



Buckland, Hannah and Eales, Aran and Brown, Ed and Cloke, Jon and Blanchard, Richard and Yona, Louis and Zalengera, Collen and Batchelor, Simon and Sieff, Richard and Nyirenda, Estrida and Bayani, Edgar (2017) Malawi District Energy Officer Blueprint : Recommendations Paper. Working paper. University of Strathclyde, Glasgow. ,

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Malawi District Energy Officer Blueprint: Recommendations Paper

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Executive summary

This recommendations paper outlines the proposed role of District Energy Officers (DEOs) in Malawi as a conduit for the Government of Malawi to facilitate the decentralisation of a sustainable energy policy to district level. If developed sensitively and effectively and resourced appropriately, the implementation of DEOs in Malawi could help to strengthen levels of community ownership and empowerment; achieved through energy initiatives, improved communication and networking around energy issues at district level, electricity access development at district level and enhanced electricity literacy through roles in sensitisation and dissemination of knowledge of decentralised energy technologies and processes¹ This paper confirms the Government of Malawi's proposal that the introduction of an effective DEO programme will assist the Government in decentralisation of its national renewable energy strategy while aligning renewable electricity development with key national energy use targets²; 16% of national energy generation from renewable energy sources and a reduction of 18% in biomass usage by 2025. A decentralised DEO role, working within a centralised management and financial structure is supported by this recommendations paper as an effective methodology for energy decentralisation in Malawi.

The support structure and accountability structure outlined in this recommendations paper can be used by the Government of Malawi to empower rural communities in Malawi in taking ownership of their energy sources and their energy conservation and use, primarily through design and support of community based development. DEOs act to improve community livelihoods through an increase in local earning potential and co-constructively act to improve national energy security and poverty alleviation across all districts of Malawi.

Energy policy and decentralisation in Malawi

Only 10% of Malawian people currently have access to electricity. 87% of the Malawian people are still dependent on biomass for cooking through the use of firewood. Firewood dependency and charcoal production for cooking is causing severe national deforestation and local climate change; key contributor to flooding disasters in Malawi.

The Government of Malawi is dedicated to expanding rural electrification through the Malawi Rural Electrification Programme fund phase 8 (administered through a Rural Electrification Management Committee) to be achieved through support of national grid extension enabling the electrification of trading centres. Phase 8 (2015-current) is expected to electrify 336 trading centres at an estimated cost of MWK 30 billion (c. 90,000,000 MWK per trading centre). The Government of Malawi recognises the nation grid is over-loaded. This, combined with the particular socio-economic circumstances of Malawi, mean that community-based decentralised energy projects are likely to be a key development priority of the Government of Malawi future energy policy.

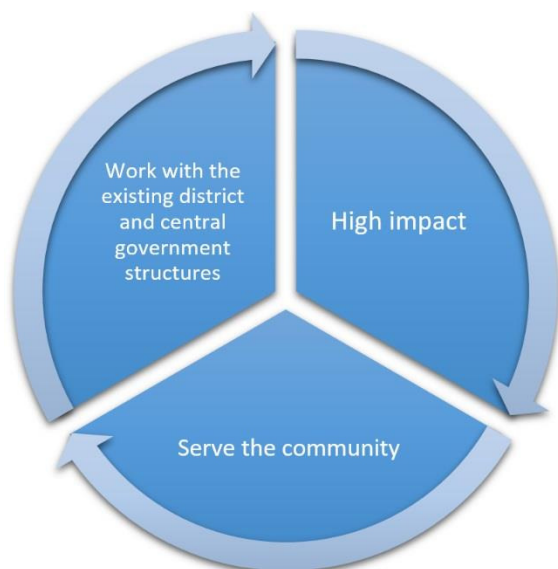
The Government of Malawi is expected to implement a District Energy Officer role to support energy sector decentralisation (expected in all 28 Malawi districts by 2022). The role of this recommendations paper within this process is to make recommendations as to the roles and responsibilities of the DEO, as well as to offer advice on how to mitigate key risks within the roll out of the DEO programme. This paper proposes the roll out of a networks of [high impact DEOs working within the existing district and central government structures](#) to ultimately [serve the community](#).

¹ The non-associative component of the DEO role refers not just to exposing isolated communities to decentralised energy possibilities but in reiterating contact with that knowledge so that it becomes increasingly enculturated in the way that it is in other countries such as Kenya and Bangladesh. For the sensitisation to be more effective, moreover, the DEO needs to learn and adapt to existing cultures of energy use, rather than just imparting knowledge about supply and access, through e.g. use mapping and understanding gendered structures of use.

² Increasing the number of households with electricity to 30% by 2020 and 40% by 2050 Malawi Growth and Development Strategy II 2011-2016.



Methodology



This recommendations paper is developed from an accumulation of sources; a literature review, expert interview responses, feedback from a stakeholder workshop held in Malawi, as well as first-hand experiences during a trial of the DEO in Lilongwe district³. These activities took place in 2017.

