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# MALAWI SUSTAINABLE ECONOMIC GROWTH FACT SHEET

## OVERVIEW

Malawi's economy is at a critical juncture. The country faces complex and often overlapping economic challenges that include high levels of poverty, rapid population growth, dependence on rain-fed agriculture, declining farm sizes, climate change, and watershed and forest degradation. At the same time, with a legislative and policy environment that enables private sector expansion and job creation, Malawi's large and growing youth population could provide the human capital to propel the country toward more inclusive wealth creation and self-reliance.

## APPROACH

The U.S. Agency for International Development (USAID) works to support the Government of Malawi's (GOM) Malawi 2063 national strategy with integrated, multi-sector solutions that provide short-term assistance to the most vulnerable Malawians while helping to mobilize the private sector to create jobs, lift people out of poverty, and accelerate progress toward more inclusive, resilient, and sustainable wealth generation. Each year USAID invests roughly \$48 million in agriculture and trade; humanitarian assistance and food security; and environment, climate change, and energy in the country. Our

investments increase economic competitiveness among Malawian businesses, support sustainable food and energy systems, expand access to finance, promote nature based solutions, and help create wealth.

## KEY RESULTS

### AGRICULTURE AND TRADE

USAID improves farming practices and technologies, increasing farmer incomes and resilience. Private sector partnerships create jobs, boost incomes, and improve food security.

- USAID partners with foundational “growth pole” companies, leveraging over \$200 million in private sector finances to strengthen rural economies and create wealth. This includes leveraging nearly \$3 million in private investment which enhanced the capacity of more than 500,000 small-scale farmers and improved their agricultural productivity and food security.
- USAID partnered with the private sector to conduct agricultural research that resulted in 12 new varieties of climate resilient soybean and groundnuts, providing farmers with larger yields and higher incomes.

### HUMANITARIAN ASSISTANCE AND FOOD SECURITY

USAID mitigates the impact of recurring natural and health disasters that cripple Malawi’s economy and social structure. Humanitarian assistance has saved many lives, and our longer-term humanitarian and development efforts bolster early recovery, risk reduction, and resilience.

- In 2022, USAID supported the Malawi Vulnerability Assessment Committee to assess food insecurity, helping the Government of Malawi and stakeholders deliver critical humanitarian food assistance to 3.8 million Malawians.
- In 2022, USAID’s cash for work activities provided jobs to 145,000 Malawians, increasing food security and restoring degraded environments.

### ENVIRONMENT AND ENERGY

USAID improves natural resources management through integrated activities that strengthen regulation and enforcement; bolster the GOM and its partners’ ability to plan, manage, and conserve Malawi’s forests, fresh-water lakes, and wildlife; and increase the supply and create demand for cleaner energy and technologies.

- Since 2017, USAID has helped strengthen management of close to 700,000 hectares of natural forests in 12 forest reserves, providing livelihood benefits to about 56,000 local residents.
- Through Power Africa, USAID supports effective clean energy procurement strategies that added almost 154 megawatts of private sector solar energy. Another 50 megawatts will be added by 2024 from the Malawi-Mozambique Interconnector.
- USAID supported the GOM’s fisheries sector decentralization efforts in eight lakeshore Districts. Through our partnership with more than 10,000 fishers, more than 1,000 fisheries management plans were developed that improved the management of nearly 2,500,000 hectares of Lake Malawi.