



United Nations
Economic Commission for Africa



MALAWI

Country Handbook

HIGHLIGHTS OF ECA'S SUPPORT TO MALAWI
2020-2022.



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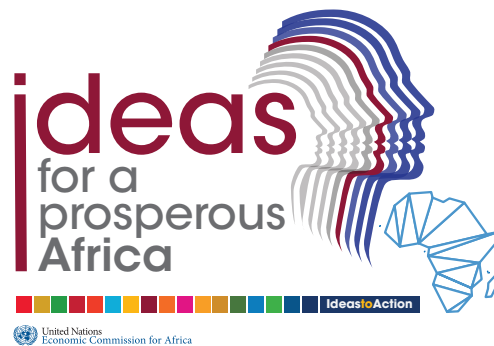
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ABOUT ECA



*Vera Songwe, Under-Secretary-General of the UN
and Executive Secretary of the ECA*

Our mission is to deliver ideas and actions for an empowered and transformed Africa, informed by the 2030 Agenda and Agenda 2063.



ECA's Core Functions:

Conducting multisectoral research and analysis that nurture the regional integration.

Providing platforms for policy frameworks and action plans at the regional and subregional levels.

Providing policy advice and analytical work to support countries' sustainable development.

About ECA in Southern Africa

The Economic Commission for Africa's (ECA) Sub regional Office for Southern Africa (SRO-SA), based in Lusaka, Zambia, supports the following regional member States; Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Mauritius, Namibia, South Africa, Zambia and Zimbabwe through the direct intervention of its two technical sections, sub regional initiatives and inclusive industrialization. Support to member States is anchored on the Commission's three core functions – convening, think tanking and operational support. Through the convening function, SRO-SA provides, regional bodies, member States and other stakeholders with a platform for consensus building leading to the development of policy frameworks, standards and action plans that reinforce regional integration and development. The think-tank function primarily includes the conduct of multi-sectoral research and analysis that nurture the integration of the three pillars of sustainable development, and promote peer learning, innovative thinking and the advocacy of public policies while fostering intersectoral linkages and synergies. Through the operational function, SRO-SA provides policy advice at both country and regional level through direct demand-based support to member States and regional economic communities in areas related to its normative and analytical work and in collaboration with the United Nations system at the country level.



Eunice G. Kamwendo,
Director of ECA's Office for Southern Africa

The core functions of SRO-SA encompass:

(a) assisting member States and regional economic communities in the sub-region to promote and develop inclusive industrialization policies, national and regional plans and appropriate institutional frameworks in achieving socio-economic development;

(b) collaborating with the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) and other Intergovernmental Organizations, the private sector and other stakeholders in promoting regional development agenda and priorities; and

(c) convening expert group meetings and policy dialogues and providing technical support and advisory services to member States and stakeholders aimed at enhancing their capacity to design and implement key priority agreed initiatives for regional economic transformation.

Recent technical support by SRO-SA to stakeholders in Southern Africa has included, among others, industrial policy harmonisation, development of national AfCFTA strategies and implementation plans, supporting the growth of micro, small and medium enterprises (MSMEs), domestic resource mobilisation and capacity building in macro-economic modelling.

Periodically, SRO-SA designates specific countries for focus in the provision of technical support. This allows the Office to specifically focus on these few countries in the broader programme of supporting socio-economic development within the region by addressing specific development challenges. Currently the focus countries include; Malawi, Namibia, South Africa, Zambia and Zimbabwe.

Malawi's Socio-Economic and Development Context

Malawi is listed among the five Least developed countries (LDCs) in the sub-region and is one of the focus countries for the SRO-SA. The country is agro-based, with more than 80 per cent of households depending on the agriculture sector for some of their income. Other economic sectors, including manufacturing, wholesale and retail trade are highly dependent on the agriculture sector, pointing to the critical importance of agriculture, not only for subsistence, but as the major export earner, contributing over 30% of the country's Gross domestic product (GDP). The high intensity of the country's export profile, coupled with its landlocked position, makes the country highly vulnerable to climate change and other external shocks. Malawi's real GDP per capita grew at an average of 1.5 per cent between 1995 and 2015, well below its peers, at a time when the average for non-resource-rich Sub-Saharan Africa economies was 2.7 per cent (World Bank, 2018b).