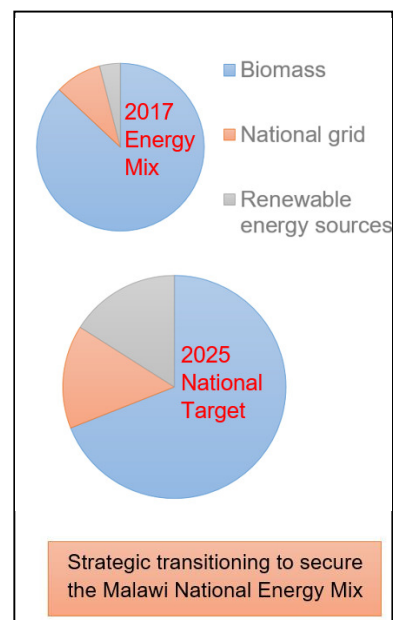
A full literature review was completed referencing 43 sources from relevant academic, case study and policy documents⁴. The literature review compiles information on: *current energy policy and background in Malawi; lessons learnt from energy decentralisation in other African countries (mainly Rwanda and Kenya); lessons learnt from the broader decentralisation process in Malawi; community based natural resource management case studies and opportunities and challenges for decentralised energy.*

Expert interviews⁵ were conducted and opinions were collected from local institutions (district assembly/council and officers in other decentralised sectors as well as public affairs committee), central government (Department of Energy Affairs, Department of Science and Technology and Malawi Bureau of Standards), local communities (through focus group discussions), Malawi in-country academics working on renewable energy and Malawian renewable energy practitioners. Insights were also derived from stakeholder feedback during an in-country workshop⁶. The DEO, through facilitating the uptake of renewable sources of energy use at district level and encouraging shifts towards more sustainable cooking fuels, will be a key mover in improving the 'district energy mix' and therefore the 'national energy mix'⁷. This recommendations paper includes a DEO job description with activities and the key risks for the DEO role with recommendations for risk mitigation.

National and district energy use: targets

This recommendations paper suggests the Government of Malawi uses the DEO role to help work towards national and district energy use targets that improve the national and district energy mix, ultimately reducing over reliance on biomass as a source of fuel and reducing relative load on the national grid. This paper proposes three energy mix targets aligned with 2050 national energy access targets:

1. 16% of energy from renewable energy sources by 2025;
2. 15% of energy supported by the national grid by 2025;
3. and a reduction of 18% biomass usage nationally by 2025.



³ Annex E – District Energy Officer trial lessons learnt (available on request from Community Energy Malawi).

⁴ Annex A – District Energy Officer blueprinting literature review document (available on request from University of Strathclyde).

⁵ Annex B – Stakeholder interview analysis (available on request from the University of Strathclyde).

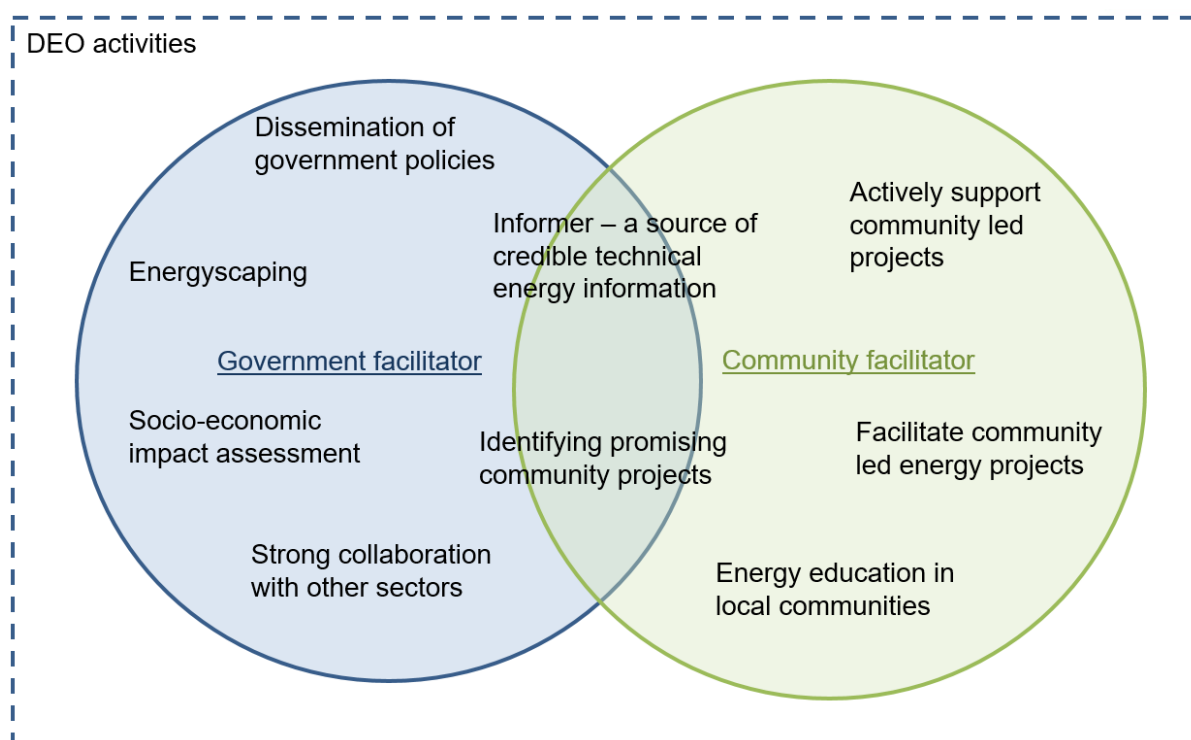
⁶ Annex C – District Energy officer blueprinting workshop report (available on request from the University of Strathclyde).

⁷ District/National energy mix is referring to the different district/nation sources of energy to make the total district/national energy use and the percentage use of each.

The 2050 targets are considered as ambitious but also realistic against the current government spend on grid extension. If the government achieves the additional energy mix targets, electricity access in Malawi will increase by c.25% by 2025.

