

Helping to Build the Foundations of Prosperity

The World Bank Group
in Malawi



THE WORLD BANK GROUP



The World Bank Group supports
Malawi's efforts to **reduce**
poverty and to promote
sustainable economic growth.

Helping to Build the Foundations of Prosperity

Malawi aims to reduce poverty through sustained economic growth and infrastructure development as outlined in the Malawi Growth and Development Strategy (MGDS) 2006-2011. The expected result is to transform the country from being a predominantly importing and consuming economy to a predominantly manufacturing and exporting economy. To achieve this, the Government prioritized six key areas that are the basis for Malawi's economic growth, namely: agriculture and food security; irrigation and water development; transport infrastructure development; energy generation and supply; integrated rural development; and prevention and management of HIV/AIDS and nutrition disorders.

Through its 4th Country Assistance Strategy (CAS) for 2007-2010, the World Bank Group (see last page for description of the World Bank Group institutions) intends to help Malawi build these foundations so that the nation moves from poverty to prosperity. The 4th CAS was developed in consultation with Government, civil society, and other key stakeholders. The CAS supports the MGDS by focusing on the achievement of four outcomes.

<i>CAS Outcome</i>	<i>Related MGDS Goal</i>
Improve smallholder agricultural productivity and integration into agro-processing	Medium term economic growth through agriculture and agro-processing; decrease need for food aid
Put in place a foundation for longer term economic growth through improved infrastructure and investment climate	Increase private sector led growth and competitiveness in regional and international markets
Management and prevention of HIV/AIDS and nutrition disorders	Decrease vulnerability at the household level especially from HIV/AIDS and malnutrition
Sustain improvements in fiscal discipline, budget execution and accountability of the civil service	Good governance

During the CAS period, the World Bank seeks to support Malawi through financing of projects identified by Malawi as key to meeting its development goals. In addition, the Bank will support non-lending activities such as policy dialogue and analysis on relevant economic and social development topics. The Bank will also collaborate with other multilateral and bilateral partners to co-ordinate the provision of development assistance.

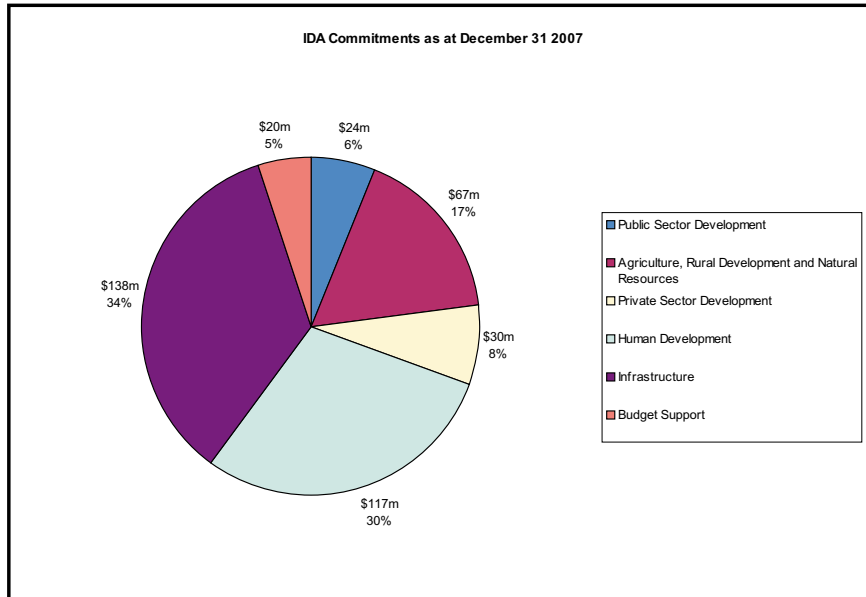
“The World Bank Malawi - a steadfast partner from the beginning”

Goodall Gondwe
Minister of Finance



Overview of World Bank Group Support

Since starting financing projects in Malawi in 1966, the World Bank has supported more than 120 projects amounting to about US\$3 billion, mainly through the International Development Association (IDA). As of December 2007, IDA had 15 active projects in Malawi with a commitment of US\$461million.



With recent improvements in the economic climate, the International Finance Corporation (IFC) is now actively looking for new opportunities in Malawi and will be working closely with the World Bank to identify financing and technical assistance opportunities that are complementary to the Bank's efforts. Similarly, the Multilateral Investment Guarantee Agency (MIGA) will search for opportunities to leverage additional private sector support for the Malawi Growth and Development Strategy (MDGS).

In FY07, Malawi became one of the focus countries of the World Bank Institute (WBI). The Institute is focusing on reforms in the judicial and legal systems.



