

## **Country Development Cooperation Policy for the Republic of Malawi**

January, 2018

### **1. Relevance of Development Cooperation**

Malawi is a country in Southern Africa that maintains peace and stability. It has a population of approximately 18 million<sup>1</sup> spread over a relatively small size of land<sup>2</sup>. Malawi is categorized as a least developed country with a GNI per capita of 320 USD<sup>3</sup>.

Malawi's economy is predominantly agrarian<sup>4</sup>. For example, almost 80% of the population is engaged in agriculture as smallholder farmers and primary commodities such as tobacco, sugar and nuts account for approximately 80% of its total export<sup>5</sup>. However, the base of Malawi's economy remains fragile. Due to insufficient development of irrigation, Malawi depends on rain-fed farming and is constantly affected by weather-related shocks. In recent years, in particular, Malawi has been facing water and food shortages caused by frequent droughts and floods, as climate change intensifies its impacts. Under these circumstances, diversification of agriculture to focus on products that are profitable and respond to market demand is in dire need.

Access to electricity also remains a challenge in Malawi. Depending on firewood as source of energy has led to the loss of forest cover at an alarming rate. This in turn is resulting in soil erosion and eventually high siltation at the dams of hydro power stations, creating a vicious circle of further deteriorating power generation capacity. Malawi is urged to address power shortage while protecting the environment.

A rapid population growth<sup>6</sup> has resulted in nearly 50% of the population (approx. 8.5 million people) of Malawi being under 18 years of age. Therefore human resource development is critically important for the youth to equip themselves with abilities to achieve self-reliant development. Capacity development of the

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<sup>1</sup> World Bank, 2016

<sup>2</sup> Total land area is approx. 118 thousand square km (one third the size of Japan's.)

<sup>3</sup> World Bank, 2016

<sup>4</sup> The ratio of agriculture in GDP is approx. 28% (World Bank, 2016)

<sup>5</sup> WTO, 2015

<sup>6</sup> Annual population growth is approx. 3% (World Bank, 2016)

core government officials is also of great importance to steer sustainable development of the country.

From a regional perspective, Malawi is located in a strategic position as it lies along the Nacala Corridor that connects Zambia, Malawi and Mozambique. Development of the corridor will enhance regional connectivity and reduce high transportation costs, and promote the growth and stable resource supply in the entire Southern African Region.

The government of Malawi aims at achieving sustainable growth based on the Malawi Growth and Development Strategy (MGDS) III with the goal of “Building a Productive, Competitive and Resilient Nation”. Japan’s support to Malawi’s efforts towards sustainable development is of great significance, as this will reinforce the cordial relationship between the two countries, exemplified by Malawi’s constant support to Japan in the international arena.

## **2. Basic Policy of Development Cooperation: building a foundation for sustainable and self-reliant growth**

In line with the MGDSIII, Japan’s development cooperation will focus on foundation building for economic growth driven by agriculture and human resource development to foster self-reliant development. The objective of the cooperation is to contribute to the increase in income of the population as well as strengthening of the financial basis of the government to promote developmental programs. In addition, Japan will support Malawi in coping with emerging challenges including climate change and urbanization.

## **3. Priority Areas**

### **(1) Promoting diversified and market oriented agriculture**

Japan supports Malawi’s economic transformation through diversification, market orientation and commercialization of agriculture as well as nurturing entrepreneurship among stakeholders. Japan will also support the development of irrigation, logistics, transport and other infrastructure to facilitate economic transformation.

### **(2) Fostering human resource for self-reliant development**

Based on the National Education Sector Plan of the Government of Malawi,

Japan wishes to contribute to the development of human resources equipped with problem-solving capacity. To this end, Japan supports the capacity development of teachers as well as enhancing the quality and the effects of learning on the ground. In addition, Japan supports capacity development of core government officials who play a key role in socio-economic development of Malawi.

**(3) Building a foundation for economic growth, taking into account climate change and urbanization**

In order to build resilience against climate change, Japan provides support in reducing challenges arising from deforestation and power shortage. In the water sector, Japan supports stable water supply through sustainable water resource management and efficient water use based on the National Water Resources Master Plan. Japan also supports the development of quality infrastructure including key urban facilities to enhance economic activities.

**4. Points to be considered**

(1) Japan will explore further collaboration with various partners such as the Japanese private sector, universities, local governments, NGOs and development partners to share experiences in common approaches and thus enhance efficiency of Japan's development cooperation. Japan will also strengthen networking with ex-scholarship awardees and ex-participants of JICA training programs to sustain relationship with the friends of Japan.

(2) In terms of support at the grass root, Japan will strive to achieve inclusiveness by reaching out to vulnerable groups such as women, people living with HIV/AIDS and persons with disabilities who tend to be left behind the socio-economic development.

(3) The concept of "African Clean Cities Platform" promoted by the Ministry of Environment of Japan will also be taken into account.