

**Implementation Status & Results**  
**Malawi**  
**Business Environment Strengthening Technical Assistance (BESTAP) (P103773)**

Operation Name: Business Environment Strengthening Technical Assistance (BESTAP) (P103773)    Project Stage: Implementation    Seq.No: 10    Status: ARCHIVED    Archive Date: 06-Jan-2013

Country: Malawi    Approval FY: 2007  
 Product Line: IBRD/IDA    Region: AFRICA    Lending Instrument: Specific Investment Loan  
 Implementing Agency(ies):

**Key Dates**

Board Approval Date	24-May-2007	Original Closing Date	31-Dec-2012	Planned Mid Term Review Date	30-Sep-2010	Last Archived ISR Date	29-Jun-2012
Effectiveness Date	10-Oct-2007	Revised Closing Date	31-Dec-2012	Actual Mid Term Review Date	18-Oct-2010		

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

**To improve the ease of doing business processes in Malawi in order to increase foreign and domestic private sector investment in the economy.**

Has the Project Development Objective been changed since Board Approval of the Project?

Yes     No

**Component(s)**

Component Name	Component Cost
Strengthening private property rights institutions and business facilitation	3.40
Strengthening private sector development support institutions and services	3.70
Promoting access to finance and productivity enhancement	3.70
Capacity building and implementation support	2.30

**Overall Ratings**

	Previous Rating	Current Rating
Progress towards achievement of PDO	Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Satisfactory	Moderately Satisfactory
Overall Risk Rating		Moderate

**Implementation Status Overview**

Progress towards achievement of PDO has been down graded to Moderately Satisfactory. Out of the two PDO indicators, the reduction of costs to formally start business end target of 70% will not be reached (actual 83.7, DBR 2013 (source)) but Growth of turnover in firms accessing BUGS at 62% (June 2012 BUGS Impact Assessment Report), is higher than the 20% end Target. Thus the first PDO indicator was close to being reached while the second one was exceeded. Overall implementation Progress has been downgraded to

Moderately Satisfactory mainly due to a number of intermediate results indicators not being met.

Following the signing of the Amended EU/World Bank administration Agreement in January 2011, a Grant Agreement between the Government of Malawi and the World Bank (as administrator of the EU grant) was signed on 18 May, 2011 and the EU co-financing of US\$ 3.7 million started being utilized to finance agreed activities that were part of the project design. A second order restructuring (re-allocation of proceeds) was also approved by the Acting Country Director in April 2011.

Actual IDA expenditure to date, including commitments was at 99.9%. All EU funds were committed by 31 December 2011 as agreed and because of the delay in the signing of the Grant Agreement, the ending date of the EU Trust Fund was retroactively extended from 31 December, 2011 to 30 June, 2012 with a grace period for all payments being extended to 31 October, 2012 (i.e four months after the closing the Trust Funds) in order to complete all EU Trust Fund activities. All EU Trust Fund goods and services were delivered by 30 June, 2012. The closing date of BESTAP will remain 31 December, 2012 as originally scheduled.

All fiduciary aspects of the project are satisfactory. The project procurement and financial management are currently rated as satisfactory, and have been since project effectiveness. Financial management is Satisfactory and the project is up-to-date with Interim Financial Reports (IFRs) as well as Audit Reports.

**Locations**

No Location data has been entered

**Results**

**Project Development Objective Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Reduction of costs to formally start a business by end of project	<input type="checkbox"/>	Text	Value	134.7%	83.7	70%
			Date	31-Jul-2007	30-Jun-2012	31-Jul-2012
			Comments	From 2007 Doing Business Report	This figure is from 2013 Doing Business Report. This figure is substantial reduction from 134.7 baseline although slightly short of 70% end target.	
Growth of turnover in firms accessing Business Growth Scheme(BUGS)	<input type="checkbox"/>	Text	Value	0%	62%	20%
			Date	31-Jul-2007	04-Nov-2011	31-Jul-2012
			Comments		This figure is from BUGS Impact Assessment Report that was finalized in August 2012. The figure substantially exceeds 20% end target.	A similar study is expected to be done towards the end of the project to establish end target.

