

**PCR EVALUATION NOTE (Form)**

<b>1. Basic Project Data</b>				
Country:	Malawi	Project SAP Reference:	P-MW-KZO-005	
Project Title :	Second Governance and Poverty Reduction Support Grant II (GPRSG II)			
Sector :	Multi-sector		Appraisal	Actual
Theme		Project Costs (MUA)	106.17	106.17
Amount cancelled (MUA)	Nil	Grant (UA)	11,546,000	11,546,000
PCR Date	29/04/2011	Co-financing (MUA)		
PCR Evaluation Note Date	July 2011	Board Approval Date	7-April-2010	7-April-2010
Partners	World Bank US \$52 million; EC: 76.9 million euros	Signature Date	N/A	17/05/2010
	Kingdom of Norway: NOK 70 million; Germany: 20 million euros	Effective Date	04/01/10	04/01/10
	UK (DFID) 19 million pounds	Project Completion Date:	06/30/11	12/22/10
Project Officers (Names)	Designation (HQ or FO)		From (mm/yy)	To (mm/yy)
C.C. Ojukwu N. Lobe Serge N'guessan Fenwick Kamanga	Regional Director Sector Director PCR Team Leader Task Manager			
Evaluator/consultant: O. O. Ojo		Peer Reviewer/Task Manager: F. Turay		

**2. Project Description (summary from Appraisal Report including addendum/corrigendum or loan agreement)**

**a. Rationale and Expected Impacts:**

The Republic of Malawi is one of the poorest and most fragile countries in Africa. It faces series of development challenges in the form of expansionary fiscal stance, volatile export earnings and emerging supply side challenges to growth. Lately it has experienced severe pressures on her international reserves which in turn are adversely affecting growth performance.

In response to these challenges, the Government embarked on a three year Extended Credit Facility arrangement with the IMF to support its Growth and Development Strategy and restore internal and external equilibrium. The present project represents Bank support to augment the resources provided by the IMF and other development partners.

The goal of the GPRSG II is to contribute to Malawi's targets on poverty reduction and macroeconomic stability through improved financial governance and improved pro-poor expenditures. In that way it will support the achievement of more effective and accountable government which are the established priorities of the Malawi Growth and Development Strategy and Public Financial and Economic Management Priority Action Plan (PFEM AP). To that end it will build upon the government's recently redesigned PFEM PAP.

The project will improve economic and financial governance as a step towards resumption of growth. By improving financial governance through greater efficiency, transparency and accountability in the use of public funds, the GPRSG II will seek to make budgeting more efficient and enable better provision of social services, especially the poor.

**b. Objectives / Expected Outcomes:**

The programme's goal was to contribute to poverty reduction and macroeconomic stability with the objective of enhancing economic efficiency, transparency and accountability in the use of public funds.

By improving financial governance the programme would contribute to better provision and greater delivery of social services especially to the poor. The programme would also benefit the Ministry of Finance and other key public sector institutions by allowing them to speed up reforms that could promote transparency and accountability.

**c. Outputs and Intended Beneficiaries:**

The outputs would be in the form of:

- A strengthened PFEM,
- Improvement in budget allocation, implementation and monitoring; increased independence of external audit and reduced delay in submission of reports to Parliament;
- More efficient use of resources and reduced opportunities for corruption.

An improved environment for the use of resources would likely generate growth and thereby reduce poverty. The major beneficiaries are therefore the people of Malawi, particularly the poor as a more efficient budgetary process would free resources for pro-poor activities.

**d. Principal Activities/Components:**

The programme has 3 three components: Strengthen PFEM reforms; Enhanced external audits; and a reinforced public procurement system.

**3. Evaluation of Design and Implementation** (Evaluator assessment of actual vs. envisioned)

**a. Relevance of Project Design (and Readiness for Implementation) (The evaluator assesses, independent of the PCR assessment, the Relevance of the project Design):**

The design of the project has strong links with the Bank's mid-term review of the CSP for 2005-2010 and with other CSPs that have been prepared earlier covering 2000-2004 and 2005-2010 for the country. In addition the project rests on additional analytical works—Public Expenditure and Financial Accountability (PEFA), Public Procurement Assessment Report; ADB-WEF African Competitiveness Reports; African Economic Outlook and DFID/AfDB Fiduciary Risk and Country Governance Assessments. There are also Technical Assistance reports by DFID, the EU, the World Bank, and the IMF which review the PFM reforms.

