



## Digital Malawi Program Phase I: Malawi Digital Foundations Project (P160533)

AFRICA | Malawi | Digital Development Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 6 | ARCHIVED on 25-Jun-2020 | ISR40511 |

Implementing Agencies: Ministry of Finance, Economic Planning and Development, Public Private Partnership Commission, Ministry to Information and Communications Technology, Malawi Communications Regulatory Authority (MACRA)

**Key Dates****Key Project Dates**

Bank Approval Date: 05-Jun-2017

Effectiveness Date: 03-Aug-2018

Planned Mid Term Review Date: 01-Jan-2021

Actual Mid-Term Review Date:

Original Closing Date: 30-Jun-2022

Revised Closing Date: 30-Jun-2022

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

To increase access to affordable, high quality internet services for government, businesses and citizens and to improve the government's capacity to deliver digital public services.

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

No

**Components Table**

Name

Digital Ecosystem:(Cost \$9.50 M)

Digital Connectivity:(Cost \$34.00 M)

Digital Platforms and Services:(Cost \$23.90 M)

Project Management:(Cost \$5.00 M)

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

**Implementation Status and Key Decisions**

Since the previous Implementation Status and Results Report (ISR), the COVID-19 pandemic has disrupted project implementation due to travel restrictions and suspension of equipment and supplies. The project has adapted project implementation and provided remote working support to ensure business continuity and minimize delays to project implementation. The project will also be providing special support to respond to COVID-19 including free connectivity in key health and educational public institutions as well as free educational content to students through the Malawi Research and Education Network (MAREN).

During the May 2020 mission, the project team identified new priority activities which are critical to the achievement of the Project Development Objectives (PDO). Key procurements such as the connectivity transaction advisory services are underway with 481 public institutions having been identified for connectivity. Once the necessary clearances are obtained, the connectivity procurement will be launched. The Government has



confirmed that the Digital Malawi project will finance the national data center which is essential to the project of component 3 (digital platforms and services.) and has allocated a Government building to host the data center. The project has launched the innovation grants to support digital skills development for youth and upskill hubs in Malawi. Total disbursement of the IDA credit stands at 22%.

**Key Milestones and Achievements to date**

- The-Government of Malawi has granted approval for the Digital Malawi project to finance the national data center and allocated a building to host it. The data center is key to the-Government’s digitization agenda and will provide a centralized location for the storage, management, and dissemination of national data.
- The \$ 2 million innovation grants has been launched to support tech and innovation hubs to scale up their operations, provide digital skills trainings for youth and provide subgants to young entrepreneurs.
- MACRA’s COVID-19 responses has included providing additional spectrum to operators at heavily discounted rates to cater to the increased demand for data.
- MACRA has reduced regulatory fees from 5% net operating income to 3.5% gross income to reduce the regulatory burden on operators.
- The Environmental and Social Safeguard Officer (ESSO) for Digital Malawi Project has been appointed to conduct the environmental screening and Environmental and Social Management Plans (ESMPs) for connectiivty and digital platforms activities.
- MACRA has gazetted the Malawi Research and Education Network (MAREN) license and they have started to provide internet services to select tertiary institutions and will soon scale up to 61 sites once they sign the national connectivity contract.
- MACRA has successfully implemented the interconnection glide path and this has led to a reduction in voice tariffs by \$.0.25.
- Airtel Malawi has successfully listed on the Malawi Stock Exchange
- The Malawi Research and Education Network (MAREN)’s license has been granted and gazetted.
- The-Government of Malawi has endorsed the National Cyber Security Strategy, and Digital Government Strategy.
- The Digital Government Advisor been recruited under the project to support the implementation of the digital platforms and services commenced work in January 2020.
- The Grievances Redress Mechanism (GRM) is established and is available at (<http://www.pppc.mw/digital-malawi>) for members of the general public. Alternative methods of communication include email ([digitalmalawi.grm@pppc.mw](mailto:digitalmalawi.grm@pppc.mw)) or phone number **+265 999 988 870**.

