

# Scottish Government Malawi Development Programme

## End of Year 1 Report

<b>1. General Project Information</b>			
1.1	<b>Project Reference Number:</b>	MAL/18/06-UoS	
1.2	<b>Name of Organisation:</b>	University of Strathclyde	
1.3	<b>Lead Partner(s):</b>	United Purpose and Community Energy Malawi	
1.4	<b>Project Title:</b>	Rural Energy Access through Social Enterprise and Decentralisation (EASE)	
1.5	<b>Reporting Period:</b>	<b>From:</b> 01/10/2018 <b>To:</b> 31/03/2019	
1.6	<b>Reporting Year:</b>	Year 1	
1.7	<b>Project Start ate</b>	01/10/2018	
1.8	<b>Project End date</b>	31/03/2023	
1.9	<b>Total Project Budget*</b>	£1,332,533	
1.10	<b>Total Funding from IDF*</b>	£1,332,533	
1.11	Have you made any changes to your logframe? If so please outline proposed changes in the table below. Please note all changes require Scottish Government approval. If changes have already been approved please indicate this in the table.		
	<b>Outcome/Output</b>	<b>Proposed /Agreed Change</b>	<b>Reason for Change</b>
			<b>Date Approved and by whom</b>
	Output Indicator 2.2	changed from "Number of ADCs trained" to "Number of NGO and Govt employees trained at District Level"	Updated understanding of most appropriate training strategy
	Activity 2.2	Altered to reflect amendment to Output indicator 2.2	
	Targets for output indicator 2.2 and 2.3	Increased to reflect the scale that is being achieved	

1.12	<b>Supporting Documentation</b> <b>Check box to confirm key documents have been submitted with this report</b>	<b>Up to date Logical Framework, which reflects any changes detailed above.</b>	Y
		<b>Up to Date Budget Spreadsheet</b>	Y
		<b>Case Study</b>	Y
<b>Report Author:</b> [REDACTED]		<b>Signature:</b> [REDACTED]	

## 2. Progress and Results

2.1	<p>Please give an update on the progress your project has made during the reporting period. Please use this space to update us on what has gone well and any challenges you have experienced, detailing how you have overcome these. (Max 500 words)</p> <p><b>DEO Strand:</b> Building on the prior Balaka pilot, a rapid start was possible in this work area. A DEO was quickly established in Dedza and engagement commenced within the first months of the project. DEC meetings in both Dedza and Balaka were held to register the project and were received enthusiastically by 115 attendees in total across both meetings. With DEC support, the DEOs moved quickly to commence planned training and sensitisation activities. Interest exceeded expectations with significantly larger numbers trained than planned. 200 Govt extension workers and NGO workers operating in Balaka and Dedza across key sectors (health, education, water, agriculture, and more) have been trained in renewable energy appreciation and planning. Detailed training reports, media and feedback reports have been produced. Another particular highlight has been the public awareness and sensitisation campaigns run in collaboration with MERA and MBS (see attached case study). CEM's leadership in this area generated significant momentum and enthusiasm, and as a result, the scale of the exercise was increased. These successes also brought challenges as the increased scale of these activities had time and monetary implications. Savings had to be found in some other activities and baselining activities were delayed. In addition, the recent weather emergencies have had an indirect impact on recent progress. Although our project is not active in the southern region, the national emergency has occupied the attention of district councils.</p> <p><b>Microgrid Strand:</b> There was some delay in recruiting the project field teams for United Purpose. Nevertheless, the wider team stepped in and progress has been rapid since the project coordinator commenced her role in December. Numerous community sensitisation events have been held and the detailed preparations for deployment have been mainly completed. Approval for the microgrid has been gained from the Dedza District Executive Committee, Kachindamoto Area Development Committee and Mthembanji Village Development committee. Village wide surveys to prepare for customer sign up have been completed and a detailed community baseline has been commenced (data gathering, not analysis). Interest is high in the community and enthusiasm is building. The regulatory and licencing framework for mini and micro grids is evolving in Malawi, but a zero draft mini-grid</p>
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	<p>framework was released early 2019. The team have been in close contact with the regulatory authority (MERA) and have built a positive relationship. Despite the encouraging feedback from MERA on the project, there have been delays in the approval process. However, we now have the go ahead to commence with full design, procurement and installation. This is underway and moving rapidly. A procurement notice is currently live in Malawi.</p> <p>An additional aspect of the project has been the involvement of WASHTED as a technical expert and academic partners. Their planned Year 1 involvement was minimal with a budget of approx. £5k. However, due to staff illness, they have been unable to participate formally. Nevertheless, background work preparing for their Year 2 contribution with additional staff members has been completed and they have the resources and planning in place to commence.</p>
2.2	<p>Have you completed all baselines for the project? If not please explain why and describe what plans are in place to ensure these are completed. If you have please ensure these have been added into your logframe. (Max 200 words)</p> <p>No. As indicated briefly above, the DEOs were planning to compile a district wide high level baseline for both Dedza and Balaka. Due to a focus on other activities generating strong interest from the District Council, this has been delayed. However, it is now underway and will be completed by June. For the community of Mthembanji where the first microgrid is to be installed a detailed baseline data gathering has just been completed. Analysis of this is underway and also due to be complete by June.</p> <p>The logframe will be updated following the completion of these activities.</p>
2.3	<p>Have you experienced any delays to planned activities? Please provide full details including what action is being taken to bring activities back on track. (Max 250 words)</p> <p>The most significant delay from a budget perspective has been delay to capital spend. As outlined above, the evolving nature of the regulatory landscape has resulted in delays with approval to move to full procurement and installation. Bulk purchasing of ubiquitous equipment such as solar panels and portable solar products in advance was considered, but this was deemed risky from a technical and economic perspective. Delaying spend was thought to be the option most likely to ensure efficient use of funds. However, with approval recently granted, procurement is now live and installation is expected to commence before Autumn.</p> <p>The second main area of delay has been the DEO baselining activities. As has been described above, this is expected to be completed by June.</p>

