



MALAWI POWER SECTOR COMPENDIUM

VOLUME 1

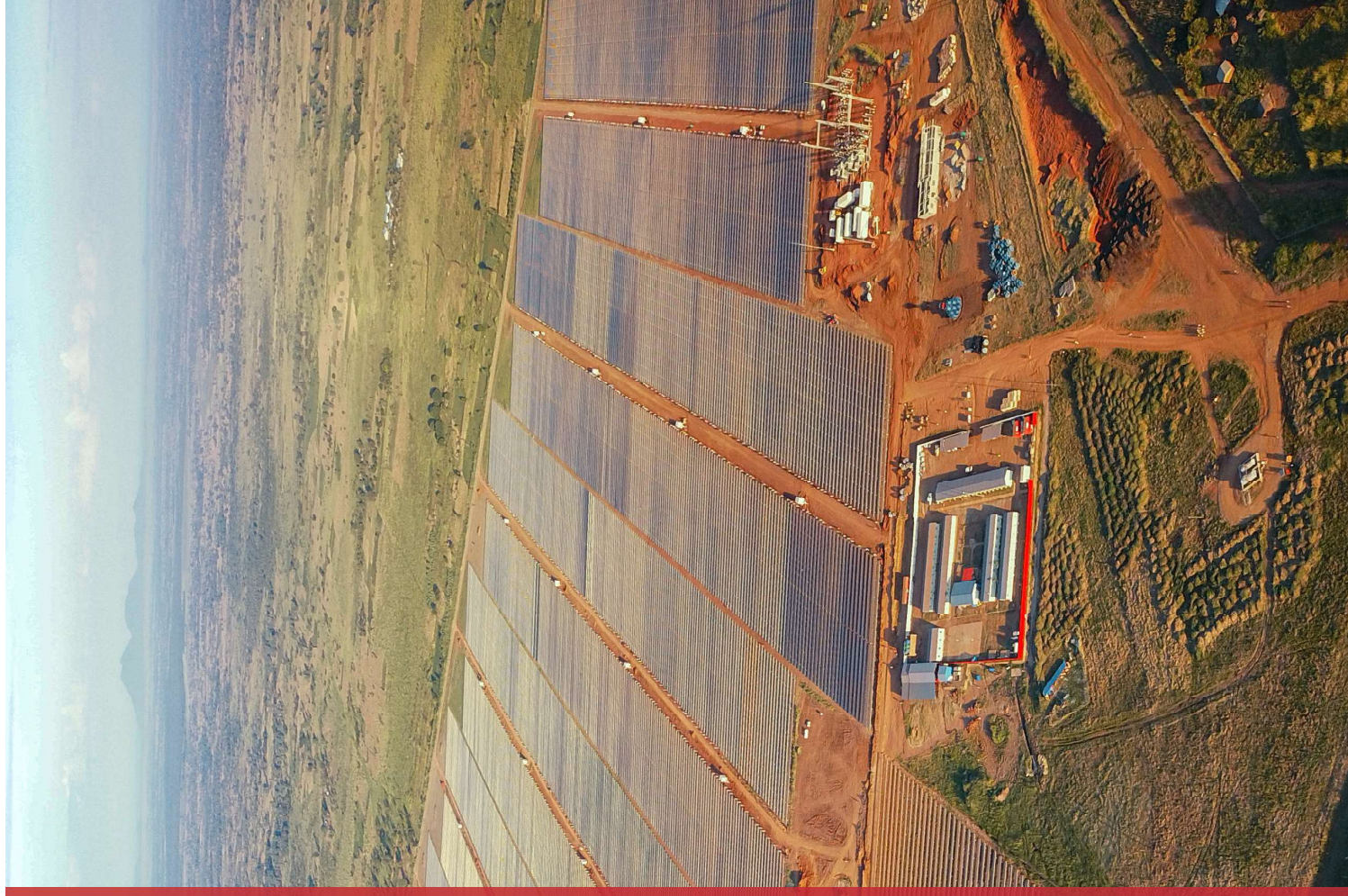


MALAWI POWER SECTOR COMPENDIUM

VOLUME 1

CONTENTS

• ACRONYMS	7
• SECTION ONE: SECTOR PROFILE	13
• WHY INVEST IN MALAWI	10
• SYNOPSIS OF THE POWER SECTOR	32
• ELECTRICITY TARIFF DETERMINATION	33
• GOVERNING LAWS AND POLICY FRAMEWORK	34
• SECTION TWO: INVESTMENT OPPORTUNITIES	13
• OPPORTUNITIES FOR INVESTORS IN THE MALAWI POWER SECTOR	34
• PROFILES OF PROJECTS BEING IMPLEMENTED BY GOVERNMENT AND IPPs	35
• POTENTIAL INVESTMENT OPPORTUNITIES	36
• OTHER VIABLE PROJECTS THAT REQUIRE DETAILED FEASIBILITY STUDIES	36
• SECTION THREE: INVESTMENT ENABLERS FOR THE POWER SECTOR	38
• ENTERING MALAWI'S POWER SECTOR	37
• INCENTIVES FOR IPPs	38
• GOVERNMENT'S/DEVELOPMENT PARTNERS KEY PROJECTS IN THE SECTOR	38
• SECTION FOUR: FINANCIAL INSTITUTIONS PROFILES	46
• SECTION FIVE: ROLES, FUNCTIONS AND CONTACTS OF PLAYERS IN THE POWER SECTOR	46

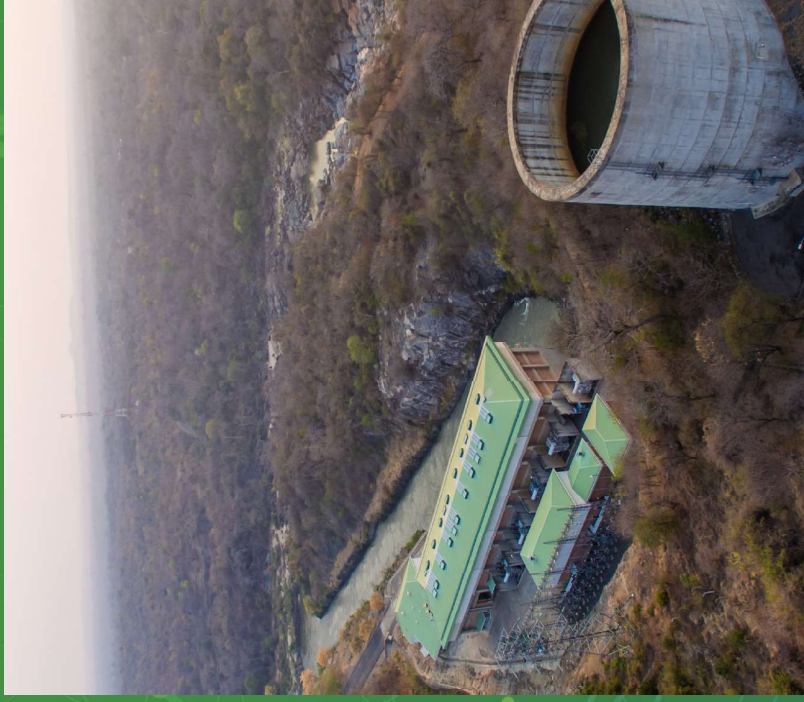
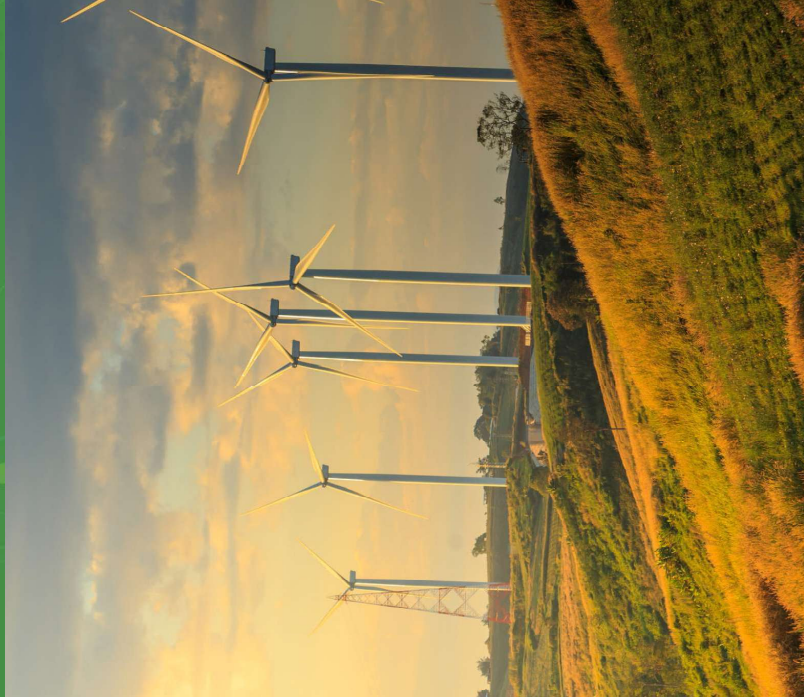


ACRONYMS

GoM	Government of Malawi
PV	Photo Voltaic
MW	Mega Watts
MVA	Mega Volt Ampere/AMPs
ESCOM	Electricity Supply Corporation of Malawi Limited
EGENCO	Electricity Generation Company (Malawi) Limited
PML	Power Market Limited
NERA	Malawi Energy Regulatory Authority
IPPs	Independent Power Producers
SAPP	Southern Africa Power Pool
RR	Required Revenue
RoR	Rate of Return
LPG	Liquefied Petroleum Gas
Mt	Metric Tonnes
USD	United States Dollars
PPP	Public Private Partnership
BOOT	Built Own Operate and Transfer
HPP	Hydro Power Plant
SPV	Special Purpose Vehicle
MITC	Malawi Investment and Trade Centre
PPA	Public Procurement Act/Power Purchase Agreement
IRP	Integrated Resource Plan
RFP	Request for Proposal
RFI	Request for Expression of Interest
RFT	Request for Tender
SIPP	Solicited Independent Power Producer
DEA	Director of Environmental Affairs
Tx	Transmission Licence
IA	Implementation Agreement
MLHUD	Ministry of Lands Housing and Urban Development
UIPP	Unsolicited Independent Power Producer
OSSC	One Stop Service Centre
VAT	Value Added Tax
ESIA	Environmental and Social Impact Assessment
ADB	Authorised Dealer Bank
EOI	Expression of Interest
AAC	Aluminium Alloy Conductor
PVC	Poly Vinyl Chloride

PML to insert an advert or a picture

SECTION ONE | SECTOR PROFILE



WHY INVEST IN MALAWI

Malawi is a politically stable country with friendly and warm-hearted people. It is one of the most peaceful countries in Africa, providing a good climate for business growth. In addition, Malawi is strategically located and an ideal investment location, with its beautiful freshwater lake and its scenic beauty making it attractive for both leisure and business.

Here are the top five reasons why you should invest in Malawi's Power Sector:

- i. Peaceful, secure and stable political climate
- ii. Streamlined investment registration through the One-Stop Service Centre at MITC
- iii. Enormous investment opportunities:
 - Untapped Power Generation resources which, when exploited, can generate over 762MW from diversified energy sources
 - Huge demand for Power in Malawi, which is projected grow to 1,873MW by 2030, 3566MW by 2037 and 4,620MW by 2063
 - Opening up of the energy generation subsector to independent Power Producers.
- iv. Youthful, trainable and affordable labour force
- v. Attractive investor tax incentives



Nkula Power Station

SYNOPSIS OF THE POWER SECTOR

ELECTRICITY ACCESS

The Government of Malawi (GoM) realises that the industrial and socio-economic development of the country depends on access to modern, reliable and sufficient energy. As such, it has designated the energy sector as a priority in its National Development Agenda. Electricity access is at 19% of which 12.4% is from grid connections and 6.6% off-grid systems. In rural areas, where 80% of the population resides, only 2% have access to grid electricity.

INSTALLED CAPACITY

Malawi has a total installed capacity of 567.01MW of which 399.95MW is run-of-river hydropower, 105.76MW is from diesel power generation, and 61.30MW is solar PV.

STATE OF POWER TRANSMISSION AND DISTRIBUTION SYSTEMS

The country's electricity transmission and distribution networks are undergoing considerable improvements. The total transmission network comprises of 173 kilometres of 400kV line, 1,431 kilometres of 132 kV line and 1,155 kilometres of 66 kV Line. The transmission substations have a combined capacity of 1,688.50 MVA. The distribution network consists of 4,395 kilometres of 33 kV line, 1,988 kilometres of 11 kV line, 5,867 kilometres of 0.4 kV line and 900.01 MVA substation capacity.

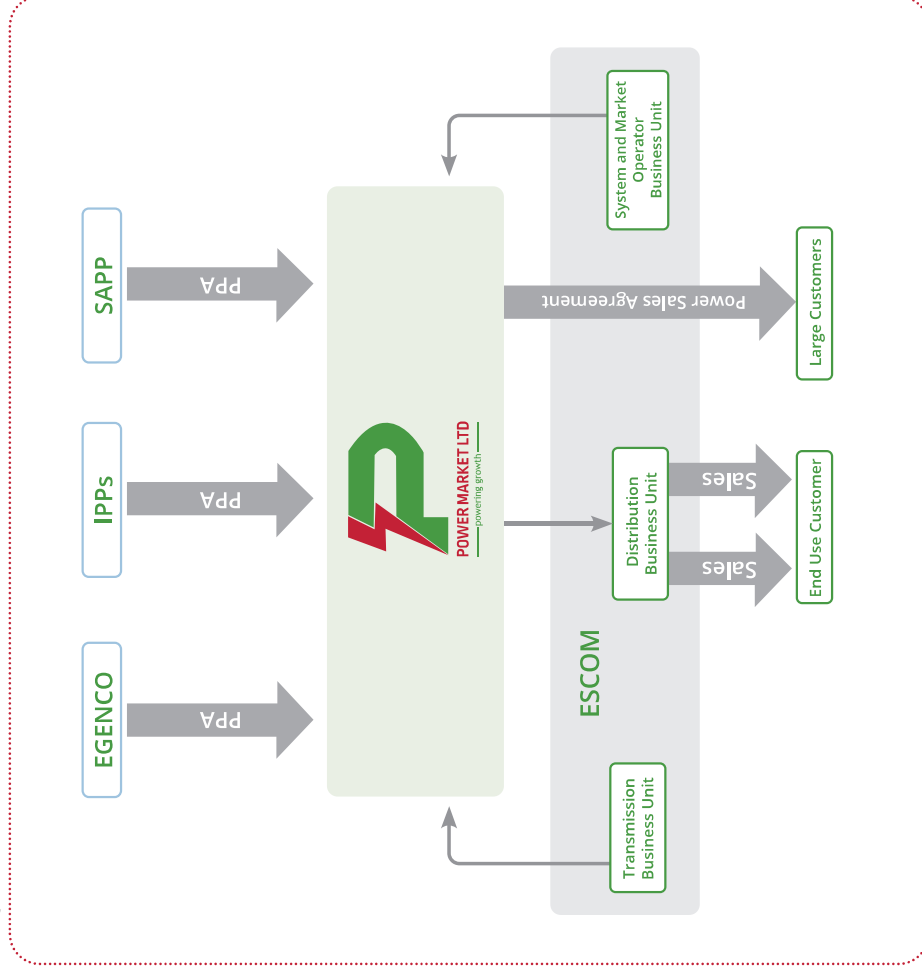
However, there are technical constraints on the 132 kV and 66 kV transmission systems. Consequently there are power losses and extended transmission system towards the northern parts of Malawi.