Harmonizing Development Assistance

The World Bank Group is a signatory to the 2005 Paris Declaration on Aid Effectiveness, which promotes country ownership, harmonization, alignment, results and mutual accountability of development assistance and partners. The Declaration is a roadmap to improve the quality and effectiveness of development assistance. Malawi has been applying the Paris Declaration in a number of ways:

The Malawi Growth and Development Strategy (MGDS)

provides a structure within which donors align their program to country results. Donors have worked with Government to define lead partners in the MGDS themes. The World Bank has a leading role in agriculture and food security, as well as in private sector development. It is also taking a central role in infrastructure development in close collaboration with the European Commission (EC). The British Department for International Development (DfID) has a leading role in health, while the Bank plays a supporting role. The EC, United States Agency for International Development (USAID), United Nations Development Program (UNDP) and the World Bank will collaborate in public finance management reform and civil service reform.

Joint Country Program Review (JCPR)

has been conducted by donors and Government since 2005. The review is an assessment of the development programme in key sectors over the previous year, focusing on both Government and donor performance and making recommendations for future implementation.



Donor interest in the process has been increasing, with all donors in Malawi participating in the 2007 JCPR, with the aim to assess Government and donor portfolios in relation to the MGDS and to establish the extent of donors' harmonization and alignment to Government processes and procedures. The JCPR also assesses required actions to expedite donors' and Government harmonization and alignment.

Sector Wide Approaches (SWAps)

represent a harmonized arrangement for supporting a particular sector's policy under Government leadership and using common systems. Usually, funding from Government and donors under a SWAp is pooled. The Health Sector SWAp became effective in 2005 and now has six donors collaborating with the Government: DfID, World Bank, Norway, United Nations Population Fund (UNFPA), Global Fund, and KfW, a German development bank. SWAps in the agriculture and education sectors are being prepared.

Common Approach to Budget Support (CABS)

is a group of donors that has a joint approach to the provision of general budget support to the Government. CABS currently consists of DfID, Norway, Sweden, the EC, and the African Development Bank. The German Technical Cooperation (GTZ), UNDP, the International Monetary Fund (IMF) and the World Bank participate as observers. The World Bank has plans to become a full member of the CABS and will contribute to budget support through a series of Poverty Reduction Support Credits (PRSCs). The PRSC is one of the instruments that the Bank uses for supporting development policy reforms required to implement a country's poverty reduction strategy. It is anticipated that up to one-third of IDA financing to Malawi during the 4th CAS period would be through PRSCs.

Performance Assessment Framework (PAF)

consists of a jointly approved set of indicators and targets for assessing Government performance and progress in the use of general budget support under the CABS framework. Each Development Partner's bilateral agreement outlines how the PAF will be used in deciding disbursements. The PAF is a public document.



Improving Agricultural Productivity

IDA at Work

Agriculture is the foundation of Malawi's economy. The sector contributes to 80 percent of the country's employment, 80 percent of export earnings, and 35 - 40 percent of the Gross Domestic Product. Tobacco, sugar, coffee and tea are important cash crops, though opportunities are available for more diversified sectoral growth. Agriculture in Malawi is dominated by a low input, low output subsistence system. Strategies are needed to enhance incomes from commercialization through productivity growth, higher standards and reduced marketing costs. The World Bank program focuses on helping Malawi improve total food output and productivity, and strengthening risk management systems.





New financing in Agriculture will cover the following projects:

- ***Agriculture and Food Security Program (FY08)*** will be part of a multi-donor effort to fund the government's performance based Agricultural Development Program (ADP). It will seek to support activities for food security, agri-business development and sustainable productivity growth.
- ***Food Security/Rural Development Credit (FY10)*** is expected to be a Sector Wide Program (SWAp) targeting the reduction of malnutrition, improvement in rural incomes and expansion of agricultural exports. It will also improve co-ordination of projects in the agriculture sector.
- ***Development Policy Credits I-IV (FY08-10)*** seeks to support policy implementation targeting efforts to reduce marketing risks and transaction costs.

Continuing projects helping to improve agricultural productivity include:

Irrigation and Rural Livelihoods Development Project (FY06-12) is addressing the country's heavy dependence on rain-fed farming with improved water harvesting, strengthening of irrigation systems and related efforts to promote agro-enterprise development. About 200,000 households are benefiting from the project.

Community Based-Rural Land Development Project (FY06-09) seeks to develop efficient land market institutions and free-up unused and under-used land resources for production. Thousands of farmers are moving from overpopulated areas to new farms. About 15,000 farmers will benefit from this project.

Infrastructure Services Project (FY06-11) is supporting market linkages through comprehensive infrastructure development in rural trading centres. In addition to lending, the Bank provides technical assistance and carries out analytical work to help improve agricultural productivity.

