

BUDGET INFORMATION	
12. Amounts concerned	Budget line: 14.020122 Total estimated cost: EUR 8,000,000 Total amount of EU budget contribution EUR 8,000,000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing²	Direct management through: Grants
14. Type of Measure	<input type="checkbox"/> Cooperation facility <input checked="" type="checkbox"/> Measures in favour of Civil Society

1.2 Summary of the Action

Malawi is facing a deep economic crisis with successive external shocks exacerbating the structural weaknesses of its economy, including a persistent lack of decent jobs for the youth. Approximately 130,000 youth enter the labour market every year while the formal sector generates annually only 30,000 to 40,000 jobs. The situation is even more acute in urban and peri-urban areas with an urban growth rate of above 5%, among the highest in the region.

In that context, the Action intends to support Civil Society Organisations in creating innovative pathways for decent job creation in secondary cities³. Specifically, the action intends to expand and diversify employment and self-employment prospects for unemployed or underemployed youth, in particular young women (SO1); to enhance flexible, industry-driven gender-responsive skills training and workforce development (SO2); and to support adoption of novel business solutions in priority sectors and higher up prioritised value chains, especially in the green and circular economy and in the agri-food sector (in particular rice, soybean, groundnuts, macadamia, aquaculture, banana, mangoes and apiary) (SO3).

To achieve these objectives, the Action foresees a call for proposals with the aim to strengthen Civil Society Organisations (CSOs) in their role as actors of development, bringing innovative solutions for challenges to youth employment. By delivering the proof of concept and developing the collaboration with the Private Sector and Government, Civil Society will be encouraged to pilot innovative and sustainable solutions that foster decent and green job creation.

The Action will allow exploring innovative and scalable strategies, concentrating on the expansion and diversification of self-employment prospects for unemployed or underemployed youth, on the promotion of greater industry involvement in workforce development and on the creation of decent and green jobs through the piloting of viable business solutions and the establishment of new micro, small or medium businesses, particularly in the digital, green and circular economy.

The Action aligns with Malawi's development aspirations outlined in the country's long-term development plan, Malawi 2063 (MW63), with a specific focus on the youth-centric vision and high-quality job opportunities. It also supports the Urbanisation Pillar of MW2063 with a geographical focus on urban and peri-urban areas of the secondary cities of the country, where the prevalence of rural-urban migrants is notably high, recognising the significance of urban centres in economic growth.

The Action is part of the "Support measures in favour of Civil Society" and supports the Multi-Annual Indicative Programme (MIP) Priority Area 1, "Green and resilient economic transformation", aligning with Specific Objective 1 "Boosting productivity, resilience, diversification, value addition and commercialisation of agriculture and fisheries". The Action also contributes to MIP Priority Area 3

² Art. 27 NDICI

³ Secondary Cities in the Malawi 2063 and MIP-1: Karonga, Nkhata Bay, Kasungu, Salima/Chipoka, Mangochi/Monkey Bay, Liwonde, Luchenza and Bangula.