RESTRUCTURING OF THE POWER SECTOR

Malawi's power market was previously vertically integrated, with ESCOM Limited monopolising generation, transmission, distribution and performing all system operations. However, the Electricity (Amendment) Act of 2016, restructured the power market to improve efficiency. This led to the unbundling of ESCOM Limited (in January 2017) by curving out the generation function and creating EGENCO Limited. ESCOM Limited retained transmission and distribution functions and also assumed System and Market Operator and Single Buyer functions. Furthermore, it allowed private sector participation in electricity generation and establishment of Power Market Limited (PML) as a single buyer in 2018.

Under this new market structure, the Ministry of Energy provides direction and guidance on policy issues, while MERA regulates the market. Trading agreements remain between the Single Buyer (PML) and all other market players, including generators (EGENCO, IPP and SAPP), System and Market Operator, Transmission Licensee, and the Distribution Licensee. Single Buyer (Power Market Limited) is responsible for purchasing and selling all-electric power as an independent entity.

Figure 1: Power market structure in Malawi



Source: PML

ELECTRICITY TARIFF DETERMINATION

The Electricity Act of 2004 mandates Malawi Energy Regulatory Authority (MERA) to determine electricity tariffs. MERA employs the Revenue Requirement Methodology to define tariffs for electricity generators. The methodology is presented below:

REVENUE REQUIREMENT METHODOLOGY

The Revenue Requirement (RR) Methodology is also known as the Rate of Return (RoR) or the Cost-of-Service approach with a revenue cap determining electricity tariffs. The main principle of RoR is that revenues of the regulated Utilities have to cover their operating and maintenance expenses, taxes and depreciation, and have to ensure a fair rate of return on assets utilised for generating, transmission, distribution and supply of electricity.

The generic formula for RR is shown below:

$$RR = O + D + T + (r \cdot B)$$

Where;

RR = Revenue Requirement

O = Allowed operating and maintenance expenses

D = Allowed depreciation expense associated with the Rate Base

T = Corporation tax

R = Allowed rate of return (WACC or Benchmark)

B = Rate Base (or Regulatory Asset Base)

To arrive at a tariff, MERA reviews and verifies all information related to the components that make up the revenue requirement in the utility's tariff application.



GOVERNING LAWS AND POLICY FRAMEWORK

MALAWI 2063

Like all other sectors, the energy sector is guided by the aspirations of the people of Malawi as enshrined in the Malawi 2063, the country's overarching long-term development vision. This vision aims to transform the country into a wealthy and self-reliant industrialised upper-middle-income country by 2063. Malawi 2063 recognises energy as one of the critical enablers for attaining this vision of sustainable and inclusive wealth creation and self-reliance. Accordingly, the country aims to attain a diversified range of affordable energy sources that will increase energy supply and ensure reliability.

THE NATIONAL ENERGY POLICY

The National Energy Policy (2018) provides policy direction and guidance to all stakeholders in implementing energy interventions to increase access to affordable, reliable, sustainable, efficient and modern energy in the country. The Policy emphasises the importance of private sector participation. It provides an environment conducive to such involvement, be it direct investment, PPPs, IPPs or other participation vehicles. The Policy has identified several sources as part of Malawi's energy supply mix. The energy sources are presented below:

- Biomass
- Liquid Fuels and Bio-fuels
- LPG, Biogas, and Natural Gas
- Electricity from Renewable Sources
- Electricity from Non-Renewable Sources
- Coal

THE INTEGRATED RESOURCE PLAN

The Integrated Resource Plan 2017-2037 guides investment in the energy sector in Malawi. The plan puts together all planned projects in the sector, including those with committed funding and those still in need of financing. The aim is to increase access to electricity and meet growing demand.

INDEPENDENT POWER PRODUCERS (IPP) FRAMEWORK

Independent Power Producers (IPP) Framework provides power sector interested parties with a clear understanding of investing in Malawi's power sector. The IPP Framework is a commitment by the Government and other stakeholders to establish a transparent, robust process for securing investment in the power sector that balances the interests of consumers for cost-effective, reliable power supply with the commercial interests of private investors.

THE ENERGY REGULATION ACT 2004

The Act creates the Malawi Energy Regulatory Authority (MERA), whose core mandate is to regulate the energy sector. It also defines the functions and powers of MERA, some of which include licensing of energy undertakings, approving tariffs and prices of energy sales and services, monitoring and enforcing compliance by licensees with licensing conditions granted under the Act and Energy Laws.

THE ELECTRICITY ACT, 2004

The Act makes provisions for regulating the generation, transmission, wheeling distribution, sale, importation, exportation, use and safety of electricity in Malawi. The Electricity (Amendment) Act (2016) amends the Electricity Act (2004) to provide for a number of reforms, including liberalisation of the sector. This has resulted in the unbundling of ESCOM to create more electricity generation, transmission and distribution chains. The Act also provides for the participation of IPPs in the sector.

LIQUID FUELS AND GAS (PRODUCTION AND SUPPLY) ACT, 2004

This Act makes provisions for production, blending, extraction, conversion, importing, transforming, transporting, storing, distributing and sale of liquid fuels and gas in a liberalised market.

THE RURAL ELECTRIFICATION ACT, 2004

This act makes provision for the promotion, funding, management and regulation of rural electrification. It lays out specific rules for renewable energy resources, including in terms of finance.



OTHER SECTORS ACTS:

ENVIRONMENT MANAGEMENT ACT (2016)

The Environment Management Act provides for the protection and management of the environment and the conservation and sustainable utilisation of natural resources. All energy projects, programmes and activities are, therefore, supposed to adhere to the provisions of the Act.

WATER RESOURCES ACT (2013)

The Water Resources Act of 2013 provides for the management, conservation, use and control of water resources, for the acquisition and regulation of rights to use water; and for matters connected in addition to that or incidental thereto. The Act outlines procedures to be followed when abstracting water by individuals and the private sector.

MINES AND MINERALS ACT (2019)

The Mines and Minerals Act of 2019 advocates for the development of adequate infrastructure to support the development of mining in Malawi. It recognises that it is essential to ensure the rapid growth of the mining sector, and that there is a sufficient and reliable energy supply in the country. The Act gives a licensee the authority to extract a specified mineral and dispose of any waste emanating from its processing and usage, among other rights.

GENDER EQUALITY ACT (2013)

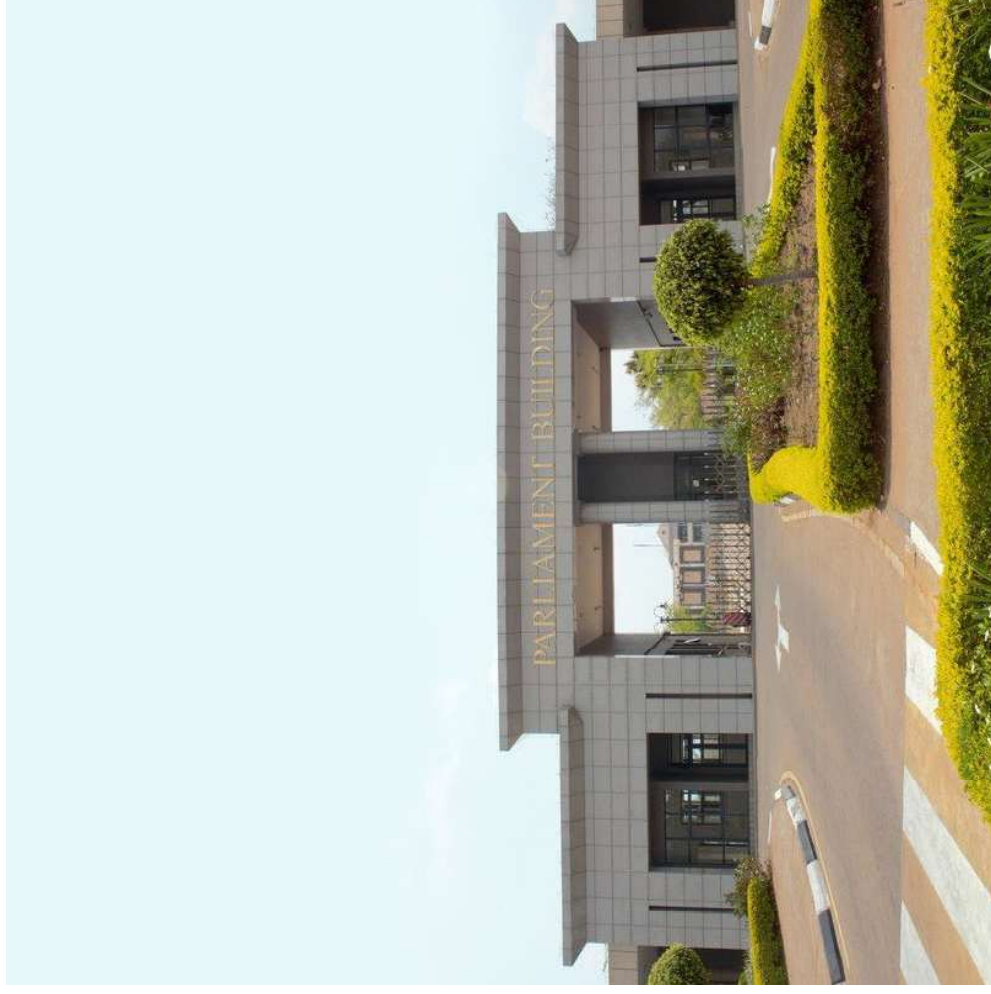
The Gender Equality Act No. 3 of 2013 gives direction on how sectors should actively promote gender equality, equal integration, influence, empowerment, dignity, and opportunities for men and women in all functions of society. The application of the Act in the energy sector would facilitate the permeation of these standards into organisational structures, governance, internal transactions, dealings with contractors and within the whole supply chain, and relations with clients or customers.

ATOMIC ENERGY ACT (2011)

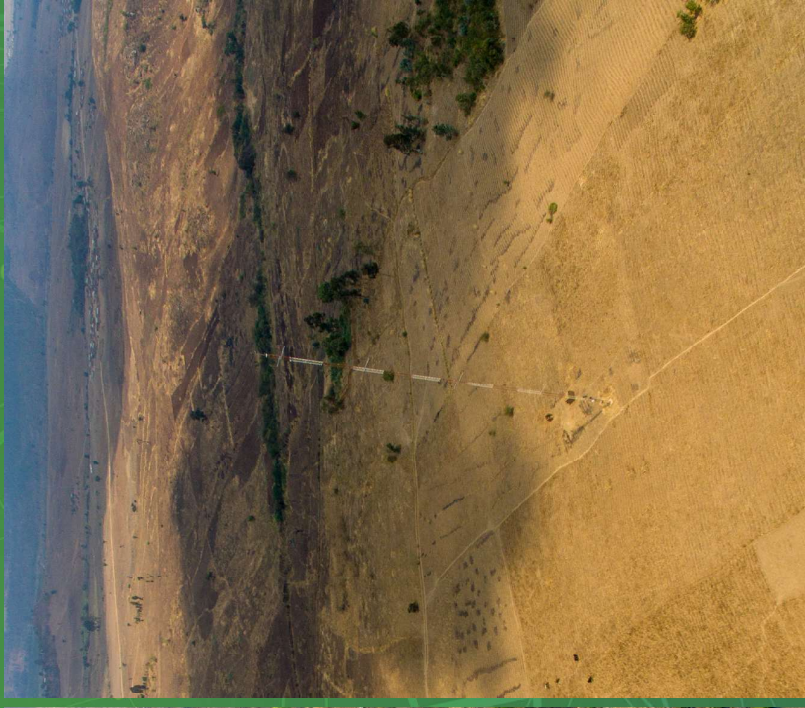
The Atomic Energy Act of 2011 provides for the adequate protection of people and the environment against the harmful effects of radiation sources, nuclear material and radioactive materials. The application of this Act in the Energy Sector will ensure that the exploitation of energy sources provides for the adequate protection of public, workers and the environment, now and in the future, against the harmful effects of radiation and for the safety and security of radiation sources.

LAND ACT (2016)

The Land Act of 2016 makes provision for various matters relating to customary, private and public land. Energy infrastructure requires land whose acquisition must comply with the requirements of the Act.



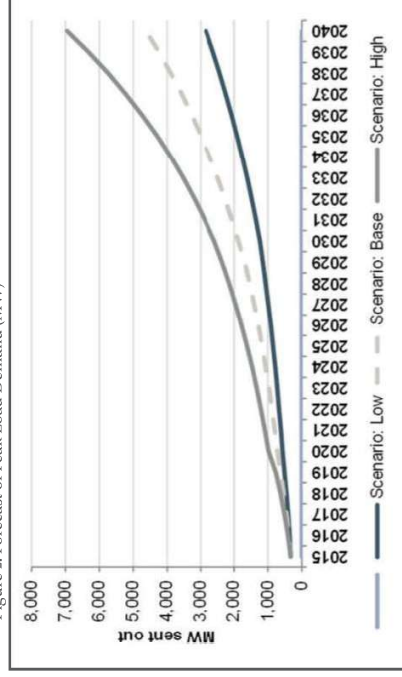
SECTION TWO | INVESTMENT OPPORTUNITIES



OPPORTUNITIES FOR INVESTORS IN THE MALAWI POWER SECTOR

Demand for electricity in the country remains high and it is expected to grow in the medium to long-term following expanding manufacturing, mining, and agricultural activities. The Integrated Resource Plan (IRP) provides an electricity demand forecast that is estimated up to 2040. The forecast calculated (as shown in figure 2 below) that maximum demand would reach 719MW in 2020 and subsequently be growing at 10% every year to reach 4,620MW in 2040. This type of growth rate is consistent with electricity demand experienced in countries moving to the middle-income status which Malawi is aspiring to become.

Figure 2: Forecast of Peak Load Demand (MW)



Source: IRP 2017

The country largely depends on hydropower which contributes around 76% to the generation mix. This over-reliance on hydropower has had a negative bearing on electrical power supply in the country. During dry seasons, the available hydro generation capacity declines to as low as 150MW due to low water levels in Lake Malawi. In the rainy season, debris and silt cause frequent machine breakdowns, leading to intermittent power supply even though there is adequate water in the lake.

In response, the Government is promoting a balanced mix of renewable energy sources to address problems emanating from the hydro power. Different technologies are being explored to complement and diversify the power source.

The presence of year-round sunlight and strong winds present opportunities to invest in solar and wind energy.

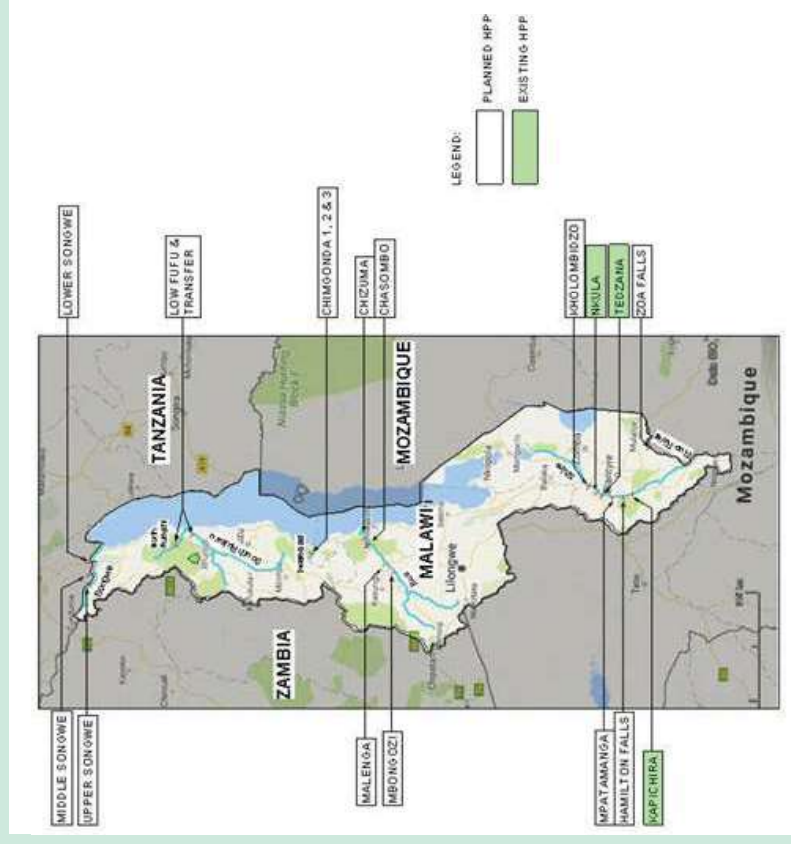
In addition, geological reports indicate the presence of gas, coal and geothermal resources that can also be used for generating electricity. The availability of waste presents another opportunity for waste to be used in energy generation projects. A highlight of technologies that are currently being used or have great potential in Malawi are presented below.



