: Annexes (partial list)	-
People interviewed and map of stakeholders	-
Bibliography	-
Malawi Government National Strategies by Sector	-
Evidence to support findings and conclusions	- Structured by EQ, then JC and then Indicators
Overall profiles of interventions in the XXX sector *(this is not intended as an evaluation of individual interventions but should cover the nature of each AfDB project, implementation, outcomes etc – examples given for (some of) the Transport sector interventions)Each profile is 1-2 pages long*	• *Chitapa – Karonga road (b/f from 2002-2004 CSP support cycle)* • *Blantyre – Zomba trunk road rehabilitation* • *Multinational – Nacala Road Corridor – Phase I – Lilongwe Western Bypass* • *Multinational – Nacala Road Corridor – Phase II – Great Eastern Road Zambia* • *Multinational – Nacala Road Corridor – Phase III – various road sections in Malawi & OSBPs* -

The following is a proposed Table of Content for the Synthesis Technical Report

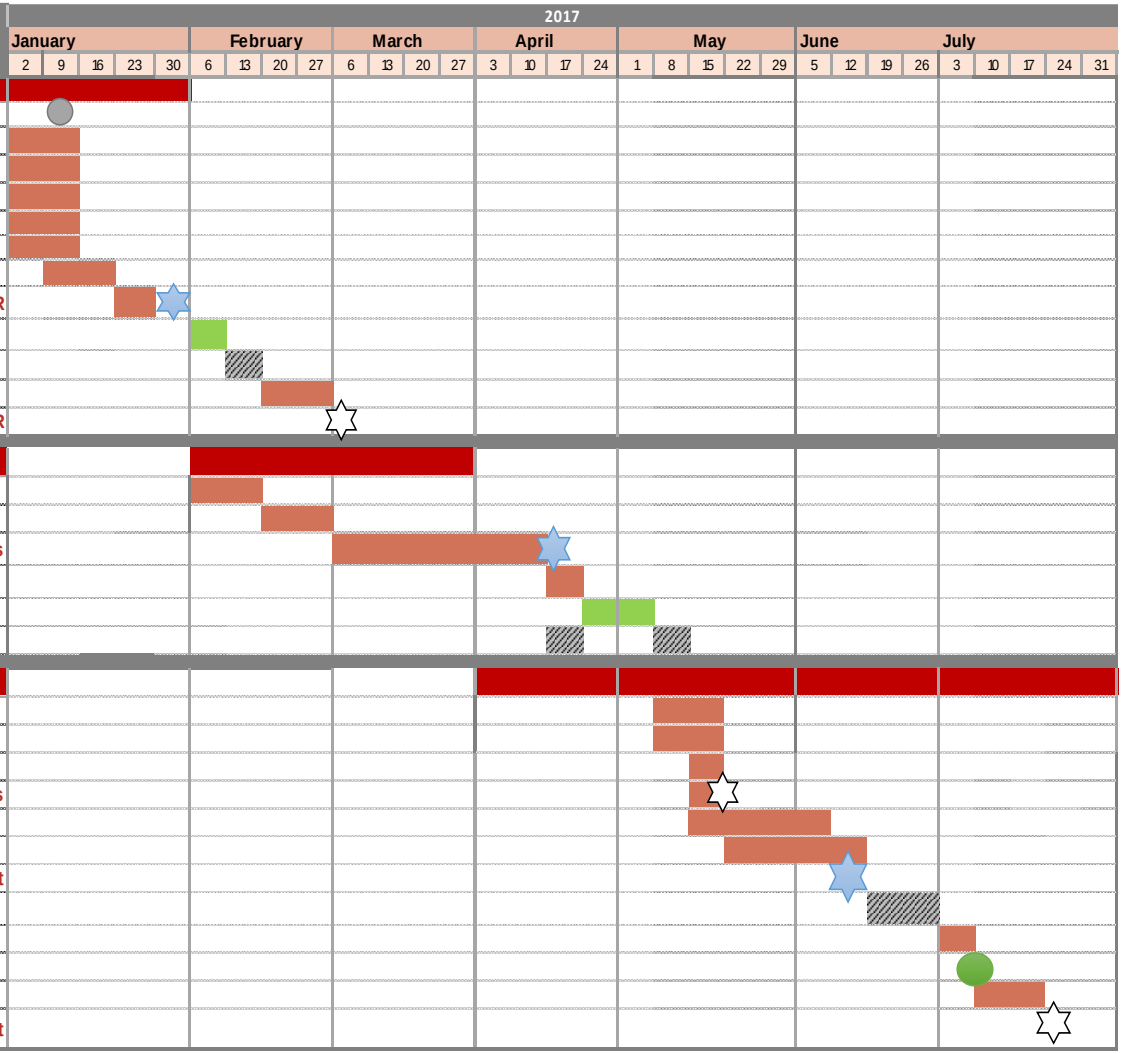
Table 11: Final Report – Proposed table of contents

Heading	Content
1. AfDB – Malawi cooperation context *(this section could be common to all sector reports)*	Broad characteristics of Malawi Political and institutional situation Economy, commerce and private sector Governance Malawi's development strategies – MGDS I and MGDS II

	Development assistance
2. AfDB strategic framework for Malawi 2005-2016 *(this section could be common to all sector reports*	RBCSP 2005-2009, ICSP 2011-2012 CSP 2013-2017, RISP 2011-2015
3. Answers to Evaluation Questions at Programme level	*Statement of EQ1 and answer* *Statement and analysis of JC1* *Evidence from Indicator a* *Evidence from Indicator b* *Statement and analysis of JC2* *Evidence from Indicator c* *Evidence from Indicator d* *Statement of EQ2 and answer*
4. Lessons Learned	
5. Conclusions and Recommendations	
Annexes	-
ToR	-
People interviewed	-
Bibliography	-
Malawi Government National Strategies by Sector	-
Evidence to support findings and conclusions	- Structured by EQ, then JC and then Indicators
Overview of performance by sector	-

7.7 Work plan

Deliverables		Phases and Products
		INCEPTION
D-1	Inception Report	Conference call/initial meeting
		Document and Literature Review
		Evaluability Assessment
		Consultations on and development of the Theory/ies of change
		Identification of data gaps and development of evaluation matrix
		Development of the data collection methodology and tools
		Draft of Inception Report (IR)
		Submission Draft IR
		Scoping mission
		Feedback and comments on the draft IR
		Finalization of the IR
		Submission of Final IR
		DATA COLLECTION AND VALIDATION
D-2	Portfolio Review and Draft Sector Reports	Document and literature review
		Project portfolio assessment
		Submission Draft Sector Reports
		Preparation for the field mission
		Field Validation Mission
		Feedback and comments on Draft Sector Reports
		REPORTING PHASE
D-3	Final Sector Reports	Evaluation team working, data analysis
		Identification of preliminary findings
		Finalisation of sector reports
		Submission Final Sector Reports
D-4	Draft Technical Report	Elaboration Draft Technical Report
		Elaboration of conclusions and recommendations
		Submission Draft Technical Report
		Feedback and comments on Draft Technical Report
D-5	Workshop	Preparation of the presentation of findings
		Final Workshop skype
D-6	Final Techical Report	Finalisation of Technical Report
		Submission Final Technical Report



8 ANNEXES

Annex A: Bibliography

Annex B: List of persons met (*to be finalised after the scoping mission****)***

Annex C: Malawi Government National Strategies by sector

Annex D: Overview of missing documents

Annex E: Notes from the Scoping Mission

Annex F: List of people met

Annex H: ToR scoping mission

Annex I: ToR Evaluation

ANNEX A: BIBLIOGRAPHY

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ANNEX C: MALAWI GOVERNMENT NATIONAL STRATEGIES BY SECTOR

SOCIAL SECTOR

MDGS I
Sub-theme one: "Health and Population":

Health overview
It was recognised in the MGDS I that improving health required a multifaceted approach with a combination of preventive, educational and clinical measures. Key strategies included: increasing and retaining the number of well qualified health personnel; increasing availability and supply of drugs and preventing theft of drugs and equipment; improving health facilities and equipment; and improving financial management, monitoring and supervision of health care services. The MGDS does not specify precisely what health system or delivery system outcomes it was going to attain with these reforms, but goes to some length to expand on HIV/AIDS, having defined it as one of six top-level priorities.

MGDS I recognised the strong correlation between the health status of a nation and its level of development.

Malawi's health situation, when judged from the point of view of the key health indicators such as maternal mortality rate, child mortality rate, child and maternal malnutrition, life expectancy, access to health facilities, was judged to be very unsatisfactory at the time of writing the MGDS I. While some achievements had been made after implementing a number of policies early in the 2000 to 2003 period, some of the health indicators remained the worst in the world. For instance, for every 100,000 live births, 1,120 mothers died due to limited access to quality reproductive and health services; infant mortality and child mortality were estimated at 76 and 133, respectively per 1000 live births due to limited access to health services and malnutrition. Though the GoM was making some efforts to bring about improved health, it faced a number of challenges, including inadequate health personnel; prevalence of diseases such as HIV and AIDS; tuberculosis, malaria and acute respiratory infections; and migration of health personnel to other countries. Assessments showed that there were more than 100,000 people per qualified physician. There was also an inadequate supply of essential drugs due to budgetary constraints, compounded by pilferage. In general, the health infrastructures or facilities were very poor.

Goal of the health sector in MGDS I
The long-term goal of the health sector overall was to: "improve the health of the population at all levels in a sustainable manner".

Medium-term expected outcome of the health sector in MGDS I
The expected medium term outcomes were, among others:

1. improved provision of essential health care services;
2. reduced infant mortality rate from 76 to 60 per 1,000 live births;
3. reduced child mortality rate from 133 to 90 per 1,000 live births; and
4. reduced maternal mortality rate by 50 percent from the current level of 984 deaths per 100,000 live births.

Key strategies of the health sector in MGDS I
It was noted that: 'Successful achievement of the intended goals and expected outcomes will, to a greater extent, rely on what happens in other sectors like production of food in agriculture, disease treatment and prevention in the health sector, relevant curriculum in the education sector and reduction of gender inequality. The targeted programs under the health sector support program will be complemented by educational efforts to improve nutrition, food production, and general improvements in infrastructure in rural areas. The Government will work with partners in the donor

community, NGOs, and at the village level to leverage the resources devoted to the improvement in health related goals. Improving health requires a multifaceted or integrated approach with a combination of preventive, educational and clinical measures. By bringing these together, the costs of interventions can be minimized and their effectiveness maximized. The MGDS seeks such integration"

The main strategies that were to be applied included:

1. Increasing the retention of qualified health workers through a targeted program for health care workers;
2. Improving working environment for health personnel;
3. Increasing the availability and eliminating theft of drug supply;
4. Improving health facilities through targeted facilities infrastructure (roads, water, health buildings, water, communication and medical equipment);
5. Improving equipment at health care facilities, especially maternity services;
6. Improving financial management, monitoring and supervision of health care facilities; and
7. Providing comprehensive health services package that include treatment of diseases and infections, awareness programmes and education through Government and private hospitals.

The population strategic overview

The MGDS I recognised that there was a strong linkage between issues of population and health as such efforts from these two fronts complimented each other. However, it noted that, because of its broad nature, there were other elements of "population" that could not be conclusively addressed solely with efforts in the health sector. Efforts also needed to be directed to broader issues through, for example, population data analysis and dissemination for development planning. This was seen as being particularly important for the determination of total demand for goods and services in the economy.

Goal of the population sub-sector in MGDS I

The long-term goal of the "Population" sub-issue was "to increase the number of people with good living standards"

.

Medium term expected outcome for the population sub-sector in MGDS I

The medium term expected outcomes included:

1. increased life expectancy from 37 years to 45 years;
2. reduced population growth rate from 2.0 percent to 1.5 percent per annum;
3. reduced total fertility rate from 6.0 to 4.9; and
4. increased contraceptive prevalence rate from 33.0 percent to 40.6 percent.

Key strategies of the population sub-sector in MGDS I

1. Lowering fertility in all reproductive age groups through advocacy programmes;
2. Expanding the range and improving access and quality of health services focused on common health problems to reduce morbidity and mortality;
3. Providing accessible, affordable and comprehensive reproductive health services through informed choices in order to enable them to attain their reproductive health rights and goals;
4. Improving the quality of life of those infected and affected by HIV and AIDS;
5. Enhancing programmes which increase awareness of the population, reproductive health and HIV and AIDS challenges; and
6. Improving methods of collection, analysis and dissemination of demographic and socio-economic data, disaggregated by age, sex, districts, and Traditional Authority through capacity building.

The particular issue of HIV/AIDS

The prevalence of HIV and AIDS in Malawi had been seen as alarming. The country ranked as the 9th country in the world affected by the HIV and AIDS pandemic. The epidemic continued to grow as indicated by high annual *infection rates* at close to 100,000, especially among youths; high HIV and AIDS *morbidity and mortality rates*; increasing mother-to-child transmission; increasing number of destitute orphans at 70,000 being added annually; child headed households currently accounting for 15.0 percent; and increased absenteeism and manpower attrition.

This situation was made worse with high rates of malnutrition resulting in increased nutrition disorders. It was for these reasons that the Government made the prevention and management of nutrition disorders, HIV and AIDS a key priority area for the next five years. .

The MGDS noted that Malawi, like many other Sub-Saharan African countries, had been severely affected by HIV and AIDS. Their impact remained devastating and the country's efforts to gain control over these diseases had been inadequate given the pace of the spread of HIV and AIDS. It noted that poverty and HIV and AIDS are reciprocally influenced. The national adult HIV prevalence in the reproductive age group of 15-49 years had declined slightly from 14.4 percent in 2003 to 14.0 percent in 2005, a figure which placed Malawi on the top of any AIDS-related lists in the world. The country still faced a number of challenges in containing the spread and impact of HIV and AIDS on development. Key constraints were recorded as: hunger and poverty which made individuals more vulnerable to infection; inadequate supply of anti-retroviral drugs (ARVs); and access to nutritious diets.

HIV and AIDS was seen as a socio-cultural, economic, political, development and health issue which had brought havoc to all sectors of the economy in Malawi. This had created an important human power shortage ranging between 25-60 percent in developing countries and, although no figure is given in the MGDS, it was seen as closer to 55% by international bodies.

Poverty, HIV and AIDS were recognised as reciprocally influenced and Malawi had more than 52.4 percent of its population living in poverty. The national adult HIV prevalence in the reproductive age group of 15-49 years had slightly declined from 14.4 percent in 2003 to 14.0 percent in 2005; HIV and AIDS prevalence among antenatal clients has also declined from 19.8 percent in 2003 to 16.9 percent in 2005, but these were still seen as unacceptably high and posed serious problems in almost every domain. The document noted that approximately 930,000 people were living with HIV and AIDS in 2003, including 70,000 children under the age of 15. Around 30-35 percent of all pregnant women aged between 15 and 49 years had died. In fact, 640,000 people had died of AIDS, a rate of 86,000-100,000 annually, making HIV and AIDS the leading cause of death in the most productive age group, (resulting in 50,000 to 70,000 adult and child deaths annually). Out of Malawi's one million orphans, 500,000 had lost one or both of their parents to AIDS. A fifth of all households in Malawi took care of one or more orphans; 49 percent of these are headed by a woman.

Malawi's structured response to HIV and AIDS began in 1986, initially concentrating on preventing further transmission of the virus. From then to the year oof the publication of MGDS I, Malawi established the National AIDS Commission (NAC) in July 2001 to manage a multi-sectoral response to the pandemic. The country invested substantially to build and maintain a positive partnership with donors, bilateral and multilateral organizations and various stakeholders in a search for expertise, supplies and funding.

From the early 1990s, Malawi moved from a point of denial to a situation where there was almost universal awareness of HIV and AIDS. In response to the burden of the epidemic on the formal health care system, the Government encouraged communities and households to take up the challenge of providing home-based care and support. In 2003 (publication of MGDS I), public organizations, community-based organizations (CBOs), Civil Society organizations, public, and private sector institutions were all engaged in the fight against HIV and AIDS. This had led to a

dramatic increase in the number of community groups providing home-based care as well as an increased number of trained community home based care providers.

In order to institutionalise work on nutrition, HIV and AIDS, the Department of Nutrition and HIV and AIDS in the Office of the President and Cabinet was created to coordinate these activities. Nonetheless, Malawi still faced a important challenges in containing the spread and impact of HIV and AIDS on development. Key constraints in containing the HIV and AIDS scourge were: hunger and poverty which make individuals more vulnerable to infection; inadequate supply of Anti-retroviral drugs (ARVs) and access to nutritious diets; low levels of education; limited institutional capacity; deep-rooted harmful socio-cultural values and practices, beliefs and traditions and poor coordination amongst the service providers.

Long-term goal of HIV/AIDS in MGDS I
The long-term goal was stated as: "to prevent further spread of HIV and AIDS and mitigate its impact on the socio-economic and psychosocial status of the general population and high risk groups".

Medium-term expected outcomes of HIV/AIDS in MGDS I
The medium-term expected outcomes included:

- improved behaviour change of people (particularly the high risk groups which include the youth, commercial sex workers, mobile and other vulnerable populations);
- increased number of people accessing voluntary counselling and testing (VCT) and sexually transmitted infections (STI) management services;
- increased number of women accessing the Preventive Mother to Child Transmission (PMTCT) services;
- improved health status or extended life of the infected people through increased uptake of ARVs and nutritious diets and Malawi Growth and Development Strategy nutrition therapy and community home based care services; protection and care of children and families affected by AIDS; and
- improved planning, management and coordination of all stakeholders and development partners in the fight against HIV and AIDS increased number of traditional counsellors trained in HIV and AIDS education.

Key strategies of HIV/AIDS in MGDS I
HIV and AIDS required a multi-pronged approach of prevention and treatment to reduce its spread and impact.
Main strategies included:

1. Improving knowledge and capacity of young people, orphans, the elderly and physically challenged and other vulnerable groups to practice safer sexual intercourse and increase their access to HIV testing and counselling; and behaviour change.
2. Initiating and strengthening joint planning, monitoring and evaluation processes among national authorities, stakeholders and development partners;
3. Implementing and increasing equitable access to ARVs and treatment of opportunistic infections;
4. Building and strengthening the capacity of public and private organizations to mainstream HIV and AIDS into their core businesses;
5. Promoting high quality community home-based care services, adequate nutrition, including provision of nutrition therapy for people living with HIV and AIDS (PLHA);
6. Expanding services for prevention of mother to child transmission, testing and counselling, access to condoms, STI management, and access to behaviour change communication;
7. Integrating the elderly, orphans and the physically challenged affected by HIV and AIDS into the mainstream development
8. Promoting adequate nutrition, including provision of nutrition therapy that cover assessment, counselling, education and demonstration, supplementary feeding, therapeutic feeding,

referral to health facility and production of high nutritive value foods for a nutritious diet to HIV and AIDS individuals;
9. Producing, enacting and enforcing HIV and AIDS legislation.
10. Improving the provision of support and protection of the infected and affected groups; and
11. Building capacity at all levels in the national response to HIV and AIDS with special focus for local service delivery.
12.

Sub-theme two: Education:

Much like health, the MGDS I notes that education is the "key for attaining prosperity because it is a catalyst for socio-economic development, industrial growth and an instrument for empowering the poor, the weak and the voiceless". Moreover, it "enhances group solidarity, national consciousness and tolerance of diversity".

At the time of writing the MGDS I, the GoM recognised that the education sector was not performing at all, and was implementing a number of reforms in order increase access and retention at all levels; improve the quality and the relevance of education being provided; improve equity, management and supervision; and the training of more teachers for both primary and secondary levels. The Country was in the process of organising and funding the construction of additional classrooms and had plans for the provision of relevant school supplies, training of more teachers and upgrading the existing under qualified ones. Curriculum reviews and reforms were in progress to improve the relevance of education so that the system could generate qualified white-collar and blue-collar job seekers as well as training those who could be self-employed. Various donors were working with the GoM to generate effective policies and systems to enhance equity in education and effective management of the education sector.

Improvement and relevance of the education system in Malawi continued to face a number of challenges due to poor policy decisions made over preceding years. The GoM agreed that these had negatively affected the quality and relevance of education being provided, especially at primary and secondary levels. Such poor policies included the sudden declaration of the Free Primary Education Policy, the conversion of the former Distance Education Centres (DECs) to Community Day Secondary Schools (CDSS) and the use of untrained and under qualified teachers in the system due to inadequate number of professionally qualified teachers.
The relevance of education had also been negatively affected by the lack of timely reviews and reforms of the school curricula (poor pedagogical quality), consistent with the then current national needs and aspirations, and also through the addition of irrelevant subjects to the old curricula and the removal of relevant subjects such as technical, vocational and entrepreneurship education subjects. Other factors compromising education quality and relevance included: backward cultural altitudes of education for girls, inadequate infrastructure including for people with special needs, internal inefficiencies such as high absenteeism, high repetition and dropout rates, and a lack of school inspection or ineffective supervision and monitoring. The completion rates, pass rates and transitional rates from one class to the next and from one level to the next are very low.

