



MALAWI GOVERNMENT

2011/12 BUDGET PERFORMANCE QUARTERLY REPORT (Q3)

Ministry Of Finance

P.O. Box 30049

Lilongwe 3

Malawi

September, 2012

Table of Contents

FOREWORD	3
ABBREVIATIONS AND ACRONYMS	4
EXECUTIVE SUMMARY	5
REVENUE PERFORMANCE.....	5
PERFORMANCE OF INFLOWS OF GRANTS AND LOANS	5
PERFORMANCE OF EXPENDITURES	6
PERFORMANCE OF DEVELOPMENT PROJECTS.....	ERROR! BOOKMARK NOT DEFINED.
1 INTRODUCTION	7
1.1 BACKGROUND TO THE REPORT	7
1.2 KEY OBJECTIVES OF THE REPORT	7
1.3 METHODOLOGY	8
1.4 LAYOUT OF THE REPORT.....	8
2 PERFORMANCE OF DOMESTIC REVENUES	9
2.1 INTRODUCTION.....	9
2.2 OVERALL PERFORMANCE OF REVENUE COLLECTION	9
2.3 TAX REVENUE PERFORMANCE	10
2.4 NON – TAX REVENUE PERFORMANCE	11
3.5 CONCLUSION.....	12
3 PERFORMANCE IN INFLOWS OF GRANTS	13
3.1 INTRODUCTION	13
3.2 PERFORMANCE OF OVERALL INFLOWS OF GRANTS IN THE THIRD QUARTER	13
3.3 PERFORMANCE OF DEDICATED GRANTS IN THE THIRD QUARTER OF THE FY	14
3.4 CONCLUSION	14
4 PERFORMANCE OF EXPENDITURES IN THE QUARTER	16
4.1 INTRODUCTION	16
4.2 PERFORMANCE OF THE OVERALL EXPENDITURES IN THE THIRD QUARTER OF THE FINANCIAL YEAR .	16
4.2.1.1 Wages and Salaries.....	18
4.2.1.2 Interest on Debt Repayment.....	18
4.2.1.3 Subsidies and Transfers	18
4.2.1.4 Goods and Services.....	19
4.2.2 Performance of Development Expenditures in the Quarter	19
4.2.3 STATUS OF PROJECTS IN THE DEVELOPMENT BUDGET	20
4.3 CONCLUSION	20
5 OVERALL FISCAL PERFORMANCE	21
5.1 INTRODUCTION	21
5.2 THIRD QUARTER OUTTURN ON FISCAL POSITION	21
5.3 OUTTURN ON THE FINANCING POSITION	ERROR! BOOKMARK NOT DEFINED.
6 CONCLUSION	23
ANNEX 1 A COMPENDIUM OF THE DEVELOPMENT PROJECTS	23

Foreword

This Quarterly Budget Performance Report is reporting on the performance of Government in implementing the National Budget in the Third Quarter of the 2011/12 Fiscal Year. The report provides a detailed analysis of the Revenue generation performance; status of Grants and Loans and a critical analysis of the Expenditures of Government. The ultimate objective of the report is to appraise all stakeholders on the current status of implementation of the National Budget including risks and challenges associated with it so that where necessary, corrective measures are instituted much earlier to salvage the situation.

The report is structured along the format of the Mid-Year Budget review document and the End of Year Financial report. The Ministry of Finance hopes that the information provided in this report will be valuable to various readers. Any further suggestions for improvement are welcome and can be submitted to the Secretary to the Treasury.

Abbreviations and Acronyms

ETRs	Electronic Tax Registers
IFMIS	Integrated Financial Management Information System
FY	Financial Year
IMF	International Monetary Fund
MK	Malawi Kwacha
MRA	Malawi Revenue Authority
NAC	National Aids Commission
NCIC	National Construction Industry Council
NRA	National Roads Authority
NTR	Non-tax Revenues
ORT	Other Recurrent Transactions
Part I	Donor supported projects
Part II	Projects financed by domestically generated resources
PAYE	Pay As You Earn
PIL	Petroleum Importers Limited
SWAP	Sector Wide Approach
VAT	Value Added Tax

Executive Summary

Revenue Performance

Based on the Agreement Government reached with the International Monetary Fund (IMF), total Revenues and Grants for the 2011/12 Fiscal Year were pegged at K259.6 billion. Of these resources, K207.8 billion were projected to be Domestic Revenues comprising K180.9 billion Tax Revenues and K26.8 billion Non-Tax Revenues while K51.9 billion were projected to be Grants. In the Third Quarter of the Financial Year, Government estimated it would collect Domestic Revenues to the tune of K57.9 billion of which, K48.2 billion were expected to be Tax Revenues and K9.7 billion Non-Tax Revenues. The outcome was that Domestic Revenues amounted to K49.5 billion representing an undercollection of K8.4 billion, thus 14 percent less than the projected Revenues. The underperformance of Domestic Revenues was mainly on account of forex and fuel problems experienced in the Quarter under review.

Performance of Inflows of Grants and Loans

In the Third Quarter of the Financial Year, Government projected to receive total Grants to the tune of K9.11 billion of which, K1.73 billion were expected to be Budget Support resources, K3.11 billion Dedicated Grants and K4.27 billion Project Grants. The Outturn was that no Budget Support resources were received in the Quarter while Dedicated Grants overperformed by K1.5 billion, Project Grants underperformed by K1.1 billion.