1 HYDRO ELECTRIC POWER PLANTS

Hydroelectric power is the major source of base load power in Malawi. It accounts for 76% of the total power generated. The main sources of hydropower are Shire and Wovwe rivers. However, about 10 sites with an estimated generation capacity of 827.4MW have been identified as potential sources and they are presented in figure 3 below:

Figure 3: Existing and potential Hydropower generation sites



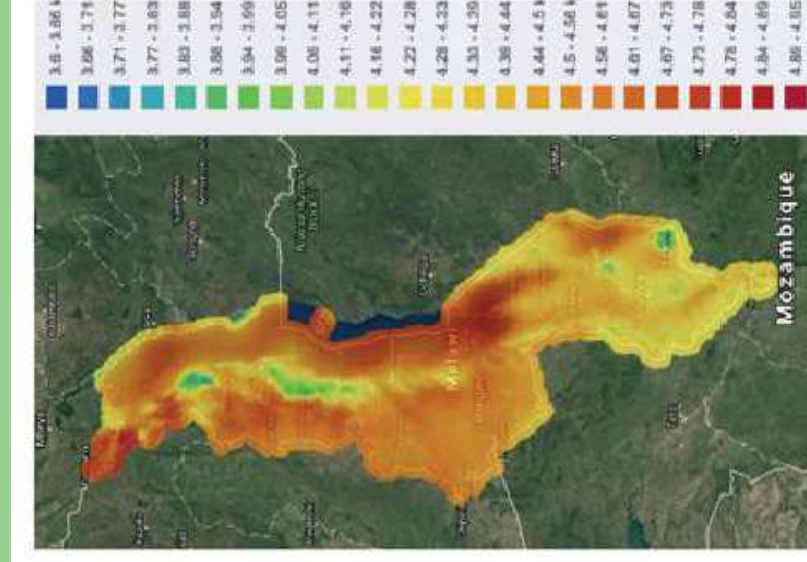
Source: IRP 2017

2 SOLAR PV POWER PLANTS

This is a cheap, easy to install, sustainable source of power that the country is pursuing. A total of five projects are under implementation and have a combined estimated generation capacity of 171MW.

Solar power projects can be implemented in most parts of the country (As shown in Figure 4 below) due to the abundance of sunlight. However, the government prefers Solar PV projects that are supported with battery storage technology as it will be easier to connect to the national grid without causing any disruptions to the system.

Figure 4: Map of Solar PV output across Malawi in kWh/m²/day

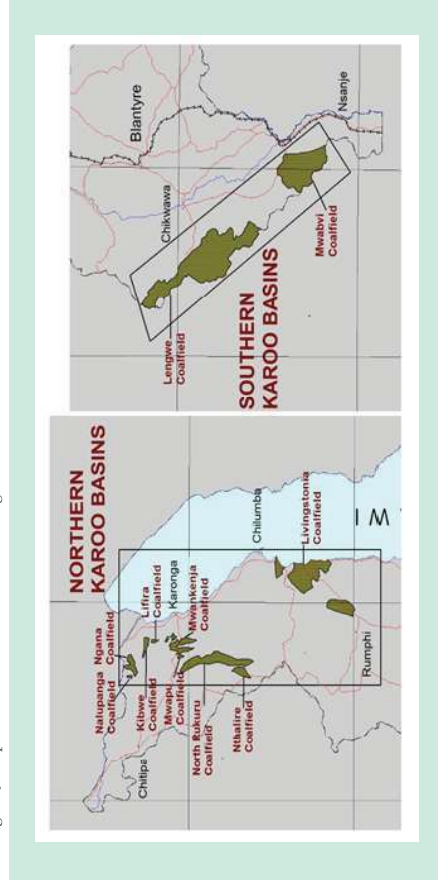


Source: IRP 2017

3 COAL POWER PLANTS

According to a geological report from the Ministry of Mines, a total of 13 coal fields have been identified in the Northern and Southern regions of the country. The total probable reserves for the north and south coalfields are estimated to be 800Mt. A map of the Northern and Southern region coalfields is provided in Figure 5 below

Figure 5: map of the Northern and Southern region coalfields



Source: IRP 2017

4 | WIND POWER

Wind power technology is, being green energy, is becoming more popular across the globe and takes a reasonable period to construct. Malawi is exploring this technology as it is environment-friendly. A total of 10 wind sites have been identified across the country and they have a combined potential to generate an estimated capacity of 8.4 MW. Below is a map showing potential locations for wind power projects

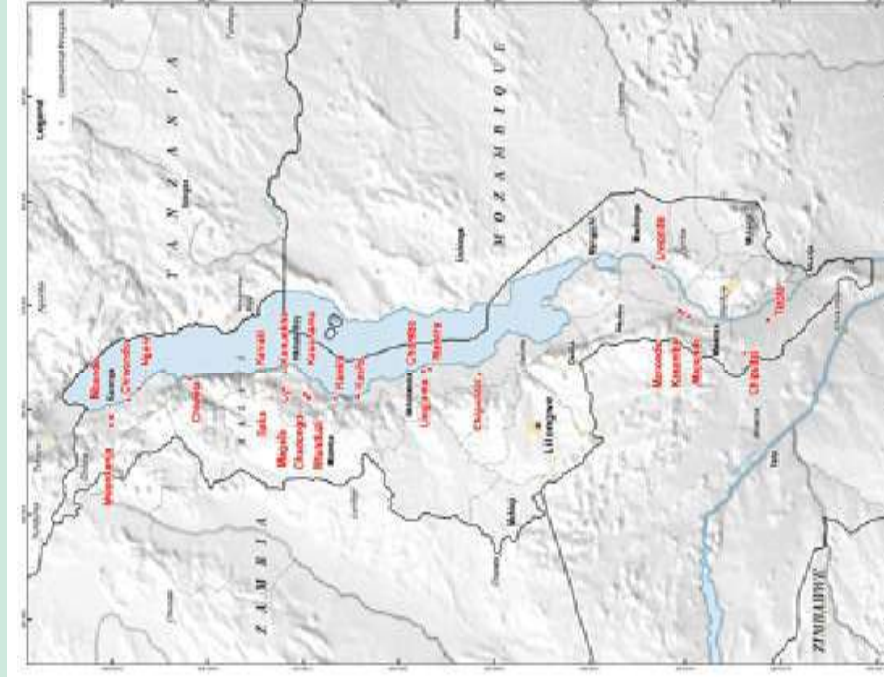
Figure 6: Map showing potential locations for wind power projects



Source: Wind Measurement and Two-Site Pre-Visibility Study, Malawi July 2018

This is a technology the country has not started to utilise though it has enormous untapped opportunities for investors to explore. Geothermal power is environment-friendly as it emits lower levels of harmful gases when compared to other power sources. The country has identified 24 sites to generate geothermal power. The sites are marked in red in Figure 7 below;

Figure 7: Map showing potential sites to generate geothermal power



Source: Geothermal Reconnaissance Study Report 2016

This technology uses dry pulpy fibrous material that remains after crushing sugarcane or sorghum stalks to extract their juice. There are three main potential sites earmarked for these projects namely: Nkhosakota, Salima and Chikwawa, where large sugar manufacturing companies are located

Biomass power is carbon neutral electricity generated from renewable organic waste that would otherwise be dumped in landfills, openly burned or left as fodder for forest fires. This is a viable technology as the country produces a lot of different types of waste that can be converted into electricity. Below is a map showing potential sites for bagasse and biomass power plants

Figure 8: map showing potential sites for bagasse and biomass power plants

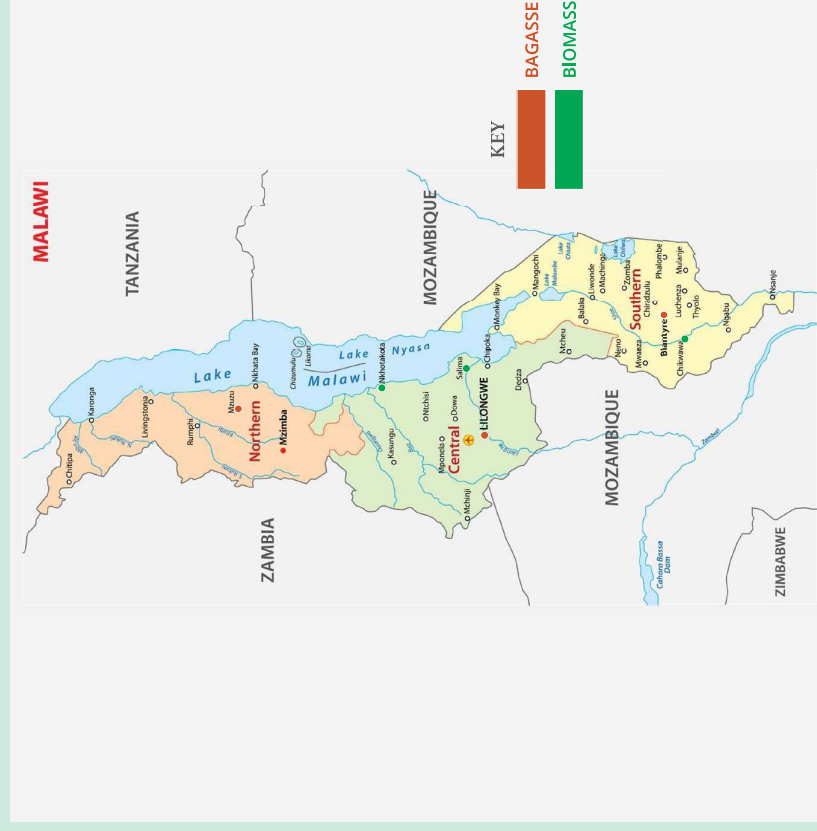
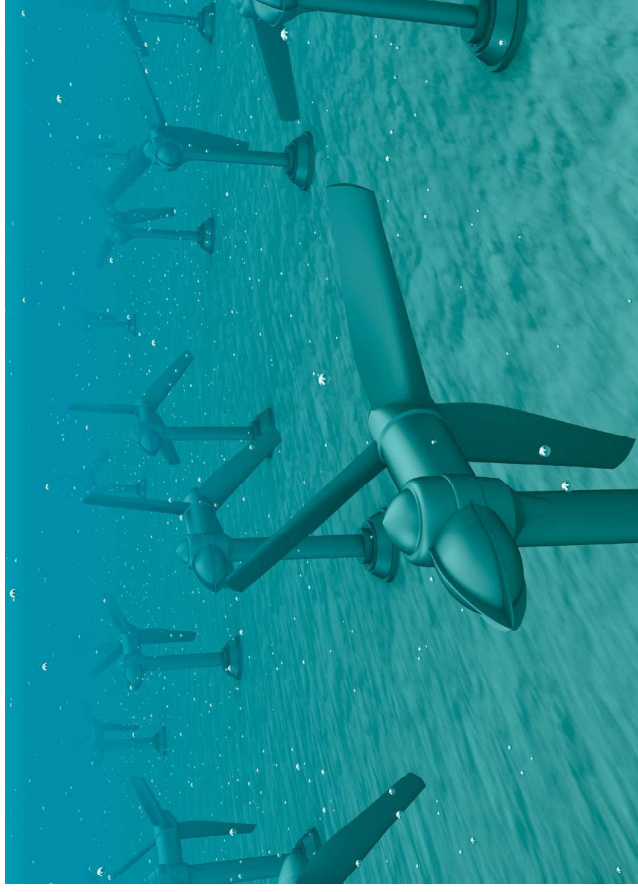


Figure 8:

Natural gas power plants generate electricity by burning natural gas as fuel. Currently, there are no gas power projects in the country. However, geological studies have shown the presence of gas in some areas of the country. Government is also encouraging IPPs who can initially import gas for this purpose while they are undertaking exploration at the potential sites in the country.



In addition to the technologies outlined above, Malawi is open to any type of technology that has been tested and is successfully being implemented in other countries. Technologies such as nuclear, hydrogen and tidal power are all welcome subjects to studies being undertaken to determine their viability.



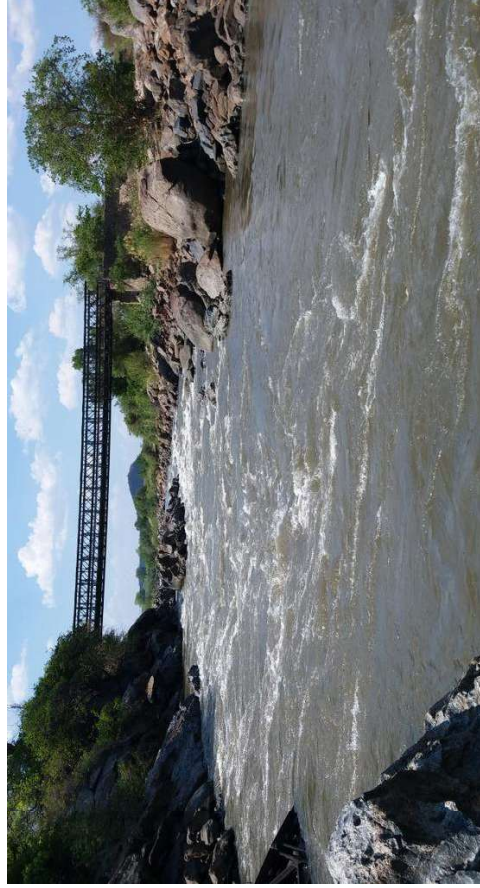
PROFILES OF PROJECTS BEING IMPLEMENTED BY GOVERNMENT AND IPPS

Since opening up of the power sector to private sector investment, the country has received interest from various potential investors. Few IPPs were given licences to start generating electricity. On the other hand, the Government has also committed itself to implement some power generation projects. Below are the highlights of projects being implemented by both the Government and the private sector.

PROJECTS BEING IMPLEMENTED BY GOVERNMENT

The Government has taken a deliberate step to invest in feasibility studies of various sites and technologies. It has also gone ahead to implement strategic power generation projects as highlighted in the paragraphs below.

1 MPATAMANGA HYDRO POWER PROJECT



The Government is finalising preparations for implementation of Mpatamanga hydropower project, located in Blantyre District which will be producing a total of 350MW. Of this capacity, 309MW will be peaking generation at the main dam and 41MW will be base generation at the regulating dam. The project is expected to cost US\$1.1 billion and is being implemented through a Public Private Partnership (PPP) arrangement. A build-own-operate and transfer (BOOT) model with 30 years long concession period has been adopted.