ECA's support to Malawi has been multi-faceted with targeted support at policy, technical and programmatic levels towards attainment of the country's goals and economic transformation, with a central focus on inclusive industrialisation.

Statutory Issues

The 27th session of the Intergovernmental Committee of Senior Officials and Experts

Malawi hosted and is Chair of the 27th Intergovernmental Committee of Senior Officials and Experts (ICSOE) for Southern Africa: The ICSOE is a statutory sub-organ, constituted by the Commission Resolution 826 of 1977 and General Assembly Resolution 40/243 as a principal platform for strategic engagement with member States and other stakeholders on policy and programmatic issues of priority to the sub region.

The meeting was organized in Blantyre from 14th to 16th October 2021 with high level participation from Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe representing Ministries of Agriculture, Commerce, Economic Development, Finance, Foreign Affairs, Industry and Trade. The meeting was officially opened by the Minister of Finance of the Republic of Malawi, Honourable Felix Mlusu, who called on member States to develop fiscal measures such as broadening the tax base that will help them to sustain debt. This will allow the Development Partners to supplement the member States' budgets. Currently, member States are implementing budgets with large fiscal deficits averaging over 10 percent of Gross Domestic Product (GDP), to fight the pandemic and sustain aggregate demand. Further, the pandemic has impacted debt levels through widening fiscal deficits as revenues shrink due to disruptions of economic

activity as well as contraction of export receipts. Therefore, to build back better from this pandemic, He urged that, the central dimension is the need to develop a people-centered recovery plan that focuses on well-being, improved inclusiveness, and reduced inequality. This calls for an inclusive and sustainable growth model that promotes resilience to external shocks, reduces poverty and inequality on a larger scale, and makes decent job creation a priority to absorb Southern Africa's youth population.



Technical Support to Malawi

Support to Implementation of Malawi National AfCFTA Strategy

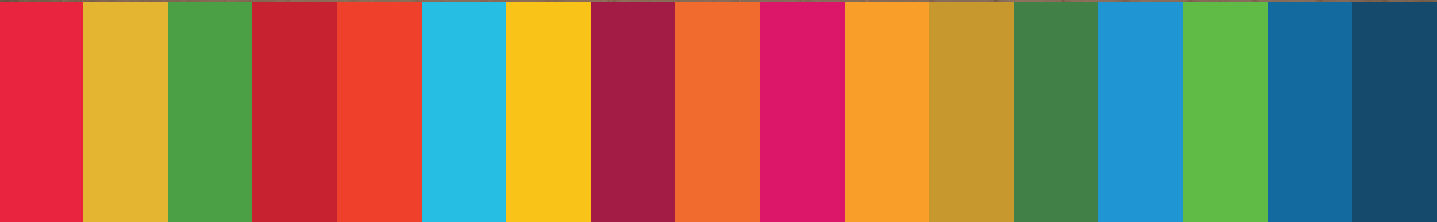
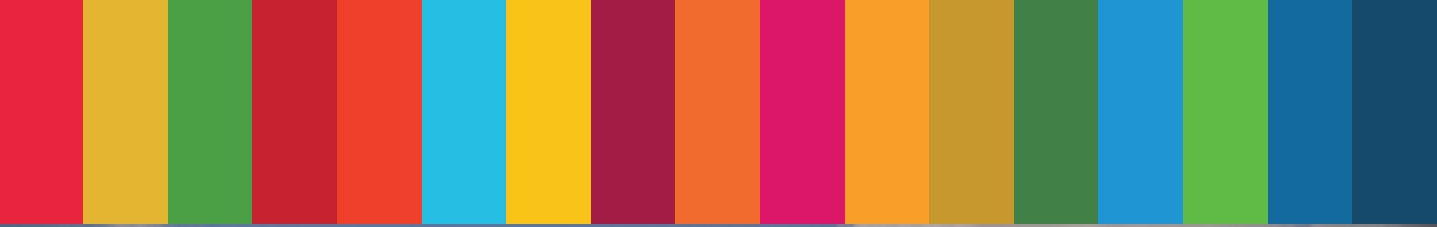
Malawi is one of the nine out of the eleven regional member States that have signed and ratified the AfCFTA- having ratified the Agreement on 15th January 2021. The country has developed and validated it's National AfCFTA Implementation Strategy, with technical support from ECA. Final reviews and validation took place in three cities during the same period, 7th June in Blantyre, 9 June in Lilongwe and 11 June 2022 in Mzuzu.

