



Malawi Country Plan

Executive Summary

Published July 2023



Development issues

Economically thriving tea sector



Malawi's economy heavily depends on agriculture, and almost 80% of the population relies on rain-fed smallholder agriculture for their livelihoods.¹ The tea industry employs 50,000 workers, making it the largest private sector employer.² Tea estate jobs are preferred in Malawi, paying above the country's agricultural minimum wage. Nevertheless, wages remain very low, and smallholder farmers receive lower prices for their tea than organised estates, partly due to the lower quality of tea produced, low inputs and small land size. Farmers practice complementary income-generating activities alongside tea. The potential shift towards mechanisation means that the social, economic and environmental impacts of mechanisation will be of growing importance in the future.



Equality for everyone in tea



In Malawi, only 63% of women are employed in the formal economy compared to 81% of men.³ Despite women comprising two-thirds of smallholder farmers, they are still poorly represented in decision-making structures, which limits the benefits they receive from tea production. Women take on lower-paid and less skilled positions, such as tea plucking and field preparation, compared to male counterparts with better access to inputs and resources, professional jobs, management, and supervisory roles in the sector. A lack of regulation overseeing the fair and equal treatment of workers compounds vulnerabilities. Fewer women have access to financial services for their household business than men.⁴ These power imbalances disadvantage women financially and create vulnerabilities to sexual exploitation, abuse, and harassment (SEAH).

Environmentally sustainable tea production



Malawi is considered a climate change hotspot. Over the last 50 years, it experienced seven droughts, more than 19 major flooding events and, in 2015, more than one million people were affected by the worst floods in 50 years.⁵ In tea growing regions, repeated extreme flooding and pest events have caused loss of life, substantial crop damage and destroyed property. Tea crop yield and quality are extremely sensitive to climate variability, and impacts are being felt across the tea sector, particularly the livelihoods of smallholder farmers who depend on it, the overwhelming majority of whom are women.

ETP's Strategic Plan in Malawi

Projects



ETP plans to address SEAH, enable transformative and inclusive leadership, and explore alternative income generation streams in Malawi. This work will be done through supporting the Tea Association of Malawi, working with individual producer organisations, and building our relationships with local networks, actors, and women's rights organisations.

Private sector change



ETP will scope interest from member companies and tea producers in Malawi to pilot a responsible contracting model that includes specific clauses to address human rights due diligence, with shared responsibility between buyers and suppliers.

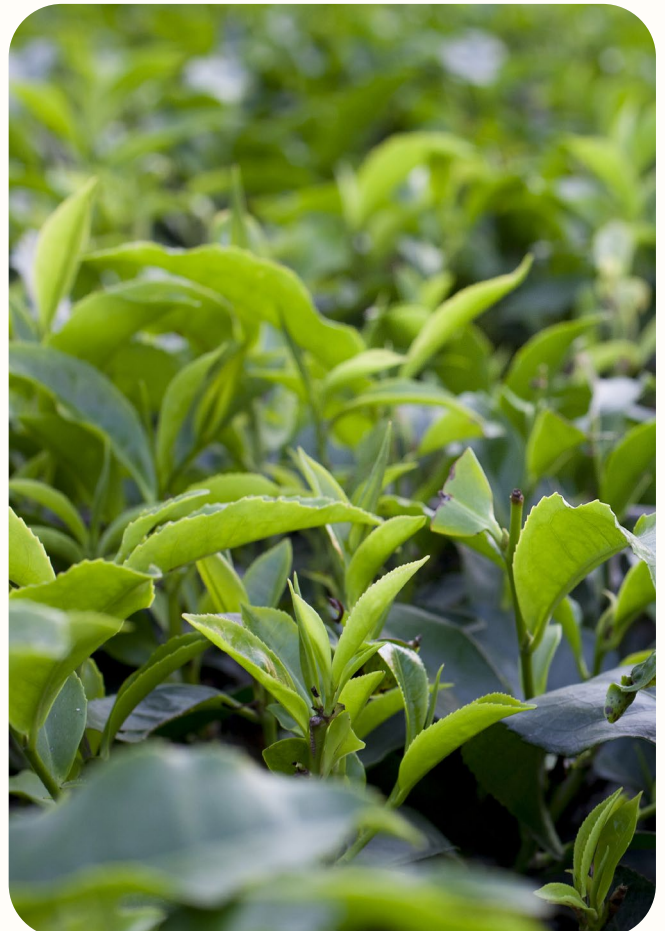
Policy



Social and environmental progress in Malawi is hampered by gaps in policy and legal frameworks; this is further hindered by limited support from the government. In 2024, ETP will review policies, laws and government programmes that affect the tea sector to identify policy gaps and guide ETP's policy activities in Malawi. ETP will collaborate with partners to influence policies impacting the tea sector, identifying like-minded organisations who will push to address these gaps, and drawing from experiences and best practices from other tea-producing regions.

