

Document of
The World Bank

Report No:

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
BUSINESS ENVIRONMENT STRENGTHENING TECHNICAL ASSISTANCE
PROJECT (BESTAP) – GRANT NO. H293-MAI

IN THE AMOUNT OF SDR 10 MILLION

MAY 24, 2007

TO THE
REPUBLIC OF MALAWI

March 25, 2011

Finance and Private Sector Development
Eastern and Southern Africa
Africa Region

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**MALAWI — BUSINESS ENVIRONMENT STRENGTHENING TECHNICAL
ASSISTANCE PROJECT (BESTAP)
P103773
GRANT NO. H293-MAI
Restructuring Paper**

1. Proceeds for *Malawi, Business Environment Strengthening Technical Assistance Project (BESTAP), Grant No. H293-MAI, P103773* will be reallocated as follow:

Category of Expenditure		Amount of the Grant Allocation (expressed in SDR)		% of Expenditures to be Financed (inclusive of Taxes)	
		Current	Revised	Current	Revised
1) Goods (Excluding Part A and C.2 of the Project)	(1) Goods (Excluding Part A and C.2 of the Project)	580,000	1,860,000	100%	100%
(2) Works	(2) Works	33,000	30,000	100%	100%
3) Consultants' Services (including Financial Audits), Training and Workshops (Excluding Part A of the Project)	(3) Consultants' Services (including Financial Audits), Training and Workshops (Excluding Part A of the Project)	6,000,000	5,900,000	100%	100%
(4) (a) Matching Grants under Part C.2 of the Project	(4) (a) Matching Grants under Part C.2 of the Project	1,060,000	800,000	100%	100%
(4) (b) Operating Costs and Goods under Part C.2 of the Project	(4) (b) Operating Costs and Goods under Part C.2 of the Project	640,000	460,000	100%	100%
(5) Operating Costs under Part D of the Project	(5) Operating Costs under Part D of the Project	350,000	800,000	100%	100%
(6) Unallocated ((6) Unallocated	1,337,000	0	100%	n/a
	(7) Goods, Consultants' Services, Training and Workshops under Part A of the Project	n/a	150,000	n/a	100%
TOTAL AMOUNT	TOTAL AMOUNT	10,000,000	10,000,000		

2. Briefly summarize project implementation progress.

The cumulative IDA disbursements as of March 21, 2011 were US\$ 13,860,000, representing 88 percent of the total IDA funding available to the project of US\$ 15,750,000. No funds have been disbursed from the EC resources (€2.8 Million) which are allocated to downstream activities yet to be implemented. The proposed restructuring does not affect the use of the funds provided by the EC. 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. A mid-term review of BESTAP conducted in October 2010 rated the project as satisfactory

3. The proposed reallocation is necessary to:

A level one restructuring of the Business Environment Strengthening Technical Assistance Project (BESTAP) was approved by the World Bank Board on a 10 day No Objection basis in November 2010. However, due to delays in finalizing administrative arrangements needed to operationalize the use of European Union (EU) co-financing for activities that the World Bank and EU agreed would be jointly financed, there has been subsequent overruns in actual disbursements over allocated disbursements in a number of disbursement categories where there was to be joint financing. This reallocation of proceeds is intended to normalize this situation by reallocating proceeds among the relevant affected categories.

Two separate Designated Accounts (DAs) and Operating Accounts (OAs) would be maintained for the IDA and EU financing to avoid co-mingling of funds. Use would be made of Statement of Expenditure (SOE) based disbursement for both IDA and EU accounts.