

# More Income and Employment In Rural Areas (MIERA II)

## The Agricultural Component



### Background

Malawi is one of the poorest countries in the world. With over 70% of the population living under 2.15 USD of income, there is an urgent need for action and increase of income and employment.

The second phase of the Development Cooperation Program More Income and Employment in Rural Areas (MIERA II) is therefore being implemented from 2022 to 2025 working together with the Ministry of Trade and Industry (MoTI). This phase advances the program goal of increasing employment and income, particularly for the population in rural areas of Malawi. Supported sectors are the agricultural, trade, tourism, and environmental building materials sectors.

### The Challenge in the Agricultural Sector

Malawi's economy is primarily agricultural. Direct and indirect employment, economic growth, export revenues, poverty alleviation, food security, and nutrition are all provided by the sector. But despite the potential for increased production and productivity, the agriculture sector is still underutilized. While 85% of the population is working in the industry of agriculture, the sector is only contributing to 26% of the economic output. Additionally, the sector is disproportionately affected by climate change, which makes agribusiness harder and yield rates susceptible.

Because of the potential in the industry, MIERA II is dedicated to support in overcoming the challenges and increasing income through various measures in the agricultural sector.



Soil sampling on a farm in Malawi  
Source: N. Evans

Macadamia production in Malawi  
Source: N. Evans

### The Agriculture Component in MIERA II

As one component of the MIERA II program, the agricultural component aims to increase employment and income in rural areas by supporting the agricultural sector through measures in four output categories.

#### Outputs:

##### 1. Provide and facilitate Access to Information:

The agricultural component of MIERA II aims to enable micro, small and medium sized enterprises (MSME) in the agricultural sector across Malawi to have access to information on business management, leadership, and agricultural technical know-how through supporting already established business information centers that offer relevant information.

- Equip and capacitate three already existing business information centers in all regions of Malawi (North, Central and South) to provide services and information to businesses on agricultural technical know-how as well as on business management.
- This assignment is executed by Agriculture Finance Consulting (AFC).

##### 2. Strengthening Enterprises:

The agricultural component of MIERA II is supporting enterprises across Malawi through the Innovative Business Challenge that provides capacity building measures for small businesses (IBC-Measures) as well as private public partnerships with already established Enterprises (IDPP-Measures) in order to create more income and employment through the strive of businesses with a social impact.

- Within the IBC-Program (Innovative Business Challenge), MIERA II is providing the MSME Loop. MSMEs from the agriculture sector will be trained and coached in Entrepreneurship, Marketing, Business Management and Access to Finance.
- Within the iDPP measures (Integrated Development Private Partnerships), MIERA II is supporting already established companies that implement projects with a social impact through private public partnerships. Through those partnership with joint planning, financing and implementation of activities, income and

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Production of sunflower cooking oil  
Source: GIZ



Presentation of a vegetable garden (Chinese Cabbage)  
Source: GIZ



A nursery of macadamia trees  
Source: GIZ

employment of the communities will be strengthened through capacity building measures; coaching technical support; achieving development objectives with greater sustainability and broad impact. This involves (1) identifying matching companies and (2) developing and implementing projects.

- MIERA II commissioned Sequa which is a globally operating non-profit development organization focusing on the private sector development and offering know-how and experience in capacity development for business membership organizations (BMOs), vocational education and training as well as trade promotion. The focus for Sequa is to promote market linkages through exports of Malawi's agricultural products, linking Malawian business to the different global markets.

### 3. Strengthen institutions and organizations to address challenges of rural value chains

The agricultural component of MIERA II is aligning different networking and institutional measures in order to enable the industries to be connected in order to overcome structural challenges and to meet the requirements of local, regional and international markets.

- Supporting MAFECO (Malawian Federation for Cooperatives), a federation representing cooperatives across all industries including agriculture. Areas of collaboration are: (1) to establish secondary cooperatives in various value chains to enable small scale farmers to benefit from marketing their products through these secondary cooperatives as well as (2) providing coaching and training measures in auditing.
- Supporting the Malawian Macadamia Association (MMA), an organization that represents all macadamia nut farmers. The collaboration includes:
  - 1) technical training content for smallholder farmers;
  - 2) offering general consultation for the MMA;
  - 3) arranging a symposium that brings together important actors in the sector to overcome challenges and develop strategies.

### 4. Supporting policy changes

MIERA II is collaborating with the MoTI with the goal of fostering policy reforms that will support the agricultural

industry with suitable frameworks to drive.

- Major areas of corroboration are:
  - 1) supporting the development of the strategic plan of the MoTI
  - 2) supporting the government in taxation policies for cooperatives.
  - 3) supporting a Business Incubation policy

### Support to Dzuka Africa

A special assignment in the MIERA II project under the agriculture component is the support to Dzuka Africa. Dzuka Africa is a social enterprise which aims to support especially women and the youth. The focus is to turn productive skills into profitable businesses or employability through several measures like strengthening digital and entrepreneurship skills as well as the provision of a coworking space (the HUB) for Startups.

- MIERA II has placed one Digital Ambassador in the project to support the development of the organization. Assignments are:
  - 1) strengthening leadership and management skills
  - 2) counselling and supporting the development process of a franchise model for a Business Incubation Center (BIC)
  - 3) develop accredited online programs
  - 4) supporting Dzuka to build an international network with partnerships.
- Additionally, the agricultural component of MIERA II supports Dzuka's Agritech Business Incubation Center (BIC) in Thyolo through technical support.



Dzuka Youth and representatives on demonstration farm  
Source: Dzuka Africa

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