Performance of Expenditures

On Expenditures, Government projected to spend total Expenditures to the tune of K328.1 billion based on the revised projections with the IMF. Of these total Expenditures, K250 billion were planned to be Recurrent Expenditures while K77.5 Billion were projected to be Development Budget Expenditures. In the Third Quarter of the Financial Year, Government planned to spend K66.5 billion, of which, K50.9 billion were to be Recurrent Expenditures and K14.5 billion Development Budget Expenditures. The Outturn however, reflected an overall Expenditure overrun of K9.6 billion and underexpenditure of K1.6 billion on the Development Budget.

INTRODUCTION

1.1 Background to the Report

In June 2011, the National Assembly approved a Budget of K304 billion inclusive of Net Lending for the 2011/12 Financial Year. This Budget was to be financed by Domestic Resources amounting to K242.5 billion, representing 79 per cent and the balance of K65.2 billion representing 21 per cent from Grants. At the Mid-Year, these estimates were revised to K287.5 billion Domestic Revenues and Grants and K300 billion Total Expenditures and Net-Lending. At the re-engagement with the IMF, these estimates were further revised to K259.6 billion as Total Revenues and Grants and K328.1 billion as Total Expenditures and Net-Lending.

In order to achieve the targets set out in the Budget, Government in collaboration with the IMF developed monitorable Quarterly Revenue and Expenditure targets for the remainder of the Financial Year. This report, therefore, examines Government performance in meeting the set targets in the Third Quarter of the Financial Year, from January to March, 2012.

1.2 Key Objectives of the Report

The main objective of this report is to present the performance of Government in implementing the National Budget in the period under review. The specific objectives of the report include:

- (i) To present the status of Domestic Revenues;

- (ii) To report on performance of Grants and Loans from Cooperating Partners;
- (iii) To present the details of Expenditures of Government in the Third Quarter of the Financial Year; and
- (iv) To present a detailed assessment of implementation of Projects.

1.3 Methodology

The review and assessment of Receipts and Expenditures for the Third Quarter of the Financial Year was done in June, 2012. The work involved analysis of data from the Reserve Bank of Malawi, Expenditure Returns from various Spending Agencies, consultations with various Stakeholders and spot checks on some of the Projects throughout the country.

1.4 Layout of the Report

The first Chapter introduces the report, its objectives and methodology in assessing performance. The second and third Chapters discuss the performance of Revenues and Grants respectively. The fourth Chapter is a discussion on Expenditures. Chapter five concludes the discussions and provides recommendations to inform Budget implementation in the subsequent Quarters. The rest of the report discusses detailed progress reports of the projects in the 2011/12 Financial Year Budget.