The District Energy Officer: facilitating a secure energy mix in Malawi

The DEO is intended to be a district level facilitator for enhancing the relationships between communities, district council and central government; with significant overlap between fulfilling government objectives and fulfilling community objectives. Stakeholder consultation shows the majority of stakeholders in Malawi are aligned on the important themes for the DEO role (in order of importance); [community ownership and empowerment](#), [communication and networking](#), [facilitating energy project development](#) and [education through sensitisation](#). We recommend 9 key areas of responsibility for the DEO role:



Activity recommendation 1. Energyscaping. Embedded within the district, the DEO is positioned to annually map the district energy use and innovations for energy efficiency and conservation, electricity access development support e.g. NGOs/donors working in the district, local implementation of grid extension and renewable electricity etc. This will allow the DEO to contribute towards the planning of district energy development and to help facilitate an energy stakeholder network; combined in a [district energy development strategy](#). This will aim to maximise district energy mix through focusing DEO support on feasible community led renewable electricity projects (complementary to existing central government efforts to extend the national grid). The district energy development strategy will consider district-wide affordability, target innovations in the productive uses of energy and inform and support different forms of private investment in district energy development. The district energy development strategy will also provide grassroots input for national energy tracking documentation and global energy documentation.

Activity recommendation 2. Dissemination of government policies. The DEO will be a conduit for local communities and the District Council to gain better access to central government (and

international) information on energy policy, funding sources and project support. Conversely, the DEO will provide a route for communities to raise energy issues locally, look for support for project initiatives and to gain access to the relevant government bodies. These interactions can be achieved through workshops and focus group discussions with local communities and existing extension workers of other sectors within the district, as well as local District Council and ward councillors.

Activity recommendation 3. Strong collaboration with other sectors. As energy is an enabling infrastructure, the DEO will be a key member of the District Council. The DEO will work collaboratively with other sectors to raise awareness of the vital role energy access and conservation plays in supporting health, economic development and other key development areas. The DEO will support other sectors to identify high impact energy development activities in the district in their sector. The DEO is complimentary to the District Council as the DEO can provide [technical advice and guidance regarding energy production and use](#) at the district level. With strong collaboration with other sectors, the DEO can improve awareness and understanding of energy at all levels, from central government to the general public. The DEO will improve the district curriculum and public understanding of energy and [provide evidence to central government to invest funding](#) into the district off-grid electricity access infrastructure.

Activity recommendation 4. A source of credible technical energy information. The DEO is positioned to provide credible technical support for local communities; to enable and empower the communities and the District Council to develop feasibility studies for energy projects. It is essential the DEO are provided with substantial initial capacity building training to give the DEO the tools they need to carry out their role effectively. Technical training should cover information on energy standards and conservation methods and key national energy stakeholders as well as capacity building in community empowerment, surveying and data collection. The initial training should be continued through DEO workshops annually to update the information the DEOs have and share experiences and developments in each district. [Communities and district governance will build up basic technical energy knowledge from the DEO; ultimately enabling independent assessment of the quality of energy installations and products.](#)

Activity recommendation 5. Energy education in local communities. Through sensitisation events and collaboration with the district education official, the DEO should play a role in identifying ways to [improve energy and electricity understanding within the district](#) communities and district governance. The DEO can utilise 'renewable energy toolkits' at events and promote district-wide use within the district curriculum.

Activity recommendation 6. Identifying feasible community led projects. Directly linked to 'energyscoping' and networking with local councillors and communities, the DEO will be in a position to identify promising energy development projects in the district; [evaluating their impact on district and national energy mix.](#) With District Council support, the DEO will direct central government attention to high impact projects.

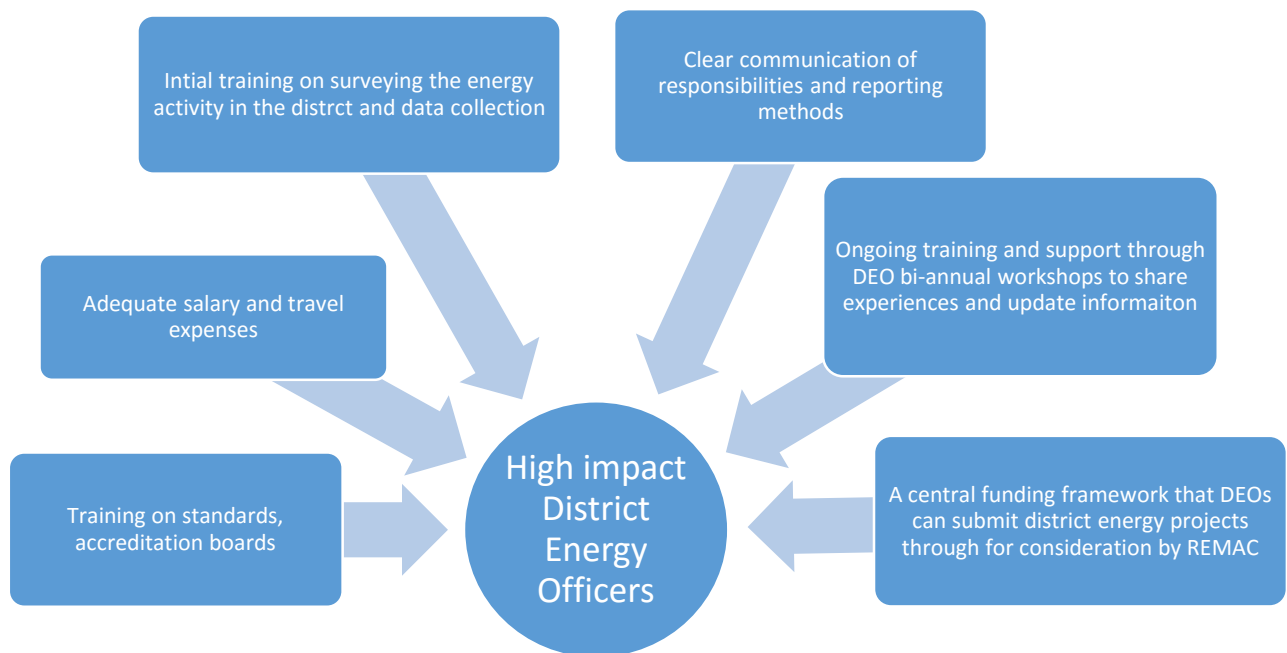
Activity recommendation 7. Facilitate community led energy projects. The DEO should also play a role in strategically supporting the most feasible projects by [clearly outlining support frameworks and procedures](#) available to the community and to the District Council. The DEO provides the tri-link between communities, government and other forms of financial, technical or managerial support in the district (i.e. NGO and private business support). The DEO will be pivotal in creating a formal report on the viability of each project which we recommend be submitted to central government, through the District Council. Central government will also benefit from a [strong national overview of feasible rural energy projects.](#) Central government will be better-equipped to decide which projects to finance alongside rural electrification and how their investment into rural off-grid energy installations will improve national energy mix.



