

Malawi**Skills Development Project****Chair Summary*****June 19, 2014**

The Executive Directors approved a credit in the amount of SDR 29.8 million (equivalent to US\$46 million) and grant in the amount of SDR 3.2 million (equivalent to US\$4.9 million) (all totaling to SDR 33 million or US\$50.9 million equivalent) to the Republic of Malawi for the Skills Development Project on the terms and conditions set out in the President's Memorandum.

Directors supported the project's development objective to increase access, market relevance and results orientation of selected skills development institutions in Malawi. Noting that Malawi has one of the lowest levels of tertiary enrollment in Africa, they welcomed the expanded skill development opportunities for the underserved, including women and the poor, as well as the scaled up training for semi-skilled persons. In this regard, a broad programmatic approach across the country was encouraged. These efforts should contribute to economic diversification and job creation, both of which are priorities of the Malawi Country Assistance Strategy. The potential value of future collaboration with the IFC was also noted.

Directors encouraged the increased focus on results and the innovative design of the project within the country context. They recognized that this is the first operation in Malawi that will employ a results-based financing mechanism, and urged the Bank to further enhance results measurement by establishing baseline data and introducing concrete indicators on development impact that are aligned with the Bank's twin goals of reducing poverty and boosting shared prosperity.

Directors acknowledged the project's overall substantial risk associated with governance, fiduciary standards and limited implementation capacity. Directors strongly underscored the importance of robust monitoring, as well as independent and credible verification of results, and encouraged the Bank to pursue technical assistance and capacity building activities for effective and sustainable implementation.

* This summary is not an approved record.