Drawing upon these sources of information, the programme's Appraisal report (AR) puts together a budget support project which has benefitted from the lessons of previous programmes for the country. The AR has an appropriate log frame which indicates the logical chain by which the objectives, outputs and outcomes are to be achieved. These in turn were

expressed in quantitative and measurable ways. The log frame also contains key assumptions and potential risks that could undermine programme achievements. As a budget support programme the design also benefitted from Bank collaboration with the practices of other members of the budget support group. For purposes of implementation, the programme relied on CABS framework. Indeed the appraisal and supervision mission coincided with CABS bi-annual reviews. The project design is thus highly relevant to the development objectives it hopes to achieve.

**b. Project Cost (including Borrower Contribution), Disbursements, and Adherence to Schedules (as relevant to project performance):**

The total cost of the project to the ADF was UA 11.5560 million. Other donors were Norway (NOK 140 million), UK (19 million pounds), the World Bank (US \$ 52.5 million), the European Union (76.9 million Euros), and Germany (20 million Euros). Bank contribution was disbursed in two tranches of UA 8.0822 million and UA 3.4638 million respectively. The first disbursement was made as planned but the second was delayed by four months due to the prolonged finalization of ECF first review and delays in the submission of an acceptable evidence for the PFEM Action Plan Trigger. This delay was not enough to delay final project completion.

**c. Implementation Arrangements, Conditions and Covenants, and related Technical Assistance:**

The AR vested project implementation in the hands of Ministry of Finance. GPRSP II is a joint budget support operation under CABS arrangements and is financed by six other donors. The CABS partners use common PAF with agreed indicators, which they use for their disbursement decisions. The Bank prepared, implemented and supervised GRSP II within the CABS framework. The PAF indicators used by the CABS group are agreed upon as basis for disbursement decisions, but country monitoring and evaluation systems are used for monitoring semi-annually, the progress in meeting the PAF indicators. Through joint CABS reviews and participation in MDGs annual reviews, the Bank reinforced the principle of managing for results.

**d. Monitoring & Evaluation Design, Implementation, & Utilization (Evaluator assessment):**

The AR made the explicit point that country monitoring and evaluation system will be used and that progress in meeting the PAF indicators will be monitored annually by the CABS group with MWFO in attendance. Several of these reviews took place by the Group and reports were issued regularly. The role of the Ministry of Finance as the executing agency was spelt out in the project document. But other institutions such as NAO, ODPP, CIAU were responsible for own components of the programme and their performance indicators. Country monitoring and evaluation systems were used largely in monitoring progress in attaining the PAF indicators as indicated by the AR. Baseline data were collected and available during design.

**e. Other Issues (such as Safeguards, Fiduciary):**

Both the AR and the PCR treated issues of safeguards, fiduciary and covenants very well. For example the PCR reported on the government's role in meeting conditions with ease.

The appraisal report had identified capacity constraints as major issues in the implementation of the programme. These were to affect CABS coordination, the issue of accountability for public funds by local assemblies, external audit and scrutiny functions and the procurement function.

#### **4. Evaluation of Performance** (Evaluator assessment)

##### **a. Relevance of project objectives** (Assessment of the ex-ante and ex-post relevance (including during implementation):

The project is highly relevant (ex-ante and ex-post) to the development objectives of Malawi I as contained in the Malawi Growth and Development Strategy and Public Financial and Economic Management Priority Action Plan (PFEM AP). It was also relevant to the Bank's country strategy as contained in the Results-based CSP of 2008 and to the Bank's corporate objectives of instituting good economic governance and reducing poverty in RMCs.

##### **b. Effectiveness in Delivering Outputs:**

The performance of the project in its delivery of its outputs is satisfactory as explained below:

Strengthened leadership and better implementation of PFEM reform: PFEM secretariat formalized but not fully staffed; a revised PFEM PAP with 33 activities was adopted in consultation with development partners for the period Sept 2010-June 2011; GFEM Sub-committee comprising DPs and PFEM secretariat created to assist in the implementation of PAP.