Performance of Domestic Revenues

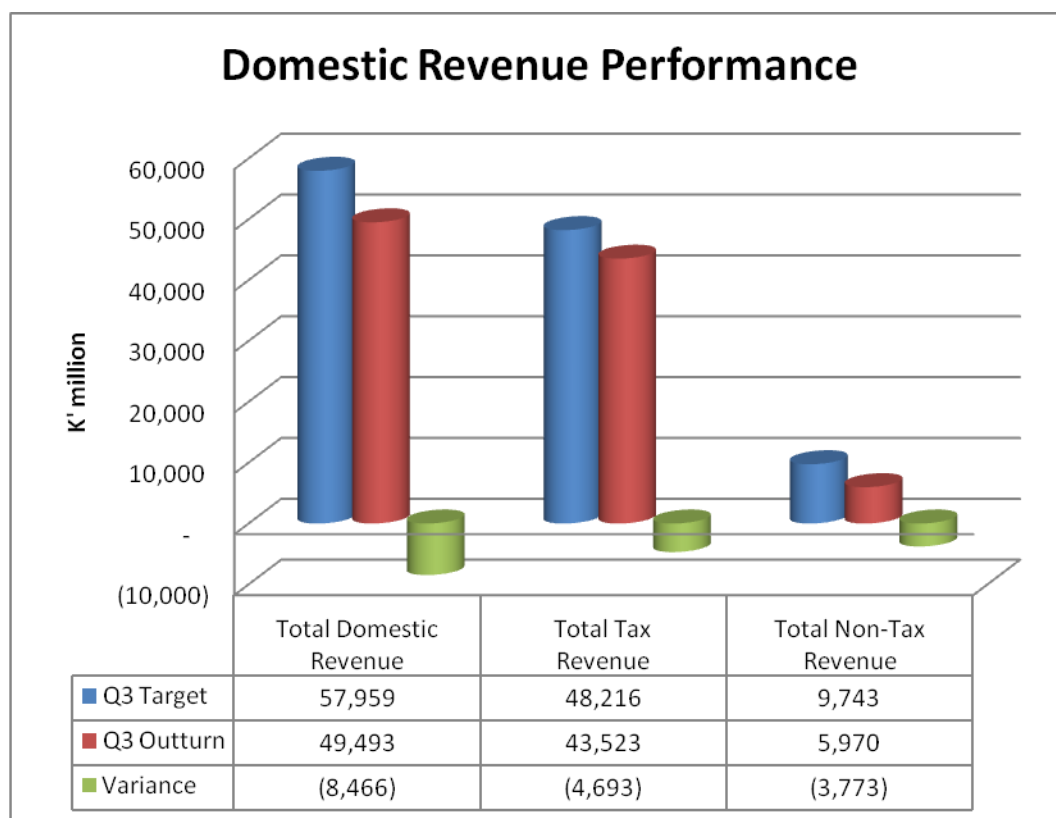
2.1 Introduction

In the Third Quarter of the 2011/12 Financial Year, total Domestic Revenue collection was projected to reach K57.9 billion. Tax Revenues were projected to be K48.2 billion (about 83% of total Domestic Revenues for the Quarter), while Non-Tax Revenues were projected to be K9.7 billion (17% of expected Quarterly Revenues). This Chapter seeks to assess Government's performance in Revenue collection during the Third Quarter of the Financial Year by comparing the Revenue outturn for the Quarter against the set targets; and discussing some of the underlying factors that explain the variances.

2.2 Overall Performance of Revenue Collection

Figure 2.1 compares the Outturn in Domestic Revenues in the Third Quarter against their corresponding targets. As the figure illustrates, overall, Domestic Revenues did not perform well as compared to the Quarterly Targets, with total Domestic Revenues amounting to K49.5 billion collected against a target of K57.9 billion, thus an under collection of K8.5 billion and representing 14.6 percent undercollection on Quarterly projection. The shortfall is mainly explained by underperformance of Tax Revenues.

Figure 2.1 Total Domestic Revenues Performance



2.3 Tax Revenue Performance

In general, the net effect of underperformance and overperformance of individual Taxes shows that Tax Revenues in the Quarter under performed by K4.7 billion which is 9.7 per cent off the target.

The underperformance of Import Related Taxes however was cushioned by the overperformance of Provisional Corporate Tax, Withholding Tax, and Tax Refunds which recorded K1.2 billion, K1.5 billion and K1.3 billion respectively.

Table 2.1: Tax Revenue Performance in the Third Quarter

Type of Tax	Quarter 3 Target	Quarter 3 Actual	Variance (Actual - Target)
Domestic Revenue	57,960.16	49,492.97	(8,467.19)
Tax revenue (Net)	48,217.16	43,522.68	(4,694.48)
Income and profits	21,256.12	22,117.13	861.01
Individual	12,242.45	11,178.57	(1,063.89)
PAYE	11,360.67	10,545.94	(814.73)
Other	881.79	632.63	(249.16)
Fringe benefit	731.67	433.10	(298.57)
Non-resident tax and others	150.11	199.53	49.42
Corporate	6,627.68	7,048.62	420.94
Company assessments	1,516.97	777.01	(739.96)
Provisional	5,110.70	6,271.61	1,160.90
Withholding	2,385.99	3,889.95	1,503.96
Goods and services	24,028.02	18,547.32	(5,480.70)
VAT	16,399.70	13,402.55	(2,997.15)
Domestic	8,040.84	6,945.48	(1,095.36)
Import	8,358.87	6,457.07	(1,901.80)
Excise Duties	7,628.32	5,144.77	(2,483.55)
Local	2,212.65	1,983.36	(229.29)
Import	5,415.66	3,161.41	(2,254.25)
International trade	4,922.90	3,454.40	(1,468.50)
Import duty	4,922.90	3,454.02	(1,468.88)
Prepayment	-	0.38	0.38
Other	(1,989.88)	(596.17)	1,393.71
Misc. duties	52.75	100.29	47.54
Tax refunds	(2,236.87)	(900.00)	1,336.87
Penalties	33.83	43.67	9.84
Dividend	158.92	158.13	(0.79)
Turn-over tax	1.50	1.74	0.24

2.4 Non – Tax Revenue Performance

Table 2.2 below presents the Outturn in Non–Tax Revenues in the Third Quarter of the 2011/12 FY against their set Targets. As the Table depicts, actual Non–Tax Revenues amounted to K5.97 billion compared to the target of K9.74 billion, thus an under collection of K3.8 billion.

The underperformance is due to the significant under collection in fuel levies, which amounted to K2.2 billion against a set target of K4.6 billion, thus a shortfall of K2.4 billion. However, Departmental receipts amounting to K2.3 billion compared to a Quarterly target of K3.9 billion, thus registering an under collection of K1.5 billion.

Table 2.2: Non – Tax Revenue Performance in the Third Quarter

Type of Tax	Quarter 3 Target	Quarter 3 Actual	Variance (Actual -Target)
Non-Tax Revenues	9,743.00	5,970.29	(3,772.71)
Departmental receipts	3,873.96	2,335.98	(1,537.98)
Receipts from PIL for NRA	2,922.13	1,396.89	(1,525.24)
Receipts from PIL for Safety Nets	1,715.56	1,081.69	(633.87)
Rural electrification levy	806.35	938.98	132.63
Storage Levy	425.00	216.75	(208.25)

Generally, Non-Tax Revenues under performed in the Quarter under review due to a number of reasons including; intermittent supply of fuel in the country resulted in negative variance in fuel levies while most Departments underperformed due to reduced Departmental activities.

