

However, a balance must be struck between low income and ability to pay for electricity units once electricity is connected to the house.

IMPACT OF MAREP ON THE RURAL POPULATION

Economic and Social Impacts – Household Level

The economic and social impacts of rural electrification at the household level are multidimensional. The approximate number of persons who now derive direct benefit of household [domestic] connections of rural electrification is approximately 300,000 people. The household level impacts are mediated through availability of electricity in the household as well as outside the household (in public facilities such as schools, hospitals, police units, and other business activities such as shops, maize mills and small industries such as welding). In the later event, the benefits go not only to the benefiting people who are connected through domestic connections, but also to those not having domestic connections.

During the last 15 years (2004-2019), the total number of domestic consumers who have benefited from rural electrification has increased from 1% in 2003 to almost 4% in 2018. This is largely as a result of the efforts made by the Department of Energy Affairs through MAREP.

The multifaceted impacts and benefits are either direct or indirect. The direct impacts are mostly economic, and reflected in enhanced income, and employment, and optimized expenditure pattern, surpluses, savings, and assets e.g. iron thatched buildings. Most indirect impacts are related to the social and cultural aspects of life, which include, among others, education, health, women's status, modernization, access to information etc. These direct and indirect benefits together produce synergy in economic growth, poverty reduction, and human development.

ACHIEVEMENTS OF MAREP

The programme is executed in Phases. Since MAREP inception, eight phases of the programme have been implemented. Initially, this involved extending power distribution lines to district administration centres, major trading centres,

tobacco growing areas and the development of the 4.5 Mega Watt Wovwe Hydro Power Plant. Since the Department of Energy Affairs took over operations of MAREP from Electricity Supply Corporation of Malawi in 1998 from Phase 4, a total of 1,166 sites have been electrified under MAREP Phases 4,5,6,7 and 8, with Phase 8 contributing 825 sites to the total. This translates into approximately over 60,000 households and public institutions that have been electrified.

POLICIES TO SPUR MEETING THE TARGET OF 100% BY 2030

Government hopes to utilize the following policies in its pursuit to meet the stated target by 2030:

1. Establishment of the Rural Electrification Agency as a semi-autonomous legal entity to manage the Rural Electrification Fund and Rural Electrification activities (in both grid extension and off-grid options).
2. Government will through the Rural Electrification Fund, pay for the cost of a transformer and associated infrastructure where it is intended to serve a minimum prescribed number of customers.
3. Government will intensify electrification of rural growth or trading centres as well as rural settlements and villages. Technologies for off-grid solutions will be from such power sources like solar, mini hydro power stations and wind depending on availability of the resource at a particular place.
4. Government will facilitate wiring of public institutional buildings and connection of electricity thereto, and devise schemes for the connection of electricity to low income households within 500-metre radii of distribution substations in rural areas. Currently, the initiative in place which is being implemented on pilot basis is called Ndawala where 25 poor households are having their houses wired and connected on a soft loan scheme. The loan has no interest charged and it is repaid through deductions from electricity units purchased up to 40% of the purchase.
5. Government will promote rural electrification programmes that create and strengthen equal opportunities for all segments of society.



MALAWI RURAL ELECTRIFICATION PROGRAMME (MAREP)

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BACKGROUND

Malawi has the lowest rate of access to electricity in the Southern Africa Development Community (SADC region) with an average access rate of about 18%. Rural and remote areas have access rate of 4% according to recent statistics (MGDS End line survey 2014). Malawi Government introduced various interventions, chief among them, is the Malawi Rural Electrification Programme (MAREP). This program mainly targets rural sites largely by extending national grid to rural and remote areas. There have been other off-grid projects that have targeted rural and remote areas but they are fewer and not consistent with the on-grid electrification.

MAREP which is conducted in phases since 1980 has been addressing the electricity infrastructure imbalances for rural areas. The programme extends the electricity grid to rural dwellers who pay a subsidized fee to connect electricity to their business premises and dwelling units. Available data from phase 4 to phase 8 show that there are more than 1000 sites which have benefited across the country. Data for phases 1 and 2 is not readily available. During phase 3, there was neither extension of the grid to the sites nor development of stand-alone-systems as this phase was dedicated to the development of Wovwe hydro power plant which generates 4.5 MW to date. Phase 8 Extended is being implemented at the moment and it is going in parallel with planning of implementation of Phase 9.

These strides are in line with government's policy which advocates for an increase in electrification rate from the current 18% to 100% by year 2030.

OBJECTIVE OF MAREP

The objective of MAREP is to increase access to electricity for people in peri-urban and rural areas as part of Government's effort to reduce poverty, transform rural economies, improve productivity and improve the quality of social services.

INSTITUTIONAL ARRANGEMENT

The Rural Electrification Act, 2004, established the Rural Electrification Management Committee (REMAC) which is the Board mandated to manage the affairs of the rural electrification activities in the country. Following is the composition of the REMAC:

- a. Secretary for Ministry of Energy – Chairperson
- b. Secretary to Treasury – Member
- c. Secretary for Local Government and Rural Development – Member
- d. Chief Executive Officer for Malawi – Member
- e. Representative of Malawi Board of Engineers – Member
- f. Representative of Institute of Chartered Accountants in Malawi – Member
- g. Director for Energy Affairs - Member

The Rural Electrification Unit within the Department of Energy Affairs is the secretariat to the REMAC.

REMAC is guided by the following mandate on rural electrification:

- [A] to ensure that the majority of the Malawian population in peri-urban and rural communities have access to efficient, sustainable and affordable energy for their social economic development through grid extension and off grid electricity supply, including solar home system technologies;
- [B] to raise, receive and administer the Fund for the benefit of rural electrification in Malawi;
- [C] to prepare annual rural electrification programme[s] and advise the Minister on the prioritization, selection criteria on candidate sites, and ensure the efficient and effective implementation of rural electrification programmes;
- [D] to promote rural electrification and act as a source of technical, commercial and institutional advice in rural electrification matters.

IMPLEMENTATION OF MAREP IN LIGHT OF THE ENERGY POLICY

Following the National Energy Policy revision in 2018, a number of structures have been put in place to ensure that rural electrification activities are at the forefront of spearheading economic and social services transformation not only for rural and peri-urban communities but the country at large since its impacts go a long way in improving living standards of most Malawians.

RESTRUCTURING OF MAREP INTO RURAL ELECTRIFICATION AGENCY

Among such structures is the restructuring of MAREP into Rural Electrification Agency. The Agency will be a semi-autonomous legal entity which will manage the Rural Electrification Fund and rural electrification activities.

All countries surrounding Malawi have formed Rural Electrification Agencies to manage rural electrification. This is common practice in most countries with low electrification rate throughout the world.

POWER CONNECTION TO PUBLIC INSTITUTIONS

Government will facilitate the wiring of public institutional buildings and connection of electricity in order to electrify the buildings, such as schools, hospitals using the rural electrification Fund. The wiring of and connection of electricity to public institutions will be implemented from Phase 9.

SCHEMES FOR LOW INCOME HOUSE-HOLDS

Government has devised schemes for the Rural Electrification Fund to connect electricity to low income house-holds for equal provision of access to electricity. One such scheme which is being implemented in MAREP Phase 8 sites is called Ndawala Initiative under which some of the low income house-holds to be targeted are those headed by female, children and the elderly.