Improved budget allocation, implementation and monitoring: IFMIS has been rolled out to a total of 18 sites, increasing from the 6 districts targeted in 2009/10. 5 are targeted for 2011.

Increased independence of external and internal audit and reduced delay in submission of reports to Parliament: 2007/08 and 2008/09 audit reports submitted to Parliament in Dec 2010; 2009/10 audit reports submitted in March 2011 and the coverage expanded to include assemblies. National Audit Office has audited the accounts of 40 local authorities covering 2004/05 to 2007/08.

More efficient use of resources and reduced opportunities for corruption: Procurement plans for 8 out of 10 largest public spending entities were linked to the national budget and submitted to ODPP and MoF; capacity building programme for ODPP staff in place but amendments to Public Procurement Act not completed.

##### **c. Effectiveness in Achieving Outcomes:**

Performance on this score is also satisfactory:

PFM reform: CPIA governance rating unchanged in 2009 and 2010; Corruption perception index ranking improved from 89 in 2009 to 85 in 2010; improvements in PEFA indicator from D to C+

Greater accountability in the use of public funds: 18 districts are on-line with IFMIS, with the remaining 6 to be covered in 2011/12. IFMIS has led to timely preparation of government Consolidated Accounts

Greater transparency in public budget: Pro-poor spending has increased. These include transport, agriculture, education, nutrition, health and HIV/AIDS

##### **d. Efficiency in Achieving Outputs and Outcome :**

The project achieved its outputs and outcomes in a timely manner. There was also no cost over-run. Thus its performance on this score is rated highly efficient.

##### **e. Project/Development Outcome (PO):**

*Relevance:*

The project objectives are highly to the development priorities of Malawi as contained in

various documents spelling out the development agenda of the country. They are also relevant to Bank strategy as contained in various CSPs. They are also relevant to Bank corporate objectives of instituting good economic governance and reducing poverty in RMCs.

*Effectiveness:*

The project performed satisfactorily in achieving its objectives. Although the CPIA remained unchanged during 2009-2010, the corruption perception index improved from 89 in 2009 to 85 in 2010. There is now greater accountability in the use of public resources. The internal review of the Public Procurement Act has been completed and forwarded to the Ministry of Justice. Pro-poor expenditures have increased with top five spending sectors in 2010/11 which are pro-poor averaged 9.3% of the budget. Spending on HIV and AIDS has also gone up. The totality of all these is that the scope for poverty reduction has widened. In addition to all these, the capacity of Ministry of Finance and other key public institutions has improved as a result of the programme.

*Efficiency:*

Project implementation is highly efficient. It was completed on time and there was no cost over-run.

**f. Risk to sustained achievement of Project Outcomes**

In addition to capacity constraints, the major risk is the vulnerability of the economy to external shocks. This becomes highly problematic in the face of another closely related shock—that of disequilibrium between supply and demand for foreign exchange. Similarly the regular fuel and commodity shortages constitute disincentive to doing business in Malawi. These risks are substantial and are therefore rated 3.

**Additional Outcomes/Impacts (positive and negative, not captured in the logframe):**

The PCR commented effectively on harmonization and alignment in the context of the benefit that the programme derived from membership of the CABS group. The increase in pro-poor expenditures and more transparent government that would result are expected to sustain a more stable macroeconomic environment. This would strengthen the budget process. This should lead to an increase in Malawi's ranking in key governance indicators.

**h. Performance of Borrower:**

The performance of the Borrower is satisfactory. Its implementation of the project was good. It met project condition with ease although it delayed to meet the PFEM Action Plan trigger because of limited monitoring and loose wording on the evidence required to meet the condition. It also lacked continuous monitoring of agreed conditions for disbursement which contributed to disbursement delay of the second tranche.

**i. Bank Performance (preparation/appraisal –partly ensuring QAE: supervision quality):**

Bank performance was also satisfactory. Its project design was good and its supervision of the project was also good. It collaborated very well with the CABS donors and produced a very good PCR.

**i. Overall Assessment:**

The performance of the project was highly satisfactory across all evaluation dimensions. It was well designed. Bank implementation and supervision was also very good. Bank collaboration with other CABS members proved useful to the outcome of the project. The Borrower also performed satisfactorily. It met conditions very easily and responded to supervision mission findings adequately.

