

## SUMMARY OF CURRENT AND PLANNED DONOR SUPPORT TO TRADE AND PRIVATE SECTOR DEVELOPMENT

Version - 7 March 2007

### CURRENT SUPPORT

| Donor                       | Project title  | Implementing agency   | Project purpose   | Areas of support   | Status  | Time period         | Amount of resources                             |
|-----------------------------|--|---|---|--|---------|---------------------|---|
| CIDA                        | Project on Economic Governance   |   | More inclusive national decision-making processes<br>-Encourage constructive public dialogue on public expenditures.<br>-Facilitate private sector issues into the budget                       | -To support an organised private sector technical working group .<br>-Financial support to enable the group to interact with decision makers (Cabinet committee on the economy, Parliamentary Committee on commerce & Industry etc) on budget issues affecting the private sector and obstacles for them to move forward.<br>-Funding for workshops, public hearings and provide research services.                          | Closing | Oct 2004-Mar 2006   | To be determined by the need                    |
| Common Fund for Commodities | Commercialisation of Hides and Skins by Improving Collection and Quality in Small-Holder Farming Systems | MITPSD / Eastern and Southern Africa Leather Industries Association | To demonstrate the economic value of hides and skins through improved production, recovery, storage, preservation and marketing of hides and skins to improve the returns of primary producers. | -Establishment of a collection system of hides and skins in small-holder production systems.<br>-Improving the quality through management and pricing incentives.<br>-Designing improved systems for quality assessment and inspection of hides.<br>-Improved marketing and trade of hides and skins from primary producers to the domestic and international markets.<br>-Training and dissemination of project experience. | Closing | 2004-2006           | USD 2,550,000 (Malawi component is USD 352,754) |
| DFID                        | CUMO   | Concern Universal   | Develop viable financial services for poor rural households that can be scaled up sustainably in  | -Microfinance: capital grant, funds for training and capital goods.  | Ongoing | Jan 2003 – Dec 2007 | GBP 2.4 million                                 |

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|       |  |   | Malawi  |  |  |             |                                     |
| EC    | Trade Component of <b>FIDP</b> (Farm Income Diversification Program)                           | MoAFS   | Improved Institutional capacity in trade policy.  | -Market Infrastructure Development (building up of Market Information Systems from grass root level – using already existing service providers).                         | Ongoing                                      | 2004-2007   | Trade component Est. € 300,000      |
| EC    | Trade Component of <b>IDAF</b> (Institutional Development Across the Agricultural Food Sector) | MoAIFS (MITPSD to be involved in the trade component) | To review the roles, mandates, organisational structures and capacities of the MITPSD (amongst others) in the context of future development thrusts for agri-food sector. | tbd  | Ongoing                                      | 2004-2007   | € 7.8 million (Trade component tbd) |
| EC    | Trade component of <b>MAFSP</b> (Multi Annual Food Security Program)                           | MITPSD  | Enhanced Food Security through Trade  | -Institutional Support.<br>-Market pricing information systems.<br>-Institutional capacity building.<br>-Improvement of linkages between trade and agricultural sectors. | MITPSD and NAO finalising programme estimate | 2007-2010   | € 1.6 million                       |
| EC    | Technical Cooperation Facility (TCF)   | MITPSD  | Institutional Support and capacity building to the MITPSD.  | -Financial support towards development activities of a National Export Strategy and of a Private Sector Development Strategy.<br>-Support to the Competition Commission. | Closing                                      | 2005-2006   | € 240,000                           |
| EC    | Technical Cooperation Facility   | MITPSD  | Trade policy support and capacity building within MITPSD  | -Funding for the recruitment of a Senior Trade Policy Advisor within MITPSD.   | Starting up                                  | 2007-2008   | € 200,000                           |
| EC    | National Development and Trade Policy Forum  | MITPSD  | Build capacity for EPA negotiations without additional financial pressure on the participating  | -Research and training on trade negotiations.<br>-Advocacy and consultations on the EPAs.  | Starting up                                  | 2006-2009   | € 1.6 million                       |

