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IMPLEMENTATION COMPLETION AND RESULTS REPORT

TF0A5530

ON A

SMALL GRANT

IN THE AMOUNT OF USD 1.5 MILLION

TO THE

Ministry of Finance, Economic Planning and Development

FOR

Malawi Strategic Program for Climate Resilience (P163245)
November 17, 2020

Environment, Natural Resources & The Blue Economy Global Practice
Africa East Region

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
BE	Bank Executed
CAS	Country Assistance Strategy
CIF	Climate Investment Funds
CPS	Country Partnership Strategy
CSO	Civil Society Organizations
DCCMS	Department for Climate Change and Meteorological Services
DODMA	Department of Disaster Management Affairs
EAD	Environmental Affairs Department
GCF	Green Climate Fund
GEF	Global Environment Facility
GDP	Gross Domestic Product
GoM	Government of Malawi
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MGDS	Malawi Growth and Development Strategy
MoAIWD	Ministry of Agriculture, Irrigation and Water Development
MoFEPD	Ministry of Finance, Economic Planning and Development
MoNREM	Ministry of Natural Resources, Energy and Mining
MoTPW	Ministry of Transport and Public Works
NAPA	National Adaptation Action Plan
NCCIP	National Climate Change Investment Plan
NCCMP	National Climate Change Management Policy
NDC	Nationally Determined Contribution
PDO	Project Development Objective
PIU	Project Implementation Unit
PPCR	Pilot Program for Climate Resilience
SPCR	Strategic Plan for Climate Resilience
STEP	Systematic Tracking of Exchange in Procurement
TA	Technical Assistance
ToR	Terms of Reference
UNEP	United Nations Environment Program
USD	United States Dollar
WB	World Bank

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DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P163245	Malawi Strategic Program for Climate Resilience
Country	Financing Instrument
Malawi	Investment Project Financing
Original EA Category	Revised EA Category

Organizations

Borrower	Implementing Agency
Ministry of Finance, Economic Planning and Development	Ministry of Natural Resources, Energy and Mines

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to assist the Government of Malawi to prepare a national investment plan for climate resilience, strengthen institutional capacity and improve the analytical base for mainstreaming climate risks in policy and planning.



FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
Donor Financing			
TF-A5530	1,500,000	1,500,000	1,475,989
Total	1,500,000	1,500,000	1,475,989
Total Project Cost	1,500,000	1,500,000	1,475,989

KEY DATES

Approval	Effectiveness	Original Closing	Actual Closing
08-Nov-2017	23-Nov-2017	31-Oct-2018	30-Jun-2020

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
22-Jun-2018	0.00	Change in Loan Closing Date(s)
16-Aug-2019	0.45	Change in Results Framework Change in Loan Closing Date(s)

KEY RATINGS

Outcome	Bank Performance	M&E Quality
Satisfactory	Moderately Satisfactory	Modest

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	10-May-2018	Moderately Satisfactory	Moderately Satisfactory	0.00
02	07-May-2019	Moderately Unsatisfactory	Moderately Unsatisfactory	0.45



ADM STAFF

Role	At Approval	At ICR
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I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

Context at Appraisal

- 1. Malawi is a landlocked country in southern Africa bordering Mozambique, Tanzania, and Zambia.** The country has a total area of 118'480 sq. km, of which 20 percent is covered by Lake Malawi. It has a total population of about 18 million people with a growth rate of 3.06¹ percent. Approximately 80 percent of Malawians live in rural areas². Poverty is widespread and the economy remains undiversified and vulnerable to external shocks.
- 2. Malawi is considered one of the most vulnerable countries to climate-related events and experiences frequent cycles of droughts and severe flooding.** Floods in 2015 affected 1.1 million people, with 230,000 displaced. The total cost of loss and damage of this flood event was estimated at US\$335 million, and the recovery and reconstruction cost an estimated US\$494 million. Later that same year, a drought left 6.5 million people (39 percent of the population) food insecure³ as the annual agricultural production losses increased to \$282 million. Modelling of future climate change scenarios indicates that the country will experience substantive medium and long-term changes to temperature and rainfall patterns⁴ and increased geographical scale of floods and drought.
- 3. The vulnerability of Malawi's economy and population is exacerbated by a strong dependence on rain-fed agriculture.** Climate-sensitive, rain-fed agriculture is the mainstay of Malawi's agricultural-based economy and accounts for 30 to 40% of the GDP and employs 85% of the country's workforce. Rainfed maize is the predominant crop of smallholders and is considered the most important staple food in Malawi. Regular droughts have frequently reduced maize production resulting in food shortages every two to three years. The projected climate change impacts on maize include a high potential for decreased productivity and yields.
- 4. The Government of Malawi (GoM) has established a policy framework to guide action on climate change and enhance resilience in the country.** It has developed the National Climate Change Management Plan (NCCMP, 2016) along with several other policy and planning initiatives, including the approval and submission of the Nationally Determined Contribution (NDC); approval of a national REDD+ strategy; a National Adaptation Action Plan (NAAP); Nationally Appropriate Mitigation Actions (NAMA); the First and Second National Communications to the UNFCCC; the Sustainable Development Goals; and the preparation of a National Climate Change Investment Plan (NCCIP).
- 5. Malawi was selected by the Climate Investment Funds (CIF) in 2015, to participate in the Pilot Program for Climate Resilience (PPCR).** The PPCR is part of the CIF's support for developing countries' efforts to shift to a path of low carbon and climate resilient development. The PPCR Preparation grant was intended to allow Malawi to prepare a Strategic Plan for Climate Resilience (SPCR) for the purpose of providing an overview of climate

¹ Estimated total population 2017 and population growth rate 2010-2015: United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, custom data acquired via website, accessed 26/01/2017. <https://www-cif.climateinvestmentfunds.org/country/malawi>

² CIA (2011) World Factbook.

