



## MALAWI-Disaster Risk Management Development Policy Financing with Cat DDO (P165056)

EASTERN AND SOUTHERN AFRICA | Malawi | Urban, Resilience and Land Global Practice |  
IBRD/IDA | Development Policy Lending | FY 2019 | Seq No: 5 | ARCHIVED on 20-Jun-2022 | ISR52017 |

Implementing Agencies: Ministry of Finance, Economic Planning, and Development, Ministry of Finance, Economic Planning, and Development

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

Bank Approval Date: 06-Jun-2019

Effectiveness Date: 27-Jun-2019

Original Closing Date: 31-Jul-2022

Revised Closing Date: 21-Jun-2022

**Project Development Objectives**

Program Development Objective (from Program Document)

The overall objective is to strengthen the institutional and financial capacity of the Government of Malawi for multi-sectoral disaster and climate risk management.

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

No

**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**

**The objective of the Disaster Risk Management Development Policy Financing with a catastrophic Deferred Disbursement Option (DRM DPF with Cat DDO) is to strengthen the institutional and financial capacity for multi-sectoral DRM and climate resilience.** The DRM DPF with Cat DDO was designed to support policy reforms to address vulnerability to disasters and climate change, and to secure prompt financial support to alleviate the economic and humanitarian costs associated with the impact of Tropical Cyclone Idai that affected Malawi in March, 2019. The operation was designed to offer budget support to the Government for development policy reforms after project effectiveness, which was timely for immediate support needed for Cyclone Idai, and some resources from the project were held contingent for future events.

**The operation has been disbursed in full.** It was approved on June 6, 2019 and became effective on June 27, 2019, with a first disbursement of US\$ 40 Million on June 28, 2019 corresponding to the DRM DPF and a second disbursement of US\$30 Million on April 10, 2020 corresponding to the Cat DDO triggered in response to COVID-19. The Cat DDO has a closing date of June 21, 2022. A total of eight policy actions were supported by this operation. Overall, the Government of Malawi (GoM) has surpassed targets in 1 out of the 10 results indicators, met targets of 4 indicators, partially met targets of 3 indicators, and has not shown progress in 2 indicators.

**Risks****Systematic Operations Risk-rating Tool**



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

## Results

### Results Indicators

Pillar A – Strengthening the institutional framework and coordination mechanisms				
IN01157744				
► Results Indicator 1: Number of Technical Sub-committees operationalizing a more comprehensive DRM approach as established in the Malawi Disaster Risk Management Bill (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	3.00	3.00
Date	06-Jun-2019	22-Jul-2021	14-Jun-2022	21-Jun-2022
Comments:	<p><b>Results Indicator 1. DoDMA has fully complied by establishing 3 technical sub-committees following a comprehensive DRM approach.</b> The 3 technical sub-committees (Early Warning Systems - EWS, Assessment, and Search &amp; Rescue) have been established with Terms of Reference (ToRs) developed. By operationalizing them, DoDMA is applying the new proposed DRM bill approach, which is based on the understanding that DRM is not just post disaster response. By June 15, 2022, DoDMA will share the ToRs as well as any relevant meeting minutes of the technical sub-committees. The ToRs and meeting minutes would demonstrate a focus on preparedness and risk reduction, beyond the focus on response.</p>			
IN01157807				
► Results Indicator 2: Annual reports on NRS and/or MGDS III monitoring progress on results, budget allocations, and expenditures on disaster risk management and social protection (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	1.00	3.00
Date	06-Jun-2019	22-Jul-2021	14-Jun-2022	21-Jun-2022
Comments:	<p><b>Results Indicator 2. This indicator's result has partially met the target, with 1 out of 3 annual reports delivered and two still in progress.</b> The first annual report (2018-2019) was compiled and validated by stakeholders. For the remaining two reports, DoDMA has completed drafts but the EP&amp;D is</p>			



still pending on validating expenditures data for the 2019-2020 and 2020-2021 periods. By June 9, 2022 the EP&D will provide DoDMA with the budget information for validating the remaining two DRM and social protection annual reports.

