



INTEGRATED SDG INSIGHTS

MALAWI

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: MALAWI

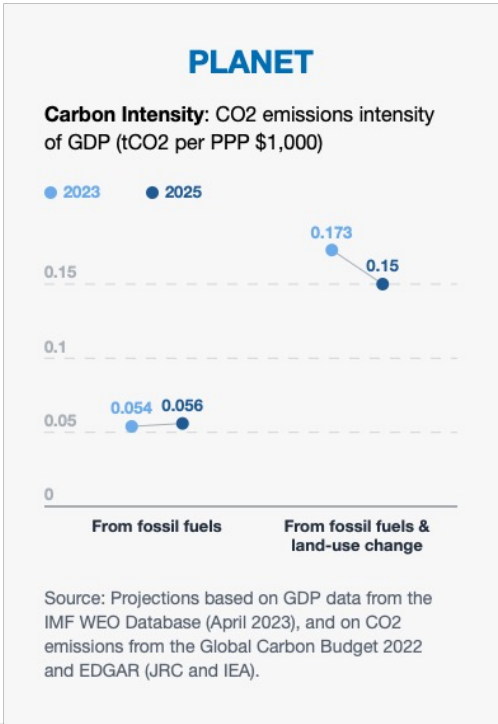
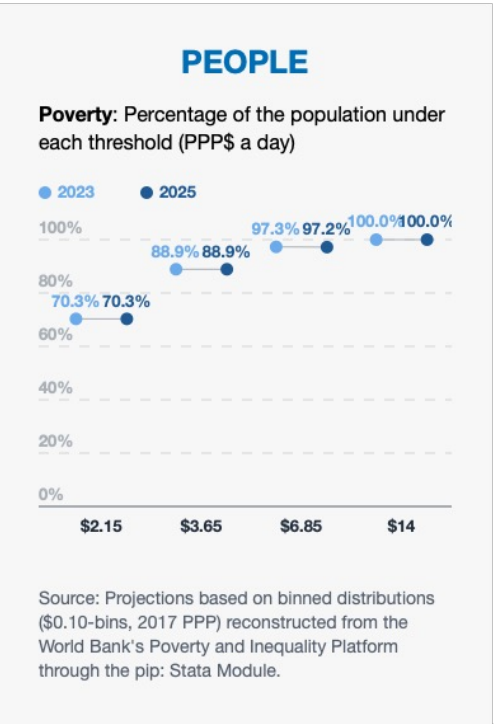