2.4	<b>Project Outcomes</b>		
	In the table below, please list each of your project Outcomes, and provide further detail on your progress and results over this reporting period. Describe any delays or other challenges that you have experienced and how these have been addressed, and provide information about any unexpected results (for example where targets have been vastly exceeded). Progress should also be updated within the relevant fields of your logframe.		
	Outcome 1: 9 rural communities in Dedza and Balaka have access to sustainable energy via local Renewable Electricity Supply businesses		
	<b>Outcome Indicator</b>	<b>Milestone / Achievement</b>	<b>Progress</b>
	1.1 Number of communities with access to local RE supply business	None for Y1	On track for Microgrid deployment in Mthembanji community during Y2
	1.2 Number of people within 5km of RE supply services.	None for Y1	As above. In addition, baselining to inform on satellite energy kiosk opportunity around Mthembanji complete
	Outcome 2: Improved energy access has fostered sustainable economic development of 20 communities.		
	<b>Outcome Indicator</b>	<b>Milestone / Achievement</b>	<b>Progress</b>
	2.1 Number of small PUE businesses with sustained income (and sustained payment for energy) - disaggregate by GESI	None for Y1	Dependant on microgrid deployment
	2.2 Number of businesses with increased opening hours.	None for Y1	
Outcome 3: 2 Districts have a strong enabling environment to support renewable energy developments			
<b>Outcome Indicator</b>	<b>Milestone / Achievement</b>	<b>Progress</b>	
3.1 Number of viable community energy projects identified and offered sustainability advice	None for Y1	DEOs in place and engagement commenced	
3.2 Number of DEO positions with long term funding secured	None for Y1	Communication channels for learning dissemination with	

			Govt of Malawi established
2.5	<p><b>Project Outputs</b>  In the table below, please list each of your project Outputs, and provide further detail on your progress and results over this reporting period. Describe any delays or other challenges that you have experienced and how these have been addressed, and provide information about any unexpected results. Progress should also be updated within the logframe</p>		
	Output 1: 9 sustainable Renewable Electricity supply businesses in operation		
	<b>Output Indicator</b>	<b>Milestone / Target</b>	<b>Progress</b>
	1.1 Number of RE supply businesses with infrastructure established and demonstrating sustained revenues	None for Y1	
	1.2 Number of microgrid/hub/kiosk staff recruited, trained and employed	None for Y1	
	1.3 Number of community stakeholder MoUs in place ('concession' to operate the business)	None for Y1	
	Output 2: 20 communities in Dedza and Balaka are empowered to utilise renewable electricity.		
	<b>Output Indicator</b>	<b>Milestone / Target</b>	<b>Progress</b>
	2.1 Number of SME entrepreneurs trained (disaggregated by Gender)	50	None. Training has focussed on extension workers and ADCs
	2.2 Number of NGO and Govt employees trained at District Level	None for Y1 – new indicator	100 NGO and Govt employees trained
	2.3 Number of extension workers from other sectors (education, health, agriculture, water) trained	None for Y1	100 extension workers trained
	Output 3: 2 Malawian organisations have Rural Electrification business plans established		
	<b>Output Indicator</b>	<b>Milestone / Target</b>	<b>Progress</b>
	3.1 Number of detailed 10 year business plans in place	None for Y1	