Activity recommendation 8. Actively support the implementation of sustainable community projects. Where necessary, the DEO will be able to support the technical, financial and managerial aspects of installations, **with a focus on sustainability** of the project in terms of installation lifetime and the governance aspects of project development. The DEO can achieve this through instigating community managerial committees to make important decisions, opening a bank account for the project, training local people and empowering the communities to be able to take ownership of the installation themselves. The DEO will encourage complete community engagement; **championing equality for vulnerable groups.**

Activity recommendation 9. Socio-economic impact assessment. With District Council support, the DEO will annually review impact of any central government financing of district energy development; a section of the district energy strategy. Impact review is essential as energy development will positively impact other sectors (such as education and health) and may not be immediately apparent. The government will be able to use the DEO impact assessment to calculate **value for money** from supporting off-grid energy and electricity developments alongside the existing grid extension framework.

The 9 key areas of responsibility above are recommended based on the assumption that the DEOs are fully supported by the Government of Malawi, in terms of finances and resources. A job description for the DEO role has been developed to aid the Government of Malawi in attracting and appointing capable DEOs⁸. The job description should be considered alongside key support requirements necessary for the Government of Malawi to facilitate high impact DEOs, as shown in the following schematic.

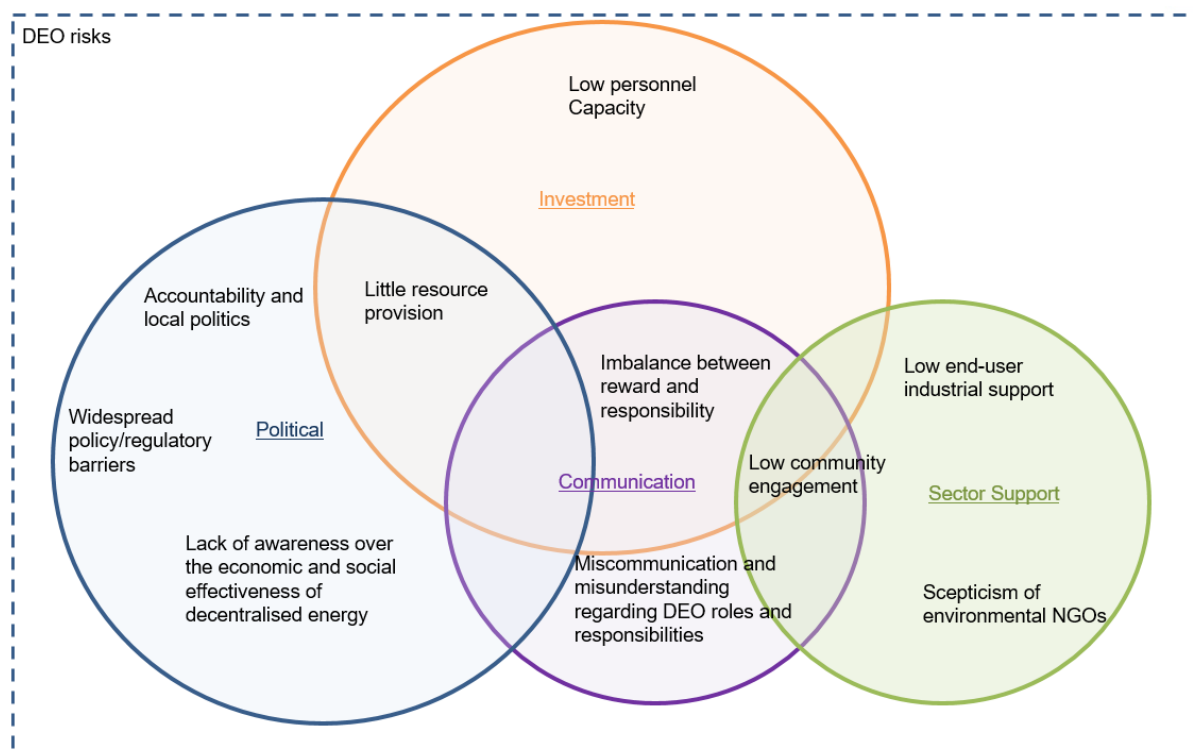


⁸ Annex D – District Energy Officer Job Description (available on request from the University of Strathclyde).