³ World Bank. 2016. Malawi drought 2015-2016 : post-disaster needs assessment (PDNA). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/640011479881661626/Malawi-drought-2015-2016-post-disaster-needs-assessment-PDNA>

⁴ USAID (2013). Malawi Climate Change Vulnerability Assessment (September 2013).



change projections and impacts for Malawi and identify priority investments to address climate risks.

6. **The GoM intended to use SPCR resources to strengthen the integration of climate resilience into development planning.** All PPCR Preparation grant-funded activities were intended to build on and strengthen the existing institutional framework, set out in the NCCMP and other key policy documents (NDC, NCCIP). To this end, the project was intended to strengthen capacity in climate resilience within key government departments and ministries, and build momentum towards coordinated strategic investments.

Project Development Objectives (PDOs)

7. The PDO was to assist the Government of Malawi to prepare a national investment plan for climate resilience, strengthen institutional capacity and improve the analytical base for mainstreaming climate risks in policy and planning.

Key Expected Outcomes and Outcome Indicators

8. The **key PDO indicators** were:
 - a. SPCR document developed in a consultative manner and agreed by the GoM (Yes/No).
 - b. Publication of studies (Yes/No) on:
 - i. lessons from ongoing climate change projects;
 - ii. improved provision of climate services;
 - iii. climate-proofed transport master plan; and
 - iv. climate variability of lake ecosystems.
9. These analytical studies were intended to identify investment opportunities that can transform the way climate resilience is supported in Malawi. They included studies that specifically examined options to improve (i) climate services; (ii) the national transport master plan; and (iii) resilience issues related to lake fisheries. The studies included identifying gender issues that need to be addressed in building climate resilience.
10. The three **intermediate indicators** were:
 - a. Sectoral and technical assessments and studies on key resilience information gaps, including gender completed (Number);
 - b. Consultative engagement process for the development of the SPCR established (Number);
 - c. Investment priorities for improving climate resilience in priority areas and include gender dimensions, are developed (Yes/No).

Components

11. The Project consisted of the following components:
12. **Component 1: Institutional Support and Capacity Building (USD 0.78 million at appraisal; USD 0.54 million at closing).**
13. This component provided support for SPCR preparation and ensured adequate institutional support to strengthen climate change coordination across government and provide capacity building activities as needed.



This support function was housed in the Climate Change Secretariat of the Environmental Affairs Department (EAD), within the Ministry of Natural Resources, Environment and Mining (MoNREM). Support under this component included: (i) consultancy services to strengthen management, coordination and monitoring/reporting capacity, (ii) training and capacity building, (iii) workshops, (iv) incremental project management costs, and (v) monitoring and evaluation (M&E).

14. Component 2. Analytical work in support of SPCR preparation (USD 0.62 million at appraisal; US\$ 0.93 million at closing).

15. This component supported key analytical inputs on priority areas to inform government policy and sector planning and promote mainstreaming of knowledge on climate change risks. The development of the SPCR was based on a detailed analysis of existing knowledge on climate change impacts, gap analysis of structures, policies, and coordination functions, and was intended to lead to the identification and assessment of priority investments. Analytical studies undertaken in this component were focused on priority sectoral climate risks, with specific foci refined through consultations and expert guidance. The component supported a varied program of studies on: (i) lessons learned from recent and ongoing climate change projects; (ii) requirements to improve the provision of climate services; (iii) climate proofing the transport sector master plan; and (iv) the impacts of climate variability on Malawi's lake ecosystems.

16. Project Beneficiaries

17. The project's direct beneficiaries included stakeholders from key agencies with improved technical capacity and knowledge for the benefit of decision-making for climate resilience.

a. At the sector level, the SPCR has promoted a harmonized approach of government policies and processes and promoted coordination at the national level. The targeted agencies and entities are directly engaged in climate sensitive sectors including agriculture, water, energy, land use, transport, and disaster management. Capacity enhancement efforts were also directed towards these agencies to enhance their understanding of how climate resilience can be mainstreamed, strengthening institutional structures and coordination mechanisms, and building capacity for monitoring and evaluation and integrating international best practice. The outputs of the project benefit decision-makers and implementers in key climate-sensitive sectors both at the central and local offices responsible for integrating resilience into sector plans and programs; and

b. At the national level, the development of a strategic national consensus on investment priorities for resilience amongst key government agencies and with civil society organizations, has helped define a long-term programmatic approach for mainstreaming resilience into developmental activities. Additionally, the project targeted the broader Malawian population that would benefit from improved knowledge and awareness of the climate related risks and development pathways towards resilience.

18. Significant Changes during Implementation

19. **There were no significant changes made during implementation.** However, the project was restructured on two (2) separate occasions. The first restructuring (June 22, 2018) responded to delays in documentation with a no-cost extension of the project closure date from October 31, 2018 to August 30, 2019. The second restructuring (August 16, 2019) provided a no-cost extension of the project closing date from August 30, 2019 to June 30, 2020. The rationale for the second restructuring of the project was to provide additional time to



undertake the proposed analytical studies and capacity building activities, the start of which had been delayed. There were no changes in the PDO, result indicators, project components and activities in either the two separate restructurings.