The government of Malawi has requested ECA for further support towards Dissemination workshops for the AfCFTA national implementation strategy; demand survey for Malawian products in North and West Africa; capacity building on implementation modalities and developing an export guide to inform on AfCFTA export processes. ECA is actively supporting the implementation phase of the National Strategy and will continue to provide support to ensure that the country reaps the benefits from the AfCFTA Agreement.

Promoting inclusive industrialization - As part of the United Nation Development Account 12th Tranche Project, SRO-SA completed three sub-regional studies focusing on strategies to enhance inclusive industrialisation in member States including Malawi, (reviewed by expert group meetings in May and November 2021). The three member states (including Zambia and Zimbabwe) benefitting from the project have begun incorporating Special Economic Zones (SEZs) in their national industrialization policy frameworks following the recommendations of the study on 'Special Economic Zones (SEZs) in Southern Africa'.

ECA through SRO-SA will continue to explore new areas of possible support to the Government of Malawi. On the horizon, capacity building support is being offered with respect to a feasibility study for the development of two out of four SEZs which are being planned for Malawi.





Promotion of Private Sector - MSME Development

Malawi is a beneficiary of the UN project on Innovative approaches for Micro Small Medium Enterprise (MSME) competitiveness to promote trade and inclusive industrialization in Southern Africa in the Post-COVID context. Two studies are planned that will include Malawi as a case study: the first study will develop a diagnostic assessment of the state of Science, Technology and Innovation (STI) by industrial-based MSMEs in the six target countries (Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia), including an inventory of government support to industrial-based MSMEs to engage in process and product innovation, develop and apply technology, complemented by an overview of competitiveness bottlenecks faced by industrial MSMEs as well as impacts of COVID-19 and inventory of innovative approaches to address them. The second study aims to identify opportunities for MSMEs in six target countries (Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia) to integrate into national, regional and global value-chains, and trade at higher levels, in line with the SADC Industrialization Strategy and Roadmap and to build back better post-COVID 19.



Strengthening of National Planning Systems

Training on the Integrated Planning and Reporting Toolkit in Malawi - The Government of Malawi, through the National Planning Commission (NPC), requested support from ECA towards domesticating and strengthening capacity on the use of the Integrated Planning and Reporting Toolkit (IPRT) to be developed to support member countries to align continental and global development agendas with national development plans as well as assess the progress towards the achievement of Sustainable Development Goals (SDGs) and Agenda 2063 goals.

The Development Planning Section, Macroeconomics and Governance Division (MDG) and the Sub regional Office for Southern Africa in collaboration with the National Planning Commission organised face to face training on the toolkit from 22nd to 25th February 2022. The team has finalised the tasks required for the adoption of the toolkit in Malawi guided by the roadmap. The national plan data has been uploaded in the IPRT system, and the toolkit has been used to generate an alignment report which quantifies the level of alignment at the goal, target, and indicator levels. This will inform the Voluntary National Review (VNR) report which Malawi will prepare this year as one of the volunteer countries.