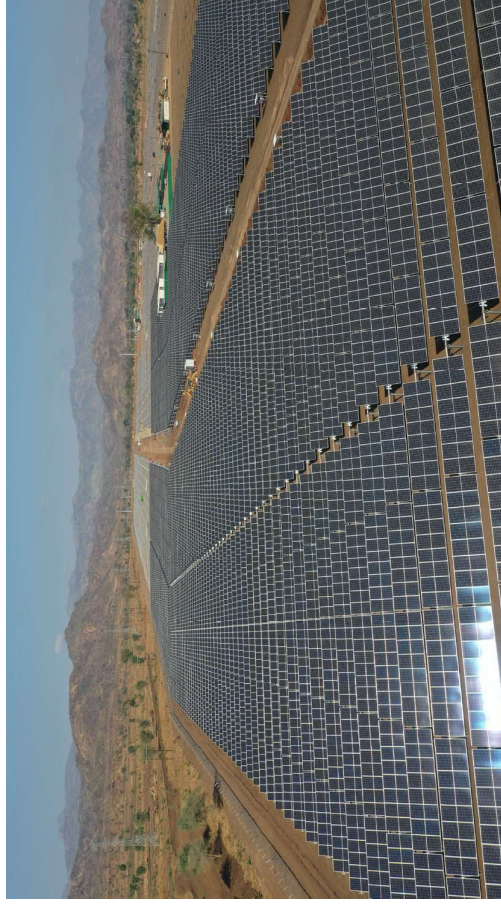
2 KAM'MWAMBA COAL FIRED POWER PLANT

A 1,000MW Coal Fired Power Plant is expected to be constructed at Kam'mwamba in Neno District. The first phase of the Project will generate 300MW. EGENCO Limited is reviewing and updating the feasibility study for the project. It is estimated that the project will require US\$800 million.

PROJECTS BEING IMPLEMENTED BY IPPS

The Government has engaged IPPs to start developing power projects in the country. Some projects are under construction and near completion. These projects range from solar, wind, hydro and biomass. Below is a list of projects that are being implemented by IPPs.

1 SALIMA SOLAR PROJECT, PROMOTED BY JCM POWER CORPORATION



PROJECT DESCRIPTION

The 60MWAC (75MWDC) is the largest solar project in Malawi. The project complements previous work completed by the Millennium Challenge Corporation ("MCC") enhancing the electricity grid of Malawi by connecting directly to Nanjoka MCC substation in Salima District.

PROJECT LOCATION

The project is located on a 168-hectare plot of land near the village of Nanjoka in Salima District, approximately 4km from the M14 highway.

STATUS OF THE PROJECT

The project reached Commercial Operation Date on October 27th, 2021.

**2 GOLOMOTI SOLAR AND BATTERY ENERGY STORAGE ("BESS")
PROMOTED BY JCM POWER CORPORATION**

PROJECT DESCRIPTION

The 20MWAC (28.5MWDC), 5MW/10MWh BESS project is the second-largest solar project in Malawi and largest utility-scale BESS project in sub-Saharan Africa.

PROJECT LOCATION

The project is located at Golomoti in Dedza District.

STATUS OF THE PROJECT

The project is approximately 75% complete and expected to reach COD in the first quarter of 2022.

**3 SERENGETI ENERGY NKHOTAKOTA SOLAR 26MWP/21MWAC,
PROMOTED BY SERENGETI ENERGY NKHOTAKOTA LTD.**

PROJECT DESCRIPTION

The project is a 26MWP/21MWac Solar PV plant at Nkhotakota in central Malawi. It is a 20-year project and will supply electricity into the national grid.

PROJECT LOCATION

Old Airport, Nkhotakota

STATUS OF THE PROJECT

Civil works and procurement of materials for the project are under way.

**4 BWENGU SOLAR PROJECT PROMOTED BY QUANTEL RENEWABLE
ENERGY LIMITED, VIDULLANKA PLC (SRI-LANKA) AND FRONTIER
ENERGY (DENMARK)**

PROJECT DESCRIPTION

The project involves the development of a 50MWac photovoltaic ("PV") power plant that will inject power into the National Grid through the newly constructed 132Kva Bwengu substation.

PROJECT LOCATION

The project is located on a 105 hectares of land in Traditional Authority Jalavikuba. It is adjacent to the newly built 132Kva substation at Bwengu in Mzimba District.

STATUS OF THE PROJECT

Term Sheet, Power Purchase Agreement and Addendum to the Power Purchase Agreement completed with Government of Malawi, ESCOM and PML respectively

**5 KINDWE WIND FARM POWER PROJECT PROMOTED BY YP POWER
GENERATION COMPANY**

PROJECT DESCRIPTION

The project entails generation of 151MW at Kindwe Wind Farm. The power generated will be evacuated to Nkhoma Sub Station through an overhead transmission line.

LOCATION

The Kindwe site is located near Lilongwe, west of Chongoni Forest Reserve and North of Chipasi in Dedza.

STATUS OF THE PROJECT

The promoter is currently negotiating a PPA with PML.

**6 40MW VOLTALIA SOLAR PROJECT, PROMOTED BY VOLTALIA
KANENGO DZUWA LIMITED**

PROJECT BRIEF

The project involves development of 40MW of grid-connected solar PV. 62 hectares of land have been identified in Dwangwa. Feasibility and ESIA are yet to be done. Expected financial closure is July, 2022

**7 20MW ATLAS ENERGY KANENGO SOLAR PROJECT, PROMOTED BY
ATLAS ENERGY**

PROJECT BRIEF

The project involves development of 20MW of grid-connected solar PV in Lilongwe District. Construction works to start in 2022

8 50MW DROEGE WIND FARM PROJECT, PROMOTED BY DROEGE

PROJECT BRIEF

The project involves development of 50MW of grid-connected wind power generated in Mzimba District. To commence construction in the third quarter of 2022

**9 41MW MBONGOZI HYDROPOWER PROJECT, PROMOTED BY HE
POWER LIMITED**

PROJECT BRIEF

This project involves construction of 41MW of hydroelectric power by HE Energy in Nkhotakota District. To commence construction in the third quarter of 2022

POTENTIAL INVESTMENT OPPORTUNITIES

There is an urgent need for energy sector development in the country to underpin social, economic, and environmental development goals. The abundance of resources with which a sustainable energy sector could thrive on avails opportunities for IPPs. This is complemented by the opening up of electricity generation to private sector players. In an effort to promote IPPs participation in the power sector, the Government has conducted feasibility studies for a number of energy generation projects. The studies have shown that these projects are feasible and ready for private sector uptake. The projects are presented below:

2 KHOLOMBIDZO HYDRO-ELECTRIC POWER PROJECT

PROJECT DESCRIPTION

The proposed 210 MW Kholombidzo Hydro-Power Project (HPP) is a run-of-river type with a concrete gravity small dam 16.8m high. Thus, Kholombidzo HPP offers the possibility of being operated in base mode, following the load and responding to the instant changes in power demand. The Kholombidzo HPP site utilises the natural head at Shire River and Kholombidzo falls and Toni rapids, located downstream of the existing Matope bridge. The natural head and the rapids offer is approximately 55m. The Shire River flow regime at Kholombidzo suggests a minimum turbinised flow in the order of magnitude of 100-150m³/s to avoid outages in operation due to insufficient inflow.

LOCATION

Kholombidzo is located in Neno District, 60 km downstream of Liwonde barrage and 18 km upstream of Nkula HPP.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$499.5 million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

The project will be implemented under a BOOT model with a 30 year long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation process.

3 FUFU HYDRO-ELECTRIC POWER PROJECT

PROJECT DESCRIPTION

This project is designed as a storage power plant through the reservoir formed by a 114m high Roller Compacted Concrete dam. It offers the possibility of being operated in base mode, following the load and responding to instant changes in power demand. The total proposed capacity is 261MW.

LOCATION

The project is located on South Rukuru River in Rumphi District.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$702.5 million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

The project will be implemented under a BOOT model. A Special Purpose Vehicle (SPV) will be established to oversee the implementation process. After construction, an operations and maintenance contractor will be engaged to operate the plant

4 LOWER SONGWE DAM AND HYDRO POWER PROJECT

PROJECT DESCRIPTION

The project will be co-owned by Malawi and Tanzania. The project is expected to generate 180MW of power. This power will be evacuated to Nkhoma Sub Station through an overhead transmission line.

LOCATION

The Lower Songwe Dam and Hydropower Plant is located in Tanzania (Ileje District) and Malawi (Chitipa and Karonga districts) at the boundary where the Songwe River leaves its Middle Sub-Basin and enters into the Lower Sub-Basin.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$829 million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

The project will be developed as a partnership of two countries who intend to take on a private sector player to run the project using a Public-Private Partnership Model.

A particular purpose Project Company will be created to implement the project. All licences and requirements for land acquisition, social and environmental compliance, electricity tariff and wheeling of power will be complied with by the Project Company.

6 CHASOMBO HYDRO POWER PROJECT

PROJECT DESCRIPTION

Chasombo hydropower project seeks to generate electricity on Bua River. The project will comprise a low concrete dam, a small reservoir and canal, inclined pressure shafts, underground powerhouse and tailrace tunnel. The project is expected to generate 50MW of electricity.

LOCATION

The project is located on Bua River in Nkhosakota Game Reserve in Nkhosakota District.

FINANCIAL REQUIREMENTS

A bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$451.4 million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

Proposed Financing Structure is 100% private financing or a PPP.

7 CHIZUMA HYDROPOWER

PROJECT DESCRIPTION

Chizuma hydropower project seeks to generate electricity on Bua River. The project comprises a low concrete dam, a small reservoir and canal, inclined pressure shafts, underground powerhouse and tailrace tunnel. The project is expected to develop a 50MW hydro power plant.

LOCATION

The project is located on Bua River in Nkhosakota Game Reserve in Nkhosakota District.

FINANCIAL REQUIREMENTS

A bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$451.4 million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

The government plans on developing the project through an IPP arrangement. The project will be implemented under a BOOT model. A Special Purpose Vehicle (SPV) will be established to oversee the implementation process.

1 CHIWETA GEOTHERMAL PROJECT



PROJECT DESCRIPTION

The Chiweta geothermal energy prospect site is situated in the northern portion of the Malawi Great Rift Valley. It is underlain by biotitic gneisses of the Basement Complex, covered by clastic sediments of the Karoo System and by a thin level of Quaternary deposits. Geo-scientific investigations performed over the prospect, including geological, geochemical, gravimetric and geo-electrical surveys, allowed stakeholders to elaborate the field's conceptual model and define the main characteristics of the geothermal system at an introductory level. The prospect has an average maximum temperature of 79.4 degrees Celsius with a potential to generate a minimum of 10 MW.

LOCATION

The Chiweta geothermal prospect is located in Rumphii District, Northern Region of Malawi. The coordinates for the site are 10°41' 6.732" S 34°11' 4.415" E

FINANCIAL REQUIREMENTS

A bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$76.2 million.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

The project will be implemented under a BOOT model with a 30 year long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation process.

8 KASITU GEOTHERMAL PROJECT



PROJECT DESCRIPTION

Kasitu in Nkhosakota District has an average maximum temperature of 73.3 degrees Celsius. The project is expected to generate between 5MW and 10MW of geothermal electricity. Other commercial activities to be undertaken before this is realised include drilling, installing a fluids conveyance system, power plant construction and construction of transmission line.

LOCATION

The Kasitu geothermal prospect is located in Mzoza Village, T/A Kafuzira, in Nkhosakota District. The coordinates for the site are 12°16'43.176" S 34°1'53.724" E.

FINANCIAL REQUIREMENTS

A prefeasibility study conducted for the project reveals that the investment cost for the project is US\$1.25million.

OTHER VIABLE PROJECTS THAT REQUIRE DETAILED FEASIBILITY STUDIES

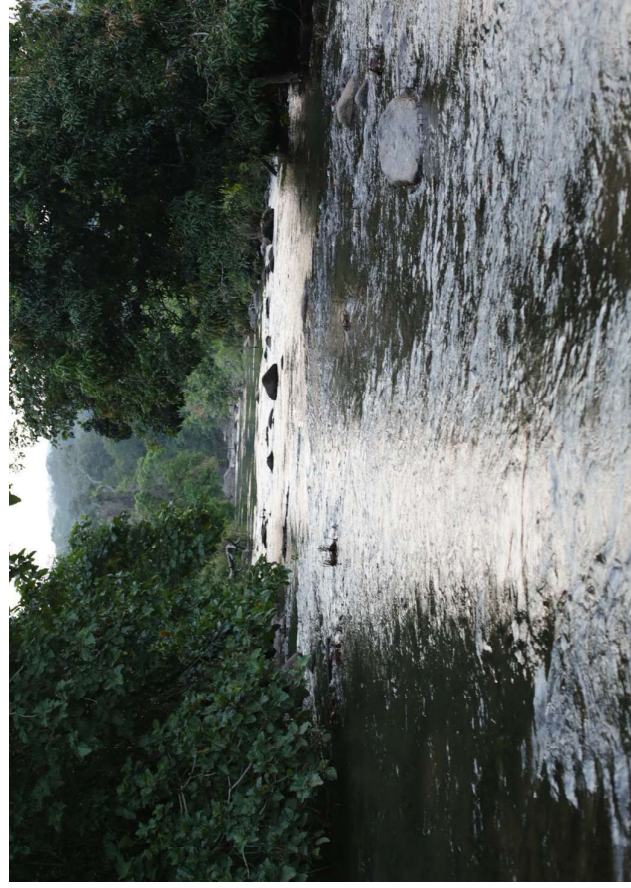
DIVERSIFICATION OF ENERGY MIX

The IRP has identified other energy sources to reduce the dependence on hydro which stands at 76%. The aim is to reduce the contribution to 40% by December 2024. The power sector is also spreading generation sites across the country to ensure that 60% of new capacity is evenly located based on system requirements. In order to achieve the diversification goal, the power sector has identified other technologies and sites for potential power generation. The details of the sites are presented below

1 GEOTHERMAL SITES

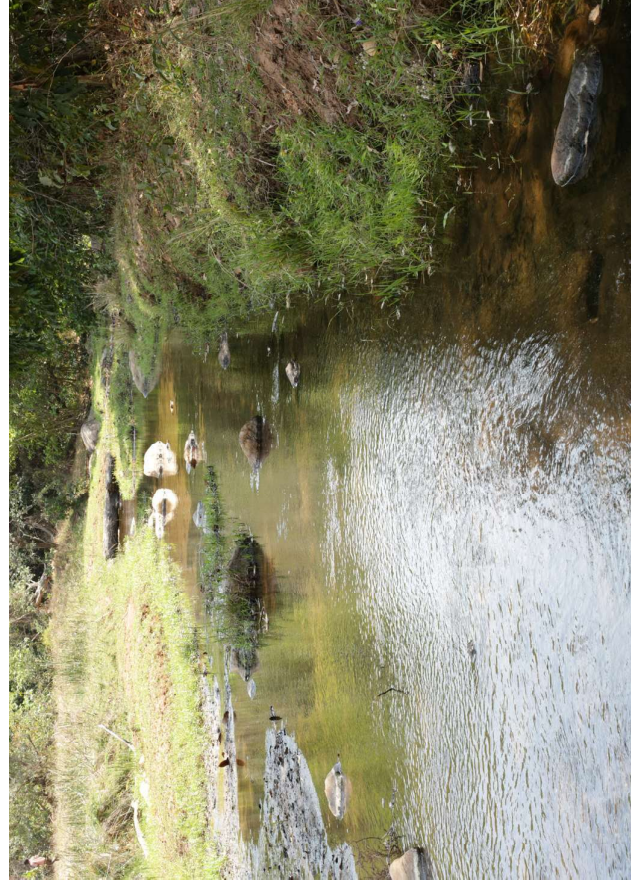
KASANAMA

Kasanama in Nkhata Bay District, has an average maximum temperature of 59,8 degrees Celsius. The potential generation capacity and cost is yet to be established. A resource assessment was done and the coordinates for the site are 11°46'49.475" S 34°2'54.006" E.