Risk mitigation recommendations

As an outcome from the DEO blueprinting exercise, this recommendations paper identifies key risks to implementing high impact DEOs in Malawi. The risks identified are from lessons learnt from other sectors, previously decentralised in Malawi and from other African countries that have already decentralised energy to district level. By tracking the lessons learnt, the Government of Malawi can prevent or reduce the negative impact these risks will have. The broad areas of risk are illustrated below, where larger circles indicate larger risk to the DEO role. Some description is given in the schematic. 7 risk mitigation recommendations are offered. For each recommendation, the risk(s) mitigated against are also given to cross-reference.



Risk mitigation recommendation 1: Resource provision and investment

- **Investment/ political risk: Little resource provision**
- **Investment risk: low personnel capacity**

Adequate resources to support decentralisation of energy from central government should be provided; in terms of finances, human resource, training and materials and an ongoing support network. In terms of renewable energy project facilitation, one possible source of revenue to be explored by the Government of Malawi is through [review of the Rural Electrification Management Committee \(REMAC\) project selection criteria to direct REMAC towards funding renewable electricity projects, submitted by DEOs for REMAC to review](#). Rural electrification through renewable electricity projects can then be supported by the Energy Fund (Malawi Rural Electrification Program, MAREP phase 8). Another issue to be considered is that of FITs (Feed-In Tariffs) for renewable electricity projects near-by the grid. If the Government of Malawi can make renewable electricity export to the national grid attractive to the private sector, the Government may instigate development of extra capacity for the over-loaded national grid.

Risk mitigation recommendation 2. Rewarding responsibility

- **Investment/ communication risk: Imbalance between reward and responsibility**

The DEO salary and travel expenses should be in line with the responsibilities of the DEO. Through lessons learnt from decentralisation of other sectors, it is a false economy to not provide adequate salary and travel expenses for such a role. Evidence from decentralising other sectors in Malawi suggests that if the DEO does not feel supported financially, the DEO will focus on promotion and career progression, rather than improving energy access for the population in their district. [Through adequate financial reward, the Government of Malawi will ensure the DEOs are focused and committed to their tasks.](#)

Risk mitigation recommendation 3. Centralised budget and decentralised framework

- **Political risk: Accountability and local politics**
- **Political risk: widespread policy and regulatory barriers**

There is not adequate managerial/ technical support at district council level for a decentralised energy budget and there is a high risk of conflict of interest at district council from other sectors. Instead of decentralising the budget to district level, it is recommended the Government of Malawi provide a [‘decentralised funding process framework’](#) by encouraging REMAC to support rural alternative energy projects through MAREP; which the DEOs in each district can submit proposals for funding to. The DEO will network and collaborate closely with district council; providing advice and access to energy for the sectors represented at district level. To support the decentralised funding process framework, it is recommended that the Government of Malawi:

- assigns an annual share of MAREP Energy fund dedicated to each district;
- reviews the REMAC project funding criteria to include a change of focus towards supporting renewable electricity projects and alternative energy alongside national grid extension;
- adds an annual percentage target for MAREP energy funding dedicated to renewable electricity and alternative energy projects.

Risk mitigation recommendation 4. Communication

- **Communication risk: Miscommunication and misunderstanding regarding DEO roles and responsibilities**
- **Communication risk: Miscommunication and misunderstanding regarding DEO knowledge (i.e. energy dissemination information and standards)**

The Government of Malawi should clearly define the reporting/information channel for the DEO, meeting frequency and the DEO responsibilities. This will mitigate against duplication of work and misunderstandings regarding responsibility at district council level. Energy dissemination and standards knowledge should be refreshed through regular meetings between the DEO and their central manager. The DEO should be a member of the District Executive Committee (DEC) but also is likely to report to the Director of Planning and Development (DPD). Also, within the council, NGOs or any other player intending to undertake energy related projects will be referred to the DEO who can advise accordingly and make recommendations/actions which can be reported to the DPD and/or Department of Energy Affairs and/or Malawi Energy Regulatory Authority. As energy is an enabling infrastructure, it is recommended the DEO is an enabling officer for the district level councillors to conduct inter-sectoral district level planning. [Through communication and networking with key actors at a district level, the Government of Malawi will ensure a shared understanding of the responsibilities of the DEO.](#) The DEO should be responsible for enabling energy projects from communities in rural locations. The DEO should also be responsible for enabling the energy projects from district council (for example: if the education



official wanted to conduct a feasibility study for all schools in the district to receive lighting). The Government of Malawi is responsible for clearly outlining the DEO role and how this can benefit local council to secure local council support, which is essential for the success of the DEO role.

Risk mitigation recommendation 5. Facilitate local community understanding and support

- **Sector support/ communication risk: Low community engagement**
- **Sector support risk: low end-user support**

To mitigate low community engagement and miscommunication between energy stakeholders at district level generally, the DEO provides a means to facilitate community led renewable energy projects and linking sources of project funding. Many rural communities do not have the means (in terms of technical knowledge, time or finances) to facilitate a project in their area. [Through the DEO, the Government of Malawi can analyse actual local need rather than perceived need, improving local support for local energy developments.](#) In turn, this will facilitate sustainable energy project development in rural communities.