3.5 Conclusion

The report has revealed that generally revenue collection in the Third Quarter of the 2011/12 Financial Year was unsatisfactory, mainly due to the underperformance of Tax Revenues. This was attributed to foreign exchange shortages as well as intermittent fuel supply which negatively affected performance of the economy, evidenced largely in the underperformance of major Non Tax Revenue categories that depend on these factors.

Performance in Inflows of Grants

3.1 Introduction

This Chapter examines the performance of inflows of Grants to Government in the Third Quarter of the 2011/12 Financial Year and discusses factors that explain performances displayed in the respective Grants.

In 2011/12 Fiscal Year, the Revised agreed Grants with the IMF were to the tune of K51.8 billion of which K1.7 billion were to be Program Grants, K33 billion Dedicated Grants and K17.2 billion Project Grants. In the Third Quarter of the Financial Year, projections were that K9.1 billion will be received comprising K1.7 billion Programme Grants, K3.1 billion Dedicated Grants and K4.2 billion Project Grants.

3.2 Performance of Overall Inflows of Grants in the Third Quarter

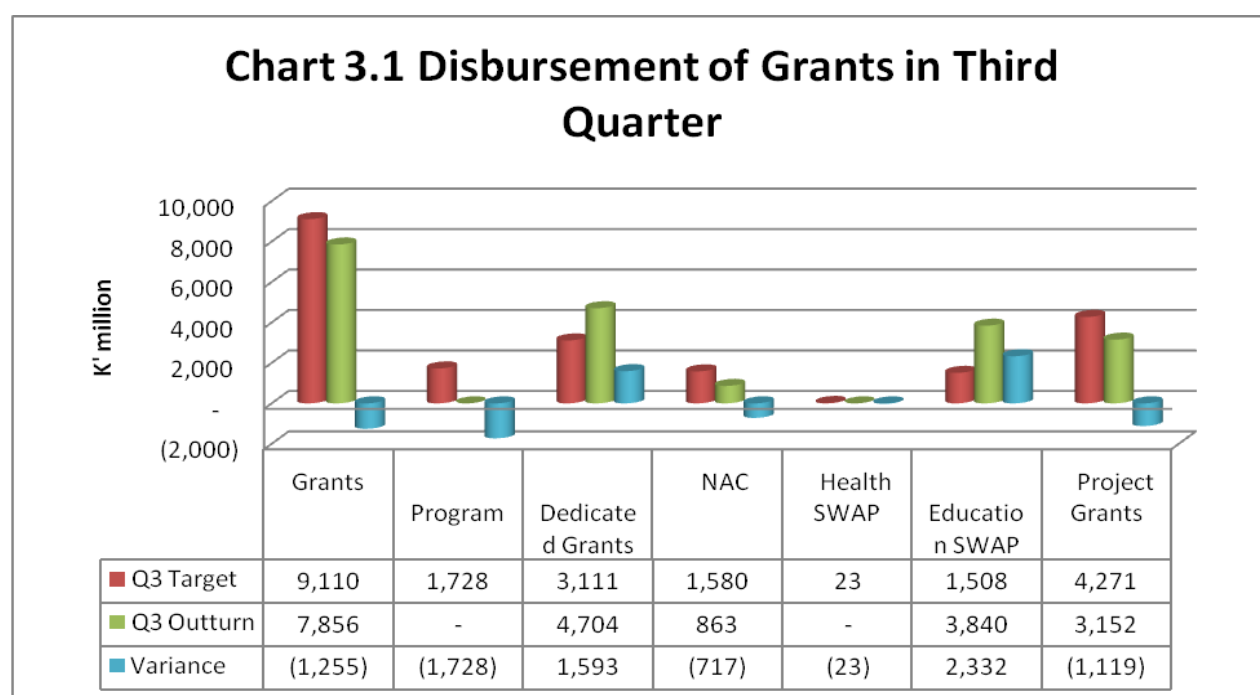
Overall, Grants amounted to K7.8 billion against a target of K9.1 billion representing an under performance of K1.3 billion. During the Quarter, both Program and Project Grants underperformed badly. No Budget Support were received in the Quarter against a projection of K1.72 billion. This was so because Government had not yet concluded the discussions with the International Monetary Fund (IMF) on the Extended Credit Facility (ECF) programme which is a trigger for Budget Support disbursement. On Project Grants, there was also an underperformance in the Quarter as shown by an unfavourable variance of K1.1 billion.

As for Dedicated Grants, K4.7 billion was received against a target of K3.1 billion recording an overperformance of K1.5 billion. This was mainly on account of commitment of Development Partners towards the Education SWAP.

3.3 Performance of Dedicated Grants in the Third Quarter of the FY

Chart 3.1 below presents the performance of Dedicated Grants in the Third Quarter of the 2011/12 Financial Year.

Chart 3.1 Grants Performance of the Third Quarter



Overall, Dedicated Grants overperformed in the Third Quarter and this was mainly due to Donors' commitment under the Education SWAP. Project Grants, however, underperformed by K1.1 billion representing a 26 per cent underperformance.

3.4 Conclusion

The figures above clearly show that the disbursements of funds under all the categories of Grants have not performed well except for Dedicated Grants.

Going forward, It is imperative that Donors are engaged at all times to ensure that Donor disbursements are met on time.

