EU & Malawi

**EU INTEREST: CREATING THE CONDITIONS FOR A SUSTAINABLE AND INCLUSIVE GROWTH**

Helping Malawi in its path towards sustainable development (economic, environmental, social sustainability), while preserving its peace, stability and democratic credentials based on respect for human rights.

<table>
<thead>
<tr>
<th>Political</th>
<th>Economic</th>
<th>Social</th>
<th>Environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to stabilising role in the region&lt;br&gt;Destination for displaced people (DRC)&lt;br&gt;Voting patterns in multilateral fora&lt;br&gt;EU privileged relation, as main diplomatic and economic player</td>
<td>EU is Malawi’s main export destination&lt;br&gt;Growth of SMEs and foreign investors&lt;br&gt;Regional integration to make Malawi’s market part of broader region&lt;br&gt;Increased investments might present opportunities for EU private sector</td>
<td>Altruistic interest&lt;br&gt;(development/humanitarian)</td>
<td>Shared Environmental/Climate Change interests</td>
</tr>
</tbody>
</table>

**EU RESPONSE**

<table>
<thead>
<tr>
<th>Green Deals</th>
<th>Alliances for Sustainable Growth and Jobs</th>
<th>Digital and Data Technologies</th>
<th>Migration Partnerships</th>
<th>Governance, Peace and Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deepening regional integration/access to regional markets, incl. transport</td>
<td>Restoring/Protecting Biodiversity, Wildlife and Climate</td>
<td>Promoting Regional Security, Peace and Stability</td>
<td>Support institutions in charge of check and balances and rule of Law</td>
<td>Continued Civic Education</td>
</tr>
<tr>
<td>Env. Degradation (incl. Clean Cooking)/ preservation of natural resources (forests)</td>
<td>Support to a more diverse and dynamic private sector</td>
<td>Open business enabling environment/ transparency/EED agenda</td>
<td>Continued improvement of PFM and fight against Corruption</td>
<td>Address Violence against Women</td>
</tr>
<tr>
<td>Support resilience and response to disasters</td>
<td>Climate smart agriculture, VC development (farming skills, irrigation, research, access to market)</td>
<td>Development of tertiary sector (eco-tourism, agribusiness) and circular economy</td>
<td>Investment in infra/EIP opportunities for access to finance, agri, energy (IPPs)</td>
<td></td>
</tr>
<tr>
<td>Education and skills development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Democracy / Human rights / Human capital**

Preserving Malawi’s peace, stability and democratic credentials based on respect for HR. despite substantial improvements in the preparation of the elections, major divisions remained and further investment would be needed in deepening democracy.

**Multilateralism and Regional solutions**

**Other External Policy Objectives supporting a stronger European Union in the world**

Investment in education and employability in particular for youth and women. Continue to invest in food and nutrition security and social protection to support resilience.
## COUNTRY OVERVIEW

### Key figures
- LIC - One of the poorest countries (70.9% of population under 1.90 USD), low growth (1.5% av. btw. 1995-2015)
- Rapidly growing population – 2.94% (btw. 2010-2015), 51% under 18
- Human Development Index 171/189 in 2018
- Gini Index: 45.5 in 2018, Gender Inequality Index of 0.619 in 2017 (148/160)
- Mo Ibrahim Index for Governance 19 out of 54
- WB Doing Business 110/190 in 2018
- 83% living in rural areas, agriculture 85% of employment and 90% of forex earning
- 95% electricity from hydropower, 98% pop uses biomass

### Key policies
- Malawi Growth and Development Strategy III (2017-2022)
- Vision 2020 ending; New Vision 2063 being prepared
- NDC highlights importance of sustainable land management and need for climate-resilient agriculture

### Vision
- By 2020 to become secure, democratically mature, env. sustainable, self-reliant with equal opportunities
- Key focus on: agriculture/water/CC; education; energy/industry/tourism; health/population management

### Challenges
- Democratic tension during recent elections/need to increase citizens participation and education
- Difficult political economy, weak accountability
- Population growth, low progress on social sectors/ socio-economic gap between urban/rural poor
- Lack of Skills
- Small landlocked market, poorly integrated in the region, with low connectivity
- Poor diversification, dependence on subsistence farming, unsustainable land use
- Environmental degradation and recurrent crisis/climate shocks
- Need to consider China’s presence in the digital sector