II. OUTCOME

Assessment of Achievement of Each Objective/Outcome

20. The PDO had two result indicators. The objective was achieved as demonstrated by the two PDO level result indicators. Assessment of each result indicator based on the level of achievement is stated below.
21. **Indicator 1: SPCR document developed and agreed by the GoM**
22. The SPCR for Malawi was developed in a consultative manner through an iterative process supported by the World Bank (WB) and the African Development Bank (AfDB), with a series of stakeholder engagements, briefings, individual expert interviews, technical working group sessions, and a sequence of workshops and presentations. In addition, there were individual and group consultations with donors, NGOs, Academics and key government staff during the Joint Missions of the WB and AfDB. The consultative process allowed a range of key stakeholders to provide inputs and contribute to developing Malawi's SPCR and strengthen the SPCR's technical content and prioritization towards a coherent and comprehensive instrument.
23. The SPCR was informed by existing assessments of current and future changes to Malawi's climate. The SPCR identified the country's climate change risks, and linked this to both an analysis of existing policies and institutional assessments of key government agencies' capacities to respond to climate change.
24. The final SPCR document⁵, approved by the CIF, provides a comprehensive overview of how Malawi's climate is already changing along with projections of the likely impacts of these changes in the near and medium term. Proposed investments targeted the following priorities (i) Integrated Watershed Management, (ii) Improving community resilience to climate change impacts through agriculture and fisheries Production, (iii) Climate-proofing infrastructure development, especially transport; and (iv) Enhancing climate and weather information systems.
25. A main aim of the development of the SPCR has been to increase the resilience to climate variability and climate change of households, communities, and society, through improving the strategic investment planning and coordination over time.
26. Due to delays in accessing the PPCR Preparation Grant, the analytical studies that were originally intended to inform SPCR development were only initiated after the SPCR document was submitted to the CIF. In light of discussions and consultations during SPCR development, the foci of the studies were adjusted slightly from those first proposed. The studies were only completed shortly before project closure. GoM intends to use these studies and the associated training and capacity building initiatives to guide future policy and implementation.
27. **Indicator 2: Publication of studies on: (i) Lessons from ongoing climate change projects, (ii) Improved provision**

⁵ https://www.climateinvestmentfunds.org/sites/cif_enc/files/ppcr_strategic_program_for_climate_resilience_for_malawi.pdf



of climate services, (iii) Climate-proofed transport master plan, and (iv) Climate variability of lake ecosystems.

28. As part of Component 2, four knowledge products on climate resilience were planned. These were initially identified through consultations during the preparatory joint missions, as listed in the PDO indicator 2. As consultations during implementation continued, the foci of the analytical studies were clarified and tightened. As a result of initial project implementation delays, the analytical studies altered their purpose towards developing knowledge products aimed at building Malawi's climate resilience in key sectors, rather than providing inputs into design of the SPCR. Five knowledge products were then planned and produced based on the originally planned studies with slight adjustments responding to the shifted purpose. The five studies cover: (i) assessments of climate risk and possible responses in three major catchments; (ii) building resilience to the effects of climate change in the transport sector; (iii) an assessment of climate change impacts on fisheries ecosystems and lake and lakeshore biodiversity; (iv) an analysis of the value chain for pigeon peas (a climate resilient crop with many opportunities for smallholders to increase the area cultivated); and (v) a comprehensive study of opportunities to optimize Malawi's climate services. These products were prepared based on the needs identified in the gap and institutional analysis undertaken during the SPCR preparation. The studies were aimed at strengthening the existing knowledge base on climate impacts and providing additional understanding of adaptation options in specific sectors, along with economic analysis of sectoral climate vulnerabilities. A brief description on each of the five studies is provided below:

- a. **Climate risk and responses in three major catchments.** A set of three catchment studies analyzed the hydrological, climatic, ecological, land use, livelihoods, and natural resource use characteristics and trends in three major catchments in Malawi (Linthipe⁶, North Rukuru and Lufilya⁷). In all the catchments there are significant problems with degradation and deforestation that are a direct consequence of exponential population growth and the continuation and spread of traditional extensive land use practices. Climate change is exacerbating degradation pressures. The studies delineated and prioritized sub-catchments for interventions, identifying the most degraded areas along with the interventions necessary to manage and reduce degradation. The studies identified the major opportunities, risks and challenges of catchment rehabilitation and made recommendations on both policy and technical interventions required to support this. Proposed responses are set within a wider context of improving food security and building climate change resilience. During the studies there was extensive engagement with the key stakeholders through workshops to validate findings, clarify how climate change added to existing degradation risks and stimulate new thinking on responses. The studies included a costing of the recommended interventions and proposals on funding mechanisms.
- b. **Building resilience to the effects of climate change in the transport sector⁸.** This analytical study and associated training aimed to build institutional capacity in Malawi to strengthen the resilience of the road sector to withstand the potential impacts of climate change. It included the production of *"Guidelines for the road transport sector in Malawi to increase resilience to the effects of climate change"*⁹, which is

⁶ 'Linthipe Catchment', Government of Malawi, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e65f2e>

⁷ 'North Rukuru and Lufilya Catchments', Government of Malawi, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e66960>

⁸ 'Analytical studies and associated trainings on the transport sector', Government of Malawi, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e66961>

⁹ 'Engineering Adaptations for Roads: Guidelines for the Road Sector to Increase its Resilience to the Effects of Climate Change', Ministry of Transport and Public Works, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e66964>



published as a separate document by the Ministry of Transport and Public Works. These guidelines are now embedded within the GoM's Transport Master Plan. The study analyzed the strengths and weaknesses of current transport policy and its implementation and examined the additional threats of climate change to transport infrastructure. Modifications to existing standards and specifications for roads were identified and a methodology developed for identifying climate-vulnerable sections of the road network and prioritizing interventions to mitigate the risks. In January 2020, training on identifying and responding to climate risks was provided to managers and practitioners in the sector.