These had rendered the system inefficient to the point of unmanageable and irrelevant. The MGDS I proposed a series of strategic directions including:

Goals of education in MGDS I

The education sector had identified three priority goals, one for each of the three levels of education found in the Country. These are:

1. equip students, especially at the basic education level, with basic knowledge and skills to enable them function as competent and productive citizens;
2. at the secondary level, to provide the academic basis for gainful employment in the informal, private and public sectors;
3. at tertiary level, to produce high quality professionals with relevant knowledge and skills in relevant fields.

Medium-term expected outcomes of education in MGDS I

1. At pre-school level, have an expanded infrastructure and increased access.
2. At primary school level, substantially reduce absenteeism, repetition and dropout rates.
3. At secondary and tertiary levels, increase access and improved quality and relevant education for both sexes and students with special needs.

Key strategies of education in MGDS I

1. Rehabilitating existing schools and building additional school infrastructure including teacher's houses at all levels;
2. Training more teachers;
3. Improving the teaching-learning environment to reduce absenteeism, repetition and dropout rates for both sexes;
4. Reviewing and reforming school curricula to address national needs;
5. Implementing affirmative policies relating to selection of pupils and students to secondary and tertiary levels;
6. Providing a conducive environment for girls and students with special education needs to enhance equity; and
7. Equipping managers with managerial skills through targeted training and induction.

Sub-theme three: Gender:

The MGDS I states clearly that "Gender issues are an integral part of the overall national development agenda. Gender inequalities in accessing productive resources, development opportunities and decision making affect economic growth and development. The Gender Development Index for Malawi of 0.374 indicates that large disparities between men and women exist".

In 2003, women constituted about 51 percent of the population but were marginalized in social and economic spheres to the point where they were unable to effectively contribute to the social, economic and political development of Malawi. Although the MGDS I noted that education was a key factor for the empowerment of women, they had lower education levels than men, leading to their lower participation in many areas of development. The main challenges, according to the MGDS I, were social/cultural factors, limited access to means of production, and limited participation in social and economic activities. The abuse of human rights or gender-based violence was seen as "tilted towards women and children and has accelerated other factors in their disfavour such as spread of HIV and AIDS". Finally, it was recognised that coordination and implementation of gender-related policies was weak in Malawi.

Goal of gender in MGDS I

The long-term goal (for gender) was "to mainstream gender in the national development process to enhance equal participation of both sexes for sustainable development".

Medium-term expected outcome of gender in MGDS I

The expected medium term outcome was reduced gender inequality.

Key strategies of gender in MGDS I

The MGDS I recognised that gender was not a stand-alone subject; as such, the "achievement of Government's goals and outcomes will very much depend on mainstreaming gender issues in all the other sectors". Main strategies included;

1. Strengthening the institutional capacity for effective co-ordination of gender policy implementation;
2. Taking affirmative action to increase women and children decision makers in high levels of the public and private sectors;
3. Promoting gender equality through advocacy; and

4. Breaking the cultural/traditional factors which create and perpetuate gender inequalities.

MDGS II

Education

The GoM noted in the MGDS II that "education is essential for social-economic development and industrial growth. It is an instrument for empowering the poor, the weak and the voiceless as it provides them with equal opportunity to participate in local and national development. It is through education that group solidarity, national consciousness and tolerance of diversity is enhanced. In essence, Government wishes to ensure better access and equity, relevance and quality, good governance and efficient management in all education sub-sectors."

During the period 2006-2011the GoM (it noted) carried out a number of initiatives aimed at improving quality and relevance of education as well as access to education. Within this period, primary school curriculum was revised and new teaching and learning materials procured and distributed. Teacher training was expanded using Teacher Training Colleges (TTCs) and Open Distance Learning (ODL). Primary school net enrolment increased from 73 percent in 2006 to 83 percent in 2009. According to the Education Management Information System (EMIS 2010), the dropout rate at standard one declined from 23 percent in 2005 to 12.7 percent in 2010. Survival rates at standard eight improved from 26.1 percent in 2005 to 48.8 percent in 2010. In addition, 17 girls' hostels (each of a maximum capacity of 224 beds) were constructed. Furthermore, enrolment in public technical colleges increased from 800 students in 2005 to 1,326 in 2010.

Despite these achievements, the country was still constrained by a number of challenges which rendered the education system inefficient and inequitable.
Some of the challenges included: high illiteracy rates; limited integration of students with special needs; shortage of qualified teachers; inadequate and inferior physical learning infrastructure; poor participation of school committees and their communities in school management; inadequate teaching and learning resources such as libraries; laboratories and computers; low enrolment of girls in technical institutions; relatively high unit cost of training a student in the public universities and technical colleges; and limited human capacity and material resources.

Goal of education in MGDS II

The goal was "to improve access to quality and relevant education"

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Medium-term expected outcomes for education in MGDS II

1. Expanded equitable access to education;
2. Improved quality and relevance of education; and
3. Improved management and governance of the education system.

Key Strategies for education in MGDS II

1. Accelerating rehabilitation of existing learning institutions and construction of additional education infrastructure at all levels;
2. Establishing new universities and colleges;
3. Training and recruiting additional teaching staff;
4. Scaling up school meals program;
5. Introducing standardized testing to measure and monitor quality of learning and teaching;
6. Reviewing and reforming school and college curricula to address national needs at all levels;
7. Providing adequate and relevant teaching and learning materials
8. Strengthening the provision of technical and vocational training;
9. Providing a conducive environment for girls' education including boarding facilities;
10. Providing a conducive environment for students with special education needs;
11. Promoting systematic and regular inspection of all learning institutions;
12. Decentralizing the management and financing of the education system;
13. Scaling up school health and nutrition, and HIV and AIDS programmes;

14. Strengthening coordination and provision of ECD and CBE;
15. Promoting the role of private sector and private financing in education system;
16. Promoting Public Private Partnerships in the provision of education infrastructure and services;
17. Strengthening education management and information systems;
18. Scaling up child friendly schools programmes; and
19. Increasing number of girls opting for mathematics and science subjects at all levels.

Health

Despite its achievements in health, the country still faced a number of challenges including high prevalence of diseases, high mortality rates, high prevalence of HIV, high incidence of malaria cases, limited access to maternal health services, low institutional capacity, inequitable access and utilization of EHP services, inefficiency of health care system, high prevalence of health risk factors, inadequate supply of essential drugs, and inadequate health infrastructure, delivery and performance.

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Goal for health under MGDS II

The goal was "to control and prevent occurrence and spread of diseases.

Medium-term expected outcomes for health under MGDS II

1. Reduced incidence and prevalence of diseases
2. Improved maternal and child health;
3. Increased and sustained coverage of high quality EHP services;
4. Reduced health risk factors among the population;
5. Improved equity and efficiency in the delivery of EHP; and
6. Strengthened performance of health support systems.

Key Strategies for health under MGDS II

The GoM noted that "Effective delivery of quality public health service requires multi-dimensional approach including the provision, strengthening and coordination of the various health care service institutions." The main strategies were:

1. Increasing geographical access to EHP services;
2. Improving availability of essential drugs and medical supplies;
3. Building human resource capacity at all levels;
4. Strengthening health support system;
5. Increasing availability of health technologies for prevention, screening, diagnosis, treatment and rehabilitation;
6. Improving the quality of diagnosis and treatment of communicable and non
7. communicable diseases;
8. Strengthening health policies, legal and regulatory framework;
9. Implementing integrated vector control management;
10. Promoting water and food safety;
11. Improving the capacity of the health sector to respond to emergencies;
12. Exploring and implementing alternative health financing mechanisms;
13. Promoting community participation in the design and implementation of health services;
14. Strengthening community health service delivery system;
15. Strengthening availability and utilization of quality integrated family planning services;
16. Improving availability and utilization of quality integrated maternal and neonatal care services;
17. Strengthening and promoting initiatives to improve prevention, diagnosis and treatment of emerging diseases such as cancer, and high blood pressure; and
18. Promoting health enhancing behaviour and life styles.

The special case of HIV/AIDS

MGDSII continued the emphasis that started with its predecessor strategy and emphasised that the pandemic was worsening the incidences of other diseases such as tuberculosis and cancer. "HIV and AIDS and the resulting opportunistic diseases have affected the quality of human capital, and have increased the burden on health service delivery system."

The MGDS II noted that adult HIV prevalence had decreased slightly between 2004 and 2010, from 11.8 to 10.6 percent, respectively. Factors contributing to this positive development included increased awareness programmes in HIV prevention and behavioural change; increased access to a number of preventive interventions; increased access to HIV and AIDS Testing and Counselling (HTC) sites, and the Prevention of Mother to Child Transmission (PMTCT) programme.

Despite the successes registered, combating HIV and AIDS remained a major challenge for Malawi. For instance, the disease had rendered 12 percent of children aged 0-17 orphaned and 7 percent vulnerable, according to the 2006 Multiple Indicator Cluster Survey (MICS). In addition, there was still low uptake of PMTCT services among pregnant women and low uptake of Anti-Retroviral Therapy (ART) among children and continued prevalence of cultural practices that enhanced HIV transmission. In this regard, the GoM decided to focus on the implementation of strategies aimed at promoting prevention of new infections.

Goal of the HIV/AIDS efforts in MGDS II

The goal was: "to prevent spread of HIV infection and mitigate the health, socio-economic and psychosocial impact of HIV and AIDS".

Medium-term expected outcomes of the HIV/AIDS efforts in MGDS II

The expected outcomes included:

1. Reduced HIV infection and transmission rate;
2. Improved quality of lives of People Living with HIV(PLHIVs), OVCs and affected individuals and households; and
3. Improved dietary practices of PLHIVs, OVCs and affected individuals and households.

Key Strategies of the HIV/AIDS efforts in MGDS II

The expected outcomes above were to be achieved through implementation of the following key strategies:

1. Promoting interventions that reduce HIV transmission;
2. Promoting HIV Testing and Counselling;
3. Promoting Prevention of Mother-to-Child Transmission of HIV;
4. Enhancing capacity of health care delivery system to manage HIV and related illnesses;
5. Promoting access to continuum of HIV treatment and care services;
6. Promoting access to quality Community Home Based Care (CHBC), palliative care and other support services;
7. Promoting support to PLHIVs, OVCs and affected individuals and households;
8. Promoting mainstreaming of HIV and AIDS;
9. Promoting effective coordination and management of the national HIV and AIDS response;
10. Promoting food and nutrition security among HIV and AIDS affected households;
11. Promoting reintegration of eligible PLHIV into economic activities; and
12. Promoting HIV and AIDS advocacy and awareness campaigns

Local economic development

The Government through MGDS II promised to continue implementing interventions aimed at ensuring sustainable economic growth, and it was stated in MGDS II that this required action on multiple fronts to deliver on inclusive growth. In this respect, emphasis was be placed on a)maximizing the contribution of potential growth sectors such as agriculture; tourism; and mining, while creating an enabling environment for private sector participation and development; b) fostering job creation; c) empowering rural communities; d) ensuring equitable access to land; and e)

promoting sustainable use of the environment. This list clearly makes the link between local participation and economic development.

Theme 1, Sub-theme 4, dealing with Private sector Development, Industry and Trade, explicitly has strategies dealing with:

- " Promoting the growth of local MSMEs", and
- "Promoting private sector investment in rural areas"

(Under the "Sustainable Economic Growth" theme, each sub-theme has its own Goals, Medium-term Outcomes and Strategies). Some of the sectors notes (such as agriculture, Integrated Rural Development, decentralisation, rural industrialisation or mining) also have implicit references to social effects in their outcomes or strategies.

Job creation, especially for youth

The MGDS II Theme 1 (Economic development) sub-theme that specifically deals with jobs is no. 7: Labour and Employment. That sub-theme also discusses the development of skills for employment, so it also extends to "education". While the sub-theme has Goals, Outcomes and strategies, it does not address "youth" specifically, except for the issue of child labour.

Under Theme 2, the MGDS II notes that youth, "aged 10 to 29 years, constitutes a significant and growing labour force for the country. They provide a vast human resource potential, which, if properly nurtured can greatly contribute to sustainable economic growth and development. The youth are energetic, industrious, and willing to learn and adopt new innovations".

Over the 2006-2011 period, some progress had been made in addressing challenges faced by youth. These included increased access to capital through the establishment of the Youth Enterprise Development Fund; expansion of the university student intake; improved technical and vocational training, construction of secondary school boarding facilities for girls; improving access to Sexual and Reproductive Health, HIV and AIDS services; and establishment of information centres.

Nonetheless, there still existed a number of social, cultural and economic factors that limited youth's contribution to sustainable economic growth and development. Some of these limiting factors included high illiteracy and innumeracy levels; inadequate technical, vocational and entrepreneurial skills; limited access to credit facilities; high unemployment rate; poor access to guidance and counselling services; poverty and deprivation; marginalization in decision making processes; early marriages and teenage pregnancies. High prevalence of HIV and AIDS and limited access to SRH services further compounded the ability of Nation's youth to meaningfully contribute to socio-economic development of the country.

Goal for job creation and youth development in MGDS II

The goal was: "to enhance effective youth participation in economic activities".

Medium-Term Expected Outcomes for job creation and youth development in MGDS II

In the medium term, it is expected that Malawi will have attained:

1. Increased absorption of skills, technology and innovations by the youth;
2. Increased youth participation in decision making processes; and
3. Improved coordination of youth programs.

Key Strategies for job creation and youth development in MGDS II

The expected outcomes above were to be achieved through implementation of the following key strategies:

1. Improving youth's technical, vocational, entrepreneurial and life skills;
2. Improving youth's access to credit facilities for entrepreneurship;
3. Promoting youth participation in the decision making processes; Constructing and rehabilitating sports infrastructure;

4. Building and strengthening the capacity of institutions that are responsible for coordination and delivery of youth development and sports services;
5. Strengthening and establishing youth development centres;
6. Improving access to Youth Friendly SRH, HIV and AIDS services;
7. Eliminating GBV, harmful cultural practices, abuse and trafficking.

TRANSPORT SECTOR

MGDS I

Poor road networks, limited access to ports, limited air links, inadequate freight and rail capacity results in poor domestic and regional connectivity and high production costs.[124] Better transportation is expected to lead to reduced lead times on exports and imports plus lower costs of domestic trucking, cross-border trade with neighbouring countries, regional and international markets.

Medium term efforts are expected to concentrate on

- improved mobility and accessibility to road corridors plus facilitating rural accessibility to goods and services.
- Improved water transport by means of an improved shipping network for local international and local water transport for trade and tourism.[125]

Goals (long term and medium term) include '…..provision of a transport environment that fosters safe and competitive operation of commercially viable, financially sustainable and environmentally friendly transport services and enterprises'. Expected outcomes include improved mobility and accessibility to key road corridors (nationally and internationally) and improved road network condition.[126]

Strategies proposed to achieve stated goals include:

- Providing adequate network of roads based on appropriate standards through rehabilitation and upgrading of 'all-weather' roads to meet sub-regional agreed standards;
- undertaking routine road maintenance to clear backlog through use of modified 'Performance-Based Term maintenance Contracts';
- building the capacity of local private sector to construct quality roads;
- replacing timber-deck bridges with concrete decks;
- maintaining urban and rural road networks;
- upgrading all unpaved roads from fair to good condition;
- involving the private sector in the monitoring and operations of road transport services;
- implementing appropriate road user charges;
- harmonising the country's highway code, road signs, signals and axle-load regulations within the region;
- improving information coordination on the flow of regional and international cargo through the development of private sector freight forwarding companies;
- creating one stop border post on all major transport corridors to allow for the smooth flow of traffic i.e. improved customs efficiency and border crossing formalities and developing an integrated approach to road safety.;
- developing efficient and productive maritime transport system that meets national and regional requirements; and

[124] Transport costs represent 55% of costs in Malawi compared with 17% in similar less-developed countries.

[125] This refers to the largely redundant shipping services on Lake Malawi and to the proposals for the problematic Shire-Zambezi Waterway projects (and Nsanje World Inland Port) as an alternative to the bottlenecks at the Beira port and along the Beira Corridor (road and rail links)

[126] By 2011 71% of Malawi's classified road network was reported to be in good condition, 18% in fair condition, 11% in poor condition.

- dredging, opening of channels and acquiring barges or ships which would navigate the Shire river through to the Zambezi river and Indian Ocean.[127]

Curiously, whilst roads and water transport are discussed under 'Transport Infrastructure Development' air and rail transportation needs are discussed separately under 'Infrastructure Development'[128]. Malawi air freight costs are higher than neighbouring countries whilst landing rights restrictions are prohibitively expensive and international airport facilities are poor. Rail usage is non-existent on some rail links (domestic and international).

Medium term efforts are expected to focus upon:

- that international airport comply with international standards
- better management of the rail sub-sector[129]

MGDS II

Although 'significant improvements' in transport infrastructure are claimed during the course of MGDS I[130], the prognosis for the transport sector is little changed, poor road conditions (especially in rural areas and 'enormous backlog of toad maintenance' that has led to high transportation costs in most parts of the country compounded by other issues in all transport sub-sectors such as high construction costs, limited absorptive capacity in the road sector, lack of balanced competition and inter-modal connectivity, limited supply of skilled artisans, inadequate investment in construction equipment and poor conditions of ports and navigation aids.

Rail infrastructure in Malawi continues to be in poor condition due to lack of maintenance and inadequate investment compromising safety and efficiency such that this sub-sector is described as 'greatly uncompetitive' despite freight costs being less than road or air costs and rail transport being especially suitable for bulk transport of exports and imports (e.g. fuel, sugar, coal).

Air transport is identified as the most efficient sub-sector but continued needs are identified as regards infrastructure security and safety in accordance with international standards, reliability, competitiveness and regulatory and institutional frameworks.

Water transport is an intrinsically cheaper transport mode than by road (especially for bulky or heavy goods). However, despite Lake Malawi and other lakes and some rivers of limited navigability this sub section continues to suffer from dilapidated port infrastructure, ageing vessels and capacity problems. This mode of transport has been prioritised under MGDS II.

Separate strategies are identified for each transport sub-sector but mid-term and long term goals are similar for all sub-sectors i.e. better, cheaper and more effective transportation systems, sustainability and improved international and national (especially rural) connectivity[131].

Strategies proposed to achieve these goals include:

<u>Roads</u>

- Ensuring comprehensive and coordinating planning of road and other modes of transport
- providing adequate network of roads based on appropriate standards;
- enhancing routine road maintenance and upgrading;
- building technical and institutional capacity at all levels;
- promoting competition in the construction industry;
- improving management of road network throughout the country;
- enhancing axle load control;
- promoting high road safety standards and traffic management; and
- enhancing PPPs in the transport system.

<u>Rail</u>

[127] This highly ambitious strategy would require intermodal facilities (road and rail) and, reportedly, trans-shipment from river barge to cabotage near the mouth of the Zambezi with a further trans-shipment to ocean going vessels for more distant export destinations

[128] A glimpse is afforded on relative infrastructure priorities by the aside on MGDP I p. xxiii – '*it is a national consensus that unless Malawi improves its energy generation and supply…….the MGDS will remain a mere dream.'*

[129] Although, given the poor condition of permanent way and rolling stock, considerable investment in rehabilitation and replacement of rolling stock would be a pre-requisite for better management.

[130] Eg increase in paved road network from 3663km to 4073km by 2010; 215/273km of this network rehabilitated during the same period; preparation of TSIP (transport Sector Investment Programme)

[131] Rural accessibility is almost entirely dependent upon rural roads and waterway crossings (such as bridges, culverts)

- Rehabilitating and expanding the railway line and related infrastructure;
- creating linkages to ports, industrial sites and regional and international markets;
- promoting railway safety and environmental protection; and
- improving operational efficiency and commercial viability of the existing railway infrastructure and levels of service.

Water[132]

- Developing an efficient and productive maritime transport system;
- improving port infrastructure;
- opening up navigable rivers;
- promoting affordable and safe water transport system; and
- promoting Public Private Partnerships in the industry.