## 5. Key Lessons, and Recommendations (Evaluator assessment)

### a. Lessons Learned:

The following lessons emerged from the PCR:

- The need for the government of Malawi to be consistent in its implementation of policy and institutional reforms
- The use of national systems simplified the design, implementation, supervision and monitoring of the programme
- Need to disburse budget support during the first quarter of Malawi's fiscal year as unpredictable resource flow increases domestic debt and balance of payments difficulties
- Capacity constraints limited the implementation of the programme

### b. Recommendations:

In the absence of any attachment to the PCR, the following recommendations can be deduced from the PCR:

For the Bank:

- The need to continue to provide budget support to Malawi
- The Bank and other CABS donors should consider the possibility of providing budget support alongside balance of payments support.
- The Bank should continue to provide support for the development of human and institutional capacities.

The followings are stressed for the government:

- The government should take measures to diversify the economy and reduce the vulnerability of the economy on external shocks.

## 6. Comments on PCR Quality and Timeliness

PCR quality assessment will be based on some or all of the all of the following criteria and others (as appropriate):

The PCR is complete and its quality is also good. Indeed it is one of the best that I read in the series. Its assessment is objective and fair, so also are its ratings. The ratings are consistent across all evaluation criteria. The information base of the PCR is robust thereby giving the reader a good basis for assessing its conclusions and ratings. It treated issues of fiduciary, safeguards, alignment and harmonization very well. It reported adequately on the CABS framework and how it has been instrumental to the success of the project. The PCR was produced on time. Its only shortcoming is the absence of recommendations. Its rating is 3.9.

The PCR quality will be assessed as highly satisfactory/exemplary (4), satisfactory (3), unsatisfactory (2) or highly unsatisfactory (1).

Comments on the extent of compliance of the PCR with PCR guidelines and pertinent OPEV guidelines:

- PCR Timeliness; rated as timely (exemplary = 4) or late/unsatisfactory (1):  
*The PCR was timely—it was produced within 6 months of project completion. The rating is 4.*

- Extent of participation of Borrower, co-financiers and Bank field office, rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1): *The Borrower participated in the PCR mission and readily made data available. CABS members and the IMF also played a part. Rating on this criterion is 4.*
- Other aspects (to be specified)

#### ASSESSMENT SUMMARY

7. Ratings:	PCR	OPEV Review	Reason for Disagreement/Comments
Relevance of Objectives:	4	4	Project objectives are highly relevant the development objectives of the country
Relevance of Design	4	4	The design is highly relevant and appropriate
Effectiveness in delivering outputs:	3	3	Project performance on output delivery was satisfactory
Effectiveness in achieving outcomes:	3	3	The achievement of outcomes is satisfactory
Efficiency in achieving outputs & outcomes - Timeliness:	4	4	Project implementation was completed on timely basis
Efficiency in achieving outputs & outcomes –other criteria: <i>Cost</i>		4	There was no cost overrun
Overall efficiency in achieving outputs & outcomes	4	4	Project implementation was highly efficient
Risk to Development outcome:	4	3	The risks are only substantial
Borrower Performance:	3	3	Borrower performance was highly satisfactory
Bank Performance:	3	3	Bank performance was also highly satisfactory
Quality of PCR:		4	A very good PCR

This is a summary of PCR and OPEV ratings together with reasons for disagreement/comments. For the last column, the appropriate section of the PCR review should be cross-referenced to avoid detailed discussions. Where the evaluator is unable to validate the PCR rating for any criterion, adequate justification should be provided. As a result, of this, the overall project rating could be ‘partly satisfactory’.