- c. **Climate change impacts on fisheries ecosystems and lake and lakeshore biodiversity**¹⁰. Fisheries are an important economic sector in Malawi and the country's aquatic ecosystems are under pressure from both overfishing and the degradation of much of their surrounding landscapes. The likely impacts of climate change on this important sector are not well understood. The majority of fisherfolk are poor and marginalized and have limited capacity to cope with climate change impacts and disasters. Responses to climate impacts on Malawi's fisheries need to take account of its direct effects on lake ecosystems and biodiversity, as well as its impacts on fishing communities. This analytical study provided a set of reports covering climate impacts on lake ecosystems, the biodiversity of aquatic and catchment habitats, and fisheries value chains. The studies also examined fishing communities' current perceptions of climate risk and their responses. The investment plan is built around an ecosystem-based approach which considers how people interact with their environment. The investment plan covers restoring and protecting habitat and biodiversity, establishing early warning systems for extreme weather events, improving water management, and strengthening fishing communities' economic resilience through insurance schemes, improved access to credit and 'climate-proofing' fisheries infrastructure. Workshops were held with key stakeholders on each of the major analytical topics, to broaden understanding of how climate change challenges interact with the multiple challenges faced by the fisheries sector.
- d. **Pigeon peas value chain analysis**¹¹. Malawi's National Agricultural Investment Plan (2016) identifies a set of priority value chains for investment. The pigeon pea value chain is one of these, particularly in the context of climate change because it is drought resistant, as well as being both a food and cash crop. There are also opportunities to increase pigeon pea exports, which will provide valuable foreign exchange earnings for Malawi. The study examined evidence of possible climate change impacts on the pigeon pea value chain at national, regional and community level; analyzed the whole pigeon pea value chain, with a particular focus on losses that may be caused by climate change; and proposed a prioritized set of interventions and investments to build climate resilience at each stage of the pigeon pea value chain. Workshops with key stakeholders were used as the means to disseminate findings to a wide range of relevant stakeholders. The focus on a single climate resilient crop was used as a way of building awareness of climate change impacts on agriculture in general and the role of drought- or flood-resistant crops as a way to minimize climate risk. This approach to training used pigeon pea as a case-study to increase stakeholders' capacity to identify climate risks to specific agricultural products and the importance of taking a comprehensive view of both risks and responses along the entire crop value chain.

¹⁰ 'Comprehensive analytical study on impacts of climate change on the fishery ecosystems of lakes Malawi, Malombe and Chilwa and fisheries value chain in Malawi', Government of Malawi, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e66962>

¹¹ 'An analytical study on building climate change resilience livelihoods through pigeon peas agricultural value chain and enhance the local ecosystem in shire river basin: the case study of Mulanje, Phalombe, Machinga and Mwanza districts', Government of Malawi, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087e66963>



- e. **Opportunities to optimize Malawi's climate services¹².** This study provides a stock-take of current gaps in Malawi's climate services and identifies the main needs and opportunities for optimized climate services and climate products in Malawi. It provides coherent, implementable and costed investments to address existing gaps and needs in Malawi's climate services sector. Priority investments are clustered into three distinct and complementary investment opportunities, which are packaged into early stage development Concept Notes: (i) Observation Equipment Investments for Enhancing Resilience through Climate Services in Malawi; (ii) Building Capabilities and Systems for Weather and Climate Modelling; and (iii) Strengthening Resilience through End-User Climate Services and Products in Malawi. Each concept note includes a 'Roadmap for Investment', providing a synthesized, graphically appealing reflection of the proposed timing, budget and key stages of implementation. A further output of the study is a range of communication materials for the Department of Climate Change and Meteorological Services (DCCMS), as well as a web-based catalogue of relevant documentation and learning resources that is available for public access from the DCCMS website. The study's process included considerable interaction with the DCCMS staff as well as training workshops with DCCMS and a wider set of stakeholders to raise awareness of the current gaps in Malawi's climate services and provide information on the most up-to-date and cost effective technical and institutional options to address these.
29. **All five analytical studies included substantial training and capacity building on climate change impacts, risks and responses.** This was done through workshops with key stakeholders in government, NGOs and academia. The workshops provided opportunities to explore the analyses' methods and recommendation in detail, validate the studies' findings and build the capacity of the workshop participants to both understand and manage climate risks in the relevant sector.

Overall Outcome Rating: Satisfactory

30. **The overall outcome rating is satisfactory as the project had delivered both PDO indicators.** Each of them is briefly summarized below.
31. **The development of the 'Strategic Plan for Climate Resilience' (SPCR) for Malawi was finalized in November 2017 and approved by CIF PPCR sub-committee in December 2017 following in-depth review.** The Government of Malawi led the development of the SPCR, with the engagement of development partners, NGOs, and academia, by convening a series of workshops and technical working sessions. The SPCR builds on the pre-existing knowledge, analytical works and assessments, as well as information gathering, technical gap and institutional gap analysis, sector assessments, workshops, community and stakeholder consultations. The SPCR is being used to inform policy and programs at national and sectoral levels based on improved baseline information and enhanced understanding of key gaps in climate risks and resilience measures. Overall, Malawi's SPCR is a multi-sectoral climate resilience investment plan. It demonstrates Malawi's commitment to building broad-based climate resilience and to high-impact investment opportunities that seek to achieve national sustainable development objectives. Although the SPCR was developed and approved by CIF ahead of this grant becoming effective, the WB and AfDB provided funding to ensure the main SPCR report was finalized in a timely manner. The SPCR preparation grant could then instead contribute towards filling the gaps identified during the preparation of the SPCR document by funding analytical and capacity building activities.