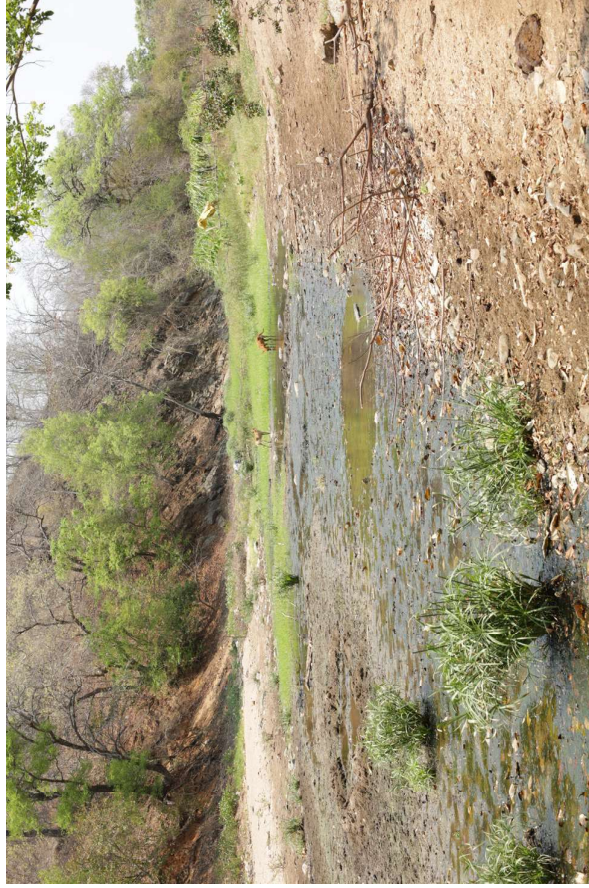
MAWIRA

Mawira in Nkhosakota District, has an average maximum temperature of 65,5 degrees Celsius. The potential generation capacity and cost is yet to be established. A resource assessment was done and the coordinates for the site are 12°56'45.888" S 34°17'38.021" E



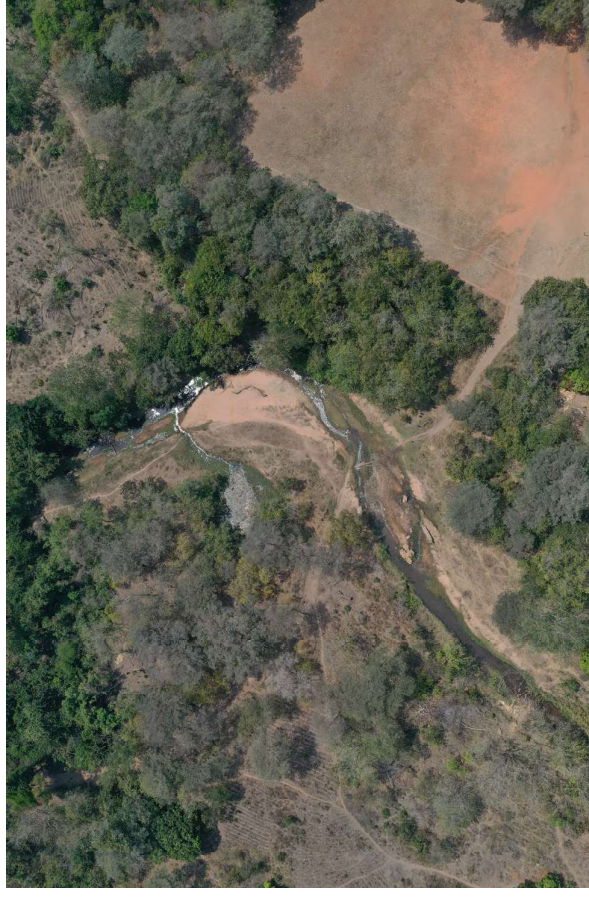
CHIPUDZI

Chipudzi in Chikwawa District has an average maximum temperature of 54 degrees Celsius. The potential generation capacity and cost is yet to be established. A resource assessment was done and the coordinates for the site are 15°56'7.793" S 34°26'43.997" E



KANUNKHA

Kanunkha in Nkhata Bay has an average maximum temperature of 54.4 degrees Celsius. The potential generation capacity and cost is yet to be established. A resource assessment was done and the coordinates for the site are 12°4'11.184" S 34°0'54.72" E



2 WIND SITES

KANENGO

Kanengo in Lilongwe City, has an average wind speed of 5.1 m/sec and has potential to generate 108MW and the cost of the project is yet to be established. A resource assessment for the site was done. The coordinates for the site are 13°49'22.344" S 33°56'41.634" E



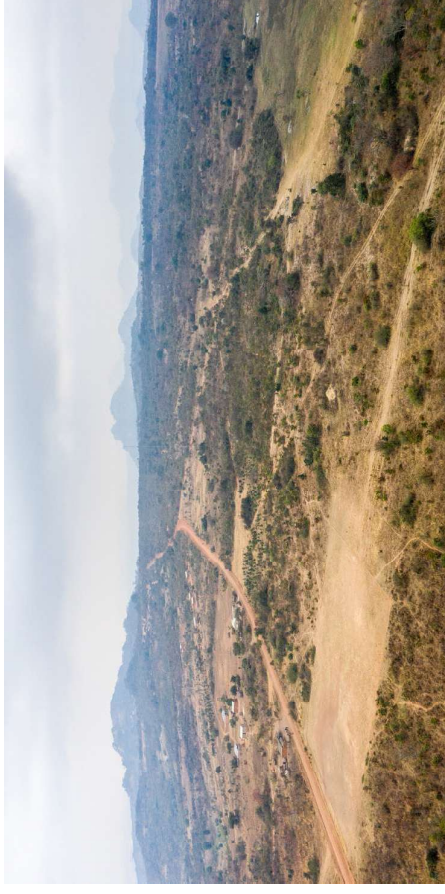
CHITIPA

Chitipa, has an average wind speed of 5.9 m/sec. The site has potential to generate 108 MW and the cost is yet to be established. A resource assessment for the site was done.



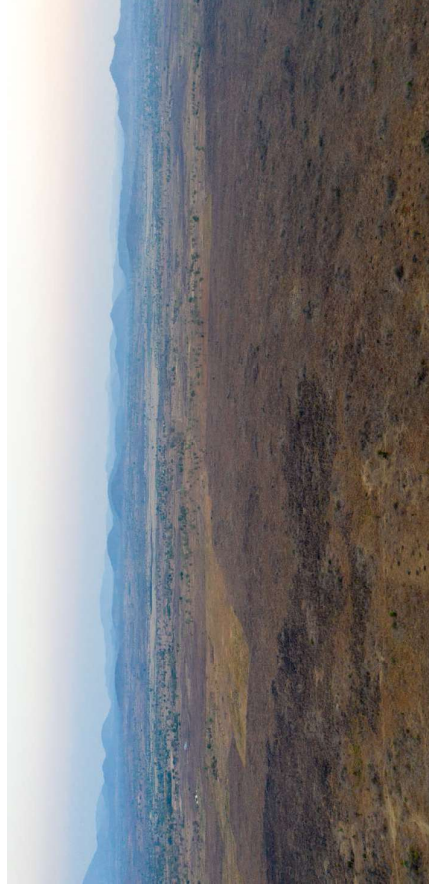
LUNJIKA

Lunjika in Mzimba has an average wind speed of 7.5 m/sec with a potential to generate 104MW. The cost is EUR139,300,000. A resource assessment and pre-feasibility study for the site were done. The coordinates for the site are 11°40'17.357" S 33°44'39.251" E



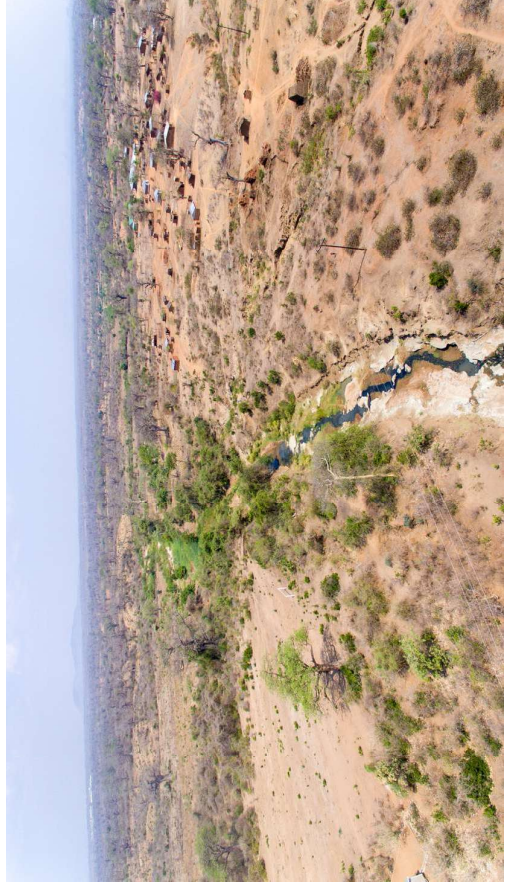
CHIKWAWA

Chikwawa in Rumphu has an average wind speed of 6.6 m/sec with a potential to generate 108MW. The cost is yet to be established. A resource assessment for the site was done. The coordinates for the site are 11°0'8.082" S 33°44'54.87" E



JONATHAN

Jonathan in Mwanza, has an average wind speed of 3.6 m/sec with a potential to generate over 100MW. The cost is yet to be established. The coordinates for the site are 15°33'6.54" S 34°47'19.583" E



MAONI

Maoni in Chiradzulu, has an average wind speed of 4.8 m/sec with a potential to generate 40- 80MW. No study was done for the site



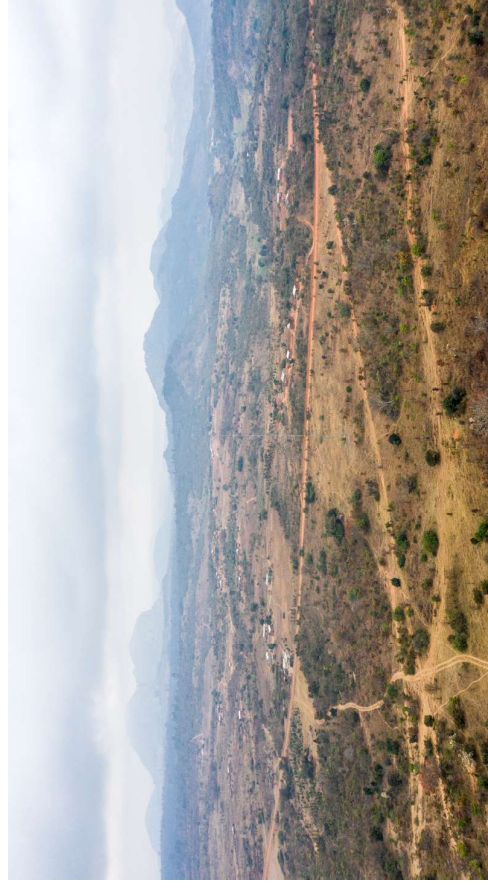
TIMBER PRODUCTION AREA

Timber Production Area in Mzimba, has an average wind speed of 6m/sec with a potential to generate 30-50MW. The cost is yet to be established



MAGANGA

Maganga in Mzimba, has an average wind speed of 5.4 m/sec with a potential to generate over 40-80 MW. The cost is yet to be established.



KAPIRI

Kapiri in Kasungu, has an average wind speed of 5.5m/sec and has potential to generate over 100MW. The cost is yet to be established



3 COAL SITES

NGANA AND NAPULANG COAL BASIN

Ngana and Napulang coal basin in Karonga, has estimated deposits of 18.2 million tonnes. Geoscientific research was done.



LIVINGSTONIA BASIN

Livingstonia basin in Rumphu has estimated deposits of 1.4 million. Coal extraction is being done.



NTHALIRE

Nthalire in Chitipa, has estimated deposits of 15 million tonnes and no studies have been done.



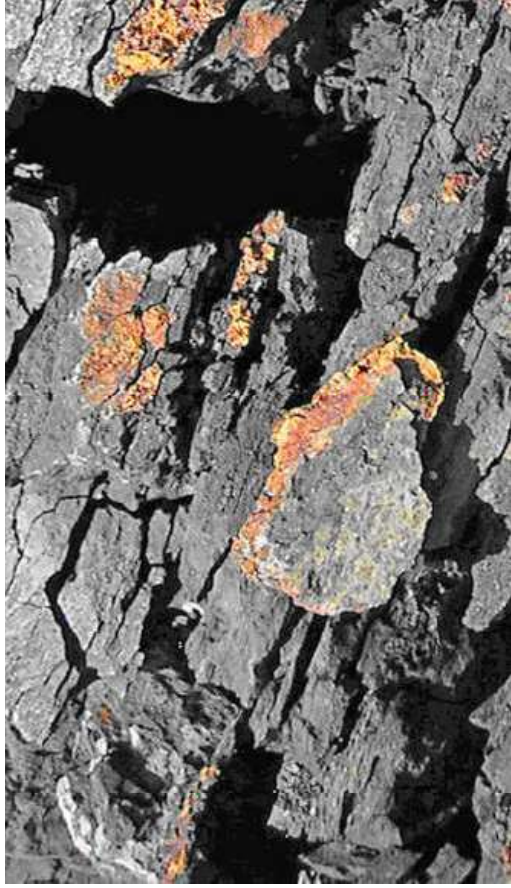
NORTH RUKURU BASIN

North Rukuru Basin in Karonga, has estimated deposits of 165 million tonnes and geoscientific research was done. The coordinates are 10° 42' 47.442" S 34° 9' 5.58" E