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Building Resilient Communities is supporting Government efforts to improve the tobacco value chain and develop efficient output markets. The Bank is also supporting Government efforts to offset risks of maize price variability with the use of various hedging instruments, test markets for national weather insurance, and strengthening trade efficiency through the establishment of a warehouse receipt system.

Micro-level Weather Insurance facilitated the successful pilot of weather insurance and associated financing to 1,300 smallholder farmers in the 2005-2006 growing season.

Poverty and Vulnerability Assessment Report (2006) found that pervasive risks and high vulnerability to shocks are among the main causes of persistent poverty in Malawi. The most common shocks facing households in Malawi relate to a drop in crop yields and an increase in the price of food, reflecting Malawi's high dependence on rain-fed agriculture and its high exposure to droughts or floods.





Improving Infrastructure and the Investment Climate

IDA at Work

In its MDGS, the Malawi Government has put the private sector at the heart of economic development. Unfortunately, there are some constraints to private sector growth in Malawi. The **Investment Climate Assessment** for Malawi identifies constraints to doing business that include access to and cost of financing and infrastructure and utility provision, in particular electricity. In terms of the **Doing Business** survey reports which assess the ease of doing business in different countries on an annual basis, Malawi's investment environment is not conducive for doing business.

The World Bank plans to support devolvement of the private sector as a driver of the economy through infrastructure investments (electricity, transport and water), and, by helping address constraints in the investment climate. The following new projects are anticipated to improve the efficiency and reliability of infrastructure and improve the climate for doing business:

Business Environment Strengthening and Technical Assistance Project (BESTAP) (FY07-12) seeks to achieve an improved climate for private business through reducing the regulatory burden and costs of doing business; improving service delivery to the private sector; access to finance for SMEs; and by strengthening support for technical and business management skills at the firm level.



National Water Development Program II

seeks to improve water supply in the main cities of Blantyre and Lilongwe where most of the private sector is based. It will also address water supply issues in smaller towns and rural growth centres.

Malawi-Mozambique Transmission Interconnector

(FY08) will interconnect Malawi to the sub-regional power market, increase integration and provide the country with access to a reliable source of electricity and the opportunity to export surplus electricity.

Development Policy Credits I-IV

(FY08-10) will support macro-economic policies creating a stable environment conducive to private sector growth.

“The main thrust of the MGDS is to create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction. This is expected to transform the country from being a predominantly importing and consuming economy to a predominantly manufacturing and exporting economy.”

Bingu wa Mutharika
President, Malawi



Several studies and analytical work have also been done to complement work in the private sector. Technical assistance to the Government has also facilitated the development of the new Government Private Sector Development Strategy, based on the Doing Business indicators and the Investment Climate Assessment done by the World Bank in 2006. Building Resilient Communities is an additional technical assistance activity that is supporting Government efforts to improve the tobacco value chain and develop efficient output markets.

Planned analytical work and technical assistance on private sector development issues include:

Administrative Barriers Study is a joint World Bank – IFC study that will build on the 2006 Investment Climate Assessment and annual Doing Business Surveys.

Financial Sector Assessment Program (FSAP) to be conducted jointly by the World Bank and IMF will assist the Government and the Reserve Bank of Malawi to assess Malawi’s financial sector’s strengths, weaknesses, and vulnerability to macroeconomic shocks and to advise how to augment the sector’s contribution to growth and development.

Rural Finance/FSAP Follow-up will build on the FSAP findings to identify opportunities for improving access to finance, especially in rural areas.

Commercial Courts will receive capacity building technical assistance by WBI and BESTAP. The World Bank supported the establishment of the commercial courts and WBI has already provided training to judges of the Courts.

“Malawi’s strong progress in regaining macro stability means that the Government is increasingly looking to a second generation of reforms in the domestic business environment which will seek to stimulate private sector investment and employment creation”

Constantine Chikosi
Private Sector Development Specialist





Doing Business in Malawi 2008

Beginning in 2005, the World Bank launched a series of annual surveys that assess the ease and cost of doing business in 175 countries, ranking each country's performance against the others. Ten indicators, which are inter-connected, are used to measure the ease and cost of doing business in the countries surveyed. Malawi ranked 96 out of 155 in 2006, 110 out of 175 in 2007 and 127 out of 178 in 2008.