¹² 'Comprehensive Analytical Study on Opportunities to Optimize Malawi's Climate Services', Government of Malawi, June 2020, <https://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b087c34e46>



32. **Five knowledge products on climate resilience were delivered based on the technical gap and institutional gap analysis identified through the development of the SPCR.** The process of developing these knowledge products included training and capacity building for key stakeholders and government officials. The knowledge products covered detailed descriptions of climate risks to the specific sectors studied, along with practical approaches to addressing these risks and building resilience to climate change impacts. The sectors covered were catchment management, fisheries, road infrastructure, and agricultural value chains, as well as options for improving Malawi's climate services and weather forecasting capacity.
33. **These analytical studies and associated training strengthened the existing knowledge base on climate impact and adaptation, and climate information systems.** These activities enhanced the capacity of key stakeholders in Malawi to address climate change challenges. All the studies included detailed financing plans for further project initiatives, to inform both future budget allocations and proposals to donors.
34. *Gender aspects.* Though the project did not have numeric targets for female beneficiaries/participation, about 32 percent of the training participants were female. The training benefited them and their institutions on capacity building for SPCR implementation. Also, female stakeholders were fully engaged in the consultative process that underpinned developing both the SPCR document and SPCR project proposals.
35. There are **no unintended negative outcomes or impacts** related to this project.

Other Outcomes and Impacts

36. **PPCR grant finance was also used to support the GoM's development of an updated 'State of the Environment Report'.** The previous edition had been finalized in 2010. GoM is following UNEP guidelines for developing this updated report, which include substantive consultation and validation activities. As this consultative process is time-consuming, the report could not be finalized before the end of the PPCR project. During the spring of 2020 the Covid-19 pandemic caused implementation challenges to the overall project portfolio in Malawi. While the pandemic related disruptions to society did not impact the planned project activities, it has complicated the consultation process which is likely to be further delayed.

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

37. **Key government documents used as a basis for the PPCR and SPCR formulation.** The formulation of the project benefited from the key documents such as the Malawi Growth and Development Strategy (MGDS II, 2011-2017 and MDGS III, 2017 – 2022, approved September 2017); Malawi's Nationally Determined Contribution (2015); the National Climate Change Management Policy (2016); the National Climate Change Investment Plan (2013-2018); Malawi's National Adaptation Programme of Action (2006, revised 2015); The National Resilience Strategy (still in draft in 2017); Malawi's National Adaptation Plan (NAP) process; and the National Agriculture Policy (2016). The project also benefited from diagnostic and analytical studies delivered by the WBG such as the (draft) Multi-Sectoral Investment Plan for Climate and Disaster Risk Management in Malawi; and Country Partnership Strategy for Malawi (FY2013-2016).
38. **Leadership, engagement and commitment.** To ensure close integration of all grant-funded activities into



government systems, GoM appointed two Focal Points (i.e. technical and financial) to coordinate the development of the SPCR and to manage the PPCR preparation grant. The financial focal point was in the Ministry of Finance Economic and the technical focal point in the EAD of the MoNREM. The two focal points provided guidance and direction during the SPCR's preparation, were fully engaged in its presentation to the CIF, and subsequently provided continuing and supportive oversight of the Project Implementation Unit (PIU) which was housed in the Climate Change Secretariat of the EAD, within the MoNREM and was guided by the National Climate Change Steering Committee.

39. **Multilateral Development Banks' implementation support.** The WB and the AfDB jointly supported the SPCR development. The Food and Agriculture Organization also provided technical support to developing the SPCR. It became clear during SPCR preparation that delays in accessing the CIF's preparation grant posed a risk to the timely progress in developing Malawi's SPCR. To avoid delays, the WB utilized Bank-executed finance, augmented by additional finance provided by the AfDB, to maintain momentum to finalize the SPCR. The combined MDB finance was sufficient to finalize the SPCR up to approval by the CIF in December 2017.
40. **Flexibility in adjusting project outputs in response to funding delays.** The purpose for undertaking the analytical studies shifted from directly supporting SPCR design to 'knowledge products' to inform government policy making and implementation. Initially, it had been intended to undertake a set of analytical studies to inform the development of the SPCR document itself. This would be funded as a Recipient-Executed Grant managed by GoM. However, due to processing delays within both the WB and GoM, the PPCR Preparation Grant provided by the CIF could not be accessed in time to meet the SPCR delivery deadline. The limited finance immediately made available by the MDBs (see paragraph 31 above) allowed SPCR preparation to continue but was insufficient to also cover the cost of the proposed analytical studies. As a result, it was agreed with GoM that the proposed studies would still be undertaken, but only after the CIF grant had been received by GoM and a PIU established within EAD.
41. **No-cost extensions for the PPCR project.** The WB supported two (2) separate restructurings of the project to improve the project performance. The first restructuring (June 22, 2018) responded to delays in documentation with a no-cost extension of the project closure date from October 31, 2018 to August 30, 2019. The resulting delays in project implementation created the need for an extension of the project closure date to ensure sufficient time to complete the grant financed activities. This extension was required because of delays in GoM receiving the CIF preparation grant, which then delayed both the formation of the PIU and the start of the planned analytical and capacity building activities. The delays in accessing the PPCR grant led to knock-on delays in establishing the project's PIU and initiating both the analytical studies and capacity building activities. Subsequently, the project suffered a 12-month delay due to ineligible expenses elsewhere in the Malawi portfolio inhibiting access funds until the portfolio issues were resolved. A second restructuring (August 16, 2019) provided a no-cost extension of the project closing date from August 30, 2019 to June 30, 2020. This second no-cost extension allowed the project's analytical and capacity building activities to be finalized.

IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

42. **Bank Performance: Moderately Satisfactory**
43. **Overall the WB performance is moderately satisfactory.** This reflects the overall relevance of project design (quality at entry) and the efforts the team made during implementation (quality of implementation support),



including the delivery of the two PDO results indicators: Strategic Program for Climate Resilience prepared in a consultative manner; and the publication of knowledge products. The analytical studies were complemented by extensive capacity building and training support. The WB team provided oversight and review of all these activities.