Performance of Expenditures in the Quarter

4.1 Introduction

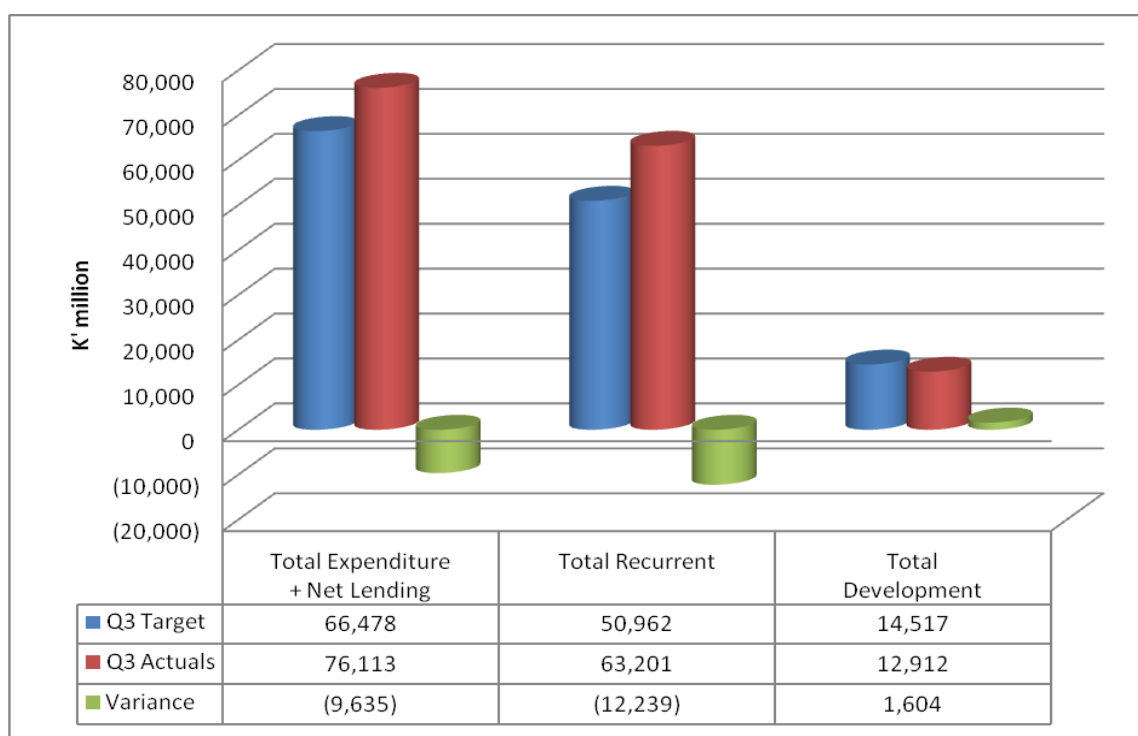
This Chapter highlights the performance of Expenditures in the Third Quarter of the 2011/12 Financial Year and explain the factors that underlies the observed Expenditure trends.

The Total Expenditures, including Net Lending and direct payments for the Third Quarter of the 2011/12 Financial Year was projected at K66.5 billion. Out of this amount, Wages and Salaries were at K16.2 billion; Interest Payments were at K6.6 billion while Goods and Services and Transfers were projected at K20.23 billion and K8.4 billion, respectively. Expenditures on the Development Budget were projected at K14.5 billion.

4.2 Performance of Expenditures in the Third Quarter of the Financial Year

Planned Expenditures for the Third Quarter of the 2011/12 Financial Year were at K66.5 billion of which, K50.96 billion and K14.52 billion were Recurrent and Development Budget Expenditures respectively. Net Lending was pegged at K1.0 billion. The Outturn indicate that Total Expenditures and Net Lending was K76.1 billion, broken down as K63.2 billion Recurrent Budget Expenditures and K12.9 billion Development Budget Expenditures. Chart 4.1 below illustrates the projected Expenditure against the Outturn expenditure.

Chart 4.1 Total Government Expenditure in the Third Quarter of the 2011/12 FY



As can be depicted from Chart 4.1 above, Expenditures in the Third Quarter of the Financial Year were above the set targets by K9.6 billion. Recurrent Expenditures overspent by K12.2 billion while Development Budget Expenditures underspent by K1.6 billion. The overexpenditure on Recurrent Budget was mainly attributed to outstanding payments under the Farm Input Subsidy Programme which should have been cleared in the First and Second Quarters of the Financial Year. On the other hand, the underspending on Development Budget Expenditures by K1.60 billion was mainly on account of low inflows from Development Partners as shown in Table 3.1 in Chapter 3.

4.2.1 Performance of various categories of Recurrent Expenditures in the Quarter

Table 4.1 below gives us an account of the various Recurrent Expenditure categories of Wages and Salaries, Interest on Debt, Goods and Services and Transfers in the Quarter under review. The analysis basically hinges on the comparison between the Target and the actual Expenditures and brief explanation behind the discrepancy.

Table 4.1 Recurrent Expenditure in the Quarter

Category	Q3 Target (K' million)	Q3 Outturn (K' million)	Variance between Target and Outturn (K' million)
Recurrent Expenditure	50,962	63,201	(12,239)
Wages and Salaries	16,238	15,537	701
Interest on Debt	6,613	5,327	1,286
Goods and Services	19,705	33,518	(13,813)
Transfers	8,406	8,818	(412)

4.2.1.1 Wages and Salaries

As noted in Table 4.1, expenditures on Wages and Salaries were contained within the projected amount of K15.5 billion realising a saving of K0.7 billion.

