



USAID
FROM THE AMERICAN PEOPLE



SUSTAINABLE ECONOMIC GROWTH PROGRAM OVERVIEW

“Initially I only had enough to buy two baskets of tomatoes. With my loan, I could afford to stock other items such as beans, peppers, onions, millet, and curry. I’m now able to make more profit and satisfy my customers. My capital grew from 10,000 MK to 70,000 MK, and now I have diversified into pig farming as well.”

– Emily Napolo, capital injection beneficiary

Malawi’s economic development challenges are interwoven and inseparable. USAID works to support Malawi 2063 with multi-sector, integrated solutions designed to mobilize Malawi’s private sector to lift people out of poverty and food insecurity and accelerate Malawi’s ability to achieve inclusive, resilient, and sustainable wealth generation.

OUR IMPACT

\$4
million

Since 2016, USAID investments have mobilized more than \$4 million in agricultural financing, improving agricultural productivity for smallholder farmers.

20,000

USAID provided technical assistance to more than 20,000 micro, small, and medium enterprises to improve business performance, which led to more than \$26 million in sales for agricultural producers.

700,000

Since 2017, USAID has helped to bring close to 700,000 hectares of natural forests in 12 forest reserves under improved natural resources management, providing livelihood benefits to more than 56,000 beneficiaries around these forest reserves.

540,000

In 2021, USAID distributed \$6.7 million in cash transfers to 108,000 food insecure households and provided support to government-led, in-kind maize grain distributions that reached 540,000 people.

APPROACH

Agriculture is the foundation of Malawi's economy, but the sector's contribution to gross domestic product is declining. Malawi's economy is largely informal and small and medium businesses face many obstacles. There is a need for accelerated economic growth that takes advantage of Malawi's agricultural and natural resource potential and engages with companies and partners to expand markets, trade and exports, investments, access to credit to grow jobs, incomes, and micro-, small-, and medium-sized enterprises in a manner that is inclusive, resilient, and environmentally and socially sustainable. Ultimately, a prosperous Malawi reduces food insecurity and increases resilience.

USAID's strategic investments apply market principles and a private sector lens. We are partnering with the Government of Malawi and a wide array of actors to increase economic competitiveness among Malawian businesses, expand trade and investments, and access to finance, strengthen resilient livelihoods and systems, recover and maintain natural resources, and improve the enabling environment for wealth creation. We do this while also helping vulnerable households be more food secure through cash transfers and jobs for conservation works; addressing child nutrition; and responding to emergencies. Each year, we invest \$48 million in agriculture; humanitarian assistance and food security; environment and climate change; power; and trade.

RESULTS

- USAID works closely with the Ministry of Agriculture to accelerate the identification and release of more productive seed varieties for cash crop production. Through the Feed the Future Innovation Lab for Peanut, more than **1,000** new, commercially valuable, climate-resilient groundnut varieties are being researched through public-private partnerships, and three new varieties have been released since 2020.
- USAID helps build the capacity of more than **500,000** small holder farmers to improve agricultural productivity and increase food security. In 2021, USAID's activities leveraged over **\$2.75 million** in new private sector investment to support food security and nutrition.
- USAID has helped the Government of Malawi to strengthen conservation and support fisheries livelihoods in Lake Malawi covering nearly **2.3 million** hectares in 2021. Through our partnership, we have preserved biodiversity in **72** community-managed fish sanctuaries in fish breeding habitats, resulting in a **22 percent** increase in fish diversity across all Malawian lakes.
- Since 2017, USAID has helped to bring close to **700,000** hectares of natural forests in **12** forest reserves under improved natural resources management, providing livelihood benefits to more than **56,000** beneficiaries around these forest reserves.
- Our regional Trade and Energy programs support Malawi to expand exports and to increase renewable energy generation, clean energy alternatives and increase access points to on-grid and off-grid power. In 2021, USAID facilitated over **\$600,000** worth of exports to South Africa and assisted four energy companies to promote solar home systems, resulting in nearly **74,000** new connections.
- Through the Southern Africa Energy Program, USAID is helping Malawi to increase renewable energy generation, expand clean energy alternatives, and scale-up access points to on-grid and off-grid power. In 2020, USAID supported the Government of Malawi to operationalize its strategic plan, resulting in the addition of **33 megawatts** to the grid.