44. **Quality at entry.** The WB engaged throughout the PPCR preparation process and ensured quality at the entry of the operation. The project design was simple, and the objective and the PDO result indicators were clear, measurable and realistic. Specific risks associated with the project were mainly a result of the extensive delays to disburse the grant funds resulting in slow project implementation. The processing issues that delayed activating the PPCR preparation grant posed a potential risk at the initial stages of PPCR implementation, especially regarding the development of the SPCR. This was caused by substantial delays in mobilizing the joint scoping and first joint preparation mission by the African Development Bank (ADB), who were originally tasked by the CIF to perform the role of lead MDB for this grant. As a result of these delays, the Ministry of Finance requested the WB to step-in and lead MDB support. Internal delays in securing a 'P-number' for the project grant then followed. To expedite progress, the WB used Bank-Executed (BE) funds to ensure that delays to the recipient-executed grant component did not further hinder preparation of the SPCR and to ensure it was finalized in time for the December 2017 CIF Board meeting. The WB also fulfilled its fiduciary role by reviewing procurement and financial management arrangements of the PPCR PIU that was established within the EAD. Terms of Reference for all PIU staff were reviewed and approved by the WB. Both procurement and financial management risks were considered moderate.
45. **Quality of implementation support.** The Bank provided technical support throughout the project implementation. During SPCR preparation, there were three joint missions with AfDB. Aide memoires summarizing the missions' key findings and agreed next steps were shared with the GoM. Because a significant proportion of the BE funds allocated in the CIF's preparation grant were utilized during SPCR preparation there were limited funds for supervision during implementation. In addition, the final balance of Bank executed funds in the grant was not released by the CIF until close to the end of project. Given these limitations, the Bank team were able to support implementation effectively. To ensure adequate supervision, WB staff in the country office continued direct liaison with the PPCR PIU. The PIU staff were provided with training and continued support on efficient use of the procurement procedures and financial management.
46. **Restructuring.** The Bank, in agreement with the GoM, restructured the project on two (2) separate occasions. The first restructuring (June 22, 2018) responded to delays in documentation with a no-cost extension of the project closure date from October 31, 2018 to August 30, 2019. A second restructuring (August 16, 2019) provided a no-cost extension of the project closing date from August 30, 2019 to June 30, 2020. The second restructuring responded to the need for additional time to finalize the analytical work. This was done to provide additional time for the analytical studies and capacity building activities to be undertaken effectively.
47. **Monitoring and Evaluation: Modest**
48. **The project results framework was simple with just two PDO result indicators.** The PDO could have been better defined in relation to the capacity building activities. These are not explicitly described in either the key PDO indicators or the intermediate outcome indicators. As an important component of project design and allocated around 40 percent of the grant finance, an explicit indicator of outcomes (e.g. number of people trained) could have been included in the results framework. Notwithstanding these issues, the project results framework was



simple with two PDO result indicators which were important strategic milestones in assessing implementation progress towards the PDO achievement. Data sources were reviews of the prepared documents, implementation progress reports, training reports and analytics studies. The Monitoring and Evaluation setup was implemented and used to inform implementation progress and reflected in the WB's mission aide memoires, and implementation status and results reports (ISRs), among others.

49. **Fiduciary and Safeguards Compliance**

50. **The EAD's PIU was responsible for overall consolidation of the project's financial arrangement.** The fiduciary environment was strengthened by the recruitment of a finance management and procurement specialist. The project had adequate fiduciary management arrangements. The project spent USD 1,475,990 (98.4%) out of the total grant of USD 1.5 million. The balance remaining was USD 24,010. This was not used because insufficient time remained to complete the State of Environment report, implement other activities such as further training.

51. **This recipient-executed grant did not involve any high value or complex procurement.** It was focused on providing technical assistance which financed consultant services, workshops and seminars, travel and transportation, and operating costs. Overall, there was noticeable variance between planned and actual dates for the procurement of some of the post-SPCR approval items and consultancy services.

52. **Safeguards.** The Project was a Category C project. It did not trigger WB social and environmental safeguards policies as it financed supportive technical assistance activities such as consultancy services, non-consulting services, workshops, travel, and operating costs.

V. LESSONS LEARNED AND RECOMMENDATIONS

53. The **major lessons** learned from the implementation of the project are as follows:

54. **The sustained engagement and commitment of key government institutions, along with an inclusive and participatory process, are important for successfully achieving project results and ensuring sustainability.** The active engagement and commitment maintained by key government and non-government stakeholders, including MoFEPD, EAD, NGOs, academia and development partners was instrumental in achieving the project development objective. Also, relevant line departments such as the Department of Fisheries, the Ministry of Transport and Public Works, the Department of Climate Change and Meteorological Services, the Department of Disaster Management Affairs, and the Ministry of Agriculture were important partners that helped understand the sector specific resilience needs and identify the technical and financing gaps that targeted to inform the SPCR priorities. Overall, the SPCR preparation process was highly consultative and engaged a wide range of stakeholders. The frequent consultations increased ownership of the materials and created a momentum to move forward with resources mobilization, capacity building training activities, and initiating preparation of other project proposals. The preparation of the SPCR and knowledge products, along with the emphasis on implementation, was shown to be instrumental to advance further investments in line with the goal of climate resilience and contribute to the achievement of national medium- and long-term development goals of Malawi.

55. **Carefully designed/restructured M&E results indicators and metrics can improve results.** Monitoring project performance would have been stronger if an explicit indicator was attached to the capacity building component.



In practice, much of the project's capacity building activities were incorporated within the analytical studies. This in itself is not problematic because it embeds the training in 'real life' activities and examples. The methodologies used in analytical studies can often also be used in other situations as decision-support tools and so exposure to these ideas and methods can help build capacity. Without explicit indicators, it is difficult to track the project progress, and assess successes and challenges against the capacity building component. As capacity building (Component 1: Institutional Support and Capacity Building) was allocated nearly 40 percent of the PPCR grant funding, an indicator to track progress should have been included explicitly in the results framework.