4.2.1.2 Interest on Debt Repayment

Interest on both Foreign and Domestic Debt was below the Quarterly Target by K1.3 billion. This expenditure was contained within the projected expenditures for the Quarter.

4.2.1.3 Transfers

Transfers in Quarter Three of the Financial Year amounted to 8.8 billion against a target of K8.4 billion reflecting an overexpenditure of K412 million on

account of outstanding payments to Councils and the Malawi Revenue Authority (MRA) which were cleared in the Quarter under review.

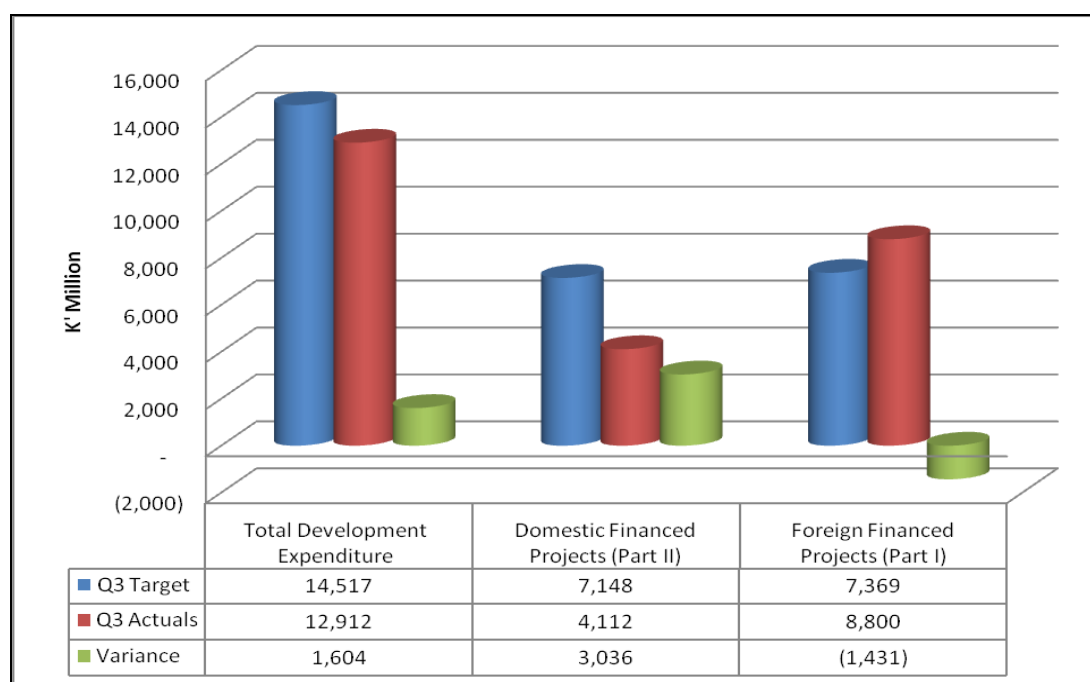
4.2.1.4 Goods and Services

Expenditures on goods and services were above the set target in the Quarter mainly on account of outstanding payments to fertilizer suppliers under the Farm Input Subsidy Programme which were cleared in the Quarter under review.

4.2.2 Performance of Development Budget Expenditures in the Quarter

Government planned to spend K14.5 billion in the Third Quarter of the Financial Year, of which, K7.1 billion was to be financed using Domestic Resources (Part II) and K7.4 billion was for Foreign Financed Projects (Part I). As depicted by Chart 4.2 below, the outturn on Development Budget Expenditure for the Quarter was K12.91 billion, implying a K1.6 underexpenditure. The underexpenditure was on account of low donor inflows.

Chart 4.2 Performance of the Development Budget



4.2.3 Status of Projects in the Development Budget

Annex 1 is a selection of some of the Development Budget in the 2011/12 Financial Year as at 31st March 2012. As it can be depicted, the status of the implementation of the Projects varied from one Project to the other.

4.3 Conclusion

This Chapter focused on the performance of Expenditures in the Third Quarter of the 2011/12 Financial Year. The Expenditures were broken down into various categories and the analysis was based on the discrepancies between the targeted and the actual Expenditures. Generally, the outturn showed an overexpenditure in the Recurent Budget and an underexpenditure in the Development Budget.