LUFIRA BASIN

Lufira basin in Karonga, has estimated deposits of 600,000 tonnes



MWENEWENVA-SEKWA BASIN

Mwenenwenva-Sekwa Basin. Huge deposits



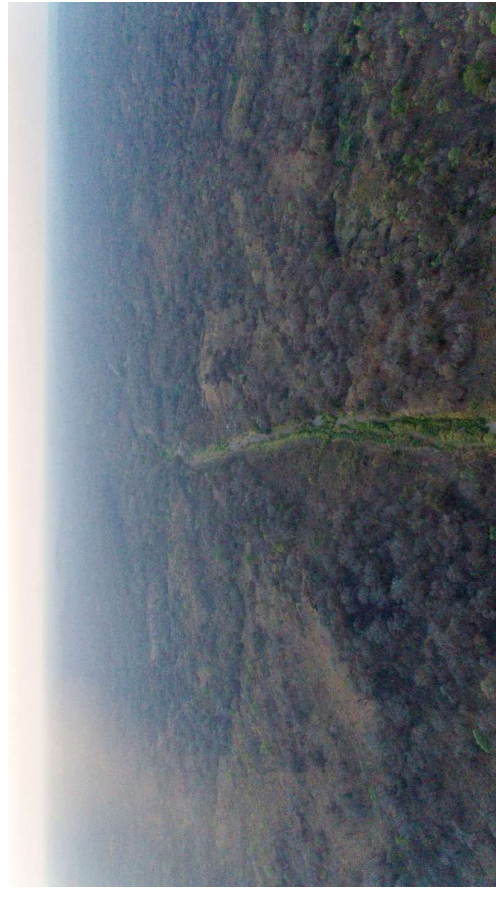
KIBWE BASIN

Kibwe Basin in Karonga, has estimated deposits of 2 million tonnes



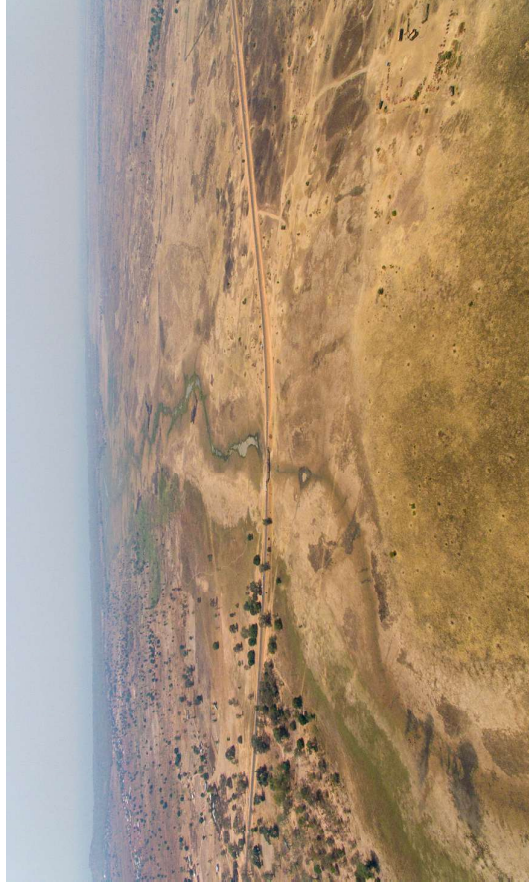
LENGWE BASIN

Lengwe Basin in Chikwawa. The deposits are not known. The coordinates for the site are 16°12'56.537" S 34°30'56.886" E



MPATSA NJOKA

Mpatsa Njoka in Salima, lies on the Great Rift Valley and has a natural gas occurring in methane coal-bed, which is ideal for environment-friendly gas power generation in the country. The power generated with the coal-bed methane has potential to beef up Malawi's power generation capacity. The site requires further gas exploration. The site coordinates are 13° 45' 44.124" S 34° 33' 53.237" E



4 WASTE TO ENERGY SITES

Three sites have been identified in the three main cities of the country that have great potential for the development of waste-to-energy projects. It should be noted that the figures that have been presented represent less than 20% of the total waste that is generated in the cities due to waste collection capacity challenges. The proposed financing structure is 100% private financing or a PPP. The description of the sites are as follows:

LILONGWE

This project is being promoted by Lilongwe City Council. The projected quantity of waste generated in 2021 was 201,925 tonnes¹. The coordinates for the project's location are as follows: 14°3'7.21" S 33°48'38.963" E.



BLANTYRE

This project is being promoted by Blantyre City Council. The projected quantity of waste generated in 2021 was 158,663 tonnes¹. The Coordinates of the location where the project will be undertaken is as follows: 15°46'56.676" S 35°6'0.569" E.



MZUZU

This project is being promoted by Mzuzu City Council. The city has a 12-hectare parcel of land, 6 hectares of which it uses as a dumping site while the remaining 6 hectares have been reserved for investment purposes. The city generates approximately 40,000 tonnes of waste. Coordinates of the location where the project will be undertaken is as follows: 11°24'41.489" S 33°57'37.872" E.



SECTION THREE

INVESTMENT ENABLERS FOR THE POWER SECTOR



ENTERING MALAWI'S POWER SECTOR

THE ROLE OF KEY STAKE HOLDERS IN FACILITATING INVESTMENT

MALAWI INVESTMENT AND TRADE CENTRE (MITC)

MITC is the first point of contact for investment enquiries in Malawi. The following steps are carried out in facilitating investors (Energy Inclusive) in Malawi:

1. MITC receives an inquiry and provides guidance on the investment registration process and requirements.
2. The investor is directed to Power Market Limited to submit an expression of interest for reviewing.
3. Upon successful review of the expression of interest, the investor is then referred back to MITC.
4. MITC starts facilitating the investor in business registration, access to land, tax incentives, immigration permits and other relevant sectoral permits.

POWER MARKET LIMITED (PML)

PML is a single buyer of power in Malawi. It purchases power from generators such as those of Electricity Generation Company (EGENCO) Ltd and other IPPs and sell to Distribution Licensee in ESCOM, which sells the power to the end user— customers.

MALAWI ENVIRONMENTAL PROTECTION AUTHORITY

Malawi Environmental Protection Authority is a government department established to exercise general supervision and coordination over all matters relating to the management of the environment and natural resources. They are responsible for approval of ESIA.

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

The Ministry of Lands, Housing and Urban Development administers and manages land and housing issues in Malawi. All investors are required to adhere to provisions of the Land Act of 2016, which makes provision for various matters relating to customary, private and public land.

MALAWI ENERGY REGULATORY AUTHORITY

Malawi Energy Regulatory Authority (MERA) is a corporate body established under the Energy Regulatory Act No. 20 of 2004 as the Energy Sector Wide Regulator. The institution regulates the energy sector and licenses all energy-related investments.

WATER RESOURCES DEPARTMENT

The Water Resources Department is mandated by the Water Resources Act of 2013 to regulate usage of water resources, which is an important input in hydroelectric power generation in Malawi as Malawi's electricity is predominantly hydro-generated.

RESERVE BANK OF MALAWI (RBM)

RBM provides regulatory requirements for all capital account operations. The Bank is mandated to register foreign capital through authorised dealer banks (ADB) to allow for free repatriation of dividends and capital on disinvestment including facilitating the opening of offshore accounts

MALAWI REVENUE AUTHORITY (MRA)

MRA is an agency of the Government of Malawi responsible for assessment, collection and accounting for tax revenues. The Authority also administers tax incentives.

INDEPENDENT POWER PRODUCER (IPP) PROCUREMENT PROCESSES

The IPP Framework provides for processes and structures for both solicited and unsolicited IPP procurement processes. The IPP solicitation process is done in line with the Integrated Resource Plan (IRP) as well as the annual Generation Procurement Plan prepared by the Single Buyer (SB). The IPP procurement process is consistent with Malawi's Public Procurement Act of 2017.

This means that solicited procurements by international competitive bidding will be the default procurement approach for Malawi's power sector. The IPP Framework also includes a process to execute unsolicited procurements in the event such an approach is warranted so that such projects are beneficial to the public.

SOLICITED PROCUREMENT PROCESS

The following steps are carried out in the solicited procurement process

1. **IPP Prefeasibility:** The Government of Malawi will undertake pre-feasibility studies
2. **Full Feasibility Study:** The Government of Malawi performs full feasibility study, completing all tasks possible at this stage
3. **Request for Expression of Interest (EOIs)/(RFI):** The Single Buyer develops an RFI and Requests for Tender (RFT) and advertises RFI
4. **Submission of EOIs:** Candidate IPPs submit EOIs
5. **Solicited Independent Power Producers (SIPP) Initial Assessment:** Initial due diligence and evaluation carried out by Single Buyer on SIPP and prequalified SIPP shortlist developed
6. **Request for Tender:** Single Buyer releases Request for Tender to prequalified SIPPs
 - a. **Environmental project brief:** IPP undertakes and submits environmental project brief
 - b. **Environmental project brief:** Environmental project brief reviewed by Malawi Environmental Protection Authority and the Technical Committee on Environment
 - c. **Transmission Connection:** IPP applies for transmission connection and ESCOM transmission (Tx) evaluates the application and responds
 - d. **Regulatory Assessment:** IPP submits licence application and applies for interim licence or notice of any shortcomings. MERA provides IPP with indicative requirements for a licence to be awarded.
 - e. **Due diligence:** Single Buyer updates due diligence while short-listed bidders complete Request for Tender requirements.
7. **Tender:** Request for Tender submitted by IPPs
8. **Tender Evaluation:** Single Buyer carries out full tender evaluation
9. **Preferred SIPPs selected:** Single Buyer selects preferred bidder/s and reserve bidder and notifies all bidders of next steps

10. **Transmission connection agreed:** The Single Buyer agrees to the terms of ESCOM 'Tx's transmission connection offer
11. **Negotiations on Power Purchase Agreement (PPA):** The IPP and the Single Buyer negotiate the specific terms of the PPA
12. **Negotiations on Implementation Agreement (IA):** The IPP and the Ministry of Finance negotiate the specific terms of the IA
13. **Land Lease contract:** IPP requiring a land lease applies for and signs a land lease with the Ministry of Lands, Housing and Urban Development (MLHUD).
14. **Generation Licence:** MERA provides IPP with a conditional generation licence which becomes effective upon satisfaction of conditions set
15. **Environmental and Social Impact Assessment (ESIA):** IPP undertakes EIA
16. **ESIA reviewed:** Review by Malawi Environmental Protection Authority and the Technical Committee on Environment
17. **Financial close and project agreements effective:** IPP secures financing for project and project agreements become effective

UNSOLICITED PROCUREMENT PROCESS

The Unsolicited Independent Power Producer (UIPP) assessment is carried out to determine if the UIPP can be contracted with (subject to due diligence and evaluation) and if the UIPP can be single sourced or whether it will be directed into a competitive process (when a suitable process is scheduled).

The following steps are carried out:

1. **Expression of Interest received from IPP:** The Single Buyer receives an EOI from an IPP
2. **EOI reviewed:** Single Buyer reviews EOI and confirms UIPP is consistent with the current generation procurement plan and IRP
3. **UIPP Prefeasibility:** If UIPP prefeasibility is not completed, this is undertaken by the IPP
4. **Environmental project brief (prep):** IPP undertakes and submits environmental project brief
5. **Environmental project brief (submission):** Environmental project brief reviewed by Malawi Environmental Protection Authority and the Technical Committee on Environment
6. **UIPP initial assessment:** UIPP assessed by single buyer to determine where it will be directed
7. **Eligible UIPP Processes:** Single buyer initiates sole or multi-party UIPP evaluation processes for any eligible UIPP it selects. UIPPs without valid unique characteristic directed to a competitive solicited process.
8. **Due diligence and evaluation:** Initial due diligence and evaluation carried out by Single Buyer on IPP

9. **Transmission connection:** IPP applies for transmission connection and ESCOM transmission (Tx) evaluates the application and responds
10. **Full feasibility study:** IPP performs full feasibility study, completing all tasks possible at this stage
11. **Regulatory Assessment:** IPP submits licence application and applies for interim licence or notice of any shortcomings. MERA provides IPP with indicative requirements for a licence to be awarded.
12. **Due diligence updated and full valuation:** Single Buyer updates due diligence work and carries out full evaluation
13. **Environmental and Social Impact Assessment (ESIA):** IPP undertakes EIA
14. **ESIA reviewed:** Review by Director of Environmental Affairs (DEA) and the Technical Committee on Environment
15. **Transmission connection agreed:** The Single Buyer agrees to the terms of ESCOM 'Tx's transmission connection offer
16. **Negotiations on PPA:** The IPP and the Single Buyer negotiate the specific terms of the PPA
17. **Negotiations on IA:** The IPP and the MoF negotiate the specific terms of the IA
18. **Land lease contract:** IPP requiring a land lease applies for and signs a land lease with the Ministry of Land, Housing and Urban Development (MLHUD).
19. **Generation Licence:** MERA provides IPP with a conditional generation licence which becomes effective upon satisfaction of conditions set
20. **Financial close and project agreements effective:** IPP secures financing for project and project agreements become effective.

INCENTIVES FOR IPPs

ADMINISTRATIVE INCENTIVES



MITC - ONE STOP SERVICE CENTRE

Malawi Investment and Trade Centre (MITC) operates a One Stop Service Centre (OSSC) for investment registration in Malawi. The OSSC is designed to reduce the cost of doing business by ensuring speedy processing of investment applications for all investors, including those in the energy sector, notably company registration and incorporation, application for business permits, identification of land for investment, registration for domestic taxes and procedures on how to access tax incentives available to investors.

AVAILABILITY OF ONLINE SERVICES FOR INVESTMENT REGISTRATION

Investors coming to Malawi can apply for immigration permits and visas online through the Department of Immigration website (<https://www.immigration.gov.mw>).

FISCAL INCENTIVES FOR IPPs

PRIORITY INDUSTRY STATUS (TAX HOLIDAY OF UP TO 10 YEARS)

The Malawi Government, through the Taxation (Priority Industries) Regulations 2013, designated power generation as a priority sector. The benefits attached to priority industries are as follows:

- The companies are given 0% Corporate Income Tax rates for a period not exceeding 10 years. This applies to companies incorporated or who have obtained an Investment Certificate after 1st July 2013 can access these incentives.
- The companies are given an exemption of Duty on Importation of capital goods and building materials as may be described under the Taxation (Priority Industries) Regulation, 2013.

In order to qualify for the incentives, companies should invest a minimum of US\$30 million for any type of shareholding.

ENERGY SECTOR-SPECIFIC INCENTIVES

For the energy sector, the following tax incentives are available to investors:

- Duty-free importation but VAT payable at 16.5% on Electricity Generation equipment such as fuses, transformers, sling, ring main unit, insulators, gallo chain equipment, conductors, surge arrestors, column duplex, AAC/PVC and electricity supply meters.
- Duty-free importation but VAT payable at 16.5% on energy saver bulbs, solar batteries, solar battery chargers, energy lamps, generators and inverters.

GENERAL CUSTOMS & EXCISE TAX INCENTIVES

These are in the form of duty exemptions on machinery targeting different sectors of the economy. The exemptions fall within the following categories:

- Import duty and import VAT exemption on importation of most machinery.
- Import duty exemption while VAT remains payable at 16.5% on importation of specific type of Machinery.
- Import duty and import VAT exemption on importation of special purpose motor vehicles other than those principally designed for transport of persons or goods. Examples of special purpose vehicles are concrete mixer lorry, mobile drilling vehicles, etc.
- Solar products are import duty-free while VAT remains payable at 16.5%. Examples of such solar products include solar batteries and solar energy lamps.

GOVERNMENT'S/DEVELOPMENT PARTNERS KEY PROJECTS IN THE SECTOR

Government works with various development partners who, through their assistance, are contributing towards the development of the power sector. Some of the initiatives implemented by the development partners are as follows:

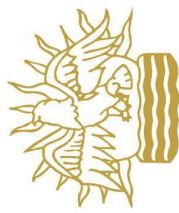
- 1) The World Bank has committed about US\$150 million to the Malawi Electricity Access Project through which over 250,000 households will be connected to the grid by 2025, amongst other interventions.
- 2) The World Bank is partnering with other donors and the private sector in developing the 350 megawatts Mpatamanga Hydropower Project. The Bank will provide a US\$400 million loan to Government. Similarly, USAID is providing resources to support a team of legal, technical and transactional advisors to Government during the project preparation phase. As at November 2021, a preferred bidder for the role of a Strategic Sponsor had been identified.
- 3) The International Development Association (IDA) of the World Bank is providing a loan amounting to SDR 11 million (Equivalent to US\$15 million) and a grant worth US\$42 million towards the Malawi - Mozambique Interconnector Project. The single Donor Trust Fund for Norway also provided a grant amounting to US\$24 million towards the same Project. As of November 2021, construction of the interconnector had commenced.