56. **Coordination of funding of investment projects need to be consistent to maintain smooth relationship among the client, MDBs and the CIF Administrative Unit to avoid unfulfilled expectations.** During the SPCR planning process it was expected that the CIF would provide funding estimated between USD 40-60 million which would catalyze climate investments. However, following the successful endorsement of Malawi's SPCR, the CIF communicated that there were no funds to finance the new PPCR programs including Malawi. This discouraged key stakeholders from proceeding with implementing the SPCR investment proposals and undermined the momentum that the SPCR development process had initiated. Clear explanations of available finance need to be communicated early in the project cycle to not create unfounded expectations. Despite this, some of the proposed investments in Climate Services are now covered by the Malawi's grant from the Green Climate Fund to support scaling up climate information and early warnings.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: To assist the Government of Malawi to prepare a national investment plan for climate resilience and strengthen institutional capacity.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
SPCR developed and agreed by the Government of Malawi	Yes/No	N 31-Mar-2016	Y 06-May-2019		Y 30-Jun-2020

Comments (achievements against targets):

Achieved (100%). The Strategic Program for Climate Resilience (SPCR) was developed by The Government of Malawi through a multi-stakeholder process. It was endorsed by the Ministry of Finance and Economic Planning and Development (MoFEPD) and the Environment Affairs Department (EAD) of the Ministry of Natural Resources Energy and Mining (MoNREM). It was then approved by the Climate Investment Fund (CIF) PPCR Sub-Committee in December 2017. The SPCR details five strategic investment programs, focusing on (i) Climate Resilient Integrated Watershed Management, (ii) Building Climate Change Resilience in Selected Agricultural Value Chains in Malawi, (iii) Sustainable Fisheries Sector and Fisheries Value Chain in Malawi through Improved Climate Resilient Lake Ecosystem Conservation and Management, (iv) Strengthening Climate Resilience of Smallholder Farmers in Malawi, and (v) Operationalizing Malawi’s Climate Services Centre.

Objective/Outcome: To assist the Government of Malawi to improve the analytical base for mainstreaming climate risks in policy and planning.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Publication of studies on (i) lessons from ongoing cc projects, (ii) improved provision of climate services, (iii) climate proofed transport master plan, (iv) Climate variability on lake ecosystems	Yes/No	N 08-Nov-2017	Y 06-May-2019	Y 30-Jun-2020	Y 30-Jun-2020

Comments (achievements against targets):

Achieved (90%). Analytical studies were prepared, reviewed and published on three of these four topics (Climate Services, Transport and Lake Ecosystems.). In addition, a further analytical study examined Watershed Management in three of Malawi's major catchments. Although there was no specific analytical study on lessons from ongoing climate change projects in Malawi, all the studies explored and drew on lessons learned in Malawi (and elsewhere) on climate risk and responses in their sectors.

A.2 Intermediate Results Indicators

Component: Component 1: Institutional Support and Capacity Building

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Consultative Engagement Process established for the development of the SPCR	Number	1 06-Apr-2017	2 06-May-2019	2 06-May-2019	2 30-Jun-2020



Comments (achievements against targets):

Achieved (100%). Two consultative workshops were held to discuss the SPCR and both present and receive ideas amongst a wide group of government, academic, NGO and donor stakeholders. In addition, during the three PPCR joint missions of the World Bank and African Development Bank, there were individual and group meetings with donors, NGOs, academics and key line ministry directors and staff.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Investment priorities for improving climate resilience in priority areas are developed and include gender dimensions	Yes/No	N 08-Nov-2017	Y 06-May-2019	Y 30-Jun-2020	Y 30-Jun-2020

Comments (achievements against targets):

The SPCR contains concept notes (CNs) for five investment priorities: (i) Climate Resilient Integrated Watershed Management, (ii) Building Climate Change Resilience in Selected Agricultural Value Chains in Malawi, (iii) Sustainable Fisheries Sector and Fisheries Value Chain in Malawi through Improved Climate Resilient Lake Ecosystem Conservation and Management, (iv) Strengthening Climate Resilience of Smallholder Farmers in Malawi, and (v) Operationalizing Malawi’s Climate Services Centre. These were developed and agreed through the consultations that formed the core of the SPCR preparation process. All CNs include a discussion of gender dimensions. The SPCR document includes a chapter on the gender implications of climate change.

Component: Component 2. Analytical work in support of SPCR preparation

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Sectoral and technical assessments and studies completed on key resilience information gaps, including	Number	0 08-Nov-2017	4 06-May-2019	4 30-Jun-2020	5 30-Jun-2020



gender

Comments (achievements against targets):

Achieved (70%). Although technical assessment on key resilience information gaps were not commissioned as separate and discrete analytical studies, these issues were included in some detail in all five sectoral analytical studies that were completed. GoM's preference was to incorporate these issues clearly within the commissioned sectoral studies. As a result, considerable progress has been made in identifying technical and gender issues that impact on climate resilience at sectoral level – but the broader, cross-sectoral assessment of resilience was not undertaken.