Air

- Promoting and facilitating a competitive and efficient air transport industry;
- providing safe, efficient, reliable aviation infrastructure and services;
- strengthening legislative and regulatory frameworks;
- promoting effective safety and security oversight systems;
- undertaking reforms in the aviation sector;
- strengthening institutional capacity;
- implementing environmental protection measures; and

promoting PPPs to facilitate private investment

WATSAN SECTOR

MGDS I

It is recognised that this sector (WATSAN) is complicated in the wide range of development, economic and social activities which are seriously impacted by water availability, quality and disposal/treatment of waster but also the multiple players active in the sector – donors, GOM, public bodies (e.g. city and district authorities), civil society, NGOs and private institutions. Coordination is essential for effective measures to improve the national situation and there has been some progress in the early years of the new millennium. However, challenges continue – degradation of water resources, inadequate services (supply, distribution and disposal), increasing demand, insufficient capacity, inadequate infrastructure, inadequate hygiene and sanitation, no integrated approach to management of national water resources,[133] climate change impacts and lack of contingency planning and mitigation measures for water-related disasters. Vandalism and theft of water supply and treatment is widespread whilst maintenance is deficient.

In the agriculture sector predominantly rain-fed agriculture leaves the sector vulnerable to weather shocks[134] and development of irrigation (and soil conservation measures) is an urgent necessity. Poor access to clean water and sanitation is recognised as a factor in high child mortality figures.[135] MGDS I focusses on five main infrastructure areas including water and sanitation[136] and seeks to improve access to clean water and sanitation aiming at achievement of MDG goals. The long term

[132] In addition to the proposed sector strategies MGDS II makes special mention of the Nsanje World Inland Port (NWIP) which perhaps requires some explanation. NWIP is proposed as a major port facility alongside the Shire River (in southern Malawi) which joins the Zambezi river in Mozambique. The Shire is not navigable. When/if fully developed the port will include multi-modal facilities (road, rail, air, water) with construction of modal infrastructure and expansion of Nsanye District into a city (with an international airport). This hugely ambitious project would involve barges on the Shire and Zambezi rivers, transhipment (barge/cabotage) near the mouth of the Zambezi and further transhipment (cabotage/ocean going) at Beira or other Indian Ocean ports. A major proportion of infrastructure investment would then be in Mozambique (which appears not to share Malawian prioritisation or focus on this project); major dredging of the shallow Shire River and parts of the Zambezi would be required.

[133] Management issues include no M&E systems and MIS i.e. no documentation or database on water point allocations and sector interventions and information management.

[134] Deforestation has resulted in reduced concentration times for run-off, flash flooding and erosion problems.

[135] Utility services in many areas of Malawi are unreliable and expensive (water, sanitation, electricity, ICT).

[136] The other areas of concentration are transport, energy, ICT and science and technology research.

goal is well managed and protected water resources in order to meet agricultural, domestic and industrial demands.[137]

Key strategies include empowerment of national authorities for better integrated water resource management (including better monitoring systems). Main activities proposed include:

- Constructing and promoting small and medium scale irrigation schemes for enhanced food crop production;
- constructing multi-purpose dams that apart from generating electricity will also be used for irrigation, piped water supply, as well as promoting fish farming;
- improving sustainable access to water supply and sanitation in urban, peri-urban and rural areas by establishing water supply and sanitation systems using demand driven approaches, and the establishment of contingency water supply reserves and sanitation backups;
- integrating rural water supply and participatory hygiene and sanitation transformation;
- empowering national authorities to manage water resources using integrated water resource management approaches;
- establishing good monitoring systems;
- Improving the quality of surface and ground water and developing a system for pollution control.

Expected outcomes include:

- reduced losses from weather shocks
- sustainable and integrated water resource management
- improved quality of surface water and ground water together with systems for pollution control
- improved sustainable access to water supply and sanitation in urban, peri-urban and rural areas
- reduced fluvial pollution from navigation vessels and river and lakeside communities
- fishery services which do not affect water resources
- increased investment in water resources from energy sector
- Improved use of water and adherence to water management policies for irrigation purposes.

These outcomes have impacts on agriculture, health and population, integrated rural (and urban) development, environmental protection and poverty.

MGDS II (2011-2006)

MGDS II identifies six broad thematic areas: sustainable economic growth, social development, social support and disaster risk management, infrastructure development, governance and gender and capacity development. Within these 6 areas, nine KPAs (Key Priority Areas) are identified of which two focus on WATSAN issues:

- Public health, sanitation, malaria, HIV/AIDS management;
- green belt irrigation and water development.

This categorisation in practice separates water (supply, irrigation, surface water management) from sanitation issues. Although there have been advances during the course of MGDS I (2006-2011)[138] challenges remain including over dependence on rain-fed agriculture,[139] degradation of water resources, vandalism and theft of water facility equipment, limited access to potable water,[140] inadequate promotion of WASH, inadequate water resources, inadequate capacity of contractors and consultants, poor condition of infrastructure for management, treatment and disposal of solid and liquid waste.[141]

GOM recognises water development as a whole as a key to national socio-economic development having linkages to multiple sectors – agriculture, industry, natural resources, health, tourism, energy and fisheries. WATSAN services significantly impact upon public health and alleviation of social

[137] Including access to clean water within an average distance of 500m from communities.

[138] e.g. proportion of the population with access to safe potable water and basic sanitation increased (2005-2010) from 73% and 84% to 80% and 93% respectively. Improved protection of river catchment areas; adoption of improved irrigation techniques and rehabilitation of irrigation schemes; construction of water-retaining structure, promotion of WASH (water and sanitation hygiene).

[139] Leading to low agricultural production and productivity due to weather shocks and natural disasters.

[140] Resulting in women walking long distances to collect water.

[141] Only 43% of rural populations and 65% urban populations (46% overall) have access to improved latrines.

distress by reducing transmission of water-borne disease[142] whilst improved water supply, sanitation and hygiene facilities (currently deficient) can contribute to quality of education.[143] Recognition of such needs led to WATSAN being one of the top 5 recipient sectors for donor funding in 2009/2010.[144]

GOM thus proposes activities including the following:

Green belt irrigation and water development:[145]: developing irrigation infrastructure, enhancing technical and administrative capacities in irrigated agriculture, rehabilitating irrigation schemes and dams, promoting research in irrigation technology, development ground water resources, establishing piped water distribution networks, rehabilitating water facilities and infrastructure throughout Malawi and promoting user-friendly technology for water resource conservation and utilization. A major target is to increase agricultural irrigated areas from ~100,000 ha to ~400,000 ha (out of an estimated potential irrigated areas of 1M ha) thus aiming to improve food security and rural livelihoods, promote agricultural diversification and added value, reduce urban migration and contribute to economic growth and development.

Sanitation: promoting utilization of improved sanitation facilities, providing improved facilities in schools, health and community-based child care centers, markets and either public facilities promoting safe hygiene practices, improving management and disposal of liquid and solid waste, improving information, education and communication on sanitation and hygiene., promoting research on waste management, promoting private sector participation in service provision, enhancing institutional capacity and strengthening regulatory frameworks.

Agriculture sector

MGDS 1

Despite being the economic back-bone of the country, the potential of the agricultural sector to generate immediate economic benefits for the people is undermined by over-dependence on rained agriculture, low productivity, low incomes, poor road infrastructure, poor functioning markets, weak private sector participation, poor early warning system and poor mechanization. In addition, due to high risks in agricultural production and poor access to credit, investment and re-investment have been poor.

Consequently, Malawi continues to suffer from chronic food insecurity at both household and national levels with many of the problems being structural and economic in nature.

As a priority sector, the short to medium term goal is to increase agriculture's contribution to economic growth, by increasing the productivity of key crops such as maize, tobacco, tea, sugar and cotton for food security, and agro-processing for both domestic and export markets.

Agricultural Productivity

The long-term goal is to increase productivity. The medium term expected outcomes are the following:

(a) Increased value added to agricultural products by rural farmers and orient smallholder sub sector to greater commercialization and international competitiveness;
(b) Increased smallholder agricultural productivity, and
(c) Increased livestock production.

Main strategies to achieve the above goals include:

i) Strengthening linkages of farmers to markets by connecting rural communities, targeting rural roads and developing farmer organizations and market information,
ii) Encouraging the expansion and intensification of staple food production by smallholders,

[142] WATSAN public awareness and education (especially in schools) campaigns have been shown to be highly effective in addressing sanitation and hygiene issues.
[143] By reducing child disease, improving school attendance and retention of pupils (especially girls) and staff.
[144] Malawi has huge water resource potential – some 25% of national land area is covered by water.
[145] The other sectors being economic governance (BS), health, agriculture and education.

iii) Providing effective extension services with more decentralized service delivery for agribusiness skills,
iv) Increasing the use of pest resistant varieties and promotion of pest management,
v) Promoting soil and water conservation and farming techniques;
vi) Promoting irrigation farming;
vii) Ensuring that existing land rights are recognized, clarified and secured by appropriate legislation, and
viii) Encouraging and expansion of horticultural crop production for agro-processing

Food Security

The long-term goal is to make Malawi a hunger-free nation. The medium term expected outcome is that food will be available for all Malawians in sufficient quantities and qualities, at affordable prices. Main strategies include:

a) Improving agricultural productivity;
b) Implementing policies to improve the functioning of maize and other food crop markets;
c) Implementing policies that do not distort the market and which reduce dependency on food aid;
d) Putting in place an effective early warning system;.
e) Promoting income generating activities;
f) Improving the coordination and management of food aid and imports;
g) Improving the ability to import and distribute food through better domestic regional connectivity,
h) Construction of steel bin silos in strategic areas to improve medium to long-term food storage capacity.

Agro-processing

The long-term goal is to increase the contribution of agro-processing to economic growth, move up the value chain in key crops, and increase exportation of agroprocessed products. The expected medium term outcome is substantial increase in contribution of agroprocessing to GDP. Main strategies include:

i) Improving infrastructure for agro-processing,
ii) Reviewing the policy and regulatory frameworks impacting on agroprocessing
iii) Building capacity for small scale enterprises, and
iv) Improving productivity of smallholder farmers.

The medium term expected outcomes for agro-processing are focused on tea, tobacco, sugar, cotton and wheat. The following are the medium-term strategies in agro-processing:

Tea

The tea industry will focus on increasing tea estate and smallholder profitability and reinvestment, as well as value addition. The current strategies are centered on private sector taking a leading role, while Government focuses on the broader constraints, such as availability of reliable and cheap sources of power (electricity) and the creation of a favorable macroeconomic environment. The sub-sector and Government will work together to develop focused investment incentives and other measures to strengthen the industry.
Other strategies include:

a) Promoting clonal tea variety to increase productivity,
b) Refurbishing factories,
c) Promoting market oriented processing of tea and
d) Improving the marketing system.

Tobacco

The medium term expected outcome is value addition to tobacco and maintenance of market leader position in burley tobacco.

The main strategy is to increase production of flue cured, NDF tobaccos by rationalization of fees, creating a more efficient and fair system between farmers and auction houses, strengthening contract farming, and exploring additional markets for tobacco, including tobacco products.
Other strategies include;

a) Establishing cooperatives,
b) Promoting tobacco products processing,
c) Providing farmers with inputs, and
d) Enhancing extension services.

Sugar

The medium term expected outcome is to increase sugar production by 23 percent.
Strategies include the following:

a) Negotiating Economic Partnership Agreements (EPAs) with European Union to ensure fair trading of sugar,
b) Promoting out-grower schemes for smallholders, and
c) Improving inter modal transport for effective linkages to ports.

Intergrated Cotton Industry

The long-term goal is to develop a vibrant cotton growing and processing industry. The medium term outcome for the sector is increased production of garments made from locally woven cotton cloth as opposed to imported synthetic fabrics. This will require development of a local textile industry to increase the flow of cotton from growers and ginners, thereby having a positive impact on the cotton sector and opening up textile products for export.

The key strategies is that Government will encourage the integration of production, processing and marketing of cotton products. Other strategies include:

a) Producing raw cotton and ginning;
b) Garment manufacturing for export markets;
c) Reducing out of factory costs such as transportation; and
d) Identifying and negotiating trade opportunities at the regional, international and global level.

Wheat

The long-term goal is to develop a vibrant wheat production and processing industry. The medium term expected outcome is increased production of wheat by expanding the current hectarage from 2000 hectares to 30000 hectares.

The main strategy is to increase production, processing and marketing of wheat. Other strategies include:

a) Promoting appropriate agronomic practices through extension and training;
b) Providing improved seed varieties and other farm inputs;
c) Promoting irrigation technology to expand production;
d) Promoting small and medium scale wheat processing, and
e) Improving market access and intelligence

Irrigation

The long-term goal is to ensure that water resources are well protected and managed to meet agricultural, domestic and industrial demands. In the medium term, it is expected that Malawi will have increased access to water resources averaging a distance of 500m from communities.

Main strategies include the following:

a) Constructing and promoting small and medium scale irrigation schemes to enhance food crop production.
b) Constructing multi-purpose dams that apart from generating electricity will also be used for irrigation, piped water supply, as well as promoting fish farming.

Conserving the Natural Resource Base

A sub-theme within the MGDS 1 which is closely linked to the agriculture sector, relates to the sustainable conservation of natural resources such as fisheries, forestry and wildlife conservation management. The goal is to improve management of fish species, forestry and wildlife biodiversity and reduce environmental degradation and conserve the natural resource base, while contributing to economic growth.

Fisheries

The long-term goal is to maintain fish species and bio-diversity. The medium term outcome is to ensure sustained fish availability for food and nutrition security as well as income generation. The main strategy is to increase and sustain the productivity of small and large scale fisheries for both domestic and export markets. To achieve this, the following actions will be pursued among others;

a) Enforcing legislation to ensure sustainable production of fish;
b) Promoting the use of modern techniques of fishing;
c) Capacity building through community training; and
d) Development of small-scale fish farming and deep-water fishing

Forestry

The long-term goal is to reduce environmental degradation. The medium term outcome is to ensure sustainable use and management of forestry resources. Strategies to achieve the above goals are the following:

a) Improving productivity and value added by the industrial forestry sector, while balancing it with sustainable practices;
b) Increasing reforestation efforts for key areas;
c) Improving enforcement of regulations for forestry management;
d) Initiating afforestation and environmental rehabilitation programmes in priority areas; and
e) Introducing incentives for private sector participation in forestry.

Environmental Protection

The long-term goal is to conserve natural resource base through sustainable use and management of natural resources and the environment. The medium term expected outcome is improved compliance with environment and natural resource management laws.
The goals will be achieved through the following strategies:

a) Improving enforcement of environmental policies and legislation;
b) Improving cooperation in environmental management, natural resource management and development;
c) Raising awareness of issues of environmental protection;
d) Incorporating environmental issues in school curricula; and
e) Establishing of an environmental management information system;

Wildlife

The long-term goal is to conserve and manage protected areas and wildlife. The medium term expected outcome is to conserve, manage and develop wildlife resources to effectively contribute towards sustainable development of biodiversity and the tourism industry in Malawi.

a) Enforcing wildlife law;
b) Improving protected area infrastructure;
c) Eradicating tsetse flies in protected areas;
d) Improving capacity and institutional building for collaborative management;
e) Improving capacity for problem animal control;
f) Improving eco-tourism in protected areas; and
g) Improving wildlife research and monitoring capacity;

MGDS II

Recognizing the importance of the sector in fostering economic growth for the country, the Government of Malawi has been allocating substantial resources during the implementation of the MGDS as compared to the period prior to the MGDS. The average sector"s budget has been around 16 percent of the national budget for the five years of the MGDS implementation as compared to an average of 6.1 percent during the period before the MGDS.

The country"s introduction of the Farm Input Subsidy Programme (FISP) to smallholder farmers in the year 2005/06 has demonstrated the importance and value of investing in food crops as a step towards sustained economic growth and poverty reduction. In the six years to 2010, increased food production contributed substantially to reduction of poverty and eradication of hunger in the country. Welfare Monitoring Survey reports indicate that the number of Malawians at risk of hunger has been decreasing overtime due to FISP[146].

Although increases in maize production and productivity were registered, the sector still faces a number of challenges including over-dependence on rain-fed farming, low absorption of improved technologies, poor support infrastructure, inadequate markets, weak private sector participation, low level of irrigation development, and lack of investment in mechanization.

To attain the sector's objectives and consolidate its contribution to economic growth, the sector has embarked on a coordinated approach to the implementation of programmes as outlined in Agricultural Sector Wide Approach (ASWAp). Focus areas are food security and risk management, agri-business and market development and sustainable land and water management. Other key areas include technology generation and dissemination and institutional strengthening and capacity building.

Agricultural Productivity and Diversification

The agriculture sector has been experiencing growth in productivity of maize and tobacco. However, this growth has been slow and below the expected potential. The major contributing factors affecting productivity in the smallholder farming sub-sector in Malawi is low input use, over-reliance on rain-fed agriculture, inadequate access to agricultural credit, inadequate access to output and input markets, and failures in technology development and transfer. This is further exacerbated by climate change effects such as erratic rains and droughts. The domination of tobacco and maize in the agriculture sector has limited the potential of other crops, hence the need for the country to develop an agricultural diversification policy.

The agriculture sector is dominated by tobacco, tea and sugar as the major foreign exchange earners. During the implementation of this development strategy, the country will diversify by promoting wheat, cotton, and coffee and production of fruits and vegetables. In this regard, government will deploy policies to promote diversification in the agriculture sector.

The goal is to increase agriculture productivity and diversification.

The medium-term expected outcomes include:

a) Increased smallholder farmers" output per unit area;
b) Increased agricultural diversification;
c) Increased production of high value agricultural commodities including cotton, wheat and macadamia nuts for exports;
d) Improved agricultural research, technology generation and dissemination;
e) Increased livestock and fish production; and
f) Reduced land degradation.

Key strategies include:

a) Providing effective extension services;
b) Strengthening linkages of farmers to input and output markets;
c) Enhancing livestock and fisheries productivity;

[146] Malawi Growth and Development Strategy (MGDS II) 2011-2016

d) Promoting appropriate technology development, transfer and absorption;
e) Improving access to inputs;
f) Promoting contract farming arrangements;
g) Promoting irrigation farming;
h) Promoting production of nontraditional crops;
i) Improving agricultural production for both domestic and export markets;
j) Strengthening farmer institutions; and
k) Promoting soil and water conservation techniques.

Food Security

Maize has remained the main staple food for Malawians hence national food security has mainly been defined in terms of access to maize. The country's self-sufficiency in food has been premised on the implementation of the Farm Inputs Subsidy Programme (FISP). Other food crops such as rice, cassava, sorghum, and potatoes are alternatives to maize in many parts of the country. Furthermore, these are complemented by livestock and fish products. This strategy will have a holistic approach to food security taking into account access to a diversified range of food products.

The goal is to ensure sustained availability and accessibility of food to all Malawians at all times at affordable prices.

The medium term expected outcomes include:

a) Food self-sufficiency at household and national levels;
b) Increased and sustained food availability and accessibility; and
c) Enhanced agricultural risk management.

The goals will be achieved through the following key Strategies:

a) Improving the functioning of agricultural markets;
b) Ensuring an effective early warning system;
c) Promoting income generating activities;
d) Increasing national food storage capacity;
e) Promoting dietary diversification;
f) Improving agricultural market systems;
g) Improving coordination and management of food aid and imports;
h) Implementing policies to reduce dependency on food aid;
i) Strengthening and scaling-up market based risk management initiatives;
j) Reducing post harvest losses;
k) Strengthening PPPs in agriculture;
l) Providing technical and regulatory services; and
m) Strengthening farmer-led extension and training services.

Green Belt Irrigation and Water Development

Malawi depends on rain-fed agriculture to achieve food security, increased incomes and sustainable economic growth. Over-dependence on rain fed agriculture has led to low agricultural production and productivity due to weather shocks and natural disasters.

Green Belt Irrigation has the potential to increase agricultural production and productivity through intensified farming. Green Belt Irrigation will utilize the available abundant water resources in the country and increase area under irrigation from 90, 000 hectares to 400,000 hectares out of the potential 1,000,000 hectares.

The goal is to increase agricultural production and productivity through intensification of irrigation.

The expected medium term outcomes include:

a) Increased land under irrigation;
b) Reduced dependence on rain-fed agriculture;
c) Increased agricultural production and productivity; and

d) Increased household income levels.

The following are the key strategies to be pursued:

a) Promoting development of areas with irrigation potential;
b) Promoting rehabilitation of irrigation infrastructure;
c) Promoting research and use of appropriate technologies in irrigation;
d) Enhancing IEC on irrigation;
e) Enhancing technical and administrative capacities in irrigated agriculture; and

Promoting the establishment of a well-coordinated marketing system for products from irrigation farming

ENERGY SECTOR

MGDS I (2006 – 2011)

Energy generation and supply is identified as one of six key priority areas[147] (KPAs). There are also five broad thematic areas – economic growth, social protection, social development, infrastructure development and improved governance. Energy is considered as a sub-sector of infrastructure.