Resources required

Achieving ETP's Country Plan in Malawi over the next three years will require £1,959,000 of which £823,000 is already secured. The additional funding required to implement proposed activities is £1,136,000. The total budget includes current and planned staff costs, programme activity costs, project communications, admin costs, roundtables, conferences, and local and international travel. For the first time, ETP staff costs are included in country budgets.



ETP's current programme in Malawi

Ulalo 'Bridge'

Impact area

- Economics
- Equality
- Environment

Approach

- Project
- Private sector change
- Policy

Outcome

- Living wage
- Living income
- Good livelihoods
- Equal opportunities
- Empowered, safe communities
- Net zero tea
- Climate resilient agriculture
- Zero deforestation

Location

Mulanje and Thyolo

Planned reach

8,000 workers (direct)

Project overview

This project aims to build workers' economic resilience at Lujeri Tea Estates and address gender issues through economic empowerment.

Aims, objectives, and activities

The project started in September 2021 and is expected to wind down its activities in August 2024. The project aims to establish 555 Village Savings and Loan Associations (VSLAs) with 10,000 workers, to educate and enhance financial literacy and decision-making skills for tea workers at Lujeri Tea Estates. In doing so, the project hopes to build the economic resilience of tea estate workers, enabling a decent standard of living, and promoting an equal society.

Payment for Ecosystem Services (PES)

Impact area

- Economics
- Equality
- Environment

Approach

- Project
- Private sector change
- Policy

Outcome

- Living wage
- Living income
- Good livelihoods
- Equal opportunities
- Empowered, safe communities
- Net zero tea
- Climate resilient agriculture
- Zero deforestation

Location

Mulanje and Thyolo

Planned reach

21,000 farmers (direct)

Project overview

ETP is exploring opportunities for a PES tree planting project with farmers in Malawi to boost their incomes while addressing some of the prevailing environmental challenges in tea-growing regions.

Aims, objectives, and activities

This initiative will pilot Rabobank's ACORN model, which provides a financially viable route for smallholders to access carbon finance. The pilot will start with two associations and 21,000 farmers within Mulanje and Thyolo. A business case outlining an agroforestry design of intercropping cash crops with fruit, shade, and boundary trees has been completed. Finally, gender equity will be prioritised through proactive and intentional project design.

ETP's planned programme in Malawi

Addressing SEAH in the Malawi Tea Sector

Impact area

- Economics
- Equality
- Environment

Approach

- Project
- Private sector change
- Policy

Outcome

- Living wage
- Living income
- Good livelihoods
- Equal opportunities
- Empowered, safe communities
- Net zero tea
- Climate resilient agriculture
- Zero deforestation

Location

Mulanje and Thyolo

Expected reach

To be confirmed

Project overview

The project will implement several approaches to address the underlying causes behind the cases of Sexual Exploitation, Abuse, and Harassment (SEAH) on tea estates that were reported in Malawi's tea industry over the past few years.

Aims, objectives, and activities

This project will support the tea sector to roll out gender policies in producer companies. This includes a participatory study on leadership and collaborating with local stakeholders including women's rights networks in national initiatives. This project will work with producer organisations that are already doing gender transformative work to deepen their impact. This project will enable transformative and inclusive leadership as well as alternative income generation streams through the expansion of VSLA work.

Additional current programme

- Kuwala 'Shine' (ended March 2023)
- Healthy Diets for Tea Communities (ending June 2023)

- [1] *Malawi 2063: Malawi's Vision*. n.d. Malawi: Malawi Government. <https://malawi.un.org/sites/default/files/2021-01/MW2063-%20Malawi%20Vision%202063%20Document.pdf>.
- [2] *Malawi 2020 Tea Revitalisation Programme*. 2015. London: Ethical Tea Partnership. https://www.ethicalteapartnership.org/wp-content/uploads/Malawi-2020-Factsheet_final3.pdf.
- [3] "Malawi Gender Equality Fact Sheet - U.S. Agency for International Development." 2016. USAID. 2016. <https://2017-2020.usaid.gov/malawi/fact-sheets/malawi-gender-equality-fact-sheet>.
- [4] Oppong, M. Yaa Pokua Afriyie; Haq, Inaam Ul; Wambua, Violette Mwikali. *Malawi Gender Assessment*. Washington, D.C. World Bank Group. <http://documents.worldbank.org/curated/en/099315004212212759/P176395040da430500beb7042a0d5846ee6>.
- [5] "Chakwera Concerned That Malawi Is Becoming a Hotspot for Climate Change - Malawi Nyasa Times - News from Malawi about Malawi." 26 August 2021. <https://www.nyasatimes.com/chakwera-concerned-that-malawi-is-becoming-a-hotspot-for-climate-change/>.





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