Risk mitigation recommendation 6. Supported by government, led by the community

- **Communication/ sector support risk: Low community engagement**
- **Sector support risk: scepticism of environmental NGOs**

Through the Government of Malawi support, the DEO can facilitate community groups to lead or contribute to energy project development in an efficient and effective way. Many rural communities are confused about what channels/resources are available for supporting local projects leading to low community engagement. [By providing a clear route to funding of rural energy projects through the DEO,](#) the Government of Malawi is empowering the rural communities to develop ownership of their energy sources, electricity access and their energy use and energy efficiency and conservation. [Through community empowerment, the community is less vulnerable to manipulation.](#)

Risk mitigation recommendation 7. Impact review

- **Sector support risk: Lack of awareness of the economic and social effectiveness of decentralised energy**

The Government of Malawi is expected to invest significantly in the DEO roles. With support from the Government of Malawi, the DEO can review community led renewable energy projects annually and assess the impact of the project on the local community (which may be seen across many other sectors). The impact from investment can be reviewed against the investment amount to provide a [value for money analysis](#) to the Government of Malawi.

This recommendations paper suggests key activities for the DEO. The risks are reviewed in terms of risk mitigation measures; outlined in detail with specific actions to tackle risks and reduce their negative impact. Through risk mitigation in this way, the Government of Malawi will be supporting [high impact DEO officers, working within the existing central and local government structure to serve the energy needs of the communities at district level.](#)

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Malawi District Energy Officer Blueprint: Extended policy brief

This section is an extension to the first 9 pages of the Malawi District Energy Officer Blueprint and provides further information and key findings regarding 6 out of 7 of the key risk mitigation recommendations.

Risk mitigation recommendation 1. Resource provision and investment; further information

Investing in District Energy officers' salaries, resources, training and materials

There is an opportunity for the DEO role to help improve the diversity of energy projects in each district, helping improve each district's 'energy mix' and thereby contributing towards the ambitious government targets for 30% national electricity access by 2020; 40% electricity access by 2050 and reductions in the burning of biomass. In particular, DEO support for community scale renewable energy generation can help significantly improve the district energy mix across the country with the benefits of:

- reduced dependency on a 'full' national grid;
- decreased supply pressures on the grid;
- increased energy security through diversification;
- increased district energy supply;
- energy resource is converted to useful electricity in the same location as the electricity demand;
- enhanced community support and ownership (suggesting projects can be more sustainable, assuming technical support).

Delivery of an effective and well-resourced DEO role is vital to delivering these benefits, via the provision of a direct link between communities, district level government and central government. The DEOs, though, will only achieve the intended impacts if they are given the correct equipment, resources and training to carry out their tasks on a practical, day-to-day basis.

DEO salaries, resources, training and materials should be provided by the Government of Malawi. This policy brief suggests the Government of Malawi arranges a kick-off workshop with the 28 DEOs to clearly communicate:

- the role and responsibility to the DEOs directly;
- establish the lines of communication and reporting for the DEOs;
- establish accountability of the DEOs;
- provide the DEOs with the material and resources they need during the meeting;
- ask for feedback from the DEOs on what they think they will need to carry out their role well.

It is suggested the meeting is repeated annually and that ongoing mechanisms are provided to help provide a forum for shared learning and support for the DEOs. Considering the impact on national energy mix the DEOs can have, the meetings and ongoing networking are essential in supporting the DEO from central government.

Rural electrification through financing alternative energy projects

Since 2012, the Government of Malawi has prioritised energy as a development area with ambitious strategic objectives set out in the Malawi Growth and Development Strategy II 2011-2016. The Government of Malawi is ambitious in its targets of increasing the number of households with electricity to 30% by 2020 and 40% by 2050.

The Electricity Supply Corporation of Malawi (ESCOM) is currently the sole electrical power supply service provider. The Government of Malawi's aim in 2012 was to reform the power sector into separate sectors of generation, transmission and distribution of energy, to allow Malawi to link into regional power

pool markets with neighbouring countries. Before energy sector reform, ESCOM acted as the implementing agent of the Malawi Rural Electrification Programme MAREP (which began in the 1980s).

In 2002, the central Government of Malawi took over energy management of MAREP. The Energy Fund was created as part of MAREP in 2004. The government created a Rural Electrification Management Committee (REMAC) as part of the Rural Electrification act in 2014 with members from the Board of Engineers, Society of Accountants of Malawi, Ministry of Local Government, Ministry of Finance and Economic Development and (as the chair of the committee) Ministry of Natural Resources, Energy and Mining. REMAC is responsible for energy policy and the implementation of MAREP and has delivered phases 4 through to 7, details of which are given in the table below.

MAREP phase	Year	Administered by	Rural electrification budget	Achievements
1	1980-?	ESCOM	unknown	unknown
2	unknown	ESCOM	unknown	unknown
3	unknown	ESCOM	unknown	unknown
4	2002-2007	REMAC	MWK 680.2 million	In 2004 the GoM approved Energy Laws to create the Energy Fund from levies on energy sales (such as petroleum and electricity sales)
5	2007-2009	REMAC	MWK 899 million	Plan to electrify 58 centres. Actually electrified 58+39=97 centres
6	2010-2012	REMAC	MWK 2.4 billion	Plan to electrify 27 centres. Actually electrified unknown centres
7	2013-2015	REMAC	MWK 8.3 billion	Plan to electrify 54 centres. Actually electrified 54+37=91 centres
8	2015-2017	REMAC	MWK 30 billion	Plan to electrify 397 trading centres. Revised 2017 to 336.