ECA Technical Assistance to Malawi's Vision 2063

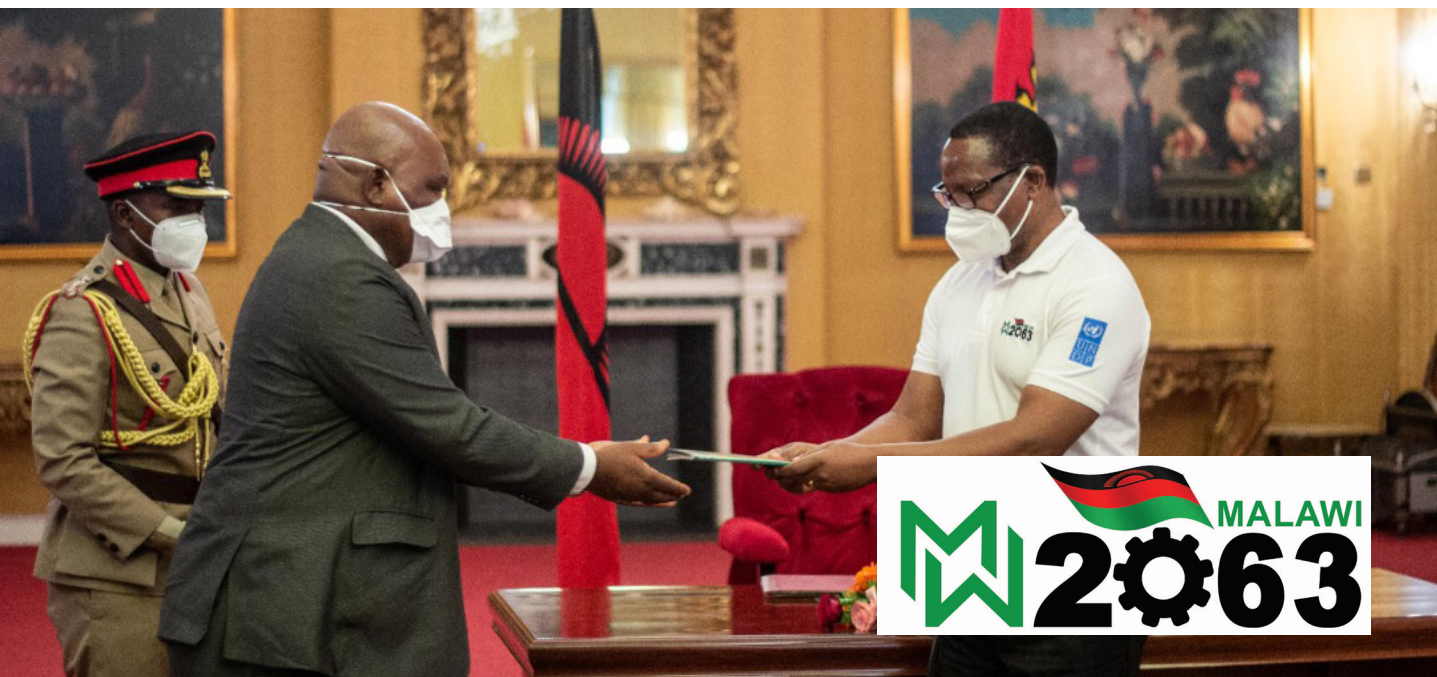
- Support to the Ministry of Finance and Economic Affairs: The SRO-SA received a request from Malawi for technical and financial support to develop a new strategic plan for the Ministry. The SRO-SA accepted to support this process and work is on-going.

Support to build the Capacity of the Monitoring & Evaluation (M & E) Section of the Ministry of Finance and Economic Affairs: Following a request from the Minister of Finance and Economic Affairs to support the strengthening of the M&E department of the Ministry, a meeting with ECA's MGD took place and the following was agreed that ECA should assist in strengthening the absorptive and monitoring and evaluation capacities of the Finance ministry.

With respect to absorptive capacity, the director informed the Minister of ECA's ongoing effort to reflect national financing frameworks in the existing Integrated Planning and Reporting Tool and to align financing sources and levels with development priorities.

SRO-SA contribution to Sustainable Development Goals in Malawi

- Working in close collaboration with the United Nations Resident Coordinator's Office (UNRCO), SRO-SA engaged with, and supported, the UNRCO's process of submitting the resource mobilisation proposal for the country, under the Joint SDG Fund. This included providing comments on the UNRCO-Malawi's submission under Component 2 of the Joint SDG Fund's call for proposals.



Revival of National Planning Entities (NPE) Platform in Southern Africa - Aligning national development plans with the SDGs and Agenda 2063: ECA through SRO-SA is supporting the establishment of a Community of Practice (CoP)/ Network for National Planning Entities (NPEs) in the region, of which Malawi will be a beneficiary.