MGDS notes an inability to generate or otherwise access adequate energy citing lack of competition[148] and non-functioning power plants as contributing factors, going on to state that '*….unless Malawi improves energy generation and supply, MGDS will remain a mere dream.'* Thus the long term *Goal* is to generate sufficient energy to meet economic and social demand. Expected outputs include:

- generation capacity increased to 1000MW;
- targeted electrification for mining, irrigation, business, tourism and other economic activities;
- improved viability of key utilities and reduced parastatal losses

The *Objective* of MGDS is to reduce the number and duration of black outs (and load shedding[149]), increase access to reliable, affordable electricity in rural areas and other targeted areas, improve coordination and the balance between the needs for energy and those of other high growth sectors (such as tourism and mining.

Expected outcomes include:

- reliable and sustainable energy supply and increased access (from 6% of the population to 10% by 2010 and 30% by 2020);
- biomass/commercial energy mix target of 75/25 by 2010;
- power supply connected SAPP (Southern Africa Power Pool);
- rural areas begin to use alternative energy supplies in under-served areas (whilst managing energy related environmental impacts).

Key strategies include:

- improving efficiency in generation, transmission and distribution;
- ensuring provision of reliable electrification to key mining, irrigation, business, tourism and other economic activities;
- improving management of Electricity Supply Commission of Malawi (ESCOM) and other service providers;
- accelerating implementation of regional interconnectivity;

[147] The other KPAs are transport infrastructure development, water development, integrated rural development, promotion and management of nutrition disorders and HIV/AIDS

[148] Quoted symptoms of lack of competition are: siltation of waterways and intakes resulting from deforestation, weeds and water hyacinth on Shire River affecting hydro-generation; inadequate maintenance as expensive (hard currency) spares are not available leading to breakdowns; lack of progress on regional interconnection; limited investment; widespread vandalism and obsolete equipment.

[149] 'brown-outs'

- constructing mini hydro power stations along the Shire and other major rivers to supplement electricity supply in the three regions;
- expanding the Rural Electrification Programme (increase resources, promote development of micro hydropower stations and use of solar energy for off grid power supply) and use of both grid and off-grid options;
- ensuring that energy provision takes into account and puts in place measures to deal with negative environmental impacts that may set it; and
- encouraging private sector investment in energy generation, transmission and distribution.

The importance of inter-sectoral linkages are also noted (i.e. water, natural resources and agriculture) as well as the need for catchment management, regional cooperation and PPP in generation, distribution and transmission.
Proposed (highly ambitious) activities include:

- rehabilitate two more stations for power generation and complete the ones under construction (e.g. Kapichira power station), and upgrade existing ones (Nkula A and B);
- engage in interconnection with Mozambique;
- rehabilitate and expand the transmission and distribution lines;
- protect the catchment area along the Lake and Shire River;
- reduce the cost of connection by using affordable connection and metering methods;
- prepare a plan and delineate implementation responsibilities for the reduction of siltation in reserves and protect catchment area to the Lake and Shire river;
- explore alternative energy sources (gas, coal and solar);
- implement Pumped Storage Power Plant at Livingstonia (longer term);
- integrate electrification planning with investment planning and planning for transport, water and ITC;
- accelerate the establishment of the Malawi Energy Regulatory Authority;
- improve management of ESCOM, fair pricing and affordable rates (reform electricity tariff structure and levels);
- implement framework for private sector to operate with the Government (PPP) to finance in electricity;
- accelerate the Rural Electrification Programme (increase resources, promote development of micro hydro power stations and use of coal energy for off grid power supply, to promote grid and off grid rural electrification by public and private providers);
- expand network to rural growth centres;
- create awareness of the use of renewable energy (solar, wind, biomass and micro hydro).

MGDS II (2011 – 2016)

Energy is identified as one of nine KPAs[150] central to achievement of sustainable economic growth and wealth creation. Energy is a sub-theme of 'Infrastructure Development'.
Noting that the energy sector is among the least supported sectors by donors MGDS states the importance of a well-developed energy system for industry [151], mining, tourism and rural development.
Some progress is noted during the course of MGDS I such as a pre-feasibility study of oil pipeline from Beira to Nsanje, establishment of MERA (Malawi Energy Regulatory Authority) in 2007 and restoration of 40MW of generation capacity by the rehabilitation of Tedzani I & II power stations resulting in an increase in percentage of households with access to electricity from 4% in 2005 to

[150] Other KPAs are agriculture and Food Security; industrial development; mining and tourism; transport infrastructure and Nsanje World Inland Port; electrification; science and technology; public health; sanitation, malaria and HIV/AIDS management; integrated rural development; green belt irrigation and water development; child development; youth development and empowerment; climate change; natural resources and environmental management.
[151] Noting also necessary complimentary measures: manufacturing – use of modern technology, accreditation of QA institutions, industrial reform, product and market diversification, promotion of added value; mining – legislation on sustainable management of mineral resources and promotion of foreign investment; tourism – promotion of high-quality tourism, provision of infrastructure.

9% in 2010 (although this is mainly due to the activities of the Rural Electrification Programme.)[152] Also a few villages have had solar/wind hybrid systems installed.[153] Training and establishment of briquette and stove producers has contributed in the proportion of population using solid fuel (fuel wood) has reduced from 95% in 2005 to 78% in 2010. However, despite such achievements energy supply in Malawi is low[154] with continuing black outs and load-shedding continuing to be a major constraint to industrial production and processing.
MGDS II thus continues the goal of MGDS I to generate and distribute sufficient energy to meet national socio-economic demand.

Expected outcomes are:

- improved capacity and efficiency in generation, transmission and distribution;
- increased availability and access to energy;

Strategies and activities include:

- developing additional power stations;
- promoting the use of renewable sources of energy;
- improving management of energy generation, transmission, distribution and supply;
- enhancing urban and rural electrification;
- increasing liquid fuel stock-holding and distribution capacity;
- developing long-term systems of tapping and delivering liquid fuel;
- promoting public-private partnerships in energy generation and distribution; and
- improving regulatory environment.

Sector expenditure is expected to rise (including rehabilitation of Kapichira II Hydro-Station turbines) and construction of Lower Fufu station. Other actions proposed (but noting major constraints of huge capital investment needs and lack of expertise) include: development of coal-fired plants; development of hydro power projects such as Mpatamanga, Kayerekera, Chisumbe, Songwe River basin, Chizuma and Chimgonda, Nkula A and B (rehabilitation); review electricity Master Plan and develop an Energy Development Master Plan; engage in regional interconnection; facilitate PPPs; rehabilitate and expand transmission and distribution systems (especially in rural areas); increase liquid fuel stock holding and distribution capacity and operationalize the National Oil Company

[152] Trading centers connected to the power grid increased from 45 in 2005 to 182 in 2010.
[153] Although the sustainability and viability of such systems is not yet proven.
[154] Installed capacity is 283 MW whilst demand is >330 MW.

ANNEX D: MISSING DOCUMENTS

X = document available , X document available after scoping mission

Blank cell = document non available , yellow cell: document ready but not available to the team yet

	Name	N.	Concept Note	Approved Project Proposal	PAR (Project Appraisal)	Appraisal Mission Aide Memoire	PR (Progress Report)	IPR (Implementation Progress and Results) Report	Quarterly Reports	Quarterly Project Brief	PCR (Project Completion Report)	PCR Aide-Memoire	PER (Project Evaluation Report)	MTR (Mid-term Review)	AR (Annual Report)	IPR (Internal Performance and Results)	PPF Project preparation financing mechanism	BTOR supervision mission	BTOR Project Completion Report Mission	ESMP (Environmental and Social Management Plan) Summary	ESIA (Environmental and social impact assessment) Summary
AGRICULTURE SECTOR																					
1	FOOD CRISIS RESPONSE BUDGET SUPPORT PROGRAMME	P-MW-A00-006			X																
2	SMALLHOLDER IRRIGATION AND VALUE ADDITION PROJECT (SIVAP/FUN) grant	P-MW-AA0-026			X		X (2014; 2016)		X (n 2 2016; n 3 2015;											X	
	SMALLHOLDER IRRIGATION AND VALUE ADDITION PROJECT (SIVAP/FUN) study	P-MW-AA0-026																			
3	FEASIBILITY STUDY ON THE ESTABLISHMENT OF AN AGRICULTURE COO	P-MW-AA0-028															X				
4	HUMANITARIAN EMERGENCY ASSISTANCE TO MITIGATE EFFECTS OF 201	P-MW-AA0-029		X	X																
5	AGRICULTURE DEVELOPMENT PROGRAMME - ISP	P-MW-AAA-004			X																

6	SMALLHOLDER CROP PRODUCTION AND MARKETING PROJECT	P-MW-AAC-001			X				X (n.1,3 &4 2008; n 1&2 2009; n 1 2012)	X (n 1 2010; n 4 2011)	X			X				X (2010; 2011; 2012; 2013)	X		
7	SHIRE VALLEY IRRIGATION PROJECT FEASIBILITY STUDY	P-MW-AAC-008			X																
8	AGRICULTURAL INFRASTRUCTURE AND YOUTH AGRIBUSINESS PROJECT	P-MW-AAZ-004			X															X	
EXTRA	AGRICULTURE INFRASTRUCTURE SUPPORT PROJECT (AISP)				X		X		X (n 1&4 2014; n 1 2016)					X				X (2012; 2014; 2016)			
9	HUMANITARIAN EMERGENCY ASSISTANCE TO THE 2005 DROUGHT VICTIM	P-MW-AZ0-002																			
10	GEF CARLA CLIMATE ADAPTATION FOR RURAL LIVELIHOODS AND AGRIC	P-MW-C00-001			X				X (n 2&3 2014)		X			X				X (2014; 2015; 2016)	X		
TRANSPORT SECTOR																					
11	MALAWI TRUNK ROAD REHABILITATION: BLANTYRE-ZOMBA loan	P-MW-DB0-011			X																

	MALAWI TRUNK ROAD REHABILITATION: BLANTYRE-ZOMBA loan	P-MW-DB0-011			X																
12	MALAWI: MZUZU-NKHATABAY ROAD REHABILITATION PROJECT	15			X															X	
13	MALAWI NACALA RAIL AND PORT VALUE ADDITION PROJECT	P-MW-KB0-002																			
14	NACALA ROAD CORRIDOR (MALAWI)- Phase I	P-Z1-DB0-067			X																
EXTRA	NACALA ROAD CORRIDOR (MALAWI)- Phase II				X																
EXTRA	NACALA ROAD CORRIDOR (MALAWI)- Phase III																				
15	NACALA ROAD CORRIDOR PROJECT PHASE IV (LIWONDE-MANGOCHI) MA	P-Z1-DB0-084			X																X
POWER SECTOR																					
16	KOLOMBIDZO HYDRO POWER PROJECT FEASIBILITY STUDY	P-MW-FA0-001			X																
WATER AND SANITATION SECTOR																					
17	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004					X (2011-13)								X						

	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004																			
	MALAWI RWSSI - RURAL WATER SUPPLY AND SANITATION INITIATIVE	P-MW-E00-004																			
18	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IM	P-MW-E00-006			X															X	
	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IM	P-MW-E00-006																			
	SUSTAINABLE RURAL WATER AND SANITATION INFRASTRUCTURE FOR IM	P-MW-E00-006																			
19	MZIMBA INTEGRATED URBAN WATER AND SANITATION PROJECT	P-MW-E00-007			X		X (2016)														
	MZIMBA INTEGRATED URBAN WATER AND SANITATION PROJECT	P-MW-E00-007																			
20	STRENGTHENING WATER SECTOR MONITORING AND EVALUATION	P-MW-EAZ-001			X						X										
21	IMPROVING ACCESS TO WATER &	P-MW-EAZ-002			X																

	SANITATION FOR URBAN POOR IN BLA																				
SOCIAL SECTOR																					
22	JOBS FOR YOUTH MALAWI	P-MW-IA0-005			X																
	JOBS FOR YOUTH MALAWI	P-MW-IA0-005																			
23	SUPPORT TO SECONDARY EDUCATION (EDUCATION V) PROJECT	P-MW-IAC-001			X						X										
EXTRA	SUPPORT TO SECONDARY EDUCATION (EDUCATION IV) PROJECT																				
24	SUPPORT TO HIGHER EDUCATION SCIENCE & TECHNOLOGY & TECHNICAL	P-MW-IAD-001			X (2011)															X	
	SUPPORT TO HIGHER EDUCATION SCIENCE & TECHNOLOGY & TECHNICAL	P-MW-IAD-001																			
	SUPPORT TO HIGHER EDUCATION SCIENCE & TECHNOLOGY & TECHNICAL	P-MW-IAD-001			X																
25	SUPPORT TO THE HEALTH SECTOR PROGRAMME	P-MW-IB0-005			X						X										
26	SUPPORT TO LOCAL	P-MW-IE0-002			X						X										

	ECONOMIC DEVELOPMENT																				
27	SUPPLEMENTARY LOAN LOCAL ECONOMIC DEVLOP	P-MW-IE0-003																			
28	COMPETITIVENESS AND JOB CREATION SUPPORT PROJECT	P-MW-IE0-004			X																
29	PROTECTION OF BASIC SERVICES	P-MW-IE0-005			X																
MULTI-SECTOR																					
30	RESTORATION OF FISCAL STABILITY AND SOCIAL PROTECTION	P-MW-KA0-002			X			X			X	X						X	X		
31	SUPPLEMENTARY BUDGET SUPPORT TO RFSSP	P-MW-KA0-003																			
32	PUBLIC FINANCE MANAGEMENT INSTITUTIONAL SUPPORT PROJECT	P-MW-KF0-002			X																
33	PUBLIC FINANCE MANAGEMENT INSTITUTIONAL SUPPORT PROJECT-PHA	P-MW-KF0-003			X																
34	POVERTY REDUCTION SUPPORT LOAN	P-MW-KZ0-003			X						X										
35	POVERTY REDUCTION SUPPORT GRANT I (PRSG I)	P-MW-KZ0-004			X	X					X										
36	GOVERNANCE AND POVERTY REDUCTION	P-MW-KZ0-005	X		X	X					X	X						x (2010, 2011)			

	SUPPORT GRANT II (GPRSG II)																			

OTHER MISSING DOCUMENTS

- National Road Sector Programme (RSP) 2007-2011, 2012-2016(?)
- Road Authority and Road Fund ARs: We found only 2011 and 2012 Ars, are there others available?
- NWDP (National Water Development Programme): is PER available?
- Studies on Sena rail line
- Study on Shire/Zambezi Waterway project
- Chitipa – Karonga road project (b/f from 2002-2004 AfDB project cycle): PAR, PRs, PCR, PER
- Ntcheu-Nena-Tsangano-Mwanza road project: PAR, PRs, PCR, PER
- 015 Malawi – Mozambique interconnector US75M – WB, Norway, AfDB (ADF XIII – UA15M loan): PAR, PRs, PCR, PER
- Songwe River Basin Development UA30M – Norway, AfDB /ADF XIII UA15M): PAR, PRs, PCR, PER

ANNEX E SCOPING MISSION NOTES

6-10 FEBRUARY 2017

DURING MOST MEETINGS HELD IN LILONGWE, THE FOLLOWING BROAD OUTLINE WAS USED:

1. Presentation of team
2. Purpose of the evaluation
    a. What worked well or not
    b. Inform the future
    c. To do an assessment on the performance of the Bank
    d. To make recommendations about how the Bank can better serve Malawi
3. Three phases
    a. Inception (therefore this scoping mission)
    b. Data gathering and validation
    c. Report writing and Workshop
4. Methodology
    a. Evidence-based
    b. Outcome focussed
    c. Contribution Analysis
    d. Making choices-selectivity-comparative advantage
5. Relationship with the Bank-general discussion
6. Go over each intervention
    a. Short description
    b. Identify basic results achieved
    c. Ensure that data is available
7. General discussion about links to MGDS and other strategies (Education, Water, etc.)
8. Discussion about dates for field trip

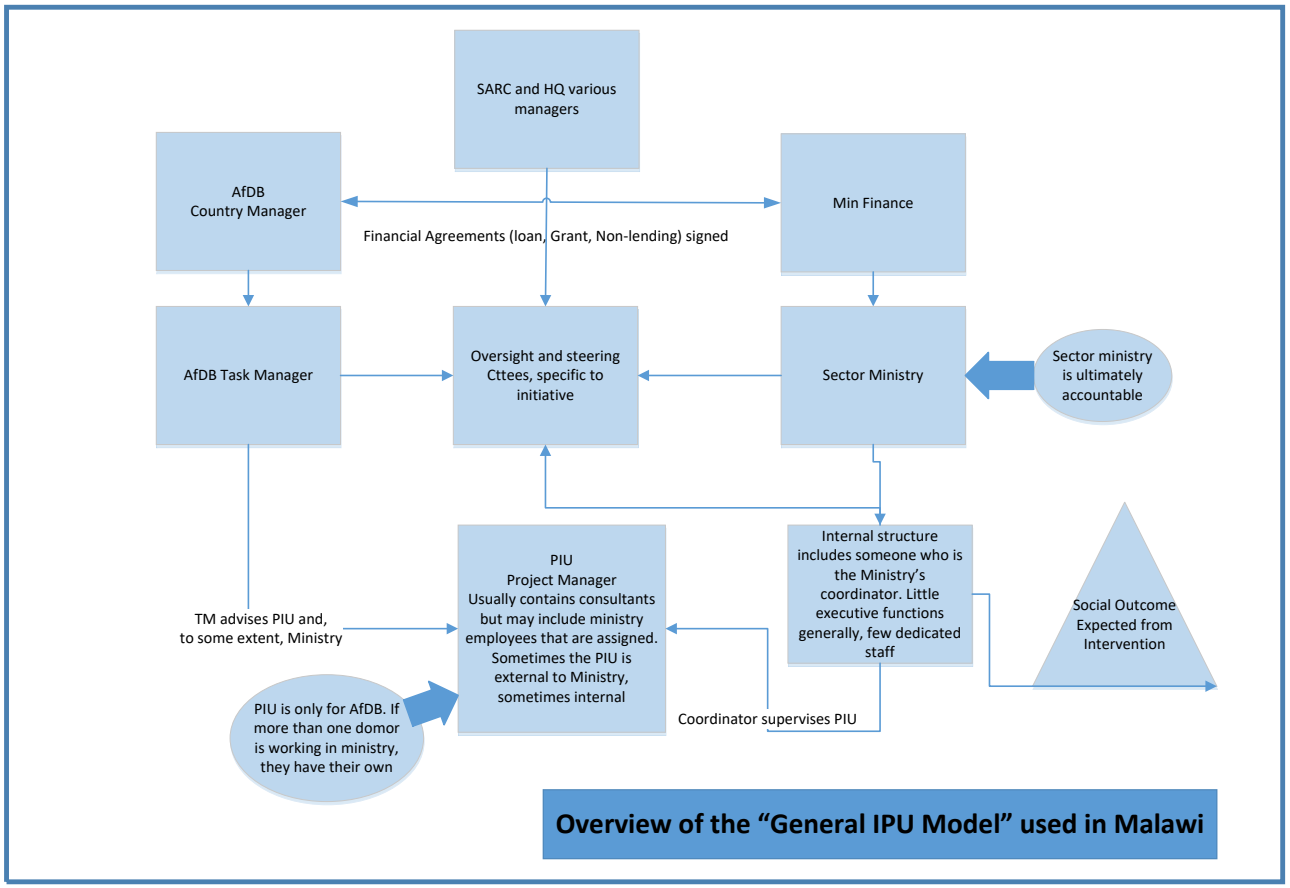
Monday 6

Nkhoma Benson Bumbe – Senior Water and Sanitation Officer

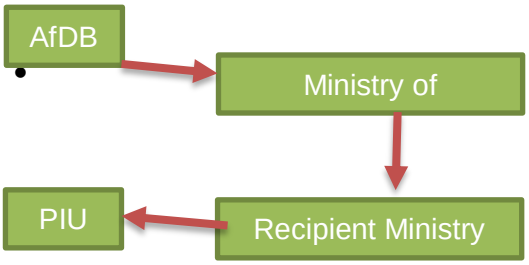
- Malawi is suffering because of several shocks and drought is a recent problem due to climate change.
- The new National Country Plan will be more ambitious and brave in order to be strategic and focused on particular issues rather than being general as the previous ones.
- Water sector is composed of three pillars: 1) Water resources; 2) water supply; 3) water quality
- Climate change issue is influencing quantity and quality of water. The quantity in the lake is decreasing and this has impacts in hydropower energy.
- Water is also taken from the mountains but the maintenance of the system is not adequate and is affecting supply of water
- The erosion and drought are affecting quality of water and as a consequence health and education
- The availability of water resources affects irrigation (Mr Nkhoma is not dealing with irrigation, though).