Following are Malawi's indicators for 2008:

1. **Dealing with Licenses** (117/178) Malawi required 21 procedures compared to 10 procedures in Kenya. Consolidating some of these licenses would significantly reduce costs and encourage businesses to enter the formal sector.
2. **Protecting Investors** (64/178) On a scale of 1-10, 10 being the most protection, Malawi scored 5.3 on the Investor Protection Index, while New Zealand scored 9.7. Investors become reluctant to invest in a country where they do not receive adequate protection.
3. **Enforcing contracts** (135/178) Malawi has just established Commercial Courts. It is anticipated that the establishment of these courts will reduce the time it takes to enforce contracts and resolve commercial disputes.
4. **Employing workers** (90/178) Labour regulations set by countries are assessed by this indicator. It takes into account the hiring and firing of employees, rigidity of wages and costs (i.e. wage and non wage costs involved).
5. **Closing a business** (135/178) This indicator looks at the process, time, cost and the amount stakeholders recover from the liquidation of their business within the bankruptcy system. It takes 2.6 years to close a business in Malawi compared to 0.4 years in Ireland. The lengthy process ties up capital which could be reinvested.
6. **Starting a business** (108/178) It takes 37 days in Malawi to incorporate and register a business compared to 16 in Rwanda. The current registration system at the Registrar General's office is manually based and in one location. This is time consuming and may encourage corruption.

7. **Registering property** (87/178) Procedures to register properties in Malawi were 6 compared to 1 in Norway; time taken was 118 days in Malawi compared to 42 in Mozambique.
8. **Getting Credit** (84/178) The absence of credit information and the weak credit culture in Malawi makes it almost impossible for Small and Medium Enterprises (SMEs) to access credit, impacting negatively on private sector led growth which is boosted by SMEs who have the greatest potential for growth but have no access to financing they need.
9. **Paying Taxes** (78/178) In the survey, Malawian businesses made 30 payments compared to 1 in the Maldives and a total tax rate (percent of commercial profits) of 32.2 percent compared to 9.1 percent in the Maldives. A very high tax rate is a disincentive for businesses.
10. **Trading across borders** (161/178) It takes 45 days and 12 documents to export goods from Malawi at a cost of US\$1,565 per container. This is time consuming and costly.





Decreasing Vulnerability to HIV/AIDS and Malnutrition

IDA at Work

The prevalence rate of HIV/AIDS among prime age adults (15-49 years) in Malawi is estimated to be 11.8 percent. The 2006 Poverty and Vulnerability Assessment (PVA) observes that even in the best-case scenarios of decreasing incidence of infection, the lag between HIV infection and development of AIDS means that the disease will continue to impact Malawians well into the future. This challenge calls for continued interventions in behavioral change and treatment of HIV/AIDS.

Similarly challenging is reducing chronic malnutrition which is endemic in Malawi. According to the 2006 PVA:

- 35 percent consume insufficient amount of calories
- 44 percent of preschoolers are stunted (of which 18 percent are severely stunted)
- On average, boys are more malnourished than girls of equal age
- The level of education in the household does appear to make a significant impact on per capita calorie consumption
- Per capita calorie consumption declines with household size

The World Bank is helping to address the HIV/AIDS epidemic and reduce the vulnerability of households to poor nutrition through its financing and non-lending activities:

Multi-Sector AIDS Program (FY03-08) is the Bank's instrument for participating in the pooled funding arrangement in support of the National HIV/AIDS response. The project has been providing grants to organizations to engage in the fight against HIV/AIDS from various angles.

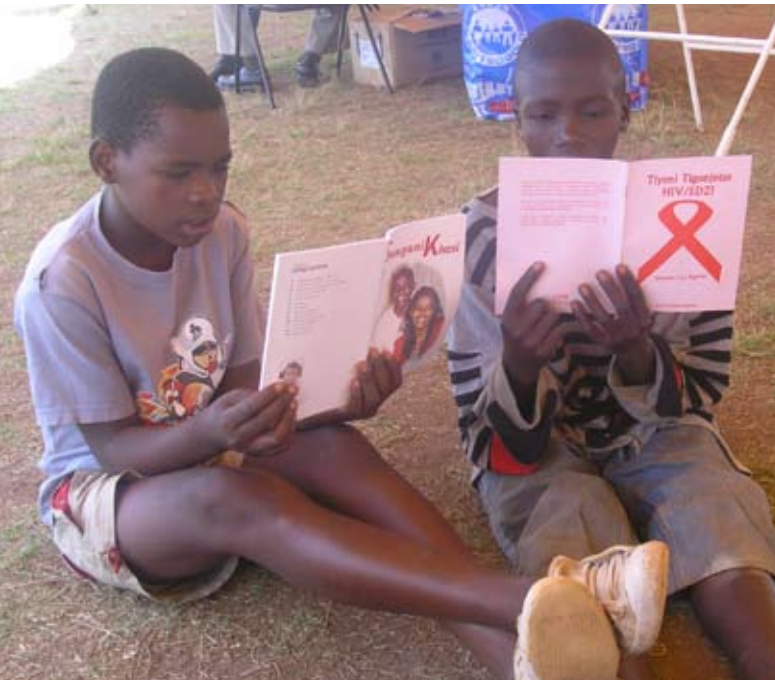
Health Sector Support Program / Malaria Booster Program (to FY08) aims to improve the availability of quality healthcare and strengthen health systems through increased human resources, reliable pharmaceuticals and supplies logistics.