**Intermediate Results Indicators**

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Legislative backlog of laws impacting cost of doing business reduced from 40 to 22 Bills by mid term review and cleared by end of project	<input type="checkbox"/>	Text	Value	40	10	22
			Date	31-Jul-2007	30-Jun-2012	31-Jul-2012
			Comments		Tremendous progress has been achieved on backlog and laws that been reviewed and submitted, mostly due to legal draftsman/consultant engaged by BESTAP who works on reviews on a full time basis	
Reduction in time taken to settle commercial disputes.	<input type="checkbox"/>	Text	Value	337 calendar days	96	<180 calendar days
			Date	31-Jul-2007	30-Jun-2012	31-Jul-2012
			Comments		The Commercial Court has made substantial progress from the 337 days it used to take when the project started.	
Reduction in time taken to formally start a business.	<input type="checkbox"/>	Text	Value	37 days	39	10 days
			Date	31-Jul-2007	30-Jun-2012	31-Jul-2012
			Comments		According to the DB Report, this indicator has not improved. The expectation is that computerization and systems improvement being carried out at business registry will have significant impact on this indicator as well as new Single Business License Bill.	
Reduction in time taken to register property title.	<input type="checkbox"/>	Text	Value	118 calendar days	69	60 calendar days
			Date	31-Jul-2007	30-Jun-2012	31-Jul-2012
			Comments		There has a deterioration since the previous year. The City of Blantyre but not at national level. Automation of lands registry to be carried out in 2011 should be positive impact in reduction in time.	
Reduction of time taken to obtain licences and permits.	<input type="checkbox"/>	Text	Value	185 calendar days	200 calendar days	30 calendar days
			Date	31-Jul-2007	04-Nov-2011	31-Jul-2012

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			Comments		This indicator has not changed according to the 2012 DB Report. Working with the IFC under BESTAP, a mapping study of obtaining licenses in Malawi was carried out in 2010 and recommendations are being implemented led by Commissioner of Physical Planning.	
Reduction of turnover in firms accessing Business Growth Scheme (BUGS).	<input type="checkbox"/>	Text	Value	0%	62%	20%
			Date	31-Jul-2007	04-Nov-2011	31-Jul-2012
			Comments		This figure is from BUGS Impact Assessment Report that was finalized in August 2012.	
Volume of Bank Support: Institutional Development - SME	<input checked="" type="checkbox"/>	Amount(USD)	Value	0.00	163040.00	1800000.00
			Date	10-Aug-2007	04-Nov-2011	31-Dec-2012
			Comments		Data gathered from retrofit exercise	

**Data on Financial Performance (as of 26-Nov-2012)**

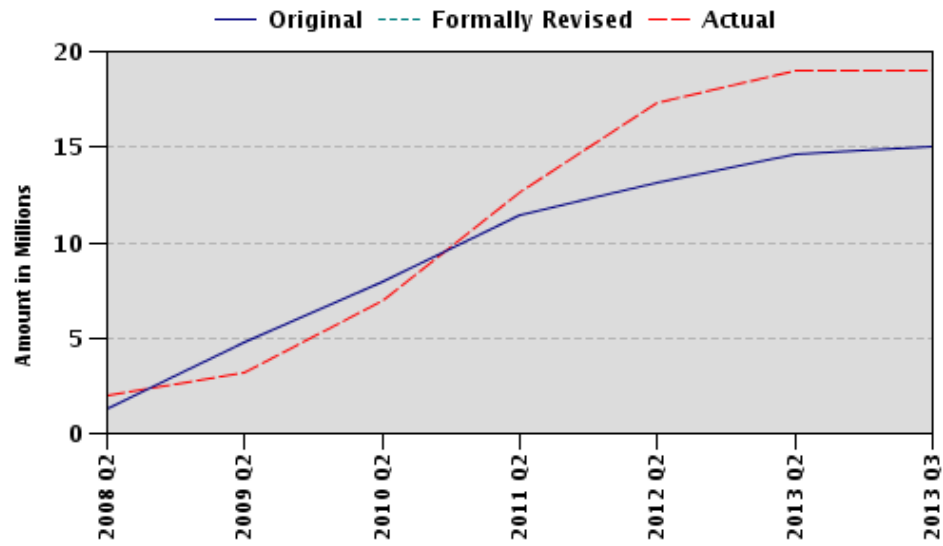
**Financial Agreement(s) Key Dates**

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P103773	IDA-H2930	Effective	24-May-2007	17-Jul-2007	10-Oct-2007	31-Dec-2012	31-Dec-2012
P103773	TF-91620	Closed	28-Apr-2011	13-May-2011	13-May-2011	31-Dec-2011	30-Jun-2012

**Disbursements (in Millions)**

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P103773	IDA-H2930	Effective	USD	15.00	15.00	0.00	15.44	0.00	103.00
P103773	TF-91620	Closed	USD	3.94	3.56	0.00	3.59	0.11	101.00

**Disbursement Graph**



**Key Decisions Regarding Implementation**

None

**Restructuring History**

Level one Approved on 19-Nov-2010, Level two Approved on 02-May-2011, Level two Approved on 28-Jun-2012

**Related Projects**

There are no related projects.