REMAC currently uses three criteria to select projects to support through MAREP:

1. MAREP activities must focus on the electrification of trading centres;
2. Strict equality – all districts in the country are treated equally;
3. Rational ranking process of the economic profile of each area must be used to select the most promising project.

Using this criteria, REMAC has focused on electrification through extension of the national grid. The Government of Malawi claims that through MAREP, 435 trading centres have been provided with electricity in 13 years. Phase 8 of MAREP is currently underway and the Government of Malawi aims to electrify 336 trading centres in this phase.

The MAREP Energy Fund has been only used to extend national grid to electrify trading centres and the fund is limited to trading centres criteria 1. It is unclear how this aids more rural districts towards electrification far from the national grid.

It is the recommendation of this policy brief that the Government of Malawi review and revise the REMAC criteria and focus, to encourage REMAC to fund rural alternative energy projects from rural communities. By supporting REMAC to focus on rural electrification through renewable energy projects,

the Government of Malawi is providing a route for the DEO to submit rural renewable energy projects to be supported through government finance (MAREP fund).

Risk mitigation recommendation 2. Rewarding responsibility; further information

From literature, a mistake from previous decentralisation processes is identified as under-funding the decentralisation process and the resultant decentralised role. This creates a false economy and encourages conflict of interest as, at district level, there is a struggle for personal financial gain (through promotion to a better paid role) rather than focus on delivering the role.

There is also a dis-connect between responsibility and financial support from the Government of Malawi. Financial support may be in terms of salary, travel expenses and reimbursements where many district councillors subsidise their salary with travel reimbursements. It is highlighted that conflict of interest may arise when those at district level who usually travel to manage district level energy projects, perceive the DEO role as taking away from their own travel reimbursements. It is the responsibility of the central Government of Malawi to reward the DEO a salary and resources to complete their tasks and to also communicate to district councillors the benefits the DEO role can bring to each councillor in providing technical information and therefore aiding each councillor in their sector.

Risk mitigation recommendation 3. Centralised funding provision and decentralised funding framework; further information

Our review of the broader literature concluded that decentralization should be understood as a process of restructuring/reorganization according to the principle of subsidiarity where the intention is to increase ‘the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels’⁹.

As such, [decentralisation should be pursued to the ideal scale at which resources, institutions of governance and finance may permit effective governance and participation](#). Decentralisation will not function effectively where it is merely assumed that governance should be devolved to the lowest common denominator, rather governance should be devolved to the lowest *effective* denominator for any given purpose. This needs exploring in more detail in the Malawian context.

Considering decentralised sectors in Malawi, decentralised budgets feed into the District Development Fund (DDF) to be distributed by each district council. Projects within decentralised sectors must submit a project ‘bid’ to the district council for consideration of funding. The way the district council decides on which projects to fund is not consistent or clearly defined and it is expected the criteria changes depending on district. However, it is clear that:

- district funding for different sectors is not clearly defined at district level (opening the process for corruption) and at district level different sectors must ‘compete’ for the same funding pot against other sectors within the same district;
- central government issues key priority areas (including energy) and projects within the key priority areas should be prioritised for funding by district councils (however it is unclear how this is monitored and enforced);

During interviews, District councils suggested that they fund projects based on ‘what is called for by the people’ and letters of support must be submitted from the local communities. [The representativeness of these processes is something that is contested in the literature on the implications of decentralisation in Malawi upon local participation and access to decision-making processes](#)

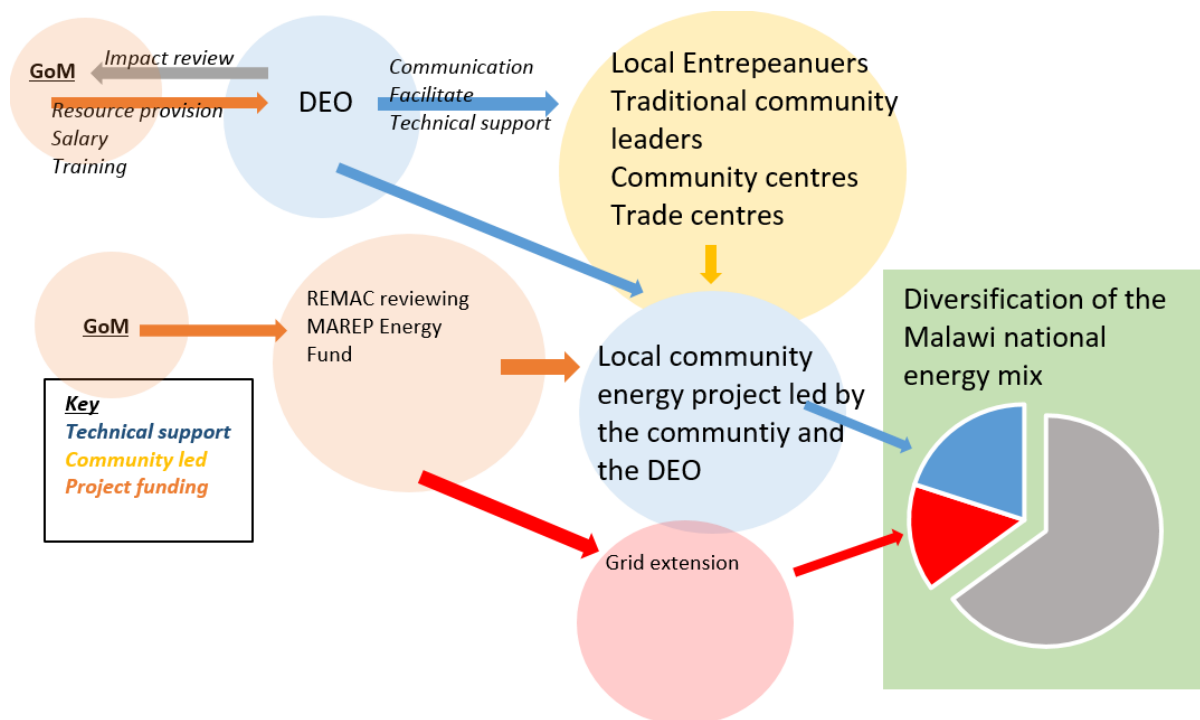
⁹ UNDP , “Decentralized Governance Programme: Strengthening Capacity for People -Centered Development,” *Management Development and Governance Division, Bureau for Development Policy*, 1997.