**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ High	☐ High
Macroeconomic	☐ Substantial	☐ Substantial	☐ Substantial
Sector Strategies and Policies	☐ Substantial	☐ High	☐ High
Technical Design of Project or Program	☐ Moderate	☐ Moderate	☐ Moderate
Institutional Capacity for Implementation and Sustainability	☐ Moderate	☐ High	☐ High
Fiduciary	☐ Moderate	☐ Moderate	☐ Moderate
Environment and Social	☐ Moderate	☐ Substantial	☐ Substantial
Stakeholders	☐ Moderate	☐ Moderate	☐ Moderate
Other	--	--	--
Overall	☐ Moderate	☐ Moderate	☐ Moderate

**Results**

**PDO Indicators by Objectives / Outcomes**



Increase access to affordable, high quality internet services				
<b>► Internet Users per 100 people (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	17.60	29.01	32.10	30.00
Date	30-Dec-2016	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The number of people with increased access to affordable high quality internet services has increased during the period under review. This is expected to further increase once the PPP connectivity is live.			
<b>► Retail Price of Pre-Paid Mobile Broadband Monthly Bundle, 500MB Data Volume (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.08	2.80	2.80	3.00
Date	30-Dec-2016	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The retail price of broadband has not significantly decreased since the period under review. However with MACRA's reforms including reducing the regulatory levies, and reduction of spectrum costs, this is expected to further decrease.			
<b>► Number of Public Institutions Utilizing High Speed Internet Connections Under the Project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	2.00	400.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The additional 2 institutions are currently being provided with connectivity through MAREN as no cost. The PPP connectivity, free wifi and national connectivity will significantly increase this number.			
<b>► Direct project beneficiaries (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,280,000.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	This will be updated once a survey is undertaken			
<b>□ Female beneficiaries (Percentage, Custom Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	46.00	0.00	0.00	48.00



Improve the government's capacity to deliver digital public services				
▶ Number of Transactions Per Year Utilizing the Shared Digital Services Platform (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25,000.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The shared digital services platform has not yet been launched.			
▶ People obtaining new digital skills or knowledge under the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	227.00	1,500.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The project has been providing capacity building training for project stakeholders to support efficient implementation and sustainability. This training has expanded across MDAs and other key stakeholders.			
☐ Of which, Percentage of Women and Girls obtaining new digital skills or knowledge under the project (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15.70	33.00	50.00

**Intermediate Results Indicators by Components**

Digital Ecosystem				
▶ Publication and Adoption of National Strategies for Broadband Access and Digital Government (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	1.00	2.00
Date	02-Jun-2017	27-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	The digital government strategy has been approved, adopted and signed by the office of the President. The National Broadband Strategy was approved by the principal secretaries in August 2019 and revisions were requested by the Office of the President which were completed and resubmitted for signature.			
▶ Average wholesale monthly price per Mbit/s of international internet bandwidth (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	466.00	124.00	124.00	50.00
Date	28-Feb-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	whole sale prices of international bandwidth continue to reduce. With continued reforms on MACRA's end it is expected that further reductions will occur			

#### Digital Connectivity

##### ► Percentage of the population covered by at least a 3G mobile network (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	32.00	75.90	86.00	60.00
Date	31-Dec-2015	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	This target has already been achieved. The team will revisit increasing the target during the mid term review.			

##### ► Number of Higher Education Students Provided with Enhanced with Access to the Internet Under the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	2,332.00	10,000.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	MAREN is providing connectivity to two universities at the moment which has resulted in students benefitting from internet services.			

#### Digital Platforms and Services

##### ► Number of e-Services and Applications Utilizing the Shared Services Platform (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	This activity is being prepared for procurement.			