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|                          | (Support to National EPA Secretariat)   |   | country's side – in particular to promote and support the participation of the NSA in the EPA process.  | -Support to negotiations.   |         |             |                     |
| IF Trust Funds / UNDP    | Integrated Framework Window II "Trade Advisory Services and Capacity Building for Trade Integration"    | MITPSD  | Capacity Building for MTPSD and other national stakeholders for trade integration   | -Capacity Building through appointment of Senior Trade Advisor and training.<br>-Webpage design for MTPSD.<br>-Advisory Services from specialized agencies.<br>-Development of additional projects. | Ongoing | 2005-2007   | USD 524,000         |
| IF Trust Funds / UNDP    | Integrated Framework Window II "Standardisation, Quality Assurance, Accreditation and Metrology (SQAM)" | Malawi Bureau of Standards / International Trade Centre | Building local capacity in the field of SQAM both at enterprise level, through the enhancement of the awareness of Malawi enterprises on standardisation issues, and at institutional level, through the improvement of the capability of local organisations to deliver SQAM related services to private enterprises, with the overall aim of supporting enterprises in their endeavour to access foreign markets. | -Technical Assistance and awareness-raising to improve the SQAM infrastructure.<br>-Establishment of systems for ISO 9001, ISO 14001 and HACCP.<br>-Capacity building of the MBS .                  | Ongoing | 2005-2007   | USD 476,000         |
| JITAP Trust Funds / UNDP | Joint Integrated Technical Assistance Programme   | MITPSD (with support from ITC, UNCTAD and WTO)          | - Capacity Building to integrate African countries into the Multilateral Trading System   | -MTS institutional support, compliance, policies, and negotiations.<br>-Strengthening MTS reference centres and national enquiry points.  | Ongoing | 2003-2007   | USD 600,000         |

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|                    | (JITAP)  |  |   | <ul style="list-style-type: none"> <li>-Enhancing MTS knowledge and networks.</li> <li>-Goods and services sector strategies.</li> <li>-Networking and programme synergy.</li> <li>-TA for development of a cotton strategy.</li> </ul>   |             |             |                               |
| UNDP               | Growing Sustainable Business                             | MITC (merged MIPA/MEPC agency)                 | Investment promotion  | <ul style="list-style-type: none"> <li>-Technical assistance.</li> <li>-Investment facilitation / broking.</li> <li>-Systems investment.</li> </ul>   | Ongoing     | 2006-2007   | USD 486,600                   |
| Scottish Executive | Scotland-Malawi Partnership                              | National Working Group on Trade Policy (NWGTP) | Support to fair trade / business linkages between Malawi and Scotland and increase the trade policy capacity of the NWGTP | <ul style="list-style-type: none"> <li>-Capacity building in trade policy.</li> <li>-To increase awareness of Malawi trade and trade policy issues in Scotland.</li> <li>-To increase real value of exports from Malawi organisations in key Industries, as identified by the Malawi National Export Strategy, to Scotland.</li> <li>-To improve access of appropriate Scottish products to the Malawi Market.</li> </ul> | Starting up | 2007-2008   | GBP 202,000                   |
| USAID              | Malawi Dairy Development Alliance                        | Land O'Lakes                                   | Commercialization of the Malawi dairy industry  | <ul style="list-style-type: none"> <li>-Expansion of dairy herd.</li> <li>-Dairy business development services.</li> </ul>  | Starting up | 2007-2008   | USD 2.5m (USD 5.1m leveraged) |
| USAID              | Community-based Natural Resource Management (COMPASS II) | Development Alternatives Incorporated (DAI)    | To enhance household revenue from participation in community-based natural resource management (CBNRM)                    | <ul style="list-style-type: none"> <li>-Advancing decentralization and community capacity for sustainable natural resources management.</li> <li>-Increasing sales of natural resource-based products by rural households</li> </ul>  | Ongoing     | 2004-2008   | USD 14,553,249                |
| USAID              | Deepening the Microfinance                               | Chemonics                                      | To help expand access to capital by micro, small and medium-size enterprises  | <ul style="list-style-type: none"> <li>-Microfinance industry capacity building.</li> <li>-Improving the enabling</li> </ul>  | Ongoing     | 2004-2007   | USD 3,477,056                 |