B. ORGANIZATION OF THE ASSESSMENT OF THE PDO

Objective/Outcome 1: The PDO was to assist the Government of Malawi to prepare a national investment plan for climate resilience, strengthen institutional capacity and improve the analytical base for mainstreaming climate risks in policy and planning.	
Outcome Indicators	<ol style="list-style-type: none"> 1. SPCR developed and agreed by the Government of Malawi 2. Publication of studies on (i) lessons from ongoing cc projects, (ii) improved provision of climate services, (iii) climate proofed transport master plan, (iv) Climate variability on lake ecosystems.
Intermediate Results Indicators	<ol style="list-style-type: none"> 1. Consultative Engagement Process established for the development of the SPCR; 2. Investment priorities for improving climate resilience in priority areas are developed and include gender dimensions; and 3. Sectoral and technical assessments and studies completed on key resilience information gaps, including gender.
Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)	<p>Component 1: Institutional Support and Capacity Building</p> <p>The SPCR for Malawi was prepared in a consultative manner through an iterative process with a series of stakeholder engagements, briefings, individual expert interviews, technical working group sessions, and a sequence of workshops and presentations. The development of the SPCR was based on a detailed analysis of existing knowledge on climate change impacts, gap analysis of structures, policies, and coordination functions, and was intended to lead to the identification and assessment of priority investments. The SPCR identifies Malawi’s climate change risks, and linked this to both an analysis of existing policies and institutional assessments of key government agencies’ capacities to respond to climate change, and provides a comprehensive overview of likely impacts of changes in the near and medium term. Proposed investments targeted the following priorities (i) Integrated Watershed Management, (ii) Improving community resilience to climate change impacts through agriculture and fisheries Production, (iii) Climate-proofing infrastructure development, especially transport; and (iv) Enhancing climate and weather information systems.</p> <p>Component 2. Analytical work in support of SPCR preparation</p>



Knowledge products delivered. Five (5) knowledge products on climate resilience for Malawi were delivered. The five studies cover: (i) assessments of climate risk and possible responses in three major catchments; (ii) building resilience to the effects of climate change in the transport sector; (iii) an assessment of climate change impacts on fisheries ecosystems and lake and lakeshore biodiversity; (iv) an analysis of the value chain for pigeon peas (a climate resilient crop with many opportunities smallholders to increase the area cultivated); and (v) a comprehensive study of opportunities to optimize Malawi's climate services. These products were prepared based on the needs identified in the gap and institutional analysis undertaken during the SPCR preparation. The studies were aimed at strengthening the existing knowledge base on climate impacts and providing additional understanding of adaptation options in specific sectors, along with economic analysis of sectoral climate vulnerabilities.

People trained in climate resilience practices. All five analytical studies included substantial training and capacity building on climate change impacts, risks and responses. This was done through workshops with key stakeholders in government, NGOs and academia. GoM intends these studies, and the associated training and capacity building initiatives, to guide future policy and implementation.



ANNEX 2. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Analytical work in support of SPCR preparation	0.626	.9	144 %
Institutional Support and Capacity Building	0.776	.57	73 %
Contingency	0.098	0	0 %
Total	1.5	1.47	98.4 %



ANNEX 3. RECIPIENT, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS

Recipient

1. The WB received a grant completion report from EAD in July 2020. The completion report covers different aspects, including SPCR relevance, knowledge products, capacity building/training activities, participation and involvement of stakeholders, the contribution of the WB and the GoM to achieving results, and indicators. It also highlights the important role played by the Bank and AfDB in supporting the delivery of the PDO result indicators, including SPCR. It also gives attention to lessons learned and recommendations for future project designs. Observations on performance and impacts were overall aligned with those discussed in this ICR. The ICR was shared with the government and their comments have been incorporated.

Co-financiers

2. Malawi's Strategic Plan for Climate Resilience was submitted by to Ministry of Finance and Economic Planning to the CIF Administrative Unit in November 2017 and endorsed by the CIF PPCR subcommittee in Washington in December 2017. The Sub-Committee encouraged the Government of Malawi and the Multilateral Development Banks to actively seek resources from other bilateral or multilateral sources to fund further development and implementation of the projects foreseen in the strategic plan.

Other partners and stakeholders

3. The SPCR development process involved a consultative, structured and coordinated sector-oriented stakeholder engagement to build ownership and support for the planning and investment selection process. Consultations were carried out with technical focal points of national institutions and organizations which provided guidance on sector specific resilient needs and identified technical and financing gaps to inform the SPCR priorities. The consultations were coordinated by the Ministry of Finance, Economic Planning and Development, supported by the Environment Affairs Department. Civil society organizations, academics and development partners provided an entry point into cross sector engagement and a platform for validating the SPCR priorities. Overall, the SPCR preparation process was extensively consultative at national and sub-national levels with ample opportunities for public awareness and inputs into the SPCR process. The various well attended consultations confirmed that the SPCR development process was inclusive and based on key national plans and strategies, including Malawi Growth and Development strategy, the National Climate Change Management Policy, and the National Climate Change Investment Plan among others. This ensured a high level of buy-in for the SPCR as a nationally driven and relevant mechanism for mobilizing resources for scaling up climate resilient actions in Malawi.



ANNEX 4. SUPPORTING DOCUMENTS

4. **Annex 4.1. Malawi's Strategic Programme for Climate Resilience (SPCR)**
https://www.climateinvestmentfunds.org/sites/cif_enc/files/ppcr_strategic_program_for_climate_resilience_for_malawi.pdf

5. **Annex 4.2. List of key documents used for the PPCR preparation of the project paper (P16324)**

6. *The formulation of the project paper, Malawi Pilot Program for Climate Resilience (P16324), benefited from various analytical studies and policy papers. The major ones are listed below.*
 - i. Malawi Growth and Development Strategy II and III (2011-2016 and 2017-2022)
 - ii. National Resilience Strategy (draft, as of 2017)
 - iii. Multi-Sectoral Investment Plan for Climate and Disaster Risk Management in Malawi (WB draft, 2017)
 - iv. National Climate Change Management Policy (2016)
 - v. National Agriculture Policy (2016)
 - vi. National Fisheries and Aquaculture Policy (2016)
 - vii. National Forestry Policy (2016)
 - viii. National Irrigation Policy (2016)
 - ix. Intended Nationally Determined Contribution (2015)
 - x. National Adaptation Programmes of Action (2006 as revised in 2015)
 - xi. Nationally Appropriate Mitigation Actions (2015)
 - xii. National Disaster Risk Management Policy (2015)
 - xiii. National Climate Change Investment Plan (2013)
 - xiv. National Water Policy (2005)
 - xv. National Environmental Policy (2004)