Education Sector Support Project (FY06-10) includes a component for the provision of health services and nutrition package to primary school children.

Irrigation and Rural Livelihoods Development Project (FY06-12) promotes positive nutritional messages as part of its outreach campaign. The aim of the project is to increase incomes and improve rural livelihoods by raising the productivity of smallholder farms.

Agriculture and Food Security Program (FY08) promotes agricultural diversification, essential for an effective nutritional campaign.

Barriers and Facilitators to Good Feeding Practices study (2008) will analyze the root causes of malnutrition and thus support a coherent and appropriately targeted nutrition program.





Sustaining improvements in macroeconomic management and civil service accountability

IDA at Work

In the past few years, Malawi has recorded important improvements in macro-economic management because of fiscal discipline, good weather, and a supportive international environment. There has been declining trends in inflation (from 11.4% in 2004 to 7.9% in 2007), domestic debt (22.6% of GDP in 2004 to 12.6% in 2007), and interest rates (down to about 15% in 2007 from 45% in 2003.) The exchange rate has also been stable, and Malawi's growth over the past two years has averaged 7.6 percent.

The Civil Service is very critical in ensuring these gains are maintained. The World Bank will help in sustaining these improvements by addressing weaknesses in the government institutional systems. The Bank's work will build on the **Financial Management and Transparency Project** (2003-08), which has been addressing elements of public expenditure management, civil service reform, right sizing and capacity building.

Improving Civil Service Accountability: Achievements of the Financial Management and Transparency Project :

- Assisted Government reduce internal audit staffing deficit from 60% to 13% through capacity building, equipment and related support.
- Trained all procurement oversight panels and procurement staff in all ministries and several parastatals in the new procurement laws and regulations, in association with other donors.
- Supported the implementation and roll-out of the Government Integrated Financial Management Information System through supply of equipment and capacity building.
- Provided targeted high level capacity building to Government's selected high priority areas such as the training of commercial court judges, accountants, auditors, lawyers and human resource specialist to build greater public finance management capacity.
- Invested in the further development of the public sector information technology infrastructure to link the four major urban centres in a national government wide area network.

New initiatives to support public sector management are:

Public Sector Swap/MASAF III (FY08) Pooled fund program that would seek to incorporate and rationalize numerous current donor efforts to improve public sector management and build civil service capacity. This project would also seek to strengthen the Government's decentralization program by more closely integrating the operation of MASAF into the local government financing system.



Development Policy Credits I-IV (FY08-10) will seek to support policy implementation aimed at strengthening the institutions of public management and improving transparency and accountability.

Some studies and analytical work have been completed and some are planned to complement efforts in improving government institutional performance:

Public Expenditure Review (FY07) analysed public expenditure trends in the education, health, nutrition, and roads sectors. Many of the findings reaffirmed the need to improve expenditure planning and monitoring systems in order to reduce poverty. Government has started implementing the recommendations.

Public Expenditure Tracking Survey(s) would be initiated in one or more key sectors to build on the work of the FY07 Public Expenditure Review. WBI support to Anti-Corruption and Governance will strengthen the ACB in the areas of Anti-Corruption and Governance Diagnostics through dissemination of Governance Survey results and skills building in anti-money laundering investigation and tracking.

Fiduciary Assessment (FY09) would update the existing knowledge base on the status of procurement and financial management systems in Malawi.

Country Economic Memorandum (CEM) is planned for FY09 and will consolidate the results of growth diagnostic work to update the 2004 CEM.



IDA Support for Debt Relief

In August 2006, Malawi's total external debt stock which was at US\$3 billion in nominal terms was reduced to US\$400 million under the Highly Indebted Poor Countries (HIPC) Initiative. This means that Malawi will be saving on an annual average approximately US\$110 million in debt service over the 2006-2025 period. Excluding new borrowing, this will leave Malawi with annual external debt service payments of less than US\$5 million on average over the same period.

By reaching HIPC completion point, Malawi also became eligible for further debt relief from IDA, the IMF and the African Development Bank (ADB) Group under the Multilateral Debt Relief Initiative (MDRI). Under MDRI, there is 100 percent cancellation of debt contracted and disbursed prior to December 31, 2003 (for the World Bank) and December 31, 2004 (for the IMF and ADB Group.)

Debt relief in NPV terms was

- US\$1,146 million from the World Bank Group
- US\$245 million from the ADB Group
- US\$221 million from Paris Club bilateral creditors
- US\$78 million from other multilateral creditors
- US\$42 million from the IMF
- US\$7 million from other official bilateral and commercial creditors.