	3.2 Number of funding proposals for additional community energy projects in Dedza/Balaka (a) Submitted (b) Secured	None for Y1	
Output 4: DEO led district level energy masterplans are in place and agreed by all stakeholders			
	<b>Output Indicator</b>	<b>Milestone / Target</b>	<b>Progress</b>
	4.1 Number of community energy project 'points of interest' mapped.	50	
	4.2 Number of village development plans that include an energy aspect	None for Y1	
	4.3 Number of district development plan meetings focussing on energy	2	2 DEC meetings held focussing on energy
Output 5: Knowledge and tools are in place to support sustainable decentralised Rural Electrification efforts using Renewable Energy.			
	<b>Output Indicator</b>	<b>Milestone / Target</b>	<b>Progress</b>
	5.1 Number of published learning papers, policy briefs and reports	1	2 learning papers published on microgrids
	5.2 Number of open source off-grid renewable electricity design tools: (a) publicly available (b) submitted to UNDP knowledge repository	None for Y1	
	5.3 Number of open source data sets published (a) publicly available (b) submitted to UNDP knowledge repository - Demand profiles - Generation profiles -storage profiles	None for Y1	
<b>3. Operational plans and partnerships</b>			
3.1	Are all staff required to deliver the project now in place? If not, please explain what action you are taking to ensure all essential roles as outlined in your application, are in place as you move into year two of the project. If plans for staffing has changed, please tell us about this. (Max 200 words)		

	Yes, all staff are in place. No changes.		
3.2	Are all partnerships on the project now in place? Please update on how these partnerships are progressing, letting us know about any highlights, challenges or changes to roles and responsibilities. (Max 300 words)		
	<p>Yes, all partnerships are in place. Building on existing partnerships, EASE has the advantage of long-standing UoS relationships with the 3 Malawian partners. As previously mentioned the contribution of WASHTED has been limited due to staff challenges, but this has been rectified. A particular highlight of the first 6 months has been the in-country collaboration between CEM and UP. With CEM leading the engagement at the District Executive Council, joint DEC meetings were held to advise on all aspects of the project. As such, the UP microgrid project was introduced as a specific energy access intervention linked to the DEO programme. In addition, UP staff across key sectors have benefited from DEO led training. CEM have shared learning with UP from their recent mini-grid project, supporting interaction with the regulator. In turn the detailed UoS and UP learning from SOGERV is being fed into the CEM energy hub feasibility work.</p>		
3.3	Have any visits to the project taken place in this period? Please give details including key activities and outputs of these visits.		
	<b>Date of Visit</b>	<b>Key achievements / outputs of visit</b>	<b>Follow up actions</b>
	2 weeks from 18 <sup>th</sup> January	Project Initiation. Microgrid community meeting and scoping.	
<b>4. Financial Information</b>			
This section will be reviewed alongside your end of year financial report, which must be included with this report. Please ensure an explanation for any variance to planned expenditure is provided against each budget line in the space provided in the budget spreadsheet.			
4.1	If your spending is not on track as expected, please outline the reasons why, and detail what plans are in place to bring spending back on track. If you are requesting changes to your budget at this stage, please outline them below. (Max 350 words)		
	<p>The main underspend is related to capital spend. The original plan was to be in a position to procure some equipment in advance of installation – particularly stock for the kiosks to be deployed around the core microgrid. However, the procurement process was delayed following a longer than anticipated approval process with the regulator. In addition, with the major weather emergency occurring, the circumstances were not conducive to bulk purchasing of kiosk products. With the first major installation planned</p>		

by Autumn (UK) we expect the capital spend to be back on track by mid-year 2.

The other underspend occurred in some baselining activities, this has been detailed above and is due to be recovered by June.

A true underspend of £13,602.63 is reported for this year. The proposal is to allocate these funds as a capital contingency. With the micro-grid solution being the first of its kind in Malawi, there is some uncertainty around the final costs of some aspects of product supply and installation.

Particularly around the essential smart meter products. At this stage in the project we believe it is prudent to ring-fence these funds for this purpose. By mid-year reporting, with installations well underway we will be in a position to review the situation.

#### **5. Any other Information**

Please use this section to tell us any other relevant information regarding your project. (Max 350 words)

Additional funds have been secured to place a member of UoS seconded to UP to support microgrid business development. The funding, from the Engineering and Physical Sciences Research Centre (EPSRC) has secured a part time position until March 2020. The additional resources will add value to the business planning, management and financial operations of UPs microgrid strand of the project, greatly enhancing the sustainability of the project as whole.