IN01157810

► Results Indicator 3: Number of user sectors receiving tailor-made forecasts and early warning bulletins with the appropriate content, frequency, communication channels and in local languages (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	2.00
Date	06-Jun-2019	10-Nov-2021	14-Jun-2022	21-Jun-2022

**Results Indicator 3. Satisfactory progress has been made in relation to the implementation of tailor-made forecasts and early warning bulletins.** This indicator has surpassed the expected target: 3 sectors instead of 2 receive tailor-made reports in Chichewa. DCCMS reported that agriculture, the DRM institutional System (DoDMA, Districts, Communities) and Fisheries are receiving specific forecasts and early warnings. These services are based on the main products issued to the general public such as the daily weather forecast and the seasonal forecast of the rainy season and complemented with specific information for sectoral purposes. During the mission, DCCMS confirmed it has been reporting to the DRM institutionalized EWS sub-committee on seasonal forecasts and any relevant new developments. DCCMS reported that with resources from the World Bank funded MRDRM project, it has been possible to develop translation app. It will be useful for the population to access all EWS products in the three languages: Chichewa, Yao and Tumbuka. Also, the Department is working on a Weather Research and Forecasting (WRF) Model, which will be ready for use by December 2022. DCCMS informed the mission a finalized WRF model will increase the type of data analysis provided to current and potential users.

IN01157812

► Results Indicator 4: National Public Health Emergencies Committee established and operating in accordance with the MoU that clarifies all ministry roles and responsibilities relevant to International (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	06-Jun-2019	17-Jun-2020	14-Jun-2022	21-Jun-2022

**Results Indicator 4. The Public Health Institute of Malawi (PHIM), created by the Ministry of Health (MoH) in June 2020, aimed to host the Public Health Emergencies Committee.** The MoH established the PHIM to address health emergencies but also to guide multi-sectoral preparedness through the committee. The PHIM has not been able to pursue the latter because both the updated DRM Bill and the new Public Health Act are still pending approval at the Parliament. Meanwhile, the PHIM has been functioning within the existing national health cluster to respond to COVID-19, polio, and cholera emergencies. The current health cluster only allows them to lead while the government issued a national emergency. If the disaster emergency is declared by state, PHIM could only participate through the DoDMA cluster. PHIM is also leading the preparation of a Public Health Emergency Operations Center (EOC) Handbook in line with the IHR.

#### Pillar B – Increasing climate and disaster resilience in physical developments and infrastructure

IN01157745

► Results Indicator 5: Number of cities with appropriate hazard maps that inform the location of public infrastructure and physical development (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	2.00
Date	06-Jun-2019	22-Jul-2021	14-Jun-2022	21-Jun-2022



Comments:	<p><b>Results Indicator 5. One (Lilongwe) out two cities targeted has fully completed the development of hazard maps.</b> Maps provide with flood risk scenarios over 5-, 10- and 100-year return periods, along with annual average losses due to flooding. Produced information has been disseminated in a workshop on June 1, 2022. The workshop was addressed to Lilongwe City Council, Lilongwe District Council, Department of Water Resources, Department of Disaster Management Affairs, National Planning Commission, Department of Urban Development, Lilongwe Waterboard, National Roads Authority, Department of Land Resources Conservation, Malawi Engineering Institution, and Blantyre City Council. Blantyre has an ongoing procurement process to produce hazard maps. . This process is in an advanced tendering process, products are expected to be finalized by June 2023 and will be useful for risk-informed decision making.</p>			
IN01157808				
► Results Indicator 6: Number of cities and districts where stakeholders have been trained on existing standards and building policy/regulations that incorporate multi-hazard resilience (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	06-Jun-2019	17-Jun-2020	14-Jun-2022	21-Jun-2022
Comments:	<p><b>Results Indicator 6. The Government has made progress on the formulation of the Malawi National Building Regulations, and the National Buildings Policy.</b> The Buildings Department and the National Construction Industry Council (NCIC) have also progressed by developing a roadmap for training city and district disaster prone areas in the use of the Safer Housing Guidelines (SHG). The development of the roadmap was the result of a participatory workshop held on May 16, 2022. A total of 16 people participated from the workshop representing the following institutions: Ministry of Local Government, Department of Buildings, Department of Housing, Malawi University of Business and Applied Sciences, TEVETA, NCIC, Salima Technical College, Malawi Institute of Engineering and Soche Technical College[CRZA1] [DM2] . The training will be addressed to trainers from 18 local governments and will be held on June 15, 2022. After the training of trainers, the Department will look for financing resources to put in place trainings and disseminating activities of the SHG.</p>			
IN01157811				
► Results Indicator 7: Number of new national transport projects implemented by the Roads Authority that apply the new harmonized multi-hazard resilience standards (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	21-Jun-2019	22-Jul-2021	14-Jun-2022	21-Jun-2022
Comments:	<p><b>Results Indicator 7. MoTPW is conducting an assessment of road design standards, guidelines and institutional capacity for climate resilient infrastructure and training on resilience for road construction.</b> The Ministry and Roads Authority (RA) and MoTPW are leading a technical committee to spearhead the review of the existing standards. During last October 2021 monitoring mission, the GoM shared a list of 13 projects which are amongst the first to adopt the utilization of the guidelines. In addition to just a list of projects, the MoTPW and RA agreed to provide further detail as to the specific adaptation or resilience considerations incorporated within each project. The World Bank proposed that the MoTPW provide further detail and screen this list based on <i>Table 11: Common adaptation techniques for different modes of failure</i> and <i>Table 12: Potential climate impacts and related engineering adaption options</i> from the Guidelines. The design reports will be shared once ready. Options for designing a training program within existing transport programs are being explored.</p>			
IN01157813				
► Results Indicator 8: Percentage of new educational facilities constructed or rehabilitated in compliance with the technical hazard-resilient criteria adopted by MoEST (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00