#### **8. Priority for Future Evaluative work: Project for Performance Evaluation Report, Impact Evaluation, Country/Sector reviews or Thematic Evaluation Studies:**

- Project is part of series and suitable for cluster evaluation [X]
- Project is a Success Story [X]
- High priority for impact evaluation

- |   |                                     |
|---|-------------------------------------|
| - Performance evaluation is required to sector/country reviews [X]    | <input checked="" type="checkbox"/> |
| - High Priority for thematic or special evaluation studies (Specify ) | <input type="checkbox"/>            |
| - PPER is required because of incomplete validation rating            | <input type="checkbox"/>            |

Major areas of focus in future evaluation work:

- a) The project could be a good candidate for cluster evaluation
- b) It could also be part of a sector and /country review
- c)

**Follow Up Action by OPEV:**

Cluster evaluation

**Division Manager Clearance**

**Director Signing Off**

**Data sources for validation:**

- Task managers/Bank staff interviewed/contacted (in persons, by phone & email)
- Documents/reports and database

**Documents**

1. ADF, Malawi: Proposal for ADF resources to finance the Second Governance and Poverty Reduction Support Grant (ADF/BD/WP/2010/20)
2. ADF, Malawi: 2010 Portfolio Review Report (ADF/BD/WP/2010/112)
3. ADF, Malawi: Results-based Country Strategy Paper (ADF/BD/WP/2008/88)
4. ADF, Malawi: Portfolio Review Report (ADF/BD/WP/2008/82)
5. Various Supervision mission reports
6. ADF, Malawi: Second Governance and Poverty Reduction Support Grant—Project Completion Report, August, March 2011
7. Various Common Approach to Budget Support Review (CABS) Reports

**Attachment: PCR Evaluation Note Validation Sheet of Performance Ratings**

**PROJECT COMPLETION REPORT EVALUATION NOTE**  
**Validation of PCR Performance Ratings**

PCR Rating Scale:

Score	Description
<b>4.</b>	<b>Very Good</b> – Full achieved with no shortcomings
<b>3.</b>	<b>Good</b> – Mostly achieved despite a few shortcomings
<b>2.</b>	<b>Fair</b> – Partially achieved. Shortcomings and achievements are roughly balanced
<b>1.</b>	<b>Poor</b> – Very limited achievement with extensive shortcomings
<b>UTS</b>	Unable to score/rate
<b>NA</b>	Non Applicable

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for deviation/ Comments
<b>Relevance of project Objectives &amp; Design</b>	<b>Relevance of project Objectives</b>			
	1. Project objectives were relevant to country development priorities.	4	4	The objectives were relevant as Malawi needed to restore internal and external balance and support MDG objectives
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	3	In principle the objectives could be achieved given the project's appropriate design and log frame. But the objectives were undermined by insufficient capacity within the implementing institutions
	3. Project Objectives were consistent with the Bank's country or regional strategy	4	4	The objectives were consistent with the Bank's country strategy as contained in the Results-based Country Strategy Paper, 2005-2009
	4. Project objectives were consistent with Bank corporate priorities	4	4	The objectives were fully consistent with Bank priorities on good governance which emphasize good economic governance and accountability
	5. Ex-post Relevance of objectives		4	Ex-post, the programme remains relevant to the country's development objectives

<b>Relevance of project Design -Project Design &amp; Readiness for Implementation</b>				
	1. The log frame presents a logical causal chain for achieving the project development objectives.	4	4	The log frame presents a logical chain for achieving project objectives. The objective of improving financial governance and increasing expenditure on pro-poor activities were linked in a coherent manner to the broad goal of poverty reduction.
	2. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	3	3	The log frame expresses objectives and outcomes in measurable ways but some benchmarks could not be fully verified
	3. The log frame states the risks and key assumptions.	4	4	The risks (capacity constraints, slow progress on reforms, and external shocks, fiduciary risks which could weaken accountability) are well stated.
	4. Project conditionality was matched with country capacity and political commitment.	3	3	The prior conditionalities used by the Bank were simple and did not affect Borrower capacity to implement
	5 Project design includes adequate risk analysis.	4	3	There was adequate risk analysis. But there were no mitigating measures.
	6. Financial management, procurement, monitoring and/other systems are based on those already in use by government and/other partners	4	4	Bank use of country system was good. The existence of the CABS group with its common framework for budget support facilitated the design and implementation of the programme
	7. Responsibilities for project implementation were clearly defined.	4	4	The role of the MoF as the focal point was well defined along with that of the Bank
	8. Monitoring indicators and monitoring plan were agreed upon during design.	4	4	PAF indicators used by CABS were agreed upon as basis for disbursement decisions
	10. Baseline data were available or were collected during design.	4	4	Baseline data were available and collected during project design. The PAF, MDGs, PEFA and IMF documents were the main sources
	Design Score	4	4	Design is highly satisfactory.
<b>Achievement of Project Outputs*</b>	Output 1: Strengthen leadership and better implementation of PFEM reform	3	3	PFEM secretariat formalized but not staffed, a revised PFEM Pap with 33 activities was adopted, GFEM Subcommittee created to assist in the implementation of PAP