##### ► Number of MDAs and LGAs using eProcurement System (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022



Comments:	The project is in the process of finalizing the technical requirements for the e GP system and will launch the procurement by July 15th			
▶ Digital services developed based on priorities identified through citizen engagement (Yes/No) (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	02-Jun-2017	29-Nov-2019	05-Jun-2020	30-Jun-2022
Comments:	Results expected by next ISR			

### Performance-Based Conditions

#### Data on Financial Performance

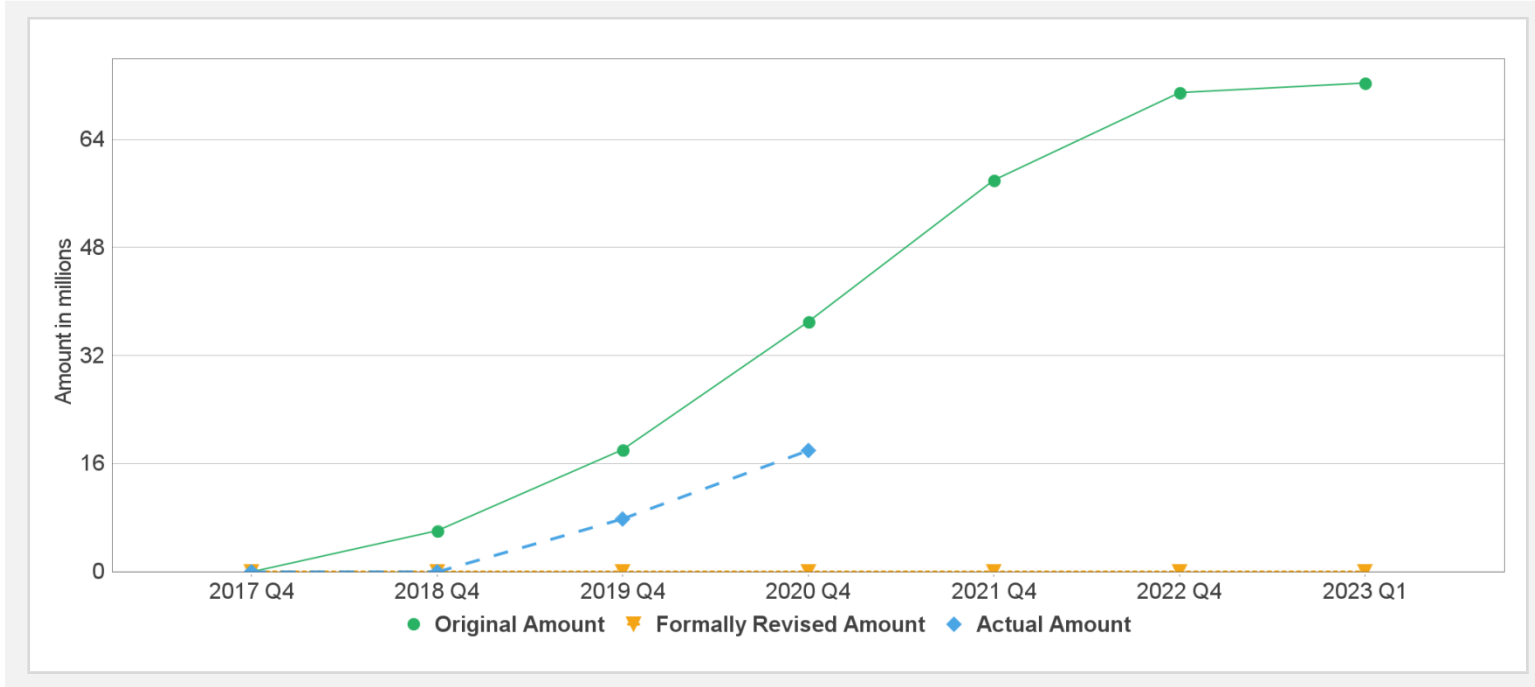
##### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P160533	IDA-60500	Effective	USD	72.40	72.40	0.00	17.92	55.87	24%

##### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P160533	IDA-60500	Effective	05-Jun-2017	09-Jul-2018	03-Aug-2018	30-Jun-2022	30-Jun-2022

### Cumulative Disbursements



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC

**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.