

Republic of Malawi Country Partnership Framework FY21-25

Chair Summary*

May 4, 2021

Executive Directors discussed the joint IDA/IFC/MIGA Country Partnership Framework (CPF) for the Republic of Malawi for the period FY21-25. Directors welcomed its close alignment with the Government's vision - "Malawi 2063"- to attain lower-middle-income status by 2030 and its emphasis on women's empowerment and digital development as cross-cutting issues.

Directors encouraged Malawi to tackle long-standing governance challenges based on lessons learnt. They urged the WBG to support the development of a prioritized and robust reform agenda that strengthens public financial management and domestic resource mobilization, addresses distortionary policies in the agriculture sector and supports economic transformation, with a strong focus on human capital development, social protection and food security. They also underscored the importance of the energy sector to the country's growth prospects and the need to incentivize changes in the energy regulatory framework.

Directors called for more WBG support for Malawi's climate resilience and adaptation measures, including disaster risk management. They welcomed the inclusion of Malawi among the first countries to undertake a Country Climate and Development Report. They also stressed the importance of addressing gender issues and mitigating GBV issues and welcomed the Gender Assessment in the CPF.

Directors acknowledged the additional pressures that COVID-19 has placed on Malawi's macro-fiscal position and urged WBG Management to work closely with the authorities to put debt on a sustainable path. They encouraged continued close coordination with the IMF, as a new Extended Credit Facility is being discussed with the Malawian authorities. They also stressed the need for IFC, MIGA and IDA to synchronize their strategies to catalyze private financing for transformational investments to generate jobs and growth - particularly in the energy, agriculture and trade sectors.

Directors welcomed the dual project and portfolio-level risk management approach, especially with regards to safeguards and financial management. They also expressed broad support for the proposed "learning CPF", recognizing the need for the program to remain flexible and to enhance coordination with other development partners to ensure improved and more impactful programming in Malawi moving forward.

*This summary is not an approved record.