Overall Fiscal Performance

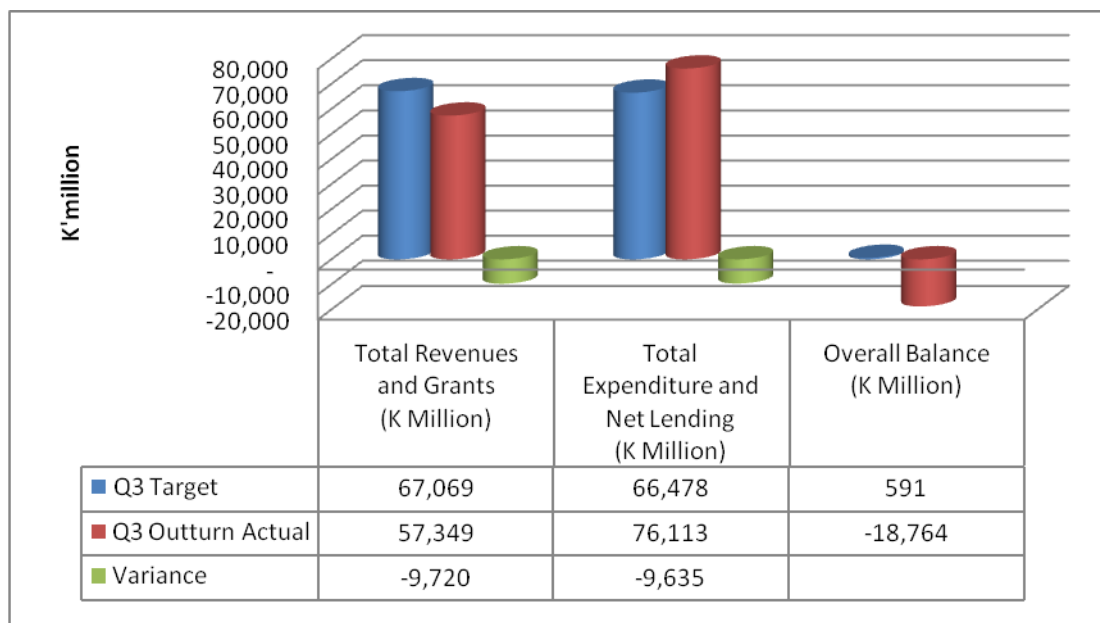
5.1 Introduction

This Chapter summarises performance of Inflows and Expenditures in the Third Quarter of 2011/12 Financial Year and determines how they translate to the overall Government's fiscal performance. The Chapter also discusses the performance of Government on Debt and Debt Repayment targets and their performance.

5.2 Third Quarter Outturn on Fiscal Position

Chart 5.1 below presents the net fiscal position as at the end of the Third Quarter. As shown on the Chart, Total Revenues and Grants were K57.3 billion against a target of K67.1 billion thereby underperforming by K9.7 billion. Total Expenditure and Net Lending amounted to K76.1 billion against a target of K66.5 billion thereby posting an overexpenditure of K9.6 billion. As such, Government ended the Quarter with a fiscal deficit of K18.8 billion against a projected surplus target of K590 million.

Chart 5.1 Overall Balance including Grants



Conclusion

The outturn showed that the overall fiscal position missed the targets in the Quarter under review due to low receipt of inflows from both Domestic and Foreign sources on one hand and expenditure overruns on the other hand. Therefore, Government needs to tighten its fiscal operations going forward and ensure that all pressures in both receipts and expenditures are prudently managed and dealt-with throughout the Financial Year if Government is to prevent accumulation of debt.

Conclusion

This report focused on the Budgetary performance for the Third Quarter of the 2011/12 Financial Year. The report has analysed the Revenue performance, the inflows of Grants and the performance of various categories of Expenditures.

The report has revealed that generally Revenue collection in the Third Quarter of the 2011/12 FY was below the target, mainly due to the underperformance of Tax Revenues. This has been attributed to a continuing foreign exchange shortages as well as intermittent fuel supply.

The disbursement of funds under all categories of Grants have also not performed according to plan as it hinged on the availability of the IMF programme. Since the discussions with the Development Partners to resuscitate the ECF programme progressed well, it is expected that the disbursement of the Budget Support resources will continue without any challenges.

The overall Expenditures of Government in the Third Quarter of the Financial Year were higher than the projected figures due to expenditure overruns in the Recurrent Budget. Going forward, Government will need to tighten its Fiscal operations in order to control expenditure overruns.

ANNEX 1 A COMPENDIUM OF THE DEVELOPMENT PROJECTS

Vote	Project	2011/12 Budget Estimates			Progress of Implementation		
		Part I Allocation	Part II Allocation	Total	Expenditure Q3	Performance	Comments on Project Implementation
070 The Judiciary	062-Commercial Court (Blantyre)		400,000,000	400,000,000			The construction works are on the second floor.
	063-Extension of Lilongwe Court		20,000,000	20,000,000			The project is at ring beam level.
093 Department of Public Service Management	Human Resources Management Information System		64,213,085	64,213,085			There is progress on the implementation of the activities under this project. Among many achievements are procurement of upgrade antivirus, Equipment Maintenance Contract to ICL, Disaster Recovering Site is underway and one Technical Training was conducted.
094 Nutrition, HIV/AIDS & National Aids Commission	061-Nutrition Services Delivery Support		150,000,000	150,000,000			Very good : 2011/12 Nutrition Sector Joint Annual Reviews in place and operational, Development of National Nutrition Sector M & E Plan is underway, Training manual on Hiv and AIDS reviewed and updated, 10 M&E to various projects done and draft National HIV and AIDS M & E Framework in Place for 2011 to 2016. 45 pple trained in Essential Nutrition Package in 17 districts