District councils have suggested that they are not well informed regarding energy provision and expressed concerns that they don't have the technical knowledge to assess energy projects. There is an additional risk of energy competing with other sectors at district level, although energy is a cross-cutting enabling infrastructure development which requires strong interaction and engagement with providers of other services.

Given these concerns, this policy brief does **not** recommend decentralising of an energy budget into the existing district level funding structures (or, if this is contemplated, then additional checks and balances would need to be put in place to ensure that the energy role was not subsumed or supplanted by competition with other sectors).

Alternative process framework

Outlined below is a proposed alternative process framework for decentralising energy budgets via the use of the DEO role; a combination of centralised funding provision and a decentralised funding framework.



This process framework will provide maximum impact of the DEO role, increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels. This process framework focuses REMAC, the Energy Fund and the DEO on diversification of the Malawi national energy mix. To support this process framework, is suggested the Government of Malawi:

- assigns an annual share of MAREP Energy fund dedicated to each district;
- reviews the REMAC project funding criteria to include a change of focus towards supporting renewable electricity projects and alternative energy alongside national grid extension;
- adds an annual percentage target for MAREP energy funding dedicated to renewable electricity and alternative energy projects.

Risk mitigation recommendation 4. Communication; further information

As the DEO will be positioned within the district they serve they are well placed to act as a facilitator or communicator between the Government of Malawi, district councils and local communities. The DEO will liaise with local communities and the district council providing help or advise for energy matters within the district, including:

- standards regulation;
- needs assessment
- project identification.

The DEO will network with local councillors of other sectors to see where the cross-overs are and whether there are energy projects the other councillors want to develop (e.g. at a school or a hospital). In this way, the DEO is a tool for local councils to facilitate energy developments in their sector.

Risk mitigation recommendation 5. Facilitate local community understanding and support; further information

A key role of the DEO is to facilitate community led renewable energy projects. By providing the link between all energy related activity in the district, the most promising projects will be connected to sources of project funding, enabling the community to lead energy projects with support from the Government of Malawi. More practical suggestions:

- The DEO will be responsible for mapping existing energy uses within the district, sources of energy used and social/economic activities dependent on them.
- The DEO will identify promising energy projects within the district based on shortcomings and gaps in existing energy resources and consult the local community groups or local stakeholders.
- The DEO will provide technical guidance to any community group (or councillor) within their district and the DEO will prepare a feasibility study for the identified project.
- The DEO will facilitate proposals from the community groups/stakeholders/councillors for consideration by REMAC to be supported by the central government budget (MAREP fund or other).
- REMAC will consider the proposed energy projects for all districts (alongside further grid extension) and REMAC will have the technical ability to decide which projects are most promising.

In this way, the DEO role will work with the existing district structure; be high impact; and serve the community whilst also mitigating against the common risks of decentralisation.

Risk mitigation recommendation 7. Impact review; further information

The DEO can review community led renewable energy projects and assess the impact of the project on the local community (which may be seen across many other sectors). As energy is a cross-cutting commodity, the benefit from investing in the DEO role may be seen in other sectors and therefore may not be immediately apparent. The table below lists the sectors that have a decentralised budget in Malawi, a description of the potential benefit from a DEO role and an indication whether the benefit is low, medium or high. The table shows how the DEO role can potentially be of high impact in most decentralised sectors.

Decentralised budgeted sectors	Source of benefit from a DEO in other budgeted sectors	DEO role impact
Health	Facilitating energy provisions for health centres (for example lighting, fridges, powering equipment for operations). Combatting air pollution via promotion of clean cooking	High
Education	Facilitating energy provisions for schools and adult learning centres and providing access to information on the internet	High
Immigration;	Government office energy requirements, avoidance of black outs- mitigating against regional out-migration	Low
Agriculture	Facilitating agricultural power equipment and milling, ultimately freeing time	High
Irrigation	Powering irrigation machinery	High
Gender, and Community Services	Providing energy to community centres as community hubs for information on gender equality and information on services available to the community	Medium
Water Development	Power to water pumps	High
Rural Housing	Power to build rural housing	High
Commerce and Industry	Industrial scale power, plus livelihood development more generally	High
Forestry	Power for forestry equipment, reduction in local deforestation if energy needs are being met	High
Environmental Affairs	Renewable energy sources such as PV improve air quality locally and globally, clean cook stoves and indoor air pollution	High
Labour	Energy will change the labour profiles and options for local people	Medium
National Registration Bureau	Government office energy requirements, avoidance of black outs	Low
Youth and Sports	Energy can facilitate sporting activities and youth activities	High