	Output 2: Improve allocation, budget , implementation and monitoring	3	3	IFMIS has been rolled out in 18 sites, increasing from the 6 target districts in 2009/10
	Output 3: Increase the independence of external audit and reduce delays in submission of reports to Parliament	4	4	There has been a significant improvement towards the targets
	Output 4: More efficient use of resources and reduced opportunities for corruption	3	3	Procurement plans for 8 out of a target of 10 were linked to national budget and submitted to ODPP and MoF
	Overall Output weighted Score	<b>3</b>	<b>3</b>	Most of the outputs were achieved satisfactorily
<b>Achievement of Project Outcomes</b>	Outcome 1: Improved capacity and implementation of PFM reform	3	3	Improvements in PEFA indicator PI-12 from D to C; Corruption perception index improved from 89 in 2009 to 85 in 2010
	Outcome 2: Greater accountability in the use of public funds	3	3	18 districts are on line with IFMIS. IFMIS has led to timely operation of GoM consolidated accounts
	Outcome 3: Greater transparency in the public budget	3	3	Internal review of Public Procurement Act finalised
	Outcome 4: Increase pro-poor spending	4	4	Pro-poor spending and spending on HIV/AIDs and other health-related sectors has increased
	.....			
	<b>OVERALL PROJECT OUTCOME SCORE</b>	<b>3</b>	<b>3</b>	This is a good project. It achieved all its objectives.
Additional Outcomes (not captured in the logframe)	<b>Institutional Development</b>		3	The capacity of the MoF and other agencies involved in the programme has improved thereby
	<b>Gender</b>			
	<b>Environment &amp; Climate Change</b>			
	<b>Poverty Reduction</b>		3	Increased spending on pro-poor activities and more accountable economic governance will lead to macroeconomic stability and growth and therefore poverty reduction
	<b>Private Sector Development</b>			
	<b>Regional Integration</b>			

	<b>Other (Specify): Social Impact</b>		3	The increased spending on HIV/AIDS is likely to reduce the scourge of that disease
Efficiency in achieving outputs & outcomes	Timeliness (in adhering to the original closing date)	4	4	The project was completed 6.3 months ahead of schedule
	Rates of returns (Specify if applicable)			
	Other Criteria (Specify): <i>Cost</i>		4	There was no cost over-run
	<b>OVERALL PROJECT EFFICIENCY</b>	4	4	
Risk to Sustained achievement of Project Outcome**	Key Risks (Specify common risk factors to be a basis for rating) <i>The major risks related to i) external economic and financial shocks, ii) limited internal capacity iii) and inability to attain disbursement triggers</i>	4	3	The risks cited by the PCR are genuine. To these should be added the inability to date, to diversify the economy. The risks are rated as substantial
<p>* The output ratings have to be weighted by the relative output costs (see PCR format). The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>** Overall risk to sustained achievement of project outcome is rated as follows:</p> <ul style="list-style-type: none"> <li>(i) <b>High (H)</b> : 4</li> <li>(ii) <b>Substantial/significant (S)</b> : 3</li> <li>(iii) <b>Moderate (M)</b> : 2</li> <li>(iv) <b>Negligible (N)</b>: 1</li> <li>(v) <b>UTS</b></li> <li>(vi) <b>NA</b></li> </ul>				

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for disagreement/ Comments
<b>Bank Performance</b>	<b>Design and Readiness</b>			
	1. Project Objectives were relevant to country development priorities.	4	4	Malawi needed to restore internal and external balance and strive to achieve the MDG targets. The project is aimed at paving the way for the achievement of these objectives and is therefore highly relevant.
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	3	The objectives could be achieved in principle given the good project design and its readiness for implementation.
	3. Project Objectives were consistent with the Bank's country or regional strategy	4	3	Project objectives were consistent with Bank strategy for the country as contained in the Results-based CSP for Malawi.