	062-National Nutrition,HIV/aids Research Program		40,000,000	40,000,000			There is very good progress in the implementation of activities. 90 documentaries has been produced and are being aired, Assessment of legal environment for HIV and AIDS in Malawi preparations for the study at an advanced stage, Assessment on the gaps and challenges for a coordinated and evidence based HIV and AIDS response at the district level conducted which has led to the development of a new project to strengthen Planning Systems at District level for HIV and AIDS interventions. Study is underway on the development of National HIV and AIDS Sustainable Financing Strategy.
100 National Defence	064-Improvements of Barracks Roads		300,000,000	300,000,000			Contract has just been awarded to Mota Engil to start the construction of Changanalume Road
	084- Construction and rehabilitation of buildings and structures		34,855,000	34,855,000			Rehabilitation of Mafco Hospital and Sergeants Mess at MAMU completed. Tendering completed for Chilumba Garrison Hospital and designs are underway for female soldiers hostel at Cobbe Barracks.
	092-Construction of single soldiers Hostel,Kitchen and Dinning		210,000,706	210,000,706			Designs are being drawn by the Contractor
	094-Maintenance of Mvera Water supply Scheme		15,653,547	15,653,547			Contract with CRWB is still on going.
111 National Statistical Office	069-Performance,Evidence and Accountability		10,000,000	10,000,000	1,250,000		Further data collection is taking place, a number of advocacy materials have been developed and a quarterly news letter has also been developed.
120 Local Government and Rural Development	071-Rural Livelihood Support Programme	280,230,000	17,250,000	297,480,000			10 boreholes have been sunk and farmers have been trained in piggery in Chiradzulu, Nsanje and Thyolo.

	075-Rural Growth Centre		600,000,000	600,000,000			There are 4 sites for this project where the works have commenced and these are; Nthalire, Nambuma, Neno, Chitekesa. In all these areas most structures are done and a few are at a finishing stage. The target is to have everything completed by December, 2011. The works the remaining 2 sites are of Chapananga and Mkanda are to commence soon as the "No Objection has been granted to identified contractors.
	087-Construction of Urban and Rural Markets		200,000,000	200,000,000			Most Markets are completed and some are very near completion.
271 Accountant General	065 - Construction of Salima, Rumphi and Regional Centre Treasury Cashiers Offices		150,000,000	150,000,000	32,124,270		Brick fence at Lilongwe Treasury Cashier has been constructed. The main building is at foundation level.
330 Information and Civic Education	061 - Digital Migration Project		200,690,000	200,690,000			The project is at its early stage and so far 2 policy committee meetings, 1 legal committee meeting, 1 technical committee with the consultant and 3 task force policy meetings were held.
420 Road Fund Administration	119 - Lilongwe - Dedza - Nsipe		850,000,000	850,000,000		Lilongwe – Dedza is 99 per cent complete	Awaiting joint inspection to prepare a snag list for contractor to rectify before provisional acceptance
						Dedza – Nsipe is 27.5 per cent complete	The completion date was October 2011 but had been extended to November 2012 due to diesel shortage
	108 - Ntcheu - Tsangano Road		9,600,000	9,600,000			Not yet taken off
	110 - Lilongwe City By Pass (Bunda Turn off, Chinsapo, Kaunda Road Junction) Road		80,000,000	80,000,000		Tenders expected in May 2012	All compensation has been paid out except for the section where the road would be joining Mchinji Road near Kaunda Road. At that section the road has been realigned.
	062 - Bunda - Mitundu Road (Design)		40,000,000	40,000,000		Substantially completed	The initial contract was given to Malbro/Forit JV but was terminated due to substandard work. The contractor declared a dispute to NCIC and is yet to be settled.

							Otherwise the new contractor (PLEM Construction) has completed the works as per set standards
	092 - Chiradzulu - Chiringa Upgrading		1,550,000,000	1,550,000,000		48 per cent complete	Funds were exhausted hence Government directed that it should be done up to Chiradzulu Boma. The project requires additional K8 billion to be completed
	097 - Bangula - Nsanje Road		500,000,000	500,000,000		The works are completed	The contract is in defects liability period. However, additional resources are still required to cost for emergency works, escalation costs and access to Nsanje-Inland Port
	093 - Goliati - Chiperoni		50,000,000	50,000,000		Completed	All the works have been completed but there are outstanding claims of about K792 million about for the additional works which included Thyolo Market Road and Mulanje Mission Hospital Road.
	120- Mzimba - Eswazine – kafukule – Ekwendeni - Mzlangwe Road (S107/T309)		1,300,000,000	1,300,000,000		Mzimba – Mzlangwe Section is at 12.1 per cent completion	The progress is at this level because of shortage of forex and unsteady fuel supply
	115 -Ekwendeni - Ezondweni - Mtwalo - Njakwa		600,000,000	600,000,000			The contractor has most of the materials on site to complete the works
470 Energy, Environment and Natural Resources	083 - Modernisation of Met Services for Aviation		75,000,000	75,000,000	13,360,835		procured and installed a Satellite Distribution System, conducted training on the Satellite Distribution System and procured a Pilot Weather Balloon Theodolite
	094 - Forestry Preservation Programme		10,000,000	10,000,000	4,000,000		The Department of Forestry has trained technical staff in forest resource mapping surveys, conducted ground truth surveys for forest reserves and conducted forest resources mapping and biomass survey.
	086 - Community Vitalisation & afforestation in the Middle Shire		15,000,000	15,000,000	5,500,000		The Department of Forestry has developed demonstration plots by lead farmers, conducted seminars, supported communities to plant trees and facilitated trainings in project activities.