The most immediate benefit of debt relief is the availability of additional funds for the Government to use for poverty reduction programs. The World Bank does not have conditions on how the Government should spend the additional funds, although there is an expectation that the HIPC spirit of spending on pro-poor activities will be maintained. One challenge for Malawi is ensuring that it does not slip back into an unsustainable debt situation.





Facilitating Private Investment

IFC and MIGA at Work

Given the size of the economy and poor business climate, MIGA and IFC have not been as active in Malawi. They are both exploring ways of assisting Malawi.

Currently, IFC is helping address access to credit by Micro, Small and Medium Enterprises through a loan facility with the NBS Bank. IFC will also carry out a joint **Administrative Barriers Study** with the World Bank. The study will build on the 2006 Investment Climate Assessment and annual Doing Business Surveys.

MIGA offers an online investment promotion service (www.fdi.net and www.pri-center.com) that is a unique web portal with free country analyses and information relating to foreign direct investment and political risk management and insurance for 175 countries. These initiatives contribute to MIGA's mandate of promoting foreign direct investment in developing countries to enhance growth and development. At present, these services feature 130 documents on investment opportunities and the related business, legal and regulatory environment in Malawi.



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The Centre is located at the National Library, City Centre, Lilongwe.

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Saturday: 08.30 – 15.30;

Sunday - Closed

IDA and IBRD Operations (Credits, Grants and Guarantees), 1966-2007

CLOSED OPERATIONS (as at December 31, 2007)

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Roads Engineering Project	Transport	1966-67	0.5	
Education Project (01)	Education	1967-77	6.3	105.05
Shire Agriculture Project	Agriculture and Rural Development	1968-73	3.7	105.03
Lilongwe Agriculture Project (01)	Agriculture and Rural Development	1968-72	6	105.98
Highway Project (01)	Transportation	1968-73	11.5	105.89
Power Tedzani Project (01)	Energy and Mining	1970-74	5.3	105.90
Lilongwe Agriculture Project (02)	Agriculture and Rural Development	1971-76	7.3	100.96
Karonga Agriculture Project	Agriculture and Rural Development	1972-79	6.6	100.07
Lower Shire Agriculture Project (02)	Agriculture and Rural Development	1973-78	10.5	100
Power - Tedzani Project (02)	Energy and Mining	1973-78	7.5	100
Transport Engineering and Serv- ices Project	Transport	1974-81	2	100
Highway Project (02)	Transport	1974-82	10	100
Education Project (02)	Education	1975-81	11.6	100
Karonga Rural Development Project (02)	Agriculture and Rural Development	1976-81	9.2	100
Power Project (03)	Energy and Mining	1977-81	25	100
Blantyre Water Supply Project (01)	Water, Sanitation, and Flood Protection	1977-84	7	100
Highway Project (03)	Transportation	1977-82	10.5	100

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Shire Valley Agriculture Consolidation Project	Agriculture and Rural Development	1978-82	10.7	100
Investment and Development Bank Project (01)	Finance	1978-83	3	100
National Rural Development Program Project (01)	Agriculture and Rural Development	1978-86	22	100
Education Project (03)	Education	1979-85	14.5	100
National Rural Development Program Project (02)	Agriculture and Rural Development	1980-87	13.8	100
Lilongwe Land Development Project (03)	Agriculture and Rural Development	1975-79	8.5	100
Highway Project (04)	Transportation	1981-84	33	100
Education Project (04)	Education	1981-86	41	100
Technical Assistance Project (01)	Law and Justice, and Public Administration	1981-84	1	100
Structural Adjustment Project (01)	Multi-sector	1981-82	45	100
National Rural Development Program Project (03)	Agriculture and Rural Development	1981-88	7.3	100
Lilongwe Water Supply Engineering Project	Water, Sanitation, and Flood Protection	1982-87	4	100
Education Project (05)	Education	1983-90	34	100
National Rural Development Program Project (04)	Agriculture and Rural Development	1983-91	10.6	100
Smallholder Fertilizer Project	Agriculture and Rural Development	1983-88	5	100
Health Project (01)		1983-88	6.8	100
Highway Project (05)	Transportation	1983-91	44.9	89
Technical Assistance Project (02)		1983-89	1.5	100