Ngwira Delight Joseph – Disbursement assistant

- This position combines financial management, administration and disbursement
- Loans of the Bank can go through the GoM (Finance is always the borrower of record), the commercial banks or financial institutions (there are none at the moment in Malawi) or private sector firms (such as the privatisation commission)
- Grants can go to anyone in the point above (but not commercial banks) or to NGOs.
- In summary, AfDB provides loans (to private sector, government, financial institutions) and grants (NGO and government). It does not work as a commercial bank in Malawi. However, it provides as humanitarian assistance.
- Supervision missions are usually done by GoM (Min Finance), the Task Manager and other AfDB personnel as required as well as representatives of the sector ministry.
- Difference between: 1) MTR – by sector task managers, 2) project evaluations – by IDEV, not many of them (this issue was particularly felt by the Agricultural Task Manager that noticed that none of his projects had ever undergone evaluation by IDEV), 3) Back to office reports – after a supervision mission, 4) Progress and Annual Reports – by government and implementing partners, 5) ESIA and ESMP – social and environment impact assessments – the task managers make sure these are done.
- Steering Committees are composed of the Bank, various inter-ministerial representatives and the PS of the sector ministry is the Chair.



Simplified PIU mechanism



- PIU: External to the Ministry and composed of consultants, dedicated staff, that implement the projects. They are however hybrid organisations since some of the staff members come from the ministries
- Recipient Ministry: project focal points, not dedicated staff. They coordinate with no executive functions. They use Bank procurement procedures to hire PIU
- AfDB: supervision and monitoring functions through a mix team (procurement, finance, task manager) they submit mission reports twice a year

- The issues related to PIU system: the system is not sustainable since PIU take out capabilities out of the ministries. Currently there is a mix of project implemented by government directly and by PIU. However, it seems that in Malawi the projects implemented by the gov. have lot of problems in the implementation phase (also due to turnover/mobility within the government). In several "aid memoire" reports of those projects, the recommendations state that eternal consultant should be hired.
- In addition to the above capabilities issue, in such a model there is an apparent lack of delegation of power/authority: the possibility of taking operational decisions is watered down in the system.
- Donor coordination in this system: if there is a decision to co-finance (blended funding) a project, the donors will use the same PIU but if this agreement is not reached, a discrete financing decision will be taken and there will be different PIUs.
- Donors have shown signs of flexibility. Drought for example.

We should clarify the number of projects that have been implemented through PIU

- Policy dialogue: took place during CSP elaboration. After CSP publication there is only implementation.
- Donors are participating in the MGDS 3 preparation.
- Cross cutting issues: are not linked to a particular task manager and all task managers have to take care of them. For gender issues they call a gender specialist from the region during the design of the project. In principle, there should be a Country Programme Officer (CPO), dealing with cross-cutting issues, in the Office but currently the position is vacant and they rely on the Regional Office.

<u>Resident Representative – Mwaba Andrew (who has been Res Rep for the last 6 years – quite an unusual long time) and the entire Bank Task Mgt team (except for procurement Officer and Sr. Water and Sanitation Officer)</u>

- The office has just undertaken the MTR of the current CSP and is now starting the completion report. The new CSP 2018-22 won't be finalised before January 2018. The gov. will roll out their new national strategy in June 2017. Therefore, the consultations with the gov. will take place afterwards. The Res Rep has mentioned that there might not be so many differences with the current CSP, but was wondering whether two pillars might have been "too many" for the Bank.

- The mission for the "policy completion report" of third quarter will take place in June. Khaled wants to coordinate with them in order to avoid double meetings.
- Short background of the bank: the office set up in Lilongwe in 2007. They started to work on 2-3 projects per year and when they set up the strategy they looked at the Bank's priorities. In 2015, there has been a serious fiscal crisis in the country.
- How does the Bank decide what to do? It examines the MGDS and then chooses a match.
- The Bank interacts in different basket funds in order to implement as a group with other donors. They meet with the other donors and then as a group they meet with the government. This is a new coordination system and a good practice, according to the donors.
- The Development Cooperation Group (donors) meets every 6 months
- Bilateral donors have gotten out of Budget Support for the most part.
- He noted that "relationships between GoM and bilateral donors have broken down since Cash Gate. This needs to be clarified and validated.
- The value added of the bank: the bank is the bank of the African countries and as such is closer to them and their needs and this makes it different from the WB. The relationship is easier and more direct, based on confidence. *Responsiveness* was the word mainly used by the Res Rep. The Bank is highly responsive to the needs of the country, i.e. able to provide a quick and relevant support. Since the "Cash Gate" crisis, the bank has been able to re-establish the communication and relations among the government and other donors. The bank has also started to provide new instruments to enable the Country to act quicker and more decisively. It is seen as an "honest Banker" without a political push agenda.
- The Bank's comparative advantage is the coordination it helps ensure, and the focus on irrigation specifically and infrastructure generally. The Bank is seen as a mobiliser.
- The bank is the major player in irrigation (this is quite different from what we have been told by the WB, but perhaps the WB is including the new Shire River project in its calculations.)
- Relevance: the bank is relevant because, in part, it was pro-active during the preparation of the MGDS and other national plans. It also provided studies on agriculture (e.g. a recent study on resilience) as an input to national plans and it finances seminars into sector issues.
- The Country Manager noted that even if Malawi asks, the Bank does not necessarily accept.
- Responsiveness: The Bank pro-active because was the first to provide Malawi with budgetary support in the social sector during the crisis. The Bank is part of the consultation process of the MDGSs. They get involved in the sector studies and sector workshops in order to improve knowledge sharing. He specified that if they gather that another donor is better in a specific sector they won't use resources in that sector. (that's not totally confirmed by the other meetings we had). The Bank recognises that energy is a major constraint and also recognises that they will, in the next CSP, withdraw from the social sector. This is in line – Khaled added – with the overall trends within the Bank, as clarified by the Advisory Panel, i.e. let's concentrate in other areas as in the social sectors other donors are doing better. In the previous strategy, "social" was a major focus since the Bank recognised that it could provide better support in infrastructure and PFM. The Bank strikes a balance between responsiveness and selectivity. The Bank is fully participating in several groups and committees in the agriculture sector.
- It has been active (one of the first donors) in climate change and in power (setting up an investor's conference in Power. As a result of the conference, there is a lot of money coming in from all quarters. It is a leader in energy.
- It has gotten away from social because other donors are there already. A high-level forum on health was used to justify why the Bank has gotten out of that sector.

- The PCR will provide information on short-term impacts (outcomes) but not on long term impacts. For the impact indicators. the Bank uses those provided in the National Strategy
- There is a recent UNDP evaluation on the government M&E system. Some of the conclusions are that there is a positive trend in the quality of data provided by the Government, partly because several donors expressed interest on data and indicators in order to be more strategic and responsive to the real needs.
- Replying to a question on "being there for the last 6 years, in your opinion, what actual contributions to Malawi's development path has the Bank made?" The Rep Res replied "infrastructure". He said he would be happy if the bank would be called "infrastructure bank" since infrastructure is one of the main drivers for development in several sectors.
- Policy dialogue: In the food crisis case, the Bank provided advice to GoM on a holistic approach, leading to new policies which were adopted. It is involved in the creation of new national policies on agriculture. And the GoM is now looking at farming as a business
- Capacity building: they do provide training which goes beyond the government projects with the aim of strengthening the whole system. The Res Rep said the Bank puts big emphasis on capacity building, all projects having a capacity building component, but also implementing pure capacity building projects, like the one in PFM.
- PCR: In the Nacala Corridor, the PCR does not cover long-term issues. And some impacts are not impacts but really immediate effects, such as the case of water and access
- Inclusiveness and Cross-cutting issues: they rely on the regional specialist of the Bank. The Task Managers must implement policy. The project does not get approved unless the CCI are taken into account. CRMU is a Bank organisation that is independent and is concerned with CCI.
- The Bank sometimes works with NGOs on CC issues. Khaled added that, in general, the Bank is expecting the various country offices to work more and better on cross-cutting issues and inclusiveness (based on three elements: gender, age, regions).
- RBM: they do not have a clear view in this since there are several challenges in overseeing the work and the implementation of projects. The two missions carried out twice a year are important though in order to monitor the implementation. Most indicators used are those used by the GoM
- There was a weakness in the GoM M and E systems and its data quality (one of the findings of the evaluation of MGDS 2)
- Managing by results is the future other than monitoring by results! The Bank wants to focus on structural results in the future.

Tuesday 7

Kelvin Banda – Social expert

He has first noted that the term "social" doesn't fit properly. In the office, indeed, they prefer to refer to his work area as the "human development" one. In this way, the inclusion of local economic development and employment creation is more justified (i.e. all these activities would lead to an improvement in the living standards of people, thus, in human development).

Education

- The original Bank focus was on primary and secondary (Community day schools) but now it is on TEVET and universities (i.e. higher level learning designed for economic needs, i.e. aimed at employability/job creation. The Bank does not have a comparative advantage in primary educ.

- They use data of the government for studies in the sector
- Education sector is fairly ok with data collection. There is an EMIS and much data is included in the PCRs.
- Data on quality is tricky and therefore may be misleading
- Education issues and needs in Malawi are enormous
- When the bank started in Malawi there were no other donors in the education sector (I am not sure about this though) but then came JICA and the WB
- The main problem now is the population growth that is growing faster than the expansion of the school system, especially in Science and Math.
- From the Bank's work, sector policy implementation plans were generated, and a SWAp was created.
- Policy dialogue continues with Min Educ. Bank was the first to support higher education In the Country, with Curriculum development, Teacher training, equipment and Open and Distance Learning.
- The coordination in the education sector is pretty good. "you need to be strategic when you are dealing with many partners, all focusing on primary education"
- The Bank has not only constructed schools but it has also improved the dialogue with the government and through this dialogue has been able to influence the policy of the government. The Bank provides investments, studies and ideas.
- Universities in Africa in general have very traditional/old style curricula and they are not aligned with the actual needs of the country and with an advanced technological world. IT, environment, mining, electronics, engineering need to be included in the curricula. The Bank is undertaking studies in this direction (focus on science, technology and electronics) and also designing a scholarship mechanism for incentives at university level. The work in university is seen as a linear and coherent continuation of what done by the Bank at secondary level in the past 5 years.
- A training for lecturers is also foreseen (he referred to 52 trainings, if I got it right). Much of the developed curriculum has been adopted by the university Senate.
- Of course, the Bank also builds infrastructure in the education sector.
- Budget support in this sector is linked to achieving results in particular activities, it is not a real budget support, it is ring-fenced in order to provide money advance the science and Tech agenda needed for the new curriculum.
- The Bank can provide examples where best cases have been applied: studies on public expenditure in the education sector, development of opportunities for PPP (this also applies in health sector)
- The Country is under-resourced and Malawi has a tendency to follow the money, and not necessarily doing the priority items.

Health

- The SWAP in Malawi started in 2004 and the Bank picked maternal health to work in exclusively. However, the financial (fiduciary) mechanisms were not robust (i.e. mismanaged) and the SWAP collapsed in 2013 (?). The Bank then adopted maternal health as its only health focus and went on its own as a discrete action. Therefore, donors coordinated themselves through policy dialogue. It now appears that SWAP will be re-established.
- The Bank's support included: construction of health centres, always with a maternal health department + trainings. Overall, the time required to do what was planned was seriously underestimated. In addition the Bank has some problems with contractors building the health centres. So the health project was extended several times.

- GoM has difficulties in procurement mechanisms for good services
- The Health system is decentralised
- The figures is Malawi were shocking and they still are, however, there is some improvement, e.g. steady reduction in maternal death since the start of the Bank's support in this area.
- On the Provision of Basic Services project, he noted that a ring-fenced mechanism was used and the money had to be used for the specific operations (This was to some extent criticized by the Ministry of Finance in the following meeting – see below).

Local Development

- Local development in rural areas is under social sector since they provide some income to local people through construction of schools, health centres, roads etc. . This is a short-term operation which only provides relief for limited period.
- This was a pilot designed to stimulate local efforts. It was recognised that some districts can be stimulated more than others.
- In reality, this is more a sort of a poverty reduction project than a local development project.
- They also realised during these infrastructure projects that there was a massive need in capacity building for doing business. As a result of this training 10 000 women (or possibly 10 000 women's groups) have been involved in manufacturing activities.
- The programme is very integrated and successful. It was a pilot programme in 4 districts, and now?? If it was so successful, why did it not get rolled-out across the country?
- Jobs for youth – aiming to empower some 17.000 youth by enhancing entrepreneurial skills for employability. Main action: training + trying to change the mind-set. If I got it right, Malawi is the first country following the Bank's new 2016 strategy on youth employability.

Kamanga Fenwick – Governance Expert

- Covers Loans on Poverty Reduction and PFM. None of these were ring-fenced.
- CABS was a very useful coordination mechanism for the performance frame of the Bank. At the end of each assessment, an Aide Memoire was created, listing findings and actions to be taken. Aid memoires aim at assessing results against targets agreed in the performance results matrix
- Fenwick does not know if the GoM will be able to respond about outcomes and sustainability
- Governance in the Bank is considered only from an economic point of view, not political or democratic
- Capacities in the finance sector are weak. The government came back to the Bank after the Cash Gate scandal and the Bank provided support on financial management, audit, project management, PFM, also through a trust fund (MDT?) where EU and UNDP contribute. In terms of efficiency, the trust funds did a good job
- All loans have to go to Parliament for approval. Only the PRS is a loan.
- The Poverty Reduction SG 2 project underscored the link between Governance and PR: Oversight, Resource mobilisation, procurement.
- "Budget support is not enough when it comes to institution building. The Sector approach has room to be better at capacity.
- The Public fin mgt institutional support and PHA were geared to tax (customs), and public procurement, especially the Malawi Procurement Support Org. Soon after approval, Cash Gate happened.
- Many donors now contribute to PFM reform

- EFFICIENCY: a) GoM systems are being used, b) Same unit manages the fund and the project, c) same steering cttee, d) transaction costs are lower now because of the way that the project is integrated and managed
- The Trust Fund study is not in the Bank's financial system (Need to check this. May have misunderstood)
- On corruption, it doesn't seem that the Bank has actually done anything specific.

Banda Jonathan Richard Kamkosi – Senior Investment Officer (Private sector)

- There was only one project (PPPC project) in private sector (approved 2012) and it is now closed (2016). Small project (490 000 USD) .That project is not in the list since it was financed though the trust fund. To be added?
- There were many delays, in part due to elections The project aimed at:
    - Building capacities for implementing the PPP Act after it was passed. The focus is on the capacity of the Commission and its ecosystem partners in Justice and Finance
    - raise public awareness
    - Establishing PPP nodes in Ministries and ensuring their capacity
    - Studies on PPP
    - Training to the Cabinet on PPP
- The idea was to generate a pipeline of PPP projects for the GoM to consider.
- He is now working on 12 regional projects
- If I got it right, this task manager also covers energy. To be checked.

Makasa Davis – transport engineer

- Transport project (Nacala Road project) supported by several donors (JICA, EU etc): Phase I – Malawi Mozambique; Phase II – Zambia; Phase III – Mozambique; Phase IV – Malawi (to check for accuracy)
- When a project starts in infrastructure, part of the funding is used to do studies.
- A study on the financing options for rail was done internally
- **NACALA ROAD DEV CORRIDOR**
    - **Phase 1 is completed., It is a regional project that includes Mozambique**
        - **JICA, WB involved**
        - **Lots of partners**
        - **Phase 1 was a by-pass**
        - **The indicators for the project include Mozambique.**
    - **Phase 2 involved Zambia**
    - **Phase 3 Mozambique**
    - **Phase 4**
        - **Again in Malawi**
        - **Includes common border posts with Zambia**
        - **Idea is to improve the road, remove bottlenecks**
        - **Travel data is available but not necessarily on effects**
        - **Time at border posts are available at Customs**
    - **Broader outcome analysis is not done, not even in Log Frame. For example, the completed road is supposed to increase regional trade, but there is no one collecting the data**
- **Bank is part of WB National Transport Master Plan**
- **Data**. At the moment the data are not complete. The only data available are the traffic data. Data of shipping will arrive soon. The data however do not cover other issues such as

social and economic changes. This is because the Bank used to have a conservative analysis and used GoM indicators and data collection mechanisms.

- **Inclusiveness: Market analysis and actually improving the places for commerce, links to women and environment effects as a result of road. (Not sure if any reports exist, but this should be easy to find out via Task Manager**
- **Policy dialogue:** the Bank does meet other donors in order to influence the government. They try to look at externalities such as reforestation and inclusiveness
- **Maintenance:** an independent institute has been established also for this purpose. It has been established outside the Ministry in order to motivate people by higher salaries. Each project allocate funds for maintenance. (see the interview with Min Transport and Road Agency)
    - **Road Fund provides some "financial" stability in the sector**
    - **Fuel levy provides some funding but not enough**
    - **There are not many links to users and civil society through Fund.**
- The Bank proposed to use its money to leverage others (donors, PPP, etc.)
- The MSUSU project has a rural development impact (to check for the evaluation)
- Nacala-Rail and Port:
    - Done by private sector
    - 1.2 B in total value
    - The OWNER wants financing and some studies and small side projects have been completed (to check last part- not certain that it was well understood)
- The Bank is doing a comprehensive study on the sector. The WB is financing a National transport Master Plan to which the Bank is also contributing. It is unclear whether these are separate activities.
- The Bank also provides capacity building in the sector
- The Bank has invested in the big mining project carried out by Brazilian company Vale which is working on a coal mine
- **Rural roads** are supposed to be managed by local authorities which however are not capable; therefore, the Bank is (check) providing capacity building and the actual work is done by the Road Authority. The Bank and the WB are working with GoM to find ways of making rural roads more sustainable.
    - **Use local engineers and contractors**
    - **Modern technologies overall, especially for surfacing**
    - **Rural roads are directly tied to 'poverty'**
- For the time being they use South Africa standards
- There is a Trade and transport facilitation assessment for transport sector. Need to get.

<u>Ministry of Finance – Madalo M. Nyambose Director of Debt and Aid Division and others</u>

- The Ministry has a good relationship with the Bank
- Over the years the Bank has really aligned its activities to the needs of the country via its CSP
- However, the Bank is doing too many projects without a particular focus. This is also because the National strategy is too broad and has too many priorities. Moreover, the amount of money the Bank deploys is not enough compared to the high amount of resources needed to make a real change in the country at an outcome level. The GoM often has to downsize a project to meet the "ceiling" imposed by the Bank. . The bank should do more on economic development, as HR is key but so is infrastructure. She emphasised the possibility for the Bank to concentrate on economic development (more

than social sectors), including energy/power, which is currently receiving limited attention, both in terms of investments and capacity building.

- The Bank is active in several political discussions, this is well seen by Malawi
- The Bank is present and it has also been very responsive during the food crisis, and other important events.
- The Bank is also good in building capacities
- The issue of oversight was brought up and the Min Finance was happy with the processes and results. It also mentioned that the Bank's actions were always timely.
- One of the big constraints to economic development at the moment is energy, and support is needed not only on financial but also technical capacity issues
- The Bank has good intentions but the mix of instruments provided is not always appropriate. Indeed, even if the Bank has disbursed the entire agreed amount, the money is still not actually available (reference is made to the Basic Services Budget support project) since in order to use it GoM has to follow strict rules and procedures which have caused important delays (the Ministry should provide a short overview on this issue even though a high level study on the impact of the delays has not been carried out yet). For the Basic Services project for instance even though they received the whole amount of the money it took six months to understand how to use it. There was also a matter of communication. The procurement issues affect efficiency. The processes that support policies do not always work since the deadlines they indicate are overambitious.
- It was made clear that the Min Finance thought that the Bank had good intentions in the case of Basic Services BS. It was and has been too structured to change. The GoM, in fact, had to go to other donors to finance what the Basic services project was supposed to cover, causing delays and important changes.
- The Min Finance agreed to consider how the delays and structural rigour imposed by the Bank have created negative effects on the projects.
- In her view, the EC is the worst donor in terms of bureaucracy. WB and AfDB are the simplest ones. Even though the WB is the best one overall since they are more systematic and supported by better IT systems. The problems faced by GoM with the Bank's processes include quality control in invoicing and the timing and format of processes documentation.
- The Bank is seen as having a great level of alignment with GoM needs (as expressed through the MGDSs.
- There was some discussion concerning the design of projects. The Bank seems to have insisted that the GoM pay for it, and the GoM says that that was a normal way of implementing a project (i.e. starting by doing technical studies). Min Finance suggests that the Bank, in the future, make studies part of projects (unless, of course, another donor insists that this not be included). KHALED Samir later said that he would look into this, as it seemed strange.
- In the future the GoM would like the Bank to consider supporting social spending if such is required as a necessary adjuct to an infrastructure project ,, the economic side of the 2030 Agenda, the economic constraints (infrastructure and structural, such as power where tech support and financing is important).
- The AfDB does not broadcast its work and does not use media for influencing the government. The Bank prefers to discuss personally and one-on-one and stay out of limelight. This helps in its policy dialogue because the process is seen as 'neutral" advice (interpretation of writer)
- The Ministry feels the bank as a peer and in this way it is also easier to discuss.

