

**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: 7    Status: ARCHIVED    Last Modified Date: 03-Apr-2011

Country: Malawi    Approval FY: 2007  
 Product Line: IBRD/IDA    Region: AFRICA    Lending Instrument: Specific Investment Loan  
 Implementing Agency(ies): Ministry of Industry, Trade and Private Sector Development

**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	30-Jun-2010
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	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Satisfactory
Overall Risk Rating		

**Implementation Status Overview**

A mid-term review of BESTAP conducted in October 2010 rated the project as satisfactory. Disbursement of IDA resources is currently at 90%. 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 level one restructuring of the Business Environment 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. In order to normalize this situation, a second order restructuring for Country Director approval is being processed whose purpose is to normalize this situation by reallocating proceeds among the relevant affected categories. A revised EU/World Bank Administration Agreement has now been signed by both parties and a grant agreement has also been prepared for processing.

**Results**

Project Development Objective Indicators			
Indicator	Baseline	Current	End Target
Indicator Name Reduction of costs to formally start a business by end of project	Value 134.7%	Value 108%	Value 70%
	Date 31-Jul-2007	Date 31-Jul-2010	Date 31-Jul-2012
Type Custom Indicator	Unit of Measure Text	Comment This has reduced slightly from 125% in 2009 (DB Report). Still above SSA average	Comment
Indicator	Baseline	Current	End Target
Indicator Name Growth of turnover in firms accessing Business Growth Scheme (BUGS)	Value 0%	Value 0%	Value 20%
	Date 31-Jul-2007	Date 31-Jul-2010	Date 31-Jul-2012
Type Custom Indicator	Unit of Measure Text	Comment A consultant is in the process of being engaged and work is due to start in April, 2011 to do a study to establish this indicator.	Comment 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	Baseline	Current	End Target
<p>Indicator Name 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</p> <p>Type                      Unit of Measure Custom Indicator        Text</p>	<p>Value 40</p> <p>Date 31-Jul-2007</p> <p>Comment</p>	<p>Value 34</p> <p>Date 24-Sep-2009</p> <p>Comment 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</p>	<p>Value 22</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Reduction in time taken to settle commercial disputes.</p> <p>Type                      Unit of Measure Custom Indicator        Text</p>	<p>Value 337 calendar days</p> <p>Date 31-Jul-2007</p> <p>Comment</p>	<p>Value 96 calendar days</p> <p>Date 24-Sep-2010</p> <p>Comment The Commercial Court has made substantial progress from the 337 days it used to take when the project started.</p>	<p>Value &lt;180 calendar days</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Reduction in time taken to formally start a business.</p> <p>Type                      Unit of Measure Custom Indicator        Text</p>	<p>Value 37 days</p> <p>Date 31-Jul-2007</p> <p>Comment</p>	<p>Value 39</p> <p>Date 24-Sep-2010</p> <p>Comment 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.</p>	<p>Value 10</p> <p>Date 31-Jul-2012</p> <p>Comment</p>

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Indicator		Baseline	Current	End Target
Indicator Name Reduction in time taken to register property title.		Value 118 calendar days	Value 88 days	Value 60 calendar days
Date		31-Jul-2007	24-Sep-2010	31-Jul-2012
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Text		There has not been much progress over past three years but procedures have been streamlined in past year and impact assessment indicated improvement in commercial 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.	

Indicator		Baseline	Current	End Target
Indicator Name Reduction of time taken to obtain licences and permits.		Value 185 calendar days	Value 213 days	Value 30 calendar days
Date		31-Jul-2007	24-Sep-2010	31-Jul-2012
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Text		This indicator has not changed according to the 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.	

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Indicator	Baseline	Current	End Target
Indicator Name Reduction of turnover in firms accessing Business Growth Scheme (BUGS).	Value 0%	Value 0%	Value 20%
Date 31-Jul-2007	Date 24-Sep-2010	Date 31-Jul-2012	Date 31-Jul-2012
Type Custom Indicator	Unit of Measure Text	Comment A consultant is in the process of being engaged and work is due to start in April, 2011 to do a study to establish this indicator.	Comment
Indicator	Baseline	Current	End Target
Indicator Name Volume of Bank Support: Institutional Development - SME	Value 0.00	Value 163040.00	Value 1800000.00
Date 10-Aug-2007	Date 30-Jun-2009	Date 31-Dec-2012	Date 31-Dec-2012
Type Core Indicator	Unit of Measure Amount(USD)	Comment Data gathered from retrofit exercise	Comment

**Data on Financial Performance (as of 08-Mar-2011)**

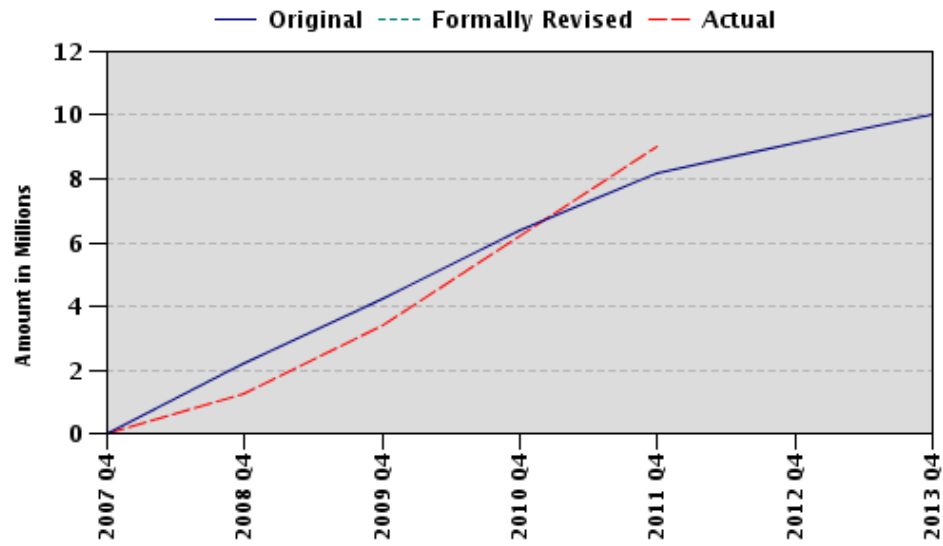
**Financial Agreement(s) Key Dates**

Project	Loan No.	Status	Approval Date	Signing Date	Effectiveness Date	Closing Date
P103773	IDA-H2930	Effective	24-May-2007	17-Jul-2007	10-Oct-2007	31-Dec-2012

**Disbursements (in Millions)**

Project	Loan No.	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P103773	IDA-H2930	Effective	XDR	10.00	10.00	0.00	9.00	1.00	90.00

**Disbursement Graph**



**Key Decisions Regarding Implementation**

None.

**Restructuring History**

Level one Approved on 19-Nov-2010

**Related Projects**

There are no related projects.