	5. The log frame presents a logical causal chain for achieving the project development objectives.	4	4	Project objective of improving financial governance and increased pro-poor expenditures was linked coherently to the goal of poverty reduction
	6. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	3	3	Objectives and outcomes were expressed in measurable ways but some benchmarks could not be fully verified
	7. The log frame states the risks and key assumptions.	4	4	The log frame states the risks and assumptions
	8. Conditionality is matched by country capacity and political commitment	3	3	Prior conditionalities used by the Bank were relevant and were simple. But political commitment to the ECF target on exchange rate flexibility was a challenge
	9. Project design includes adequate risk analysis.	4	3	There was adequate risk analysis and mitigation measures in the design but the failure to implement a TA programme affected programme implementation
	10. Financial management, monitoring and/or other systems are based on those already in use by government and/or other partners	4	4	The Bank use of country system was very good. The existence of the CABS group with its common framework facilitated project design and implementation
	11. Responsibilities for project implementation were clearly defined.	4	4	Institutional roles including that of the Bank, were clearly defined in the AR
	13. Monitoring indicators and monitoring plan were agreed upon during design.	4	4	PAF indicators used by the CABS group were agreed upon as basis for disbursement
	14. Baseline data were available or were collected during design.	4	4	Baseline data were available and collected during design. The PAF, MDGs, PEFA and IMF documents were the sources of baseline data
	<b>Project Design and Readiness Sub-Score</b>	4	4	

Criteria	Sub-Criteria	PCR Score	OPEV Review	Justification/ Reason for deviation/Disconnect/ Comments
<b>Bank Performance</b>	<b>Supervision</b>			
	1. Bank complied with:			

	<ul style="list-style-type: none"> <li>Environmental Safeguards</li> </ul>	N/A	N/A	
	<ul style="list-style-type: none"> <li>Fiduciary Requirements</li> </ul>	4	4	The 2008 PEFA, Fiduciary Risk Assessment and the PFM reviews showed improvements in fiduciary requirements
	<ul style="list-style-type: none"> <li>Project Covenants/Triggers</li> </ul>	3	3	The few number of conditions and clear triggers facilitated implementation but the triggers on PFEM Action Plan, which were taken outside of PAF delayed the fulfillment of the second tranche.
	2. Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	4	4	Bank staff based in Tunis and MWFO and other CABs DPs participated in programme supervision and CABS review missions
	3. Bank provided quality management oversight.	4	4	The Bank chaired the CABS group between Jan-June 2010. In this capacity, it led development partners in the joint assessment of PAF in March 2010 and coordinated dialogue between the government and development partners
	4.PCR was delivered on a timely basis	4	4	The PCR was produced on time
	<b>Supervision Sub-Score</b>	4	4	
	<b>OVERALL BANK PERFORMANCE SCORE</b>	4	4	
<p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(i) <b>Very Good (HS) : 4</b>  (ii) <b>Good ( H) : 3</b>  (iii) <b>Fair (US) : 2</b>  (iv) <b>Poor (HUS): 1</b></p>				

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
<b>Borrower Performance</b>	<b>Design and Readiness</b>			
	1. Responsibilities for project implementation are clearly defined.	3	3	Institutional roles (for all parties to the programme) were clearly defined and contained in the AR
	3. Monitoring indicators and monitoring plan are agreed	4	4	PAF indicators used by the CABS group were agreed upon

