

Business Development Service Umbrella Body – Titukulane Trust: newly established and registered in October 2018, is a member organisation comprising of business development service providers, incubators, training institutions, NGOs, associations and consulting firms. The Trust seeks to promote the growth of a vibrant SME sector through resource mobilization, advocacy and harmonization of the business development service sector in Malawi. The body has the Ministry of Trade as an advisor to strengthen collaboration with government. Working with the umbrella body in the action will ensure sustainability of interventions beyond the lifespan of the action. As this is a relatively new body, it does not have the capacities required to be involved in the programme. However, the respective members of the body individually have the requisite capacities and experience. The programme will in its initial phases of implementation therefore work to build and strengthen the capacities of the body, to help it and its members be more organised in order to effectively deliver on their roles in the programme. Working with the body will ensure sustainability of improvements that will be effected in the Business Development Services ecosystem beyond the lifespan of the programme.

The local banking sector and Microfinance Institutions: Selected financial institutions will be involved in the action, so as to pioneer their entry into this market through a demonstration effect and ultimately enable the financial sector to develop specific instruments to cater for this market. Transparency in Malawi's financial sector is enforced by the country's central bank, through its bank supervision department.

Private TEVET providers (including CSOs and both local and international NGOs); these institutions will provide technical training to females and groups living in vulnerable situation through the grant window of the TVET component.

Rights holders:

The primary beneficiaries of the action will be the Malawi youth, with a focus on women, by giving them the skills to enter technical, entrepreneurial and vocational trades; as well as incubating them so as to make them able to launch their own entrepreneurial endeavours.

The action will have wider benefits to Malawian society through an increase in formalised MSME business ventures, enhanced government revenue collection, and a strengthened middle class.

1.5 Problem analysis/priority areas for support

The Malawi private sector is typical of that of a Least Developed Country. Most jobs are in the informal sector (estimated at about 90 % of the total), with only a very limited yearly offering of jobs in the formal economy, of about 30 to 40 thousand. Malawi has a very young population, with 51 % of Malawians being 18 years or younger according to the last census (2018). As a result, between 300 and 500 thousand youth enter the active labour force every year with limited chances to secure decent formal employment.

These circumstances perpetuate the inter-generational poverty cycle. The youth of undeserved families will typically end up in the informal sector themselves, which in turn excludes them from the benefits of formal employment, including the possibility to access commercial lending. Furthermore, this vicious cycle has a strong gender dimension with women facing additional cultural hurdles and prejudices to access decent jobs or start their own business in traditionally male dominated trades. Such cultural hurdles and prejudices include the mindset that a woman cannot do anything significant without the support of a man, the mindset that a successful woman is successful due to promiscuous behaviours, women taking on more responsibilities towards caring for the household and children compared to men, and thereby leaving women less time to focus on their business ventures, higher illiteracy levels in women, among other factors. Providing success stories to generate a women-friendly entrepreneurial culture is thus essential as well as to