SECTION FOUR

FINANCIAL INSTITUTIONS PROFILES



RESERVE BANK OF MALAWI



NBS Bank



FDH Bank



MyBucks
Banking Corporation

NB

National Bank
of Malawi plc



Standard Bank



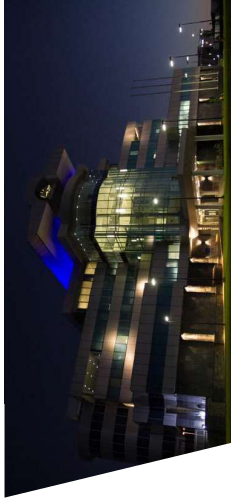
**First
Capital
BANK**



INVESTMENT BANK



RESERVE BANK OF MALAWI



The Reserve Bank of Malawi was established under an Act of Parliament in July 1964 (Chapter 44:02 Laws of Malawi) and started its operations in June, 1965 in Blantyre. It replaced a branch of the Federal Bank of Rhodesia and Nyasaland founded to serve as a central bank of the Federation of Rhodesia and Nyasaland. The federation comprised Southern Rhodesia (now Zimbabwe), Northern Rhodesia (now Zambia) and Nyasaland (now Malawi).

At inception, the Bank had total assets amounting to K15.96 million with foreign assets amounting to K15.2 million an equivalent of £8.8 million, representing 18.1 percent of the federal currency which was redeemed in Malawi. By 1981, the year its head office moved to Lilongwe, the Reserve Bank of Malawi had expanded its operations when total assets increased to K230.7 million with foreign assets amounting to K43.9 million.

In April, 1989, the Reserve Bank of Malawi (RBM) Act was revised stipulating the Bank's principal functions which are in the interest of the national economy and are in line with the economic policies of the government. Before the revision of the Act, the Reserve Bank of Malawi reported to the Treasury. The 1989 RBM Act, however, made the Reserve Bank of Malawi independent from government under section 4. With this independence, the Reserve Bank of Malawi has the full mandate to conduct monetary policy whereas fiscal policy issues are the mandate of the Ministry of Finance. The Reserve Bank of Malawi therefore has to ensure that fiscal developments are consistent with monetary developments.

In 1990, the Reserve Bank of Malawi clocked 25 years of its operations with total assets amounting to K1.03 billion and foreign assets accounting for K324.5 million. By the close of 1998, total assets of the Bank registered a high of K18.8 billion with foreign assets amounting to K11.3 billion. The operations of the Bank have therefore expanded during the years more especially with the growth of the financial sector. This necessitated the building of a new and spacious branch office in Blantyre which was officially opened in November, 1998.

Box 30063, Capital City, Lilongwe 3,
Malawi
Tel: (265) (0) 1 770 600/1 771 600
Fax: (265) (0) 1 772 752 /1 774 289
Email: reserve-bank@rbm.mw

N3 National Bank of Malawi plc



National Bank of Malawi plc was established in 1971 as a result of a merger of Barclays Bank DCO (Dominion Colonial Overseas) and Standard Bank, which had its origins in Republic of South Africa, was widely established in Africa.

The merger of the two banks brought together complimentary operations to provide a country wide spread of assets and services.

Barclays Bank disinvested from Malawi in 1982 and Standard Bank which was later known as Standard Chartered Bank, left Malawi in 1996, in line with the broader strategic plans of the parent bank overseas.

National Bank of Malawi plc today is the leading bank in Malawi. It is a product of the experience and expertise of Barclays Bank and Standard Chartered Bank with a network of 33 service centres.

National Bank of Malawi plc has about 1000 employees. National Bank of Malawi plc is the largest commercial bank in Malawi in terms of asset base, as well as being the most efficient and profitable. On August 21st 2000, the bank was listed on the Malawi Stock Exchange with an over subscription of 3.4 times. It currently one of the most liquid stock and a key and vibrant player on the Exchange.

The Bank's shareholding at December 2019 is as below:

Press Corporation plc - 51.5%

Old Mutual Group - 25.1%

Members of Public - 23.0%

Employees (ESOS) - 0.4%

Email : administration@natbankmw.com
Phone : +265 (0) 1 870 126
Mobile : +265 (0) 1 873 854



NBS Bank is a fully fledged commercial bank providing a wide range of financial services to individuals, small and medium businesses, large corporations and public institutions.

The Bank was incorporated as a limited company on 14th March 2003 and was registered under the Banking Act 1989 on 1st March 2004. It started its commercial banking operations on 1st July 2004.

The Bank's predecessor institution, the New Building Society, was formed following the amalgamation of the Central African Building Society, Commonwealth Century Building Society and First Building Society. It was incorporated under the Building Societies Act on 7th February 1964.

NBS Bank is listed on the Malawi Stock Exchange and currently its shareholding is as follows:

Nico Holdings 50.1%
Continental Holdings 9.34%
Public 32.81%
NBS ESOP 0.1%
Continental Asset Management Nominees 3.42%
Public Service Pension Fund 4.23%

In line with our philosophy of "taking banking to the people," the bank boasts of having one of the widest and probably the best service network in Malawi. NBS Bank has 26 real-time Service Centres strategically located across the country. In addition, the Bank offers one of the widest network of ATM's, very innovative Mobile, Agency and SMS banking services to give our customers additional service delivery platforms.

NBS House
Corner Chipembere Highway & Johnstone Roads, Ginnery
Corner, Blantyre
P.O.Box 32251, Chichiri, Blantyre 3, Malawi
Tel : +265 (0)1 812 222 / +265 (0)1 810 218/231
+265 (0) 998 876 222 / +265 (0) 998 876 221
Call Centre : 322 / 0888 800 322
Email : nbs@nbs.mw



Standard Bank Plc, previously known as the Commercial Bank of Malawi is a subsidiary of the Standard Bank Group. It was registered as a commercial bank on 15 March 1969. The start-up share capital was K2.5 million and the founder shareholders were the Malawi Development Corporation (20%), Press Holdings Limited (20%) and Banco Pinto Sotto Mayor (60%). The first branch was opened in Limbe on 11 April 1970. It first listed on the stock market in January, 1998.

In 20001, Standard Bank group bought 60.18% stake in commercial bank and became the majority shareholder. Over the years, Standard Bank has played a significant role in building the economy of Malawi through financing deals in Mining, Power and infrastructure, Agriculture and Retail sectors. It has over 50 years of local market knowledge and offers best banking solutions for large companies, Small and Medium enterprises as well as individuals.

Standard Bank has 27 branches and over 650 employees.

P O Box 30380
Lilongwe
Malawi



FDH Financial Holdings Limited (FDHFHL) is a diversified investments and financial solutions centre with interests in Banking, Discount House Operations, Forex Bureau operations, as well as Investment Management and Advisory Services.

FDHFHL was established in November 2007 as part of the group restructuring to replace First Discount House Limited (FDH), as the holding company of the FDHFHL Group. FDH was incorporated in accordance with the Companies Act on 8 March 2000 and commenced operations on 8 April 2002. The company was established in 2000 through a partnership that included Dr. Thomson Mpinganjira, a respected local businessman and the first Managing Director of the Company, Press Corporation Limited, Old Mutual Life Assurance (Malawi) Limited and Kingdom Financial Holdings Limited of Zimbabwe.

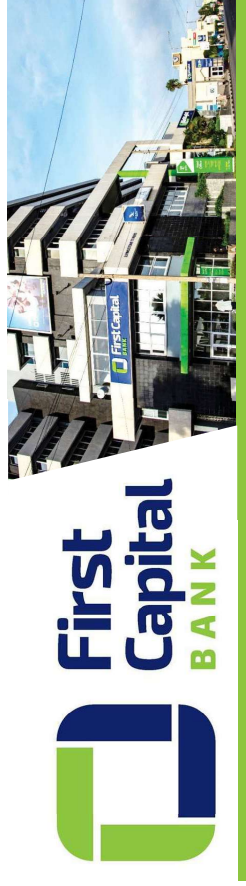
FDHFHL's current Shareholding structure effective January 2012 is as follows:

M. Development Limited – 55.00%
 Old Mutual (Malawi) Limited – 40.00%
 FDH ESOP Limited (Employees Share Ownership) – 5.00%
 Total – 100.00%

FDHFHL was granted a licence by Reserve Bank of Malawi in October 2009 to operate as professional investment advisors in Malawi. The scope of the advisory work ranges from advisory on investment portfolio management, capital raising structures such as bond issuance, commercial paper structuring and issuance, loan syndication, Due diligence, Corporate valuations, Public and Private equity Placements as well as Initial Public Offer (IPO) and lead advisory services among others.

On 2 July 2015, FDH Financial Holdings Limited successfully acquired 75% ownership of Government owned Malawi Savings Bank together with its subsidiary MSB Forex Bureau Limited. One year later, on 1st July 2016, FDH Financial Holdings Limited completed the merger of FDH Bank Limited and Malawi Savings Bank Limited (MSB) into the merged bank called FDH Bank Limited. The merger of the two Banks also resulted in the merger of FDH Money Bureau Limited and MSB Forex Bureau Limited. The merged Bureau de Change is FDH Money Bureau Limited

FDH Bank
 First Floor, Umoyo House
 No. 8 Victoria Avenue North
 P O Box 512, Blantyre, Malawi
 Tel : (265) 1 820 219 / (265) 1 832 377
 Fax : (265) 1 823 044



First Capital Bank is wholly owned by FMCapital Group. It is a full-service commercial bank offering financial products and services to the corporate, retail and personal markets.

With its diverse product offering, First Capital Bank caters to the needs of all segments of the Malawi market and has one of the most extensive branch and agency distribution networks in the country.

A BRIEF HISTORY

First Capital Bank opened for business in 1995 with one branch in Blantyre. From its humble beginnings the bank now operates 32 branches and agencies across Malawi employing 850 staff and serving a customer base of 500 000.

OUR SERVICES

We operate in all sectors of the Malawian market servicing the needs of the following market segments:

- Retail
- Small to medium business
- Corporate
- Institutional

We offer a comprehensive range of financial products ensuring that our services are always relevant and of value to our diverse market segments.

HEAD OFFICE
 Livingstone Towers, 21 Glyn Jones Road,
 Blantyre P/Bag 122 BT, Malawi.
 Phone: (+265) 1 821955 / 821943
 Fax: (+265) 1 821 978
 Email: info@firstcapitalbank.co.mw



MyBucks Banking Corporation Limited was licensed on 13th May, 2014 and commenced its operations on 24th July, 2015. It currently has 17 branches, 3 micro-finance outlets and over 80 agency banking outlets. It also operates three Foreign Exchange Bureaus in Lilongwe (Old Town & Gateway Mall) and Limbe. The bank is a licensed commercial bank and is regulated by the Reserve Bank of Malawi.

SHAREHOLDING

MyBucks Malawi is 100% owned by MyBucks S.A, whose Head Office is in Luxembourg and listed on the Bourse Frankfurt Stock Exchange. The shareholder is a FinTech Company that provides financial products and services through technology, with presence across Africa, Europe and Australia. The Group offers credit, banking solutions and insurance products to customers. The MyBucks S.A. product offering enables customers to manage their financial affairs easily and conveniently.

Tel : +265 (0) 999 111 632
info@mybucksbanking.mw



CDHIB is a leading investment bank in Malawi. It opened for business on 2nd April 2012 following the successful conversion from Continental Discount House Limited (CDH) which had operated in the financial sector for 14 years since August 1998.

CDHIB's unique service proposition is investment banking and corporate financial advisory service to its clients in a way not offered in the Malawi financial sector. It is a deposit-taking investment bank out of which it makes loans and advances.

We offer personalized financial services to clients who wish to grow their business. Our point of differentiation lies in our commitment to an on-going client-adviser relationship and delivery of tailor-made financial solutions that are unique in the Malawian financial services sector.

CDHIB is a subsidiary of Continental Holdings Limited, a fast growing financial services group. Other companies within the group include Continental Asset Management Limited, Continental Asset Management Nominees Limited, Continental Capital Limited, Continental Properties Limited and CDH Commodities Limited.

MISSION STATEMENT, VISION AND VALUES

Our mission: To deliver financial solutions to our clients by effectively utilizing the best human capital and information technology. CDHIB is committed, through good corporate governance and compliance, to meeting the requirements of its shareholders and the regulatory authorities.

Our vision: To be the leading specialist bank in Malawi.

- Our values:
 - Integrity
 - Respect
 - Equity
 - Trust
- Teamwork
- Innovation
- Group structure

CDHIB is a subsidiary of Continental Holdings Limited which is itself 79.07% owned by Trans-Africa Holding Limited (TAH), 14.44% by Press Trust and 6.49% by Employee Share Ownership Scheme (ESOP).

CDH Investment Bank
CDH House, 5 Independence Drive • PO Box 1444, Blantyre, Malawi
Tel: +265 (0) 1 821 300 • Fax: +265 (0) 1 822 826 • Email: info@cdh-malawi.com
Website: www.cdh-malawi.com



The NICO Group offers comprehensive financial solutions for a range of challenges for the public and private sectors as well as individuals from all walks of life. As the biggest financial services Group in terms of diversity of products and services offered by our companies, NICO provides tailor-made, innovative solutions which are packaged to deliver value and convenience to our clients. We offer financial solutions in general insurance, life insurance, pension administration, asset management and investment, banking. We further offer expertise service in property development and management and technologies.

Each of our subsidiary company is an autonomous operating entity with an independent board of directors and run by a dynamic management team, professionally qualified to manage the particular line of business. Each company has a branch network for business generation and service delivery in the major centers of the country. Our subsidiary companies are:

- NICO General Insurance Company Ltd
- NICO Insurance (Zambia)
- NBS Bank plc
- NICO Pension
- NICO Life Insurance Company Ltd
- NICO Technologies Ltd
- NICO Asset Managers
- Eris Properties Mw Limited

We further have investments in other countries within the SADC region through:

- Sanlam General Insurance (Uganda)
- SanlamSeguro de Vida Mozambique

Our corporate strategy remains to expand representation and operation in the COMESA region through mergers, partnerships and investments in various businesses in Africa with renowned organizations to offer technical and professional support.

We were the first company to list on the Malawi Stock Exchange in 1996.

Chibisa House - 19 Glyn Jones Road
PO Box 501
Blantyre, Malawi.

Tel.: +265-1-831 902
Fax +265-1-822 364
Email nico@nicomw.com



Who we are

The Old Mutual Group has operated in Malawi since the late 1930's when sales were being done through the Old Mutual office in Salisbury (now Harare). Old Mutual opened its first office in Malawi in 1954, which operated as a mutual life insurance company until 1997 when the Old Mutual Group demutualised.

Old Mutual significantly contributes to improving the lives of our customers and their communities while ensuring a sustainable future for our business. We employ over 30 000 people and operate in 14 countries across two regions: Africa (South Africa, Namibia, Botswana, Zimbabwe, Kenya, Malawi, Tanzania, Nigeria, Ghana, Uganda, Rwanda, South Sudan and Eswatini) and Asia (China).

Old Mutual Building, 30 Glyn Jones Road,
Blantyre, Malawi
PO Box 393, Blantyre, Malawi
Call: +265 (0) 1 820 677
Fax: +265 (0) 1 822 649



United General Insurance Company is one of Malawi's leading short term/general insurance companies and has been operating in Malawi for over 40yrs. The original name of the company was Pearl Assurance Company Limited. In 1995 the name changed to Property and General Insurance Company Limited following the sale of the business to Zimbabwe Reinsurance Corporation (ZimRe). United General Insurance Company is a result of merging Fide Insurance Company Limited and Property and General Insurance Company Limited as from 1st July 1998. In terms of shareholding, National Bank of Malawi (NBM) holds 47% Shares, Nicoz Diamond Insurance (NDI) holds 34% Shares while ZIMRE Holdings Limited (ZHL) holds the remaining 19% shares.