	upon and baseline data are available or are being collected			as basis for disbursement
	4. Baseline data were available during programme design	4	4	Baseline data were available and collected during design. The PAF, MDGs, PEFA and IMF documents were the sources of baseline data
	<b>Project Design and Readiness Sub-Score</b>	4	4	
	<b>Implementation</b>			
	1. Borrower complied with:			
	<ul style="list-style-type: none"> <li>Environmental Safeguards</li> </ul>	N/A	N/A	
	<ul style="list-style-type: none"> <li>Fiduciary Requirements</li> </ul>	3	3	The PFEM Action Plan is in place and is being implemented. But limited capacity delayed the roll out of the IFMIS and the implementation of some PFEM priorities
	<ul style="list-style-type: none"> <li>Project Covenants/Triggers</li> </ul>	3	3	The government met conditions with ease but it was slow in providing evidence on the PFEM Action Plan
	2. Borrower was responsive to Bank supervision findings and recommendations.	3	3	Borrower response to findings and recommendations were satisfactory
	3. Borrower collected and used of monitoring information for decision-making.	3	3	Conditions for disbursement met using monitoring information but the government lacked continuous monitoring of agreed conditions for disbursement which contributed to delays in disbursement of the second tranche
	<b>Implementation Sub-Score</b>	3	3	
	<b>OVERALL BORROWER PERFORMANCE SCORE</b>	4	4	
<p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(i) <b>Very Good (HS) : 4</b>  (ii) <b>Good ( H) : 3</b>  (iii) <b>Fair (US) : 2</b>  (iv) <b>Poor (HUS): 1</b></p>				

## M &amp; E Design, Implementation &amp; Utilization

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
<b>M &amp; E Design</b>	<b>M &amp; E Design</b>			
	Relevant, Clear, adequate and realistic M&E in place		4	The design contained in the AR was relevant as it linked outputs to outcomes. The log frame indicated the logical chain by which the objectives were to be achieved. It was also realistic in that it stated the risks and assumptions
	Gender disaggregated indicators provided		Not done	
	Baseline data were available or collected during design	4	4	Baseline data were available and collected during project design with PAF, MDGs, PEFA and IMF documents as the main sources
	<b>Design Score</b>	4	4	
<b>M &amp; E Implementation</b>	<b>M &amp; E Implementation</b>			
	Adequately staffed and equipped M & E function		3	The CABS system provided a basis for an M&E function and the Bank used it to advantage
	Borrower collected and analyzed relevant M&E	3	3	Both the Bank and the Borrower relied on the existing CABS framework which has its own database in the form of PAF indicators
	Others (specify)			
	<b>Implementation Score</b>	3	3	
<b>M &amp; E Use</b>	Borrower used monitoring information for decision-making		3	Condition for disbursement were met using monitoring information
	M&E information used in project reporting (progress reports, PCR)		3	The baseline data already collected were used as benchmarks for project reporting
	<b>Use Score</b>		3	
	<b>OVERALL M &amp; E PERFORMANCE SCORE</b>	3	3	

## PCR Quality Assessment

Criteria	PCR-EVN (1-4)	Comments
<b>QUALITY OF PCR</b>		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections:	4	The quality of the PCR was good. Its ratings were derived from its narrative. Its annex was particularly useful
2. Extent of objectivity PCR assessment scores	4	The PCR was objective and fair in its review and ratings
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	4	The ratings were consistent across evaluation criteria and based on concrete evidence.
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:	4	The coverage of the PCR on all these issues was complete and informative. Mention was made of the role of the CABS members in project implementation
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	4	Its treatment of fiduciary issues and harmonization were adequate. Mention should also be made of its discussion of donor (CABS members) collaboration.
6. Extent of soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment:	4	The data generated to support its assessment were of sound quality
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	4	The PCR template did not contain any recommendations but the PCR itself contained useful information from which one can deduce some recommendations.
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):	4	The PCR contained useful that lessons are all drawn from the PCR assessment and evidence. They are therefore adequate
9. Extent of overall clarity and completeness of the PCR	4	In general, the PCR appears adequate and without major shortcomings
Other (to be specified): Reader-friendliness	4	The font used by the PCR is the PCR is the most reader friendly that I have seen. Other PCRs should be encouraged to use the format
PCR Quality Score	4	The quality of the PCR is very good
<b>PCR Compliance with Guidelines (PCR/OM; OPEV)</b>		

<b>1. PCR Timeliness (On time = 4; late = 1)</b>	4	The PCR was completed within 6 months after project completion.
<b>2. Extent of participation of Borrower, Co-financiers &amp; field office in PCR preparation***</b>	4	The Borrower participated in the PCR mission and made data available. Other CABS members, central ministries and the civil society provided information on the programme.
<b>3. Other aspect (Specify)</b>		
<b>PCR Compliance Score</b>	4	PCR complied fully with the guidelines.
*** rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1)		