

Country Assistance Policy for the Republic of Malawi

April, 2012

1. Relevance of Assistance

Malawi is an agricultural country where almost 80% of the population of approx. 15 million is engaged in farming as smallholders. The country's economy relies on primary products, such as maize, staple foods, and tobacco, which is the major export product. Malawi is based on typical rain-fed agriculture. Although food supply is recently improving, its economic basis is still fragile and per-capita income¹ is low due to the delay of irrigation development and low agricultural productivity.

In addition, transportation costs of exporting products are high, since Malawi is a land-locked country. There are frequent blackouts due to a marked shortage of power supply. These problems hinder Malawi's economic growth and social development. Now, it is an urgent task to pursue sustainable economic growth and social development through the improvement of agricultural productivity and the development of infrastructure.

In recent years, attention is drawn to the development of potential mineral resources such as rare earth metals in Malawi. Surrounded by Zambia, Mozambique, and other resource-rich countries, moreover, Malawi is located at an important point for resource exportation. Accordingly, assistance for Malawi contributes to the growth of southern Africa and stable supply of resources to the world. The assistance is also compatible with poverty reduction, human security, and an aid principle under the TICAD² process.

2. Basic Policy of Assistance: Assistance for bringing people out of extreme poverty

Malawi addresses development with a goal of getting out of the status as the least developed country. Based on nine key priority areas shown in the Malawi Growth and Development Strategy (MGDS)³, economic growth of the country as well as securing of people's access to basic services are essential. Accordingly, Japan is to support Malawi's efforts to reduce

¹ Per-capita GNI is 330 dollars in 2010. Malawi is ranked 153th out of 169 countries in terms of the Human Development Index in 2010.

² The Tokyo International Conference on African Development (TICAD) deals with the development of Africa. Japan has led it since 1993. TICAD is held in cooperation with the United Nations, UNDP, the World Bank, etc. In addition to a top-level meeting held every five years, a ministerial-level conference and other meetings are held. TICAD IV (the fourth Tokyo International Conference on African Development) was held in May 2008 in Yokohama.

³ (1) Agriculture and food security, (2) Irrigation and water development, (3) Transport infrastructure development, (4) Energy generation and supply, (5) Integrated rural development, (6) Prevention and management of HIV and AIDS, (7) Education and technology development, (8) Climate change, natural resources, and the environment, and (9) Youth development and capacity building

poverty, by providing assistance especially to agriculture, in which 80% of the population is engaged; the mining industry, which is expected to be developed; the development of infrastructure which supports the above industries; and basic social services industry concerning education, water, etc.

3. Priority Areas

(1) Infrastructure development for fostering agriculture and the mining industry.

Improvement of productivity of agriculture, a major industry, is indispensable in order to feed the population, which is growing rapidly, by domestic produce. Accordingly, Japan provides assistance to irrigation development and soil fertility improvement. Cooperation is also offered for natural resource management, including tree-planting and watershed management, as measures for environmental conservation and against climate change.

In addition, assistance is provided for the development of mineral resources, which are expected to earn foreign currency. For effective development of the mining and agriculture and the promotion of efficient movement of people and goods in an international corridor and surrounding regions, Japan also helps Malawi develop transportation infrastructure.

(2) Improvement of basic social services

Fulfillment of Basic Human Needs (BHN) is still important for Malawi as the basis of sustainable economic growth. Accordingly, Japan aims at improving access to and quality of basic services especially relating to education and water supply based on achievement obtained and experiences accumulated through aid over the years.

In the field of education, assistance from many donor countries is concentrated in primary education, while school attendance rate and education quality are extremely low in secondary education. Accordingly, Japan's assistance is focused on the development and fulfillment of secondary education where Japan has a comparative advantage, so that Japan can help build human resources who can take charge of Malawi's future development.

As for water supply, there is fear of depletion of water resources due to overexploitation seen in recent years. Based on such a situation, water resources development strategy is to be planned and sustainable water use and management are to be promoted so that Japan can help Malawi improve and stabilize its water supply rate. For that purpose, Japan also promotes efficient use of existing water facilities through renovation of the facilities and enhancement of their management system.

4. Points to be considered

(1) Emphasis on human resources development

It is necessary to support the development of human resources and enhancement of organizational capability in an administrative field from the long-term view not only for Malawi but also for Japan's effective provision of assistance.

(2) Strategic enforcement of volunteer projects

Since the first arrival of Japan Overseas Cooperation Volunteers in Malawi, they have greatly contributed to fostering the pro-Japanese group in the country. As a next step to maximize aid outcome, coordination and collaboration between the Volunteers (both Japan Overseas Cooperation Volunteers and the Senior Volunteers) and other Japanese cooperation projects should be further enhanced and strengthened.