

In the warm heart of Africa

German Development Cooperation in Malawi

German-Malawian Cooperation Celebrated 60 years of Diplomatic Partnership in 2024

The diplomatic relationship between Malawi and Germany achieved a historic milestone in **September 2024**, marking **60 years of collaboration** since Malawi's independence in **1964**. Germany's aim in Malawi is to strengthen the country's resilience and thereby to contribute to poverty reduction and development.

Germany provides **assistance through bilateral, regional and multilateral governmental development cooperation**, as well as in cooperation with **non-governmental organisations, churches and the private sector**. Germany supports the Malawian Government in achieving its Vision "Malawi 2063" operationalized in its 10 Year Implementation Plan (MIP). The **priority areas** for bilateral financial and technical cooperation are:

- **Health and Social Protection**
- **Food and Nutrition Security, Food Systems Transformation**
- **Private and Financial Sector Development**
- **Public Financial & Economic Management**

The **German bilateral cooperation currently under implementation** adds up to **approximately 342 million Euro** (excl. EU-cofinancing currently amounting to 9,5 million Euro). Over the past 10 years, **on average 40 million Euro** have been committed **per annum**.

Health and Social Protection

Health and social protection are essential for safeguarding livelihoods, especially for Malawi's most vulnerable populations. The aim of German cooperation in the health sector is **to improve universal access to good quality essential health services**, with a particular **focus on sexual and reproductive health**.

Germany's support aligns with Malawi's Health Sector Strategic Plan III (2023-2030), and it strengthens health service delivery, infrastructure, quality management, and human resource development. Particular emphasis is placed on:

- Constructing and rehabilitating health facilities and equipping them with quality medical supplies.
- Expanding access to family planning and reproductive health services, particularly for youth and rural communities.
- Enhancing efficiency through a harmonized Continuous Professional Development (CPD) system for health workers.
- Strengthening coordination through district health offices for gender-sensitive and youth-friendly care.

With approximately 21% of Malawians living in extreme poverty and high child stunting rates, Malawi's National Social Protection Policy and Strategy aims to strengthen safety nets and build resilience.

Germany supports Malawi in **enhancing its Social Protection System to leave no one behind**, amongst others, by:

- Strengthening policy implementation, improving the household level database (UBR), and enhancing delivery.
- Funding unconditional cash transfers to 10% of ultra-poor, labor-constrained households in seven districts within the Social Cash Transfer Programme (SCTP).
- Supporting institutional reforms, including standardized procedures, a Management Information System (MIS), and financial management tools.

Private sector development in rural areas

Malawi's private sector, predominantly driven by agriculture and tourism, faces constraints such as limited access to finance, high borrowing costs, climate vulnerabilities, and infrastructural gaps.

To address these challenges, Germany's Development Cooperation has prioritized **Private Sector Development in Rural Areas** in alignment with Malawi's national strategies (Malawi 2063, ATM Strategy).



Small Grant Projects

Each year, the Embassy receives special funding to finance small projects for income-generating and poverty-reducing measures (small grant projects). The maximum funding available per project is the Malawi Kwacha equivalent of €10,000. Despite the relatively modest amounts, these projects significantly enhance the quality of life in local communities. Typically, local communities or NGOs apply for the grants and take responsibility for implementing and sustaining the projects. Examples include irrigation schemes, basic renovations in clinics and schools, as well as the initial financing of income-generating Projects. Application requirements and forms can be found on the [German Embassy's website](#).

German non-governmental development cooperation

In addition to governmental cooperation, a large number of development programs in Malawi are run by German Non-Governmental Organisations (NGOs), churches and private initiatives. The German Government welcomes the support of these organisations as an important complementary element to governmental cooperation and provides them with financial support. For an overview of German NGOs and faith-based organisations active in Malawi please consult the [German Embassy's website](#).

Staff members of the German NRO Welthungerhilfe assist community members during a borehole rehabilitation in Chigwenembe, Dedza District.



The More Income and Employment in Rural Areas (MIERA) programme focuses on:

- **Inclusive Business Growth:** Strengthening MSME's, cooperatives, and stakeholder dialogue
- **Policy Reforms:** Collaborates with government and businesses to enhance policies and public-private dialogue.
- **Improving Access to Finance:** Co-funding UNDP's Growth Accelerator and Green Economic Transition Facility, providing grants for sustainable SME's

In addition, the Sustainable Aquatic Foods project works on **developing the aquaculture value chain** in Malawi. The regional WE4D programme aims to **improve women's employment opportunities**, especially in green sectors and in companies and value chains that are driving the green transformation on the African continent. The Promotion of Agricultural Finance for Agri-based Enterprises in Rural Areas in Malawi (Ag-Fin) aims to **improve access to tailored financial services for agricultural enterprises and agri-based businesses** in selected rural regions of Malawi.

Public financial and economic management

Effective **public financial and economic management (PFEM)** is critical to Malawi's development, ensuring public funds are transparently allocated to achieve national goals. German Development Cooperation supports Malawi to strengthen capacities of government institutions responsible for public finances and the **fight against corruption** (e.g. Ministry of Finance, National Audit Office, Anti-Corruption Bureau; Financial Crimes Court). This aims at **improving economic governance and accountability for the use of public funds**. For the 2024-2027 period, the project is co-funded by the European Union. Project work spans across five results areas – Domestic Resource Mobilisation; Expenditure Management; Control and Oversight of Public Resources; Investigation and Prosecution of Corruption; Asset Forfeiture.

Food and Nutrition Security, Food Systems Transformation

Malawi faces persistent hunger and malnutrition, with 18% of children stunted due to poor dietary diversity, climate shocks, and systemic food system challenges. Germany's support prioritizes

multi-sectoral food systems transformation to enhance resilience, governance, and equitable access to nutritious diets.

Key Interventions:

- **Household Level:** Promote backyard gardens, small livestock, and nutrition-sensitive social protection
- **District/National Level:** Strengthen governance via STEP UP! (Capacity-building) and Transformative Initiative (TI) (community-driven advocacy).
- **Scaling Up Nutrition (SUN):** Focus on the first 1,000 days of life, integrating health, agriculture, WASH, and education.

Regional Cooperation

The German Government also assists Malawi within the framework of regional development cooperation programmes. In addition to this, **Germany cooperates with pan-African and regional African organisations**, networks and private sector stakeholders. One particularly important partner of Germany's regional cooperation is the **Southern African Development Community (SADC)**.

The German Development Cooperation Institutions

The **Federal Ministry for Economic Cooperation and Development (BMZ)** is responsible for the policies, planning, and funding of German Development Cooperation. After negotiations with the Malawian Government, BMZ commissions its two implementing agencies, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW Development Bank (KfW), to implement its bilateral development programmes.

The **German Embassy in Lilongwe** is responsible for the political dialogue with the Malawian Government and other development partners and coordinates German support to Malawi.

The **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** GmbH implements Germany's technical cooperation. As a federal enterprise GIZ supports the German Government in achieving its sustainable development objectives in the field of international cooperation.

KfW Development Bank (KfW) is one of the world's leading and most experienced promotional banks. As an integral part of the KfW group, KfW Development Bank carries out Germany's financial cooperation with developing and emerging countries on behalf of the Federal Government.

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