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Structural Adjustment Project (02)	Multi-sector	1983-85	55	100
Urban Development Project (01)		1984-93	15	100
Viphya Wood Industries Project		1985-91	6.4	100
National Agricultural Research Project	Agriculture and Rural Development	1985-93	23.8	100
Agricultural Extension & Planning Support Project	Agriculture and Rural Development	1985-93	11.6	100
Structural Adjustment Project (03)	Multi-sector	1985-88	30	100
Industrial and Agricultural Credit Project	Agriculture and Rural Development	1985-93	7.8	100
Wood Energy Project (02)	Education	1986-93	16.7	100
Lilongwe Water Supply Project (02)	Water, Sanitation, and Flood Protection	1986-93	20	100
Family Health Project (02)		1987-93	11	100
ESC (Education Sector Credit) Project (01)	Education	1987-94	27	100
Smallholder Agricultural Credit Project	Agriculture and Rural Development	1987-95	5.9	100
Northern Corridor Project	Transportation	1988-94	13.4	100
Industrial and Trade Policy Adjustment Credit Project	Energy and Mining	1988-91	70	100
Agricultural Marketing and Estate Development Project	Agriculture and Rural Development	1988-96	18.3	100
Industrial and Trade Policy Adjustment		1989-N/A	5.2	100
Energy Project (01)	Energy	1989-96	46.7	100

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Institutional Development Project	Law and Justice, and Public Administration	1989-96	11.3	100
Industrial and Trade Policy Adjust- ment		1989-?	4.7	100
Infrastructure Project (01)	Transportation	1989-95	28.8	100
Education Sector Credit Project (02)	Education	1989-98	36.9	100
Agricultural Sector Adjustment Program Project	Agriculture and Rural Development	1990-92	70	100
Industrial and Trade Policy Adjust- ment		1990-?	7.2	100
Financial Sector and Enterprise Development Project (01)	Finance	1991-98	32	100
Population, Health and Nutrition Sector Credit Project	Public Administration	1991-00	55.5	100
Fisheries Development Project	Law and Justice, and Public Administration	1991-00	8.8	100
Agriculture Sector ADJ	Agriculture and Rural Development	1991-N/A	5.2	100
Local Government Development Project	Law and Justice, and Public Administration	1992-01	24	100
Power Project (05)	Energy and Mining	1992-00	55	100
Entrepreneurship Development and Drought Recovery Program (EDDRP) Project	Law and Justice, and Public Administration	1992-96	120	100
Entrepreneur & Drought		1992-N/A	10.2	100
Agricultural Services	Law and Justice, and Public Administration	1993-99	45.8	100
Rural Financial Services Project	Finance	1993-99	25	100

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Institutional Development Project (02)	Education; Law and Justice, and Public Administration	1994-01	22.6	100
Drought Emergency	Law and Justice, and Public Administration	1994-N/A	40	100
Entrepreneurship	Law and Justice, and Public Administration	1994-N/A	4.6	100
Railways Restructuring Project	Transportation	1995-00	16.2	100
National Water Development Project		1995-03	79.2	100
Primary Education Project	Education	1996-00	22.5	100
Fiscal Restructuring and Deregulation Program	Public Sector Governance	1996-01	102	100
Fiscal Restructuring and Deregulation Program	Economic Policy	1996-01	4.4	100
Social Action Fund Project	Social Protection	1996-01	56	100
FIS.RSTRUC.& DEREG.		1996-N/A	3.4	100
Environmental Management Project	Law and Justice, and Public Administration	1997-02	12.4	100
Secondary Education Project	Education	1998-05	48.2	100
Population and Family Planning Project	Law and Justice, and Public Administration	1898-03	5	100
Second Social Action Fund (MA-SAF II)	Social Protection	1998-03	66	100
Fiscal Restructuring and Deregulation Credit (02)	Economic Policy	1998-00	92	100

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
Second Fiscal Restructuring And Deregulation Technical Assistance Project	Economic Policy	1998-01	2.4	100
Road Maintenance and Rehabilitation Project	Transport	1999-06	30	100
Fiscal Restructuring and Deregulation Program (03)	Public Sector Governance	2000-04	3	100
Fiscal Restructuring and Deregulation Program Project (03)	Economic Policy	2000-02	55.1	100
Regional Trade Facilitation Project - Malawi	Financial and Private Sector Development	2001-N/A	15	100
Supplemental Credit to the National Water Development Project	Water	2002-N/A	3.2	100
Emergency Drought Recovery Project	Agriculture and Rural Development	2002-04	50	100
Third Social Action Fund (MASAF III)	Social Protection	2003-07	60.0	99.86
Privatization and Utility Reform Project	Financial and Private Sector Development	2000-07	28.9	94

IDA Active Operations

(As at 31 December 2007)