Date	06-Jun-2019	22-Jul-2021	14-Jun-2022	21-Jun-2022
Comments:	<p><b>Results Indicator 8. The MoE (previously MoEST) fully met this indicators' target.</b> During the mission, the MoE confirmed all education projects have been enforced to use the Safer Schools Construction Guidelines (SSCGs) in rehabilitation and new construction works. The MoE informed that last 2022 floods had a greater impact on education facilities non-SSCG compliant compared to those structures built under approved guidelines. MoE's strategy has entailed to mainstream guidelines in the National Education Sector Improvement plan 2020 - 2030. Nonetheless, the Ministry has requested funding to expand the SSCG dissemination among other sectors, local governments and construction stakeholders.</p>			

Pillar C – Strengthening the Gov's social and financial protection mechanisms to respond to disaster

IN01157806

► Results Indicator 9: UBR data sharing protocols implemented, as evidenced by percentage of shock-affected households identified through the UBR that are targeted for post-disaster support (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	90.00
Date	06-Jun-2019	10-Nov-2021	14-Jun-2022	21-Jun-2022

Comments:

**Results Indicator 9. The Unified Beneficiary Register (UBR) data sharing protocols were approved on June 12, 2020, through the National Social Support Technical Committee, and have been in use ever since to target beneficiaries for post-disaster support.** The protocols have been already used by national and development institutions as follows: Ministry of Agriculture and Land Use, Ministry of Gender, Children, Disability and Social Welfare, Ministry of Home Affairs and Internal security (National Registration Bureau), NPC, KfW (Social Cash Transfer Program), UNICEF, WFP, ILO, UNDP, and Red Cross. Current implementation of UBR data protocols can identify 90% of potential shock-affected households. As part of the ongoing plan, the MoEPD will finish collecting district information between June and December 2022.

IN01157809

► Results Indicator 10: Number of new ex-ante risk financing instruments\* established in alignment with the National Disaster Risk Financing Strategy (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	2.00
Date	06-Jun-2019	10-Nov-2021	14-Jun-2022	21-Jun-2022

Comments:

**Results Indicator 10. The Government has had two sovereign drought insurance policies in the lifetime of the project, has mobilized the shock-responsive safety net instrument for COVID-19 response, and is currently exploring three additional risk financing instruments.** The GoM has held for two consecutive years a drought insurance policy (2021 and 2022). Premiums have been financed in full by donors under the Africa disaster risk program (AfDB program). On June 2, 2022, the policy was triggered, and all four region clusters (northern region, central region, Shire Valley, and Blantyre southern) have received a payout totaling US\$14 million.

**For furthering the target, the country is also exploring: (i) to acquire a flood coverage policy with ARC, (ii) the establishment of a DRM fund, and (iii) how to launch a public asset insurance program.** Currently, the ARC is preparing a floods insurance option policy for Malawi. This financial product will potentially be purchased during the next government fiscal year, but there is still lack of information of the country's financial capability to procure it. A Social cash transfers program has been implemented under the Social Support on Resilient Livelihoods Project (SRLP). It is the starting block toward a Scalable Social Cash Transfers (SSCT) instrument which will use funds from the Global Risk Financing Facility (GRIF). Although it is necessary to have an approved DRM Bill, the MoF will work on a roadmap for implementation of the DRF fund so that work can start as soon as the Bill is approved. Finally, work has been initiated on a public asset management policy, which would eventually carve the path for developing a public asset insurance policy.



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### Data on Financial Performance

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P165056	IDA-D4880	Closed	USD	40.00	40.00	0.00	40.18	0.00	100%
P165056	IDA-D4890	Effective	USD	30.00	30.00	0.00	29.57	0.00	100%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P165056	IDA-D4880	Closed	06-Jun-2019	21-Jun-2019	27-Jun-2019	31-Jul-2020	21-Jun-2020
P165056	IDA-D4890	Effective	06-Jun-2019	21-Jun-2019	27-Jun-2019	31-Jul-2022	21-Jun-2022

### Tranches

#### Restructuring History

There has been no restructuring to date.

#### Related Project(s)

There are no related projects.