National Bank of Malawi is a Financial Services company based in Malawi and listed on the stock exchange.

Nicoz Diamond is one of the most recognised brands in Zimbabwe with six branches in Zimbabwe and regional operations in Zambia, Mozambique and Malawi with Insurance as their core business.

ZHL is an investment and coordinative company holding a number of synergistically linked subsidiary companies operating in Zimbabwe and within Africa namely Zambia, Malawi, Uganda, Kenya, South Africa, and Mozambique

UGI is both a member of the Insurance Association of Malawi and the African Insurance Organization

UGI's head office is located in Blantyre and has branch offices in Lilongwe and Mzuzu.

Michiru House, Victoria Avenue,
P.O Box 383, Blantyre, Malawi
Phone number:
Blantyre: +265 1 821 770
Lilongwe: +265 1752 922
Mzuzu: +265 1312 760



Incorporated under the Companies Act, 1984 and Licensed by Reserve Bank of Malawi, the Registrar of Insurance, we are engaged in providing all types of NON-LIFE Insurance popularly known as GENERAL or SHORT TERM Insurance.

Our registered office is located in Reunion House, Maselema, Masauko Chipembere Highway, Blantyre with branch Offices in Lilongwe and Mzuzu plus several sub-offices spread across the country.

We are a member of the Insurance Association of Malawi (IAM) and the National Bureau of Malawi.

Reunion House, Maselema,
Masauko Chipembere Highway,
Private Bag 242, Blantyre,
Malawi.
Phone: +265 (0) 1 874 006 / 007 / 030 / 028
Fax: +265 (0) 1 874 008
Email: reunion@reunioninsurance.com



A feasibility study commissioned by the Government Malawi (GoM) in 2013 showed that there was a great need for the establishment of a development financial institution (DFI) in Malawi. The study found significant financing gaps particularly in the areas of infrastructure development and small and medium enterprises (SMEs).

The findings of this study have been confirmed by a recent feasibility study which was conducted in 2018. Following the updated feasibility report, GoM decided to pioneer the establishment of an autonomous, sustainable and private sector-led development finance entity in line with the Malawi Growth and Development Strategy (MDGS) III which was officially launched on 13th March 2018. The entity works in collaboration with the existing banks and financial institutions and is a source of capital for the underserved sectors of the economy thereby accelerating the country's economic growth and development.

The establishment of MAIIC is a ground-breaking partnership between Government, the private sector and international investors to play a leading role as a catalyst for socio-economic development, job and wealth creation in Malawi. Operating as a sustainable and commercially-driven entity, MAIIC has an independent board of directors, the majority of whom are from the private sector. GoM shareholding in the institution is limited at 20 percent.

Gowa House,
African Unity Avenue, City Centre, Lilongwe, Malawi
Private Bag 307, Capital City
Lilongwe 3, Malawi
Tel: +265 1 776 172/1 776 173
Email: info@maaic.mw

SECTION FIVE

ROLES, FUNCTIONS AND CONTACTS OF PLAYERS IN THE POWER SECTOR



POWER MARKET LTD
— powering growth —



**ELECTRICITY SUPPLY
CORPORATION OF MALAWI LTD**



**MALAWI ENERGY REGULATORY
AUTHORITY (MERA)**



CONTACTS

POWER MARKETING LIMITED (PML)
Mercantile Trust House
Plot No. 40, Area 13, Off Presidential Way
P.O. Box 30990, Lilongwe, Malawi.
Email: info@pml.mw
Website: www.pml.mw

POWER MARKET LIMITED

THE MANDATE OF POWER MARKET LIMITED

The Single Buyer's mandate is to purchase and sell all-electric power in the country, including importing and exporting electricity.

WHAT IS THE ROLE OF POWER MARKET LIMITED – THE SINGLE BUYER IN THE MALAWI POWER SECTOR?

1. Prepare long term forecast of demand;
2. Undertake least cost long-term generation and transmission planning;
3. Prepare a ranking of generation projects to be tendered.

4. Organise, with the approval of the Minister, open tenders for independent power producers.
5. Negotiate and submit power purchase contracts and sign contracts with IPPs;
6. Prepare the annual generation forecast;
7. Conclude power purchase agreements with generation licensees;
8. Conclude power supply contracts with distribution licensees; and
9. Conclude power purchase agreements for importation and exportation of electricity.



CONTACTS

ELECTRICITY SUPPLY CORPORATION OF MALAWI LTD
9 Hiale-Selassie Road
P.O. Box 2047, BLANTYRE
Phone: (+265) 1 822 000 • Fax: (+265) 1 822 008
Email: customerhelp@escm.mw
Web: www.escm.mw

ELECTRICITY SUPPLY CORPORATION OF MALAWI LTD

ESCOM is responsible for transmission, SMO and distribution operations.

The duties and functions of the Transmission are as follows:

- (a) Build, operate and maintain the transmission network in Malawi;
- (b) Undertake transmission planning in collaboration with single buyer licensee;
- (c) Provide information for the single buyer licensee's planning activities;
- (d) Coordinate the operation of the transmission system with the system and market operator licensee;
- (e) Comply with the operation procedures and criteria established in the market rules and Grid Code for the reliable and economic operation of transmission systems; and
- (f) Coordinate the importation and exportation of electricity as instructed by the buyer licensee;

The duties and functions of the System and Market Operator licensee are as follows:

- (a) Guarantee to all generation plants a fair dispatch and non-discriminatory access to the transmission system;

- (b) Own, manage and operate the Load Dispatch Centre in a non-discriminatory manner and at least cost in the interconnected system;
- (c) Plan and control the daily operation of the integrated and interconnected system;
- (d) Dispatch generation in line with market rules and the Grid Code;
- (e) Optimise the use of reservoirs, taking into consideration other water usages and environmental constraints;
- (f) Supervise and coordinate the real-time operation of the Market;
- (g) Meter and settle transactions between licensees;
- (h) Determine the actual power of generation units of the interconnected system;
- (i) Determine the valued balance of the movement of electricity resulting from the integrated operation of the system;
- (j) Provide accurate information to licensees and companies interested to invest in the sector
- (k) Manage imports and exports arising from the operation of the Southern Africa Power Pool's Day Ahead electricity market;
- (l) Represent Malawi in the Southern Africa Power Pool;
- (m) Submit periodic reports to the Authority in respect of each of the functions in this subsection; and
- (n) Perform such other duties incidental to, and connected with, the objective of the Load Dispatch Centre.



MALAWI ENERGY REGULATORY AUTHORITY (MERA)

CONTACTS

MALAWI ENERGY REGULATORY AUTHORITY (MERA)
2nd Floor Development House, City Centre
P/Bag B-196, Capital City,
Lilongwe 3, Malawi
Tel: +265 (0) 1 774 103/775 810/812
Fax: +265 (0) 1 772 666

MERA is a body corporate established under the Energy Regulatory Act No. 20 of 2004. It is the Energy Sector-Wide Regulator with the mandate to regulate the energy sector in Malawi in a fair, transparent, efficient and cost-effective manner. In so doing, MERA's activities will benefit consumers, operators and the economy in general. This mandate is derived from the Energy Laws in general and the Energy Regulation Act in particular. Specifically, the mandate includes:

1. Receiving and processing license applications for energy undertakings;
2. Granting, revoking or amending licenses granted under the Act and Energy Laws;
3. Approving tariffs and prices of energy sales and services;
4. Monitoring and enforcing compliance by licensees with licenses granted under the Act and the Energy Laws;
5. Developing and enforcing performance and safety standards for energy exploitation, production, transportation and distribution;
6. Prescribing and collecting fees, charges, levies or rates under the Energy Regulation Act and Energy Laws;
7. Arbitrating commercial disputes under the Act and Energy Laws; and doing all such things as are necessary or incidental or conducive to the better carrying out of the functions of the Authority provided for in the Act and Energy Laws;

8. Promoting the interests of consumers of energy with respect to energy prices and charges and the continuity and quality of energy supply;
9. Monitoring the efficiency and performance of energy undertakings, having regard to the purpose for which they were established;
10. In conjunction with other relevant agencies, monitoring levels and structures of competition within the energy sector in order that competition in, and accessibility to, the energy sector in Malawi should be promoted;

11. Facilitating increasing access to energy supplies;
12. Promoting energy efficiency and energy saving;
13. Promoting consumer awareness and education;
14. Promoting the integrity and sustainability of energy undertakings and ensuring that energy undertakings, while providing efficient service, are able to finance the carrying on of the activities which they are licensed or authorised to carry on;
15. In conjunction with other relevant agencies, formulating measures to minimise the environmental impact of the exploitation, production, transportation, storage, supply and use of energy and enforce such measures by the inclusion of appropriate conditions to licenses held by energy undertakings;
16. Promoting the exploitation of renewable energy resources; and
17. Taking all such measures as are necessary to fulfil the above purposes through regulations to be made under this Act or Energy Laws.



JCM POWER

CONTACTS

JCM POWER
7th Floor, West Wing
Kangombe House
City Centre, Lilongwe
Malawi
Musa Masindo
mmasindo@jcmpower.co

JCM Power is an independent power producer (IPP) dedicated to accelerating social, economic and environmental sustainability in growth markets through the development, construction and operation of renewable energy facilities and HVDC transmission lines. We establish long-term partnerships with local communities, governments and financial institutions to build and operate clean energy projects in markets where economies are growing rapidly and electricity is currently scarce, but sun and wind are abundant. JCM Power's focus is on projects in Sub-Saharan Africa, Latin America, and South Asia.

JCM Power is uniquely positioned to lead the world's renewable energy transformation. We are energy experts – members of our team have built and operated gigawatts of renewable energy projects around the globe. As engineers, lawyers, accountants and financiers, we are able to manage the risk and complexity of financing and owning infrastructure projects, all the while ensuring an unwavering dedication to the highest ethical, social and environmental standards. Our experience and agility in deployment allow us to help shape the future of renewable energy in growth markets.

CONTACTS

**ELECTRICITY GENERATION COMPANY OF
MALAWI**
Address: No. 7 Victoria Avenue, Chayamba
Building, P.O. Box 1567, Blantyre, Malawi
Phone: (+265) 01 836 000
Email: egenco@egenco.mw

Electricity Generation Company (Malawi) Limited (EGENCO) is a limited liability company incorporated under the Companies Act (Cap. 46:03) of the Laws of Malawi on 7th September 2016. The company was established with the mandate of generating electricity in Malawi. The Company was formed following the unbundling of the Electricity Supply Corporation of Malawi (ESCOM) Limited into two separate institutions; one for generating electricity (thus EGENCO) and another one for transmission and distribution (thus ESCOM).

EGENCO started its operations as a separate and independent company on January 1, 2017. Currently, EGENCO operates four hydro power stations namely: Nkula, Tedzani, Kapichira and Wowwe. The Company also operates thermal power plants in Lilongwe, Mzuzu and Mapanga, Blantyre. Overall, EGENCO has a total installed generation capacity of 441.95MW, with 390.55MW from hydro power plants and 51.4MW from standby diesel power plants.

CONTACTS

ELECTRICITY SUPPLY CORPORATION OF MALAWI LTD
9-Hale-Silésie Road
P.O. Box 2047, BLANTYRE
Phone: (+265) 1 822 000 • Fax: (+265) 1 822 008
Email: customerhelp@escm.mw
Web: www.escm.mw

Nyangani Renewable Energy (Pvt) Ltd, based in Harare, designs, builds and operates both run of river hydroelectric power schemes and solar PV power schemes to deliver electricity into the Zimbabwe and Malawi national grids.

The hydroelectric schemes are on the rivers flowing from the Nyangani Massif in eastern Zimbabwe and from Mount Mulanje in Malawi. The solar scheme is in Mutoko, Zimbabwe.

NRE has built 43MW of generation capacity. In 2020 we delivered into the national grids 116,403 MWh of electricity. This is enough power to supply approximately 324,000 people in the region with electricity for a year and because it was all from renewable electricity, we reduced carbon emissions by 82,302 tonnes of CO₂ in 2020.

NRE help empower local communities through its work with the Honde Hydroelectric Power Trust which has, amongst other community projects, connected 52 schools to the national grid.

Nyangani Renewable Energy (Pvt) Ltd (NRE) is a Zimbabwean Independent Power Producer (IPP). Created in 2007, it has raised equity and loan capital to build 32MW of hydroelectric and solar generation to deliver electricity into the Zimbabwe national grid operated by the Zimbabwe Electricity Transmission and Distribution Company (Pvt) Ltd (ZETDC). NRE has also constructed 8.2MW of hydroelectric power generation in Malawi which supplies electricity to Electrical Supply Corporation of Malawi (ESCOM).

The company was formed to improve access to electricity to the resident population of the Honde Valley (64,500). This area was poorly served by the national grid with limited connections and very regular power cuts. Over the last 13 years, the Honde Valley has become a net exporter of electricity to Manicaland and regularly keeps the lights on in Mutare.

NRE developed Hydro Power Contractors (Pvt) Ltd (HPC) to provide the "Build" in NRE's Design, Build and Operate capability.

CONTACTS

CEDAR ENERGY COMPANY
T: +265 994 574 146
T: +44 7824 392604
E: james@maravienergy.com
W: www.maravienergy.com

Cedar Energy is a proudly Malawian Renewable Energy company, developed and operate 3.08 Megawatts small scale hydro power project on

Muloza River on the base of Mount Mulanje, Malawi.

OTHER KEY INSTITUTIONS



MINISTRY OF ENERGY

CONTACTS

MINISTRY OF ENERGY
Private Bag 350, Lilongwe 3, Malawi.
Telephone: +265 1 770 688
Fax: +265 1 770 094/771 954
E-mail: info@energy.gov.mw

The Ministry responsible for Energy Affairs performs the following functions:

- Provide overall leadership in matters of downstream energy activities
- Oversee the reforms in the energy sector and ensure these reforms are executed efficiently
- Ensure energy statistics are compiled by all institutions mandated to do so and collected by DoE and that these are updated regularly in consultation with NSO
- Ensure the policy implementation targets are achieved within the time frames indicated
- Carry out overall energy supply and demand forecasts with input from the single buyer transmission and distribution company on electricity side
- Mobilize resources to bring power (grid extension, mini grids or RE) to rural areas in Malawi
- Promotion of energy efficiency and energy conservation.
- Oversee the restructuring of the liquid fuels market
- Oversee the regulation of the energy sector



MALAWI INVESTMENT AND TRADE CENTRE

CONTACTS

The Chief Executive Officer
**MALAWI INVESTMENT AND
TRADE CENTRE**
Aquarius House – First floor
Private Bag 302, Capital City
Lilongwe 3, MALAWI
Tel : (265) 1 770 800 / 771 315
Fax: (265) 1 771 781
Email: info@mitc.mw

MITC is an organisation established by the Investment and Export Promotion Act, 2012 to become an integrated Investment and Trade Promotion Centre with an encompassing mandate of investment promotion and attraction and export promotion.

The functions that MITC undertakes include the following:

- Identifies, develops and packages investment opportunities in Malawi;
- Provides a professional service to all clientele; brands

- Markets Malawi as an investment destination;
- Retains and expands trade and export activities and links opportunities to the developmental needs of the Malawi community. Through its critical role within Malawi's economy;
- Encourages domestic investment and expansion, promotes locally manufactured goods to regional and international markets, contributes to improving the investment climate through policy advocacy, increases citizen participation in the economy and creates sustainable job opportunities.



POWER MARKET LIMITED (PML)
Mercantile Trust House
Plot No. 40, Area 13, Off Presidential Way
P. O. Box 30990, Lilongwe, Malawi.

info@pml.mw | www.pml.mw