Operation	Sector	Period	Committed (US\$ million)	Percent Disbursed
National Water Development Project 2 (of grant)	Water	2007-12	50.0 (22.5 grant)	14.24
Business Environment Strengthening Technical Assistance (BESTAP)	Financial and Private Sector Development	2007-12	15.0	7.97
Infrastructure Services	Energy and Mining	2006-11	40.0	5.19
Irrigation, Rural Livelihoods and Agricultural Development Project	Agriculture and Rural Development	2005-12	40.0	14.92
Education Sector Support Project 1	Education	2005-10	32.2	25.88
Community-Based Rural Land Development Project	Agriculture and Rural Development	2004-09	27.0	42.43
Health Sector Reform Project/ Malaria Booster Program for Health SWAp	Health, Nutrition, and Population	2004-08	20.0	70
Multi-Sectoral AIDS Project (MAP)	Health, Nutrition, and Population	2003-08	35.0	91.43
Financial Management, Transparency and Accountability Project (FIMTAP)	Public Sector Governance	2003-08	23.7	61.63
Malawi Growth and Development Strategy Policy Credit I	Multi-sector	2008	20.00	63.16
Regional Trade Facilitation Project - Malawi	Financial and Private Sector Development	2001-11	15.0	26.67

IDA Pipeline Operations

(As at 31 December 2007)

Operation	Sector	Period	Committed (US\$ million)
Malawi Public Sector Management SWAp/ MASAF III - II	Social Protection	2008	25.00
Southern African Power Market	Energy and Mining	2008	45.00
Agriculture Sector/Food Security SWAp	Agriculture and Rural Development	2008	30.00
Malawi Growth and Development Strategy Policy Credit II	Multi-sector	2009	25.00
Infrastructure Investment (Energy/transport pooled/Co financing)	Transport, Energy	2009	45.00
Malawi Growth and Development Strategy Policy Credit III	Multi-sector	2009	30.00
Education SWAp	Education	2010	30.00
Food Security/Rural Development	Agriculture and Rural Development	2010	25.00
Food Security/Rural Development Credit	Agriculture and Rural Development	2010	25.00
Malawi Growth and Development Strategy Policy Credit IV	Multi-sector	2010	35.00

IFC Closed Operations 1976-2007

(As at December 2007)

Operation	Approval Date	Committed (US\$ million)	Percent Disbursed	Sector
David Whitehead	1976/ 1982	11.12	100	Textiles, Apparel & Leather
Dwangwa Sugar	1977/ 1981/ 1983/ 1985/ 1988	11.31	100	Food & Beverages
INDEBANK	1979	0.81	100	Finance & Infrastructure
Malawi Hotels	1980/1984/1989	2.09	100	Accommodation & Tourism Services
Ethanol Malawi	1981/1982	2.47	100	Chemicals
Viphya Plywoods	1985/1987	3.45	100	Industrial & Consumer Products
LCFM	1986/1990	0.78	100	Finance & Insurance
AEF Mal Stockbrokers	1995	0.11	100	Finance & Insurance
AEF PCEIL	1996	0.53	100	Food & Beverages
AEF Maravi	1997	0.60	100	Agriculture and Forestry
AEF Ufulu Garden	1998	0.31	100	Accommodation & Tourism Services
AEF Kabula Hotel	1999	0.64	100	Accommodation & Tourism Services
AEF Mwaiwathu	1996	0.81	100	Health
NICO	2000	1.04	100	Finance & Insurance
Total		35.87	100	

Global Environment Facility (GEF)

(As at December 31, 2007)

Operation	Period	Committed (US\$ million)	Disbursed (US\$ million)	Sector
Mulanje Mountain Biodiversity Conservation Project	1999-2008	5	100	Biodiversity
Energy Access Expansion and Development project		3.2	100	Energy and Mining
TOTAL		8.2		
Regional				
Supporting Capacity Building for the Elaboration of National Reports and Country Profiles by African Parties to UNCCD		0.9	100	Land Degradation
TOTAL		0.9		

The World Bank Group Mission

To fight poverty with passion and professionalism for lasting results.

It aims to help people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and the private sectors.



The World Bank Group consists of five institutions:



IBRD – the International Bank for Reconstruction and Development was established in 1944 and has 185 member countries. Malawi joined IBRD in 1965. IBRD serves middle-income countries with capital investments and advisory services. It also offers partial risk guarantees to IDA and other clients.



IDA – the International Development Association is a complement to IBRD that serves the poorest countries. It was established in 1960. Malawi joined IDA in 1965. IDA provides concessional loans (known as credits) and grants to support government and private sector initiatives aimed at reducing poverty and promoting economic growth.



IFC – the International Finance Corporation was established in 1956 to promote private sector growth, supporting enterprises that have limited access to capital. Malawi joined IFC in 1965.



MIGA – the Multilateral Investment Guarantee Agency was established in 1988 and joined by Malawi in 1988. MIGA promotes foreign direct investment by providing guarantees to investors against non-commercial risks, such as expropriation and war.



ICSID – the International Centre for Settlement of Investment Disputes was established in 1966. Malawi joined in 1966 but has not yet made use of its services.

“World Bank” refers to IDA and IBRD, while “World Bank Group” includes all five institutions.

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Malawi 2008 - 2009



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