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|------------|---|-------------------------------------|--|--|------------------------------|-----------------------|--|
|            | Sector in Malawi (DMS)                      |                                     | (MSMEs), thereby removing a critical constraint on their growth, through further development and deepening of the microfinance sector in Malawi. | environment.<br>-Facilitation of access to capital.  |                              |                       |  |
| USAID      | Making Malawi A Better Place To Do Business | Kadale Consultants                  | Support provided to the National Action Group (NAG) Secretariat  | -Support to two working groups that operate under the NAG Forum auspices.<br>-Extending communication and engagement between NAG and private sector<br>-Improving public/private sector trust  | Ongoing                      | 2005-2007             | USD 179,743  |
| World Bank | Privatization and Utility Reform Project    | Privatization Commission            | Support Govt efforts to enhance efficiency of the utility infrastructure sectors and improve the business environment                            | -Utilities reform and strengthening of regulatory agencies.<br>-Transaction support to privatisation.<br>-Support to the institutional framework for PPPs.<br>-Provision of technical assistance to Privatisation Commission, MITPSD etc.. | Ongoing                      | Closes 31 Dec 2007    | USD 28 million   |
| World Bank | Investment Climate Assessment               | National Statistical Office/ WB     | Validate, prioritize constraints to private sector growth in Malawi  | -Survey of private sector companies in Malawi on constraints to growth of their businesses.  | Survey and analysis complete | Dissemination ongoing | USD 120 000  |
| World Bank | Regional Trade Facilitation Project         | Africa Trade Insurance Agency (ATI) | Support to regional trade and private sector investment flows  | -To facilitate private sector-led trade flows, investment and productive activities through the provision of insurance, coinsurance and reinsurance, financial instruments and related services.   | Ongoing                      | 2001-2011             | USD 15 million (Malawi component of a larger regional project) |

## POSSIBLE FUTURE SUPPORT / PIPELINE PROJECTS

| Donor                            | Project title  | Implementing agency | Project purpose  | Areas of support  | Status   | Time period | Amount of resources                         |
|----------------------------------|--|---------------------|--|---|--|-------------|---|
| IF Trust Funds                   | Aid for trade / enhanced Integrated Framework                            | MITPSD              | Addressing the supply-side constraints to improved trade and private sector performance  | tbd   | Pipeline   | tbd         | Up to USD 8 million per country             |
| USAID                            | Development Credit Authority   | tbd                 | To mobilize private sector financing for SMEs  | -Donor funding leveraging for loan guarantees.<br>-Business development services .  | Pipeline   | tbd         | USD 700,000 (to leverage at least USD 2.0m) |
| USAID                            | Agribusiness Sector Support  | tbd                 | To support growth of SMEs through support to Global development alliance partnerships    | -Technical assistance.<br>-Business development services.   | Pipeline   | tbd         | USD 495,000 (to leverage at least USD 2.0m) |
| World Bank (with EC cofinancing) | Business Environment Strengthening Technical Assistance Project (BESTAP) | MITPSD              | Reductions in the cost of doing business in Malawi. Increased private sector investment. | -Improving economic governance, property rights institutions and business facilitation<br>-Strengthening PSD policy and services.<br>-Promoting access to finance and productivity enhancement among SMEs | WB board date set for 24 May, implementation from Jul 2007 | 2007-2012   | Est USD 18.7 million                        |