The National Planning Commission of Malawi and Zambia's Ministry of National Development Planning were actively involved in conceptualisation of the Network. The Office also supported the organisation of an e-Seminar on the role of NPEs in responding to the Covid-19 pandemic and its challenges in June 2021.

Following a meeting in February 2020 it was agreed to formalise and work within the Southern Africa Development Community (SADC) initiative and agree on a common roadmap for member states to work together to activate the platform. SADC Platform for NPEs has a draft operational framework. The CoP has also developed its terms of reference (ToRs) and a resource mobilization strategy. A revised framework therefore needs to be developed, that will harmonise the mandate and working modalities of the SADC Platform of NPEs and the loose CoP. The framework should cover the composition, structure, scope of the work vis-à-vis the SADC Secretariat and the member states, as well as the scope of the membership. The re-launch of the National Planning Entities network took place at a meeting in Lilongwe on 7-8 April 2022.

The objective of the meeting was to strengthen capacities of the NPEs; work on regional alignment and domestication of national development plans;

support industrialization agenda; track progress; and promote effective implementation of the SADC Regional Indicative Strategic Development Plan (RISD).

The meeting was officially opened by the Minister of Finance, Honourable Sosten Gwengwe MP, who reminded the meeting that the recent SADC summits have taken stock of the industrialization and economic development agendas. He pointed out that the Malawi Vision 2063, and the accompanying 10-year implementation plans, are closely aligned with the SADC Vision, its Industrialization Strategy and RISDP. He noted that, "this platform's success will rely on cooperation with long term international partners such as UNECA, as well as enthusiastic participants and champions to carry on with the work".





MEETING OF THE SADC NATIONAL
PLANNING ENTITIES PLATFORM

7th - 8th April 2022

Mutharika
Convention Centre
Lilongwe

THE
PRESIDENT
HOTEL

MUTHARIKA
CONVENTION CENTRE

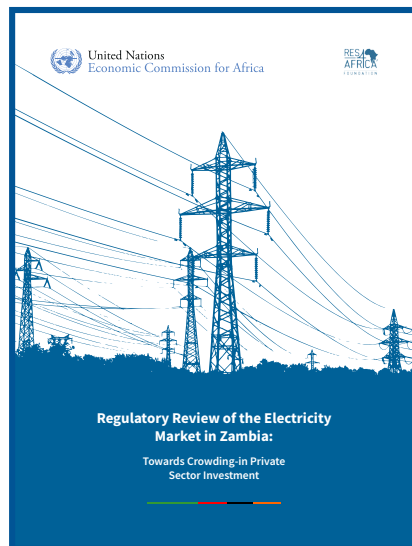
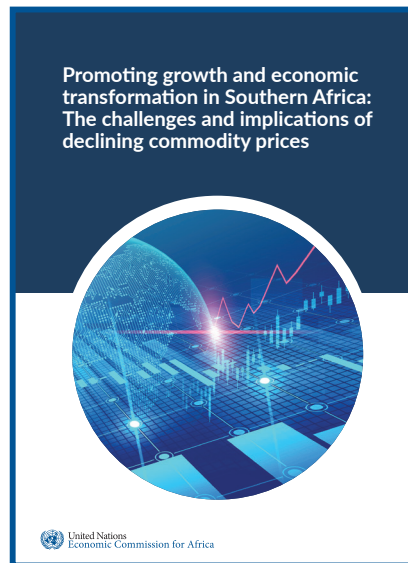
SUNSHINE
PARK
EVENTS

Supporting Malawi national efforts towards recovery from the COVID-19 crisis

Response to COVID-19 Outbreak: SRO-SA is working with the UNCT Socio-Economic Impact Group in Malawi to support studies on the impact of the COVID-19 pandemic on various dimensions of the Malawian economy and the social sector.



Some of our recent publications



**Validation meeting on the study
to assess the feasibility of establishing
and managing a common
agro-industrial park between
Zambia and Zimbabwe**



**GOVERNANCE OF
STATE-OWNED
ENTERPRISES
IN SOUTH AFRICA**

enhancing
performance,
efficiency and
service delivery



**Southern African
Regional Stakeholder
Forum**

Report on private sector and
regional integration in Southern
Africa: accelerating opportunities for
investment and growth



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