- A key point seems to be that in Malawi the government tries to guide the donors to respond to their needs and it is not the other way around, i.e. the donor proposing and deciding what to do
- PIU: she thinks that PIUs become too independent to an extent that they forget to be part of the Ministry. In the long run, the use of PIU lessens capability. The PIU are now trying to include sustainability issues. The sustainability depends on the projects and ministries. Some of them are already well embedded in the Ministries, so that when they close there will not be a problem of sustainability. Some PIU never really integrate, but remain aloof. Problems of management arise, and approaches and priorities are hard to settle on.

Wednesday 8

AfDB Agriculture Task Manager – Kisyombe Vinda

- One project appears to be missing from the list: "Building Resilience to Sustainable Agricutural Development', an ONGOING project
- Smallholder sugar cane crop production project: this project is old (2001) and was underestimated in cost and time but the changes in the smallholders lives were clear. It involves capacity dev and infrastructure mostly. It has covered fewer hectares than originally planned because the cost analysis was way off. It is interesting to note that the cost per hectare for development in Malawi is much greater than elsewhere in Africa (10-15 000 USD per hectare versus 6-10 000 elsewhere). A PCR is available.
- Agri. infrastructure and youth agribusiness project: included capacity building activities. The project focuses on irrigation system and moves towards solar system support for pumps since gravity-fed systems are not always possible
- The Infrastructure Support Programme ISP is still ongoing and has been extended to May 2017, due to supplier procurement problems. The idea is to improve efficiency through irrigation, It is unique in that it has started to refer to solar because the traditional treadle and motorised pump projects of the past did not work well. The Country used gravity-fed systems where possible but these are no longer feasible. . The Bank was, in fact, a leader in the pioneering application of solar to pump irrigation. NGOs are adopting solar largely as a result of Bank work in that application, There is a problem: some of the panels are being stolen. . There was also an intention to link to sugarcane to increase income stability; now smallholder farmers can operate as if they were on a commercial basis. , There was, however, a lot of corruption. The politicians were concerned that the '"target holdings" were going to be allocated to other districts so the scope of the project was adjusted to compensate. Much time and money wasted.
- National Adaptation Programme Action (NAPA)
- The GEF CARLA project was based on a vulnerability assessment and was very successful with only 3 Million. There is a link to the National Adaptation Programme of Action so this might be a proof of Relevance. There were only three pilot districts involved. Under this programme in order to cope with climate change vulnerabilities the following actions have been taken: solar system, livestock distribution (when seeds can't be planted), use of smart seeds tolerant to drought, fish farming, forestation, fruit treat propagation, agroforestry techniques, cassava and sweet potato plantations. The participatory nature of the project is of note: the country identified issues and possible interventions in the Country. The list of potential interventions was presented to the selected districts which selected the priority actions (the Bank actually financed most of the possible actions noted previously). The project even drilled boreholes for irrigation and domestic use. PCR will be available. The Project is suggested as being sustainable and efficient: much is still being used (ex. livestock programme), The PIU had many problems and was not used for over 2 years.

- Human Emergency Assistance (2005): this was for drought relief ;
- The Bank now has a new fund for relief (2015) of 1 000 000 to buy maize. (Check this for details.)
- The Bank should move more seriously towards climate change programmes
- The Global Agriculture Food Security Programme was set up as a result of a G20 meeting. The name of the fund is SIVAP, It focusses on the rehabilitation of irrigation systems and has a rain—fed component in Malawi. . The AfDB funded a design and study effort because of regulations from the fund wherein no studies would be paid. The fund eventually helped to make sure that farmers switched to drought-resistant crops, and there was no consolidation of land involved. The project was not just for irrigation for production but for value-added from value chains. The Mid-term review will be done in Feb-Mar 2017. It was the GoM that asked the AfDB to act as the supervisory agency as required by the GAFSP.
- Shire Valley irrigation project feasibility study: this project was conceived in 1940 and never implemented therefore a new study needed to be carried out and now discussions on the design of the project have just started. The GoM asked the Bank to do a feasibility study (not certain of this fact) Bank paid 1.9 million USD for the study. The WB is going to finance up to 270 M USD, the project goes to the Board in 2017. The basic scheme is that 300h will be targeted and each 500 h will be managed as a cooperative with a private sector overall manager… (To be defined)
- A key issues faced by one of the projects is the involvement of young people in the agribusiness because apparently they are not interested and not capable. The "Agr. Infrastructure and youth Agribusiness project" addresses this issue. It involves University training, access to processing know-how and help. This project has just been approved and is not yet working.
- Weaknesses in the government are: low capacities, low salaries
- One study financed by the Bank was for a "feasibility study on the establishment of an Agricultural Cooperative Bank". A consultant has not yet been mobilized.

Ministry of agriculture (see list of persons met for the full list of names of those present)

- There are two sectors within the ministry: Water and agriculture
- The establishment of the AfDB Malawi Office has certainly facilitated the communication with the Bank; since then there have been many improvements in the relationship
- The Bank has been responsive: in two weeks' time they get back to you for any problem, Dialogue is easy and responsive to the needs of all concerned. The Ministry realizes that all the decision-making authority is not located in the Country and that time is required.
- Key issues: the achievement of higher-level outcomes are not supported by adequate (enough) support by the Bank. Even if the budget is adequate, the project support (process related issues) is not sufficient to ensure efficiency. Projects are downsized to reflect Bank available funds.
- The bank has responded to the Gov Agenda, and has been relatively flexible Lately the Bank focused on infrastructure/irrigation
- There have been many instance where the time to resolve sector issues related to the projects was too long. This has had negative effects on project management and on other components of the projects.
- Overall, the alignment of AfDB to Agr. Sector needs has been very well done. Projects have been designed together, and the Bank organizes joint reviews.
- **Water**: the Bank and the Ministry work together in this sector with great participation. However, the Bank should advise the Ministry on streamlining the projects to reflect the changing needs of the country.

- Project design should be provided by the Bank, both before and after approval. (I think that this was the point raised). The Bank only provides funds for implementation, and this is particularly true for irrigation infrastructure. This means that the government needs to find funds for designing in order to be able to benefit of the funds that Bank can provide. However, the staff claims to have internal capacities for designing but the timing given by the Bank is not always ideal and appropriate in order to benefit in due time the allocated funds. It seems a matter of coordination. The also complain about the rigid implementation modalities of the Bank. How logical is this: the Bank will only fund something post-study, but the Ministry may not have the ability to generate the studies required in the quality required.
- The Bank should leave it open for longer term execution, perhaps many years beyond the current 6 years.
- They don't' use PIU anymore,
- Contributions of the Country are generally in-kind.
- There needs to be explicit reference to social outcomes in infrastructure projects, and the Bank needs to allow for funding for that if the Country requests it. Examples include the insertion and mainstreaming of social ownership, and capability to ensure sustainability.
- AfDB comparative advantage: AfDB is good in infrastructure mainly in irrigation and water supply; however, they use local companies, which not always are good and presents a distinct risk, even though this allow to keep investments within the country and can potentially empower local companies. There is a need of widespread capacity building. The low level of risk associated with JICA was mentioned, especially where JICA brings in its own people almost exclusively.
- The Bank is very good at transferring ownership and being aligned to needs.
- There is an issue often raised by the Bank: that of unit costs being high. The Ministry wants to make the point that just because the cost is high does not mean that the project should not be undertaken.
- The ministry staff would like to be trusted more and have more flexibility form the Bank

Thursday 9

World Bank

Francis (water engineer, climate change, operations) : in the bank since 2011; Priscila (country economist) in the bank since 2014

- The WB is currently preparing the new country partnership framework
- **Coordination**: there are several donor groups and committees where the partners can discuss and coordinate their strategies: the PFM coordination group which has replaced the Budget Support group closed with the Cash Gate; technical working groups; sector specific groups; donor coordination meeting for climate change and Heads of Agency meetings. Coordination is key also to avoid double financing or mismanagement by the government, which in some cases, has taken funds from different donors for the same project. However, the double financing can also happen for inefficiency within the ministries or also because they are not in the position to refuse funds from donors that are particular interested in a specific sector. The GoM is well aware of the benefits of donor coordination and often actively seeks the coordination approach. It has little capacity to organize and manage that level of coordination, however and the donors need to assist.
- **The strategy of "All donors speaking as one" has worked well in Malawi, and has pushed the dialogue further along than if there was another strategy in place**.
- Since the setup of the AfDB office in the country communication is easier

- Ask to the Ministry if economic planning and development about the model for long term programming
- **AfDB Influence on gov policies**: the Bank influences through analytical documents provided during the whole process for the development of national policies. Reforms are slow but without donors would be slower. Policy dialogue has helped policy formulation and its acceptance. Ex. PFM reform policy and a PFM strategy proposed by the donors. It should be noted that important policy changes are generally shared with donors in advance of approval. For final comments.
- **When the GoM does not have the technical skills it needs , it asks for TA, These get involved in technical level discussions and more than often these result in policy changes because the TA's counterparts have a certain and real level of influence with the people higher up in the organization**. Generally, the GoM has a high level of ownership over Technical working groups.
- **There is a high level meeting between donors and the GoM every quarter, Action plans are drawn up and some of the domains discussed are resilience, infrastructure, long**-term plans etc.
- The government also organize donor meetings in order to own the coordination mechanism
- **Competitive advantage of AfDB**: Maybe infrastructure in irrigation particularly in solar irrigation and other more modern approaches to agriculture irrigation. The WB also noted its positive view of the AfDB work on climate change
- **Subsidiarity among donors**: why this does not happen? Francis states that this could potentially happen at country level however when they bring the decisions at higher level in Washington the Manager just wants to tick all boxes and make sure that everything is covered. If the donors were not coordinating as they do, they would be acting individually, and the leveraging would have been lost, not to mention duplication and gaps in support at the strategic level.,
- Ask the Bank the Public Finance and Economic Management Matrix (PFEM)
- The WB will finale the Country Economic Memorandum in few months
- A copy of the WB "Country Economic Monitor" was provided electronically to all present, John Clifton and Charlotte Vaillant have copies and they will receive them by mail from Lattanzio.

Ministry of Education

The key issue in education is secondary school and TEVET (technical entrepreneurship vocational education training) which, however, is the responsibility of the M. of Labour because it directly effects the quality of the work force

They have several data on outcomes that they will make available

They feel that AfDB is the best donor in the sector particularly in the secondary school sector and, since the office has been established in Malawi, communication with the AfDB is easier. The other donors only act in primary school. Although potential partners for secondary education are JICA and EU through grants, and WB through loans.

With respect to relevance, consider the Bank's support to the following:

- Day Community high Schools
- AfDB is in technical and university level training but other donors are not.
- The Bank filled the gap with secondary school programmes and with TEVET

With respect to efficiency:

- The bank listens and is ready to procure equipment and books, etc.
- But there are problems with the finishing of the Basic Services BS

The DD Planning will prepare a list of unintended effects for us before the next field mission

Ministry of transports and Roads Authority (Salomon Chirambo)

- Transports are a priority in the country. The new MGDS will prioritize transport, and the Bank has been a loyal and persistent partner in roads for many years. It has also supported rail and water.
- The EU used to be the lead but has since shifted to other sectors. Even when the ÉEU was here, the Bank was a strong partner and was consistently trying to generate links between national and regional strategies
- Rehabilitation of roads is also important
- The project Msungu-Siria-Kotakota (not sure about the name) left a gap since goes through a national park
- Nacala corridor is almost complete (check this in the field and in documentation)
- The ministry is now talking about rail.
- The feasibility study of an important project did not take place (could not take the name of the project) therefore they tried to go ahead with internal resources. There is an issue of transaction costs: the Bank does not allocate funds for small projects therefore they are in the process to put together all remaining funds of small projects in order to motivate the Bank to assist them in the realization of the project. (I am not sure about this, it seems so strange). Khaled explained this with lending targets of AfDB staff.
- Road Authority function is to support the Ministry since before the M. was responsible for all infrastructure. The RA has internal capacities which should be better supported by the Bank in order to speed up processes
- A problem arose because the Bank refused a 4 M USD project because the Bank's cost of management was too high
- Priorities for the future: reduce transportation costs, compensations costs and make available project preparation facilities
- Data on social impact will be available!
- The Ministry noted that the Bank should get more involved with the social aspects of the projects it finances. The Ministry would be interested in doing this, but dos not have the funds to do so. Grants could be used… Why not create a large fund from which smaller transport-related sub-projects could be financed, especially those with a social dynamic?
- The Bank would help greatly if it undertook to help smooth out the issues involved in regional projects and strategies.

Ministry of Health Trish Hraru- Jere (Aid Coordination Unit, planning Department) and Gerald Manthalu (Director of Planning)

There are only two projects in the portfolio

1) 2006-2011 (14 Millions) – support to obstetrics

- 60 to 70 facilities have been either rehabilitated or established, and equipped in rural settings
- Direct contribution to obstetric training provided

- The project was only a partial solution to a massive problem. Still many needs, but the project has had a massive and real effect on maternal care outcomes.

2) Support to Basic Services Budget Support

- Part of the project covered education and another part health. Most of the money was for procurement, service level equipment.
- They received funds form several donors but they were not able to use funds properly because they did not carry out a survey and therefore baseline and targets were not clear. Therefore there was some chaos at the beginning. The money had to be placed in a ring-fenced Budget Support and, although all the money has been transferred to the GoM, there have been no disbursements
- 30% of the population benefit from facilities of the church or other non-state agencies
- This project was to flow funds from the Ministry to the facilities via the Districts.
- The project will be "sustainable" because the package will be expanded by the Ministry the staff that will be paid will be selected among the most efficient and relevant to the needs of the remote districts
- The project is of high impact
- AfDB is the most effective donor since has minimum transaction costs. The Bank is ready to use GoM systems and has granted an extension.
- There is a technical committee overseeing the use of funds (health financing technical group)
- Recommendation for the Bank: to attend more meetings and engage with other donors to leverage more funds
- "the Bank is one of the best donors because it is the only one aligned to the real needs of the people and the GoM
- There is a new Govrnance Health Financing TWG being put in place.

Friday 10

DE-BRIEFING OF AfDB Field office
Friday afternoon
(Country Manager unable to attend)

Topics discussed

1. Who we saw (see above notes)
2. Who we did not see;
    a. SARC
    b. Ministry responsible for power
    c. Donors other than World Bank
3. Overall comments from the meetings
    a. There seems data available on higher-level outcomes.
        i. This came somewhat as a surprise to the attendees who though the Ministries exaggerated)
    b. All have praised AfDB, and for the reasons of flexibility, alignment, sector expertise, as a predictable partner and responsiveness
4. Some issues to examine by the team in the future:
    a. Why does Bank seem primarily involved in infrastructure?

   b. Why use loans in a country that can only repay its present loans with great difficulty and will not be able to repay soon as the rate of econ, growth it has?
   c. Bank is not seen as really assisting on reduction of implementation complexity with its internal processes and procedures.
   d. Why are interventions in a sector not grouped and managed as a programme?
   e. What are the effects of delays (however caused)?
   f. Seemingly short-term view of intervention
   g. Why does WB report refer to lack of demand for agricultural products when AfDB is improving agricultural productivity?
   h. The dev of climate change long term solutions is not evident in infrastructure projects
   i. How is regional strategy being managed by Bank?
5. To do
   a. Confirm the list of Bank projects (grants, lending and non-lending)
      i. A list will be sent to field (Peter) to be distributed to all for comments and correction.
   b. Decide on a sample of projects to evaluate in the field during next mission
      i. The team will develop two samples, one with projects that have PCRs or MTR. The other will be the rest of the Malawi projects
      ii. We will ask the field office to suggest best projects to see, and base our final selection in part on that information
   c. There are documents that are missing from our data base.
      i. List will be sent for action
      ii. Task managers noted that all reports are not available for all projects. We are certain to have appraisal reports and PCR s if the project is closed. But the others depend on circumstance.
6. Programme of Work
   a. A programme of work (dates for next mission) will be sent to Khaled Samir for comment and formal presentation to the field. Field will discuss with the Min Finance.
   b. The big issue may be that the months of May and June are reserved for Malawi budget preparation

ANNEX F LIST OF PERSONS MET

AFDB of Malawi

	Name	Position	Email
1.	Mwaba Andrew	Resident Representative	
2.	Mwanakatwe Peter	Principal Economist **(focal point)**	
3.	Kamanga Fenwick Dingiswayo	Senior Governance Expert	
4.	Banda Kelvin	Social Sector Specialist	
5.	Kisyombe Vinda Highson Lutamyo	Senior Agriculture Officer	
6.	Nkhoma Benson Bumbe	Senior Water and Sanitation Officer	
7.	Banda Jonathan Richard Kamkosi	Senior Investment Officer	
8.	Ngwira Delight Joseph	Disbursement Assistant	d.ngwira@afdb.org
9.	Makasa Davis	Transport Engineer	
10.	Kumpumula Moses Thengoliweta	IT Assistant	
11.	Chisesa Emmanuel Paul Tofire	Senior Procurement Officer	
12.	Mkumba Bridget Monica Matewere	Administrative Assistant	
13.	Chikopa Harriet Mefa	Secretary to Res Rep	
14.	Domoya Hannah Gundadzuwa	Secretary / Receptionist	
15.	Meza McDonald David	Driver	
16.	Mulande Rex Spriano	Driver	

Ministry of Finance, Economic planning and development

17.	Madalo M. Nyambose	Director Debt and Aid Management	
18.	Ernest Falinya	Economist	Efalinya2008@gmail.com
19.	Davie Wirima	Deputy Director	wirimad@gmail.com
20.	Matthews Kalungulu	Economist	kalungulumatthews@yahoo.com

Ministry of Agriculture Irrigation and Water Development

21.	Erica Maganga	PS; MOAIWD	
22.	Gofrey Ching'oma	Director of Crops; MOAIWD	
23.	Nelson TW Mataka	Head of ASWAP / DD Hiv/Aids MOAIWD	
24.	Lazarus Phiri	Project coordinator - SRWIAL Project	
25.	Sangwani Khosa	Interim project coordinator - AIYAP	
26.	Limbani Gomani	Supervising Irrigation Engineer - SIVAP	
27.	Readwell Musopole	Deputy Director Planning - MOAIWD	
28.	Frank Kamanga	Monitoring and Evaluation Specialist/Project Coordinator, Agriculture Infrastructure Support Project (AISP)	

Ministry of Education

29.	Lindiwe Chide	Deputy Director – Planning	lichide@yahoo.com

30.	Grace Kafulatira	Primary Education Officer, Secondary Education	gmulinia@yahoo.co.uk
31.	Grace Milner	Principal Planning Officer	Gracemilner2011@gmail.com
32.	Samuel Chibwana	Principal Education Officer, Secondary Education	samuelchibwana@yahoo.com

Roads Authority

33.	Louis Stephen Siwande	Chief Planning Officer	ssiwande@ra.org.mw
34.	E Matapa	Director of Maintenance	ematapa@ra.org.mw
35.	Dyce R. Malikebu	Projects Accountant; Road Fund Admin	rmalikebu@rfamw.com
36.	C. Chirambo	Project Engineer	cchirambo@ra.org.mw

Ministry of transport

37.	J.Cm Bm. Phiri	Director of Transport and Planning	jbmphiri@gmail.com
38.	Solomon Chirambo	SE	somcchirambo@yahoo.com
39.	Hastings K. Ngoma	Chief Economist	hastingsngoma@yahoo.com

World Bank

40.	Francis Samson Nkoka	Senior Disaster Risk Management Specialist	fnkoka@worldbank.org
41.	Priscilla F. Kandoole	Country Economist	pkandoole@worldbank.org
42.	Esther	Operations officer	

Ministry of Health

43.	Trish Hararu Jere	Aid Coordination Unit; Planning Department	ararutrish@gmail.com
44.	Gerald Manthalu	Deputy Director Planning	gmanthalu@gmail.com

ANNEX G: TABLE OF COMMENTS AND RESPONSE

	Comments from Hajime Onishi 13 04 2017	Team response 02 May 2017
1.	Regional inclusiveness of Bank Work in Malawi, this is part of national agenda, to develop northern and central Part	The "regional" aspects of any project or sector that generates an effect for (or on) Malawi will be included. In practice, this includes the transport, WATSAN and Power sectors. We are not conducting a regional evaluation however.
2.	Dependence on Durban port in South Africa which is too far. Nacalla in Mozambique is closer and that is why Nacala railway and port projects are currently on-going and they are very good projects, so we have to check that. Is the Bank doing much to change the dependence on Durban? Using Waterways to connect to the Indian Ocean (Zambizi River?) Should the evaluation team look at this project.	The following information will be inserted into the final and sector reports: The vast majority of freight (and passenger) movement is by road. The Bank (along with other donors) has financed various sections of road under the Nacala Corridor Road Projects Phases 1-4 and most road links are now complete. The roads connecting to Beira port have been rehabilitated. The Bank has also funded other studies on port operations and is funding some OSBPs on the Zambian and Mozambique borders (with other donors). All these interventions make the alternative ports (Nacala and Beira) in Mozambique more attractive to Malwian (and Zambian) transporters by reducing costs and turnaround times. The last 'missing link' of physical infrastructure for connection to the Indian Ocean ports in Mozambique is the Sena line in southern Malawi which is impassable and would require huge investment to re-open (reference: feasibility studies undertaken by DFID and JICA). The Bank has funded a feasibility study for the Shire/Zambezi Waterway Project finding that it would only be viable with continuing subsidies whilst environmental impacts would demand extensive mitigation effort. It is reported that the Mozambican Government does not share the Malawi Government's eagerness for this project.
3.	On-going projects, how are they going to be assessed? How are implementation issues going to be assessed More details of the portfolio analysis? What are we looking at? Not only depend on the CPPR data. The inception report is thin on tracking implementation issues	Only those projects that have a PCR or have undertaken an MTR will be assessed fully (i.e. data will be analysed broken down by EQ and JC). This is to ensure that we remain at programme level. That being said, all projects and interventions will be included in the portfolio analysis.
4.	Why do we have human rights in the inception report? How is that even possible? This is not good policy for the Bank. Needs to be removed.	Each project we assess will be examined to see the extent to which the project design took human rights into account. We will not be commenting on the practices or polices of the GoM with respect to HR
5.	We have to move to 4-point scale. It is mandated by the Board	We have developed an approach and a logic table template for the analysis of the sectors and the programmes using a four point scale. Each sector report and the final report will

		contain tables representing the five OECD-DAC Criteria and two AfDB criteria.
6.	We need a section on developmental challenges in Malawi	We have addressed this initially in the Inception Report and we will improve on it in the Final Report based on the data we collect (especially context issues)
7.	How do you capture unintended outcomes	Given the nature of this evaluation, the main source of information on unintended results will be during meetings with stakeholders and in researching through written documents and analyses
8.	Theory of change, has it been validated with the country team	We understand that the country team has received copies of the draft IR. We have received a written comment on the usefulness of our draft TOR. But there is no "official approval" or "official validation"
9.	Limitations of the methodology used has to be clear. Also, purpose and objective has to be aligned. The write up is not aligned. One on accountability and one on learning.	Page 74-75 of the IR present the key risks that may arise during this mandate. For each risk there is a mitigation strategy and an indication of the probability that the risk will materialise.
10.	Where is the part where you can capture unintended outcomes	Repetition of comment 7 above
11.	Inclusion of interview guides and data collection data needs to be done	These are now in the accepted version of the Inception Report
12.	The logic model for agriculture seems that outcomes are too simple to assess. Maybe we have to compare to logic model of the transport sector is necessary to keep consistency between sector in terms of having more elaboration of outcome of the agriculture sector. Same applies to Water and Sanitation sector. Making logic models for all sectors even	If by "simple" is meant "generic" or "conceptual" then our findings include that analysis as well. Moreover, a true ToC will include all the effects, assumptions and intermediate logics; the key planning documents have a results chain framework that does not contain all of the expected effects of the intervention. We wrote in the IR that we would "improve the quality of the ToCs with the data we collect.
	Comments from Jim McDavid External Reviewer 13 04 2017	**Team response**
13.	**General Comment on the Theory of Change Approach.** Overall the Inception Report does a good job of connecting the three Country Strategy Papers (CSP) periods between 2005 and 2017 (2005-2009, 2009-2011, 2013-2017) by using visual models to convey the connections among the CSPs (Figure 2 on page 16) and on a sectoral basis. There are separate Theories of Change models for the 2005-2009 CSP (page 27) and the 2013-2017 CSP (page 28). In addition, there are intervention logic models that synthesize sectoral activities for the entire period of time and include the initiatives in the Regional Integration Strategy Paper that was completed for the 2011-2015 period. The intervention logic models are on page 36 for the social sector, on page 42 for the transport sector, on page 48 for the water and sanitation sector, on page 53 for agriculture, on page 57 for multi-sector projects, and on page 62 for the energy sector.	Thanks for the comment. That is exactly what we wanted to do as the foundation of the evaluation. We believe that ToC models can be powerful evaluation tools because they not only display the chain of results that were thought necessary and logical to generate the expected outcomes, but they also contextualise the assumptions and non-input based support (such as political support needed) that were necessary for the chain of results to evolve as planned. Our evaluation model is based on the answers to Evaluation Questions and the Judgement Criteria necessary to prove or disprove them. The ToC serves as the baseline or plan that indicates what was supposed to happen,

	The consultants have spent considerable time constructing these models and because their whole approach to the evaluation engagement is premised on conceptualizing and then evaluating theories of change (TOC) for the CSPs and (related) interventions logics for each sector, their methodology is aimed at examining these models and their causal linkages. In different words, if we look at the models that have been constructed as part of the Inception Report, they become the basis for understanding the intentions of the program designers and for examining the extent to which the programs and their results, as depicted, have been realized.	
14.	**Looking at the models and comparing them, there is some unevenness among them as has been noted by Hajime Onishi in his internal review comments**. a)The Theory of Change model for the 2005-2009 CSP (page 27) <u>includes explicit linkages among constructs</u> (outputs, outcomes, intermediate impacts and impacts) but with the exception of one outcome for domestic power distribution, <u>there are no targets specified</u>. b)In contrast, in the Theory of Change model for the 2013-2017 CSP (page 28), there are targets specified for many of the outputs, and some outcomes and impacts – these targets lend themselves to project-level and sectoral analyses of the extent to which results have been realized *(assuming data are available).* I will come back to this issue later in these comments. c)Likewise, there are differences among the sectoral intervention logics. In the Inception Report narrative, detail on output targets is often provided by sector, but has not been conveyed in the intervention logics for those sectors. The social sector model (page 36) does offer targets for many of the outputs in the model and some of the outcomes. It is the most explicit in that regard among the sectoral intervention logics. At the other end of the spectrum, among the Intervention Logics, the one for Agriculture (page 53) is the least helpful as a way to convey the intended causal linkages on the model. Instead, whole clusters of constructs (outputs, outcomes and impacts) are linked as blocks, making it impossible to see how different constructs in each block are linked to each other. In that same Intervention Logic, a list of risks is included (generally theories of change models include both assumptions and risks). Both risks (and assumptions) can be thought of as additional hypotheses (if-then statements) that underpin a theory of change – one task for evaluators using a Theory of Change approach is to examine risks	a) and b) We were looking for clarity of presentation concerning the SCP and should have included targets in all CSP-related ToC. Notwithstanding the opening paragraph, we are somewhat sceptical about adding targets as a number of the higher level target numbers in some IL for some sectors, including social and transport sectors are not realistic; for example, the Mzimba Urban WATSAN Project is going to reduce poverty in Mzimba by 5%. c) all sector-based ToC will be improved (including in the manner described) for the Sector and Final reports, based on our field research. The statement of the sector and intervention-related targets and the extent to which the targets have been met will be included in the Intervention profiles, the individual sector reports and in the narrative analysis of the EQ. Action to all team members: improve the sector ToCs for the sector reports. Include risk and assumption statements

	and assumptions to see whether and to what extent they have influenced the program theory.	
15.	**The problem of misidentified risks and mitigation factors.** a)I am going to focus on the Agriculture model to discuss the risks that have been identified, but other sector models should be reviewed as well. In doing so I want to make a broader point about whether the Theory of Change approach as applied by the consultants has done an adequate job of identified risks and plausible mitigation strategies. b) In the Agriculture sectoral model, one risk is "Environmental degradation and climate change". The proposed mitigation strategy for this risk is "Promotion of sustainable land and water management and processing of generated waste." If we step back from this situation, there appears to be a significant risk to this sector and others (water and sanitation and transportation) that has to do with deforestation in the Republic of Malawi. Without doing much research I was able to come up with a recent research article (Wiyo, K.A., Fiwa, L., and Weston Mwase. (2015): Solving deforestation, protecting and managing key water catchments in Malawi using smart public and private partnerships. *Journal of Sustainable Development*, Volume 8, Number 8, pp 251-261) that suggests that deforestation is a significant and persistent problem that affects a number of different sectors in the country. c) On page 58 of the Inception Report in the Energy discussion, this problem is acknowledged "As noted by the CSP 2005-2009, fuel wood was Malawi's main source of energy with demand rising at an unsustainable 6% per annum resulting in widespread deforestation." *But at no point is deforestation identified as an ongoing risk to the Intervention Logics that have been constructed for each sector.* d) The broader point is that Theories of Change are intended to be *context-specific* in that the assumptions and risks identified offer a way to situate program theory and its more general causal relationships into situations where particular combinations of risks and assumptions can either enhance or undermine the likelihood that Theories of Change will operate as intended. <u>Assumptions and risks are intended to be testable</u>. It is also important that the <u>risks and assumptions and associated mitigation strategies be realistic</u> otherwise a Theory of Change model runs the risk of being only partially relevant to the context in which it is embedded. **e) Suggested change to the Inception Report:** The consultants should review the risks and assumptions that are likely to make a difference to	a) As an overall finding, risks are not well stated in the Bank's sector documents. They are overly generic and the mitigation statements are truisms. b) and c) One of the challenges of doing a TOC for a multi-intervention or multi-sector programme evaluation (you can replace "ToC" by IL or results frame, or LFA etc.), is that you have to decide whether you want The ToC to represent what the designers thought was going to happen or whether you want to create a diagram of what actually happened. We will do the former. The comment in a) above shows that risk identification and mitigation are generally not well developed in the documents at any level. We will try to identify illustrative examples of other risks that should have been identified but it not our mandate to re-do the risk analysis. d) We could not agree more. We have noted in the IR that we assess the risk and mitigation strategies for realism, testability and appropriateness e) As noted above, we will adapt the risks/assumptions in the light of our findings during the field mission Action to all team members: review the Sector reports in the light of these comments

	the Theories of Change and the Intervention Logics that have been included in the Report. The example of deforestation as a risk and the questionable mitigation strategy associated with that risk is intended to point to this problem.	
16.	**The challenge of evidence availability in testing Theories of Change in this evaluation.** **a)** Testing Theories of Change involves gathering lines of evidence (including evidence from previous research and evaluations) that collectively address the linkages in the models (in the Inception Report) and the associated assumptions and risks and confer (or not) plausibility on the Theory of Change – it is not possible to "prove" a Theory of Change, instead, we can put together sufficient evidence that the model is working as intended to be able to say with some confidence that the TOC has been corroborated. b) Contribution Analysis (I will make some comments about this approach shortly) is one way to examine Theories of Change with a view to being to assert whether and perhaps to what degree a program in a particular context (or aggregation of programs) has contributed to broad development objectives and goals in that context. c) In the Inception Report, the Intervention Logics are the clearest statements of how Bank-funded interventions between 2005 and 2016 are intended to deliver results that contribute to development goals. This leads to the question of how to conduct a Theory of Change evaluation for the AFDB-funded interventions in Malawi between 2005 and 2016. The consultants acknowledge that most of the projects are not yet completed. Of the 36 projects in total, 14 (based on Table 5 on page 22) – not the 15 reported in the Inception Report narrative - are completed and the balance are ongoing or closed. The projects are spread across the five sectors in the program (10 in agriculture of which 2 are completed, 7 in transport of which 3 are completed, 10 in water and sanitation of which 4 are completed, 11 in the social sector of which 1 is completed, and 8 multisector projects of which 4 are completed). There is 1 project in the energy sector that is ongoing. If we focus on the lines of evidence to test the Theories of Change (the consultants are proposing to test separate Theories of Change for each CSP), then project-level results are an essential building block to see whether outputs have been delivered and if so, whether there is evidence that associated outcomes have materialized. Given how few projects have been completed in each sector, it is important that for *each project*, there be data that facilitates measuring outputs and outcomes.	a) The External reviewer agrees with our approach and its underpinning epistemological foundations b) See a) c) See a) d) See a)

	d)The consultants acknowledge the importance of evaluating at the intervention level of analysis: The evaluation of the extent to which individual interventions have achieved their expected results (especially at the outcome or impact levels) requires that the intervention be mature enough to make those assessments. In practice this means that the projects must be either completed (with a PCR from which to gather data), or have been the subject of a Mid-Term Review which would include an analysis of the extent to which a) those results are likely to be achieved (and why), and b) there have been factors that have inhibited or favored the achievement of results. (page 80)		
17.	Two of the 10 evaluation questions entail examining interventions. • Question 3: "**To what extent has the Bank contributed to the achievement of development objectives and results?"** specifies three judgment criteria (more on this when I comment on contribution analysis) including: JC 3.3.: *The Bank's interventions contributed to the achievement of higher-level (outcomes and impacts) development objectives, both intended and unintended*. One of the proposed indicators is ex post evaluations of interventions. • Question 6: **To what extent have the Bank's interventions in Malawi been successful in economically converting resources into expected results in a timely manner?** One of the two judgment criteria (6.1) is**:** *Resources and inputs provided to GoM through the Bank's support are converted to results at a rate that reflects the assumptions in planning documents*. A proposed indicator is the cost of transforming inputs into outputs. *These two evaluation questions are central to this program evaluation* – the consultants have indicated that there is a high probability of not being able to find the qualitative and quantitative data required for the indicators proposed to examine the evaluation questions (page 83):		Most of this comment presents a background leading to the risk of non-availability of data. In fact, as the reviewer notes, the Team had foreseen this risk and had prepared a mitigation measure which fundamentally implied that IDEV would be immediately informed if the risk was to materialise (and that a solution would be developed at that time) The risk has, in fact, materialised and IDEV has been informed. We have developed (sub-optimal to be sure) solutions that will nevertheless provide valid observations and findings.
	Difficulty in finding other qualitative and quantitative data required for the indicators **Probability**: high	As highlighted above the methodological framework combines a variety of complementary research methods and tools. Additionally, it is noteworthy to mention that the team includes a key expert based in Malawi and an experienced Analyst / Research Assistant. This will further help to access data in a timely fashion. The main issue here is that most of the EQ do not simply relate to sector issues. Many indicators refer to	

		outcomes, results, beneficiaries, access, equity, sustainability and other concepts for which the team cannot begin to gather primary information given the allocated time and resource base. The gaps and problems will be brought to the attention of IDEV as soon as they are perceived to have occurred.	
18.	The issue of the challenges in evaluation timing (in relation to project completions and data coverage) can be addressed with additional attention to the implementation issues discussed below: **Adequacy of the coverage of project implementation issues in the Inception Report.** Related to the question of the prospective availability of data for this evaluation, is the question of whether project *implementation* is adequately covered in the evaluation questions that are being proposed. If we look at Question 6 again, one of the two proposed judgment criteria is: 6.2 The Bank's interventions are implemented in a timely manner (from the perspective of the beneficiary or implementing agency) and in compliance with the Bank's operational standards. A total of 12 indicators are proposed to support that judgment criterion: • Predictable disbursements • Use of country systems (PFM and procurement) • Time to first disbursement • Disbursement ratio of ongoing portfolio • Time for procurement of goods and works • Time for approving operations • Time from identification to first disbursement • Extent of projects managed entirely from field • Administrative cost per UA 1 million planned • Cost of preparing lending project or grant project • Cost of supporting project planning • Cost of supporting project implementation	It is also reported in the Inception report that sector-specific indicators will be added to the list found in the evaluation matrix. While the evaluation is based on the assessment of individual interventions and the evolution of the CSP's, this is not a project-level evaluation. We feel that we have integrated the individual interventions throughout the EQs (ex. EQ 10 deals with lessons learned and EQ 8 deals with coordination of donors and stakeholders; both require an assessment of interventions in those sub-domains.
19.	***a) These speak to inputs and activities, but none of them speak to measuring outputs.*** (Outputs can be defined as tangible and countable work produced by program activities). Instead they appear to focus quite exclusively on administrative efficiency. b) The broader issue is whether the proposed evaluation methodology, given the limited number of projects and an even smaller number of completed projects, *has anticipated the need to track and measure outputs so that at least at that*	This comment is a logical continuation of the previous one. a) EQ 6 is primarily a means of examining the management concern of EFFICIENCY, not effectiveness as the reviewer suggests. Note the highlighted wording below: 6.2 The Bank's interventions <u>are implemented</u> in a <u>timely</u> manner (from the perspective of the beneficiary or

	level there is some evidence that the projects are delivering results. Implementation may well be significant issue for the projects for which AFDB support has been provided. The consultants provide meeting notes from their site visit as part of the Inception Report phase of the evaluation project, and in one meeting comments regarding the roles that PIUs (project implementation units) play in these projects came up: • The issues related to PIU system: the system is not sustainable since PIU take out capabilities out of the ministries. Currently there is a mix of project implemented by government directly and by PIU. **However, it seems that in Malawi the projects implemented by the gov. have a lot of problems in the implementation phase (also due to turnover/mobility within the government).** In several "aid memoire" reports of those projects, the recommendations state that eternal consultant should be hired. (bolding added) **c) Suggested change to the Inception Report:** Additional attention should be paid to implementation and implementation-related issues in the Inception Report. At a minimum, more indicators that focus on whether projects have been successfully implemented, and what outputs have been achieved for those projects, are needed.	implementing agency) and in <u>compliance</u> with the Bank's <u>operational standards</u> Other EQ deal with results. b) We proposed that our evaluation must be strategic in nature and therefore oriented towards comparing strategic intent (through CSP, for example) and strategic level performance expectations (i.e. at outcome level). To do that we need to be concerned with the extent to which <u>key</u> outputs were produced in a timely manner; however, we are more concerned with induced outputs here and not the direct transformation of inputs. The fact that 200 teachers were trained is important but what is more important is the effect that this value-added has had and will have on the targeted beneficiaries and the expected outcomes c) We agree that we need to be concerned with implementation. We also feel that our methodological approach is based on the production of outcomes and intermediate outcomes. How these were generated are efficiency issues, and we touch those to the extent necessary for a strategy-level evaluation. In addition, the managers of the AfDB have a rather comprehensive supervision and reporting system in place that already captures and transmits a great deal of data on implementation
20.	**The potential problem of insufficient interviews during the evaluation field work phase of this project.** a)Given possible limitations of the existing qualitative and quantitative lines of evidence to address the evaluation questions that have been framed for this project, it is likely that interview-related sources of information will be important. In reviewing the draft Inception Report, there is a list (44 persons) who had been contacted as part of the work done so far, **but there is no indication of who else will be contacted as the program evaluation field work is conducted**. One would assume that the prospective list of interviewees will be different and more extensive than the list provided in Annex F List of people met so far. **b) Suggested change in the Inception Report**: There needs to be more information of who will be interviewed in the field work phase of this evaluation project. At this point in time it looks like	a) We have proposed the list of organisations and key stakeholders that should be part of the evaluation in its field mission. As agreed in the scoping mission, each member of the team will work with their respective task manager to set up meetings and site visits. The Task Managers know the names and contact information. The list of people who will be interviewed in the field mission is, in fact, must longer that for the scoping mission. b) We disagree. The approach for identifying people, setting up meetings and organising site visits was defined and accepted by the field staff during the scoping mission

	reliance on interview-based data will be a key part of the evaluation, so lists of prospective interviewees by sector and overall should be a part of the Inception Report	
21.	**Challenges to consider when using contribution analysis.** a) The consultants indicate that contribution analysis will be the approach used to "demonstrate whether, how and why the Bank's activities are perceived as having made a difference." (page 74). Contribution analysis is a multi-step process that involves iterations of data collection and interpretation to address the theory of change and the attendant assumptions and risks. Mayne's six steps are as follows (there is a 7th step for complex programs that involves doing the six steps for each major strand in the program structure and then combining those contribution stories for an overall assessment of program contribution). • Step 1: Set out the attribution problem (logic) to be addressed • Step 2: Develop the theory of change and the risks it identifies, and identify discriminating indicators • Step 3: Gather existing evidence on the theory of change, tracking performance over time • Step 4: Assemble and assess the contribution story, and challenges to it; test alternative explanations • Step 5: Seek out additional evidence • Step 6: Revise and strengthen the contribution story This approach is widely referenced by practitioners in the field of development evaluation but the challenge is being able to *actually do all six steps* in settings where both resources and time are quite constrained. Realistically, lines of evidence are gathered and then interpreted without an opportunity to go back and gather more evidence to strengthen the contribution story.	a) The approach defined by John Mayne is designed to clearly define the characteristics of the contribution. That end does not absolutely need the multiple iterations that Mayne proposed. The more iterations there are the higher the level of comfort in the validity of the assessment. Our approach is to undertake contribution analysis at the intervention level, and to use that information to extrapolate to the programme level. The extrapolation will rely on triangulation: task managers, Bank managers and key DP will provide the sounding boards. As the reviewer rightfully points out, this mandate does not enable the team to always return for additional information to shore up the analysis (a feedback loop with multiple iterations). But that does not mean that the findings are not likely to be valid: there are other ways of testing and improving validity, and we have outlined those we will use in the Inception Report
22.	**In the Inception Report the consultants have not indicated how they will operationalize the judgment criteria related to contribution analysis.** In the current evaluation, a total of 27 judgment criteria are suggested. a) How these will be applied is not indicated in the Inception Report but one option is to develop rating scales for each criterion, such that the points on the scale represent some *likelihood* that AFDB-funded projects have contributed to the intended result(s) in each of the evaluation questions. In effect, each rating scale would specify (on that criterion) the probability that the program contributed (no likelihood to great likelihood).	Overall comment: The IR contains a detailed methodology that includes an evaluation matrix and sections that describe the tools and methods that will be applied to that matrix. What the comment is suggesting is that each judgment criteria should have its own methodology which, even if it would make things clearer, would be overly cumbersome in a community where the readers have the necessary background to make those links without being told how they are made. It is worth repeating, however, that we agree that the suggestion in the comment would make the entire process more evident, but we don't agree that it is necessary.

	b) As well, an overall rating scale for each evaluation question might be developed to link AFDB-related projects in aggregate to the evaluation questions and hence to overall development goals. c) The second way to specify a judgment criterion is *whether* the program made no contribution (one end) to a substantial contribution (the other end of the scale). *d) There is a potential ambiguity in using judgment criteria for this kind of analysis, without being clear about which of the two approaches is being used*. Do the judgment criteria as operationalized specify the likelihood of whether the projects, sectors or the whole AFDB program contributed, or instead do the judgment criteria specify the degree of contribution (i.e., no contribution, to substantial contribution), making the assumption that there is some level of contribution? These two interpretations of the judgment criteria are different. **e) Suggested change for the Inception Report:** The judgment criteria that have been included in the Inception report as part of the methodology need to be further specified. Examples of the actual rating scales need to be included so that it is clear how "contribution" will be interpreted by the consultants in their evaluation.	a) We like the idea of developing a means to quickly show the extent to which the performance of the Bank has contributed to CSP strategic goals using JCs as a base. See an initial proposal for this at the end of the comments table. b) It was always our intention to generate a visual table showing how individual interventions have or are likely to contribute to the Objectives/outcomes of the CSPs. The reviewer is suggesting a table and that is what we shall endeavour to produce. We would only use those interventions that have a PCR or MTR. In fact, this table would be inserted in the sector reports and the final report as well. c) We agree. See a) and b) above d) The sector and final reports will clarify that potential confusion e) See above comments
23.	**The value of case studies.** The final substantive comment in this assessment of the Inception Report picks up on the broad issue of <u>whether there will be sufficient evidence to do a defensible job of assessing the Theories of Change that underpin this evaluation</u>. Using the Theory of Change approach has the advantage of including an explicit specification of the program theory (usually in a visual model) and the disadvantage of being demanding in terms of evidence needed to assess the linkages that are specified in the program theory structure. In this particular evaluation, where the number of completed projects by sector is very limited, and prospective problems with the availability of data sources have already been identified, **it would be appropriate to include case studies to complement the other lines of evidence that have been specified.** a) On page 76 of the Inception Report the possibility of case studies is mentioned but realistically without cases studies this evaluation will probably end up relying on interview data sources (the number of prospective interviewees is not specified) and that is not going to be enough to do a credible job of addressing the elaborate Theories of Change and the Intervention Logics that have been developed and	We appreciate this comment and will deal with the adequacy or lack thereof of evidence when we are in the field. IDEV will be fully informed in real time. a) As the reviewer notes, the need to do a case study is directly dependent on the evidence available and gathered in the field. We will discuss this with the IDEV manager as conditions evolve during the field mission. If necessary, we will generate one case study per sector.

	included in the Inception Report. In sum, this program evaluation runs the risk of having specified conceptual models that will not be testable except in an anecdotal manner, in the evaluation itself. **Suggested change for the Inception Report**: Case studies need to be included in this evaluation as a line of evidence. Given the problems with numbers of completed projects and potential issues with the availability of data, case studies for each of the sectors (at least one) will help to address the plausibility of at least some parts of the Theory of Change models that have been featured in the Inception Report.	
24.	**Summary of Suggestions to Improve the Inception Report** **First,** the consultants should review the risks and assumptions that are likely to make a difference to the Theories of Change and the Intervention Logics that have been included in the Report. The example of deforestation as a risk and the questionable mitigation strategy associated with that risk is intended to point to this problem. **Second,** not enough attention has been paid to implementation and implementation-related issues in the Inception Report. At a minimum, more indicators that focus on whether projects have been successfully implemented and what outputs have been achieved for those projects, are needed. **Third,** there needs to be more information of who will be interviewed in the field work phase of this evaluation project. At this point in time it looks like reliance on interview-based data will be a key part of the evaluation, so lists of prospective interviewees by sector and overall should be a part of the Inception Report. **Fourth**, the judgment criteria that have been included in the Inception report as part of the methodology need to be further specified. Examples of the actual rating scales need to be included so that it is clear how "contribution" will be interpreted by the consultants in their evaluation. **Fifth,** case studies need to be included in this evaluation as a line of evidence. Given the problems with numbers of completed projects and potential issues with the availability of data, case studies for each of the sectors (at least one) will help to address the plausibility of at least some parts of the Theory of Change models that have been featured in the Inception Report.	See comments above.
25.	**Comments from Hajime Onishi 2nd March 2017**	**Team comments 09 03 2017**
26.	**Urbanization (pp.8):** While rapid urbanization is observed at the whole country level, it should be noted that the pace of urbanization varies across cities in Malawi. The capital city Liliongwe (population: 670,000 in 2008 census) faces more rapid urbanization than the second largest city	These points have been integrated into the revised IR sent on 09 03 2017

	Blantyre (population: 660,000, Ibid.), which used to be the most populated city since its independence until around 2010. a. The above fact should be noteworthy and could be a very important implication for this evaluation, in a sense that the southern part of Malawi, including Blantyre and the fourth largest and former capital city Zomba, had been much more developed than the central and northern Malawi. b. In order to accelerate the economic development of both the central and northern region and to eliminate the economic disparity between north and south, Malawi decided to move its capital from Zomba to Lilongwe in 1971. c. In terms of decreasing demographic disparity, the above goal has recently become achieved, which I guess is an extraordinary case in this continent. d. Keeping the above historical background in mind, it might be interesting to focus on the Bank's (and other donor's) contribution to the economic development in the central and northern part of Malawi.	
27.	**Weather shocks (pp.9):** This external factor is extremely critical to Malawi's economic development and social security. It should carefully be noted that Malawi has historically and continually experienced drought conditions whereby agriculture production has severely been affected (and then downward impact on GDP growth). a. In this regard, it can be advised that the evaluation team should take this "periodical" and negative effect into account when assessing the effectiveness of each project. b. Moreover, the logframe of each project in Malawi should always consider and include weather shocks as a critical risk factor to be carefully monitored.	These points have been integrated into the revised IR sent on 09 03 2017
28.	**Sector Analysis –Transport (pp.31):** Excellent analysis. The followings are some suggestions for the later stage of the evaluation. **Linkages to Indian Ocean ports.** This is really the root cause for the economic development of Malawi. To be more precisely, it is of critical necessity to discuss not only the port service itself but also: i. Poor service level of the transport corridor (North-South Corridor, Dar es Salaam Corridor, Beira/Sena Corridor and Nacala Corridor), ii. Inefficient cross border function (at Muchinji/Chipata, Mwanza, Dedza,	Noted with thanks All these points have been integrated into the revised IR sent on 09 03 2017

	Nsanje/Marka, Chiponde/Mandimba, Songwe, etc.) while One-Stop Border iii. Post projects are under implementation at some of the above border points, and iv. Underutilized or abandoned railway transport due to lack of capital investment/ maintenance/ rolling stock, stemming from weak institutional and financial capacity of CEAR. ✓ This is one of the impetus that Nacala Rail and Port project was launched.	
29.	**Cost and reliability of port operation.** Footnote-39 at page 31 explains well about the Malawi's import/export constraints in a very concise manner, which is good. At the same time, the situation is not so simple, for example: i. Reliability (or maybe better to say efficiency) of Port of Durban has been severely affected by the congested situation since mid-2000, while the port expansion project is on-going (but very slow). ii. The capacity of Beira port has historically been hampered by the sedimentation of river sands due to its location. Cargo handling efficiency (or "reliability" but I prefer not to use this term) is now much better in Nacala (after the JICA's port expansion project) than Beira if my memory is correct. iii. Nacala's efficiency is now dramatically improved after the JICA's project as mentioned above.	These points have been integrated into the revised IR sent on 09 03 2017
30.	**Shire-Zambezi Waterway.** There are a lot of background stories behind this project. i. I don't know to what extent the evaluation team deal with this controversial project, but I guess it needs some attention in the context of regional integration, as i) the project is still alive with high enthusiasm by the current President Peter Mutharika and ii) there is a fact that the Bank funded the feasibility study. ii. By the way, the feasibility study report concluded that "project is technically feasible but not financially viable without a yearly investment from the member states or other institutions."	These points have been integrated into the revised IR sent on 09 03 2017
31.	**Mtwara Corridor Project.** For the Malawian side, this project should be considered as port development project, not as the road corridor. i. On a separate note and as a personal opinion, I'm very much skeptical about the relevance of this project because the demand of lake transport between Nkhata Bay and Mozambican (or Tanzanian) side should be extremely limited even if all the	These points have been integrated into the revised IR sent on 09 03 2017

	road along the Mtwawa Corridor is to be upgraded and rehabilitated. ii. I would suggest that <u>the evaluation team carefully look at the relevance of this project.</u> If the project budget is supported by the Regional Operation Envelope (probably the PAR may highlight its regional integration characteristics), the legitimacy of project selection through the Bank Regional Operations Selection and Prioritization Framework may become questionable.	
32.	**Intra-regional water transport.** It is not clear whether the evaluation team will touch on the cross-border water transport issues in Malawi in the context of regional integration, although its importance is almost negligible compared with the other modes of transport. i. I guess at least Shire-Zambezi Waterway project (Malawi-Mozambique) needs to be paid attention to, as mentioned above.	These points have been integrated into the revised IR sent on 09 03 2017
33.	**North-South Corridor.** Please be reminded that the North-South Corridor does not physically pass through Malawi. i. The importance of the N-S Corridor for Malawi should be understood in the context that Malawi still heavily rely on the Port of Durban and the N-S Corridor for importing consumer goods.	These points have been integrated into the revised IR sent on 09 03 2017
34.	**Logic model of transport sector.** Excellent logic model. Minor comments include: i. Railway-related issues are not clearly covered in the logic model (including the rehabilitation of Sena/Nacala railway line, institutional strengthening of CEAR, etc.) "More inter-modality" presented as output does not precisely capture the interventions by the Bank. ii. OSBPs will also reduce border crossing costs and time which contributes directly to regional integration, and iii. Trade facilitation can be achieved not only by improved capacity of RECs but also by other outputs(or immediate outcomes) including: 1. Strengthened corridor management capacity 2. Improved regulatory framework such as SPS, quarantine/customs clearance, etc.	Have been taken into account. Next IL in the sector reports will reflect these comments
35.	**Sector Analysis –Water & Sanitation Sector (pp.36):** **Water depletion.** The issues around water depletion in Malawi should be put into more perspective. i. While a severe drought has continuously caused food shortages (Malawi declared a state of disaster due to drought several times over the last decade), it needs to be noted that Malawi also suffers frequent floods. The	These points have been integrated into the revised IR sent on 09 03 2017

	rainfall during the rainy season from December to June is around 700-800mm, which is not small. ii. The most important point in this context is that Malawi did not effectively utilize its water resources (including both rainfall and Lake Malawi/Shire River) in a holistic and efficient manner.	
36.	**Bank support in urban water supply.** It is not quite clear whether the Bank has tackled the issues of urban/peri-urban water supply or not, although it has long been recognized among donors that rapid urbanization in Malawi caused unreliable urban water supply. i. It looks that the Bank CSPs has narrowly focused on rural water supply (and access to water in the rural area) and irrigation since 2005. (It seems even that the Bank intentionally tried to keep away from urban water issues without any reasons. Is this because of other donor's territory?) ii. Given the above, the evaluation is expected to look at the rationale behind the Bank's strategic focus in the WATSAN sector.	These points have been integrated into the revised IR sent on 09 03 2017
37.	**Logic Model of WATSAN sector.** Excellent diagram, but: i. The level of outputs and outcomes are quite different from those presented in the social/transport sector logic models, for example. ii. Adjustments are necessary to keep the consistency between logic models across sectors. Otherwise, evaluability of some of the outcomes will be in question.	These will be take into consideration in the sector reports
38.	**Sector Analysis –Agriculture (pp.42):** **Food self-sufficiency in Malawi.** According to the report (pp.42), Malawi achieved food self-sufficiency both at household and national level. i. From my limited knowledge, this is an extraordinary case in Sub-Saharan Africa. ii. In this evaluation, I think we need to explore around this very important fact. (Did the Bank's intervention contribute to this achievement? If so, to what extent? Etc.)	Thank you for recognition. It helps. All comments were integrated into the revised IR It would be very difficult to link bank interventions to the increased yields of 2011, which are wholly attributed to the Farm Input subsidy programme (FISP). FISP is a very targeted intervention of subsidized fertilizer and improved seeds (maize and legumes). Under the FISP, GoM has always spent on the fertiliser, while donors have tended to support the legume seed component. None of the bank projects documents that have been seen have mentioned that the bank participated directly in FISP.
39.	**Lack of fertilizer.** The difficulties in importing fertilizer (from traditional routes such as Mozambican/South African ports mentioned above) has historically led to the breakdown of fertilizer supplies for Malawi's farmers. i. It should be understood in this connection that not only the underdeveloped irrigation scheme but also discontinued supply of fertilizer has long affected the agricultural productivity in Malawi.	Thank you for recognition. It helps. All comments were integrated into the revised IR

40.	**Fishery and aquaculture.** These two sub-sector should not be neglected in the context of Malawi's agriculture sector. i. Since Malawians get some 70% of their animal protein from aquatic resources, Malawi's fishing industry still plays an important role in the nation's dietary life. ii. While fish catches in Lake Malawi, Lake Malombe, Lake Chilwa and other large lakes have shown a sharp declining trend, Tilapia (Chambo) is still an important dietary source for the Malawian people both in historical and cultural perspectives. iii. The evaluation team is expected to look at the Bank's interventions in these sub-sectors.	Thank you for recognition. It helps. All comments were integrated into the revised IR The bank had supported a fisheries project (approved in 2003), the 'Lake Malawi Artisanal Fisheries Development Project'. This project has not been reviewed for this assignment beacuse we have started with projects from 2005.
41.	**Logic model of agriculture sector.** It seems that outcomes are too simple to assess. Again, it is necessary to keep the consistency among logic models in terms of level of outputs and outcomes. i. The outcomes presented in the current logic model should be broken down into more "evaluable" level.	Thank you for recognition. It helps. All comments were integrated into the revised IR As already noted, the IL will be revised/updated with data obtained during the field mission
42.	**Sector Analysis –Energy (pp.49):** I would like to praise the team's effort to include a general analysis of the energy sector in the inception report although the ToR does not explicitly ask for an in-depth analysis of the energy sector. Some suggestions include: a. **ESCOM's tariff.** Controlled ESCOM tariffs were unrealistically low, such that revenues were insufficient for operations and maintenance, never mind investment and development. These are very true. i. At the same time, I guess that the situation may not be so simple. ii. The typical dilemma of the power utilities in Sub-Saharan Africa is to ensure full cost recovery where the tariff structure needs to be designed in a manner to cover maintenance and asset replacement costs, while enabling the low-income customers to access to electricity at an affordable rate. iii. **Southern Africa Power Pool.** In the context of Malawi's power sector, it is necessary to touch on the power pool initiatives including Southern Africa Power Pool (SAPP), as Footnote-97 lightly touched on. iv. **Logic model of energy sector.** Good and comprehensive logic model, but again, it needs more consistency with other sectors' logic models. v. The outcomes presented in the current logic model should be broken down into more "evaluable" level.	Thank you for recognition. It helps. All comments were integrated into the revised IR

43.	**Field visit – Some suggestions.** For the field visits of transport corridor projects, it may be good to make an interview with: a. Corridor management body b. Nacala port and railway concessionaire – CDN (Mozambique) c. Malawi railway concessionaire –CEAR d. Beira port concessionaire –Cornelder (Mozambique) e. Freight forwarders at Port of Nalaca – including Bollore, MANICA, etc. f. Freight forwarders in Malawi –including Bollore, etc. g. Trucker's association in Malawi h. Malawian truckers – including Siku Transport, JJ Transport, etc.	This list serves as an example of the specific interviews that need to take place on a sector by sector basis; in this case it refers to transport. A similar list will be prepared by all team members and task managers before leaving for the field mission.
44.	**Section 2.3 Economic context and private sector.** This section heavily depends on the Bank Malawi CSP. More multiple sources are required to construct this section as it is quite important to give a solid base for the main evaluation. ✓ For example, the recent boom on mineral resources development (including uranium mining in Kayelakera in the northern region and rare metals in the southern region) is totally uncovered in this section. ✓ In particular, uranium exploitation has caused both positive and negative arguments around environmental safe guard, governance (extractive industry and government regulatory framework) and economic development.	Agree with your perspective on all of these issues and concerns.. Have been integrated into IR, but in some cases we do not have the data to be certain (ex. Maize crop yields) so we will check the data before using it in next reports
45.	**Nacala Rail and Port Projects.** It should be necessary to distinguish several "Nacala Rail and Port" projects funded by the Bank and other institutions. The private firms including Brazilian Vale and Japanese Mitsui are also implementing some private projects by their own investments. a. For example, the Bank private sector window (OPSD) recently approved the Nacala rail and port project which might be different from the project listed at Table-5 page 20.	Now integrated into the IR as a clarification for underutilized or abandoned rail ….
46.	**Maize yield data.** The target yield indicators shown at page 38 are contradict with those mentioned at Footnote-72. a. Maize yield was already increased to 3.5 ton/ha. Before CSP 2013-2017 according to Footnote-72. The same can be applied to sugar yield.	We are checking. In meantime, these figures have been temporarily removed
47.	**Reserve margin.** If the peak demand increases up to 478 MW in 2015 (as Footnote-94 mentions), it seems that the reserve margin will become negative, which is a serious issue. a. Footnote-97 at page 50 needs to be revisited (2009 data is too old) if the above is correct.	Integrated into revised IR

48.	**Evaluation of effectiveness.** There are only 15 completed projects in the portfolio. The typical challenge in our IDEV evaluation is how to assess "effectiveness" for the on-going projects. a. The team may need some clear strategy of how to assess effectiveness for the 21 on-going projects.	I have made reference to this challenge and have already proposed avenues for examination in the IR.

Example of a table visually describing the contribution of various criteria to the achievement of programme performance

Criteria examined	Has reduced the overall performance potential of the programme	Has contributed to achieving or exceeding the expected performance of the programme
JC 2.3. The Bank has adapted its approach to the country's context and development challenges/needs		
JC 6.1 Resources and inputs provided to GoM through the Bank's support are converted to results at a rate that reflects the assumptions in planning documents		
JC 5.3. The Bank's interventions are managed in a manner that will ensure that they are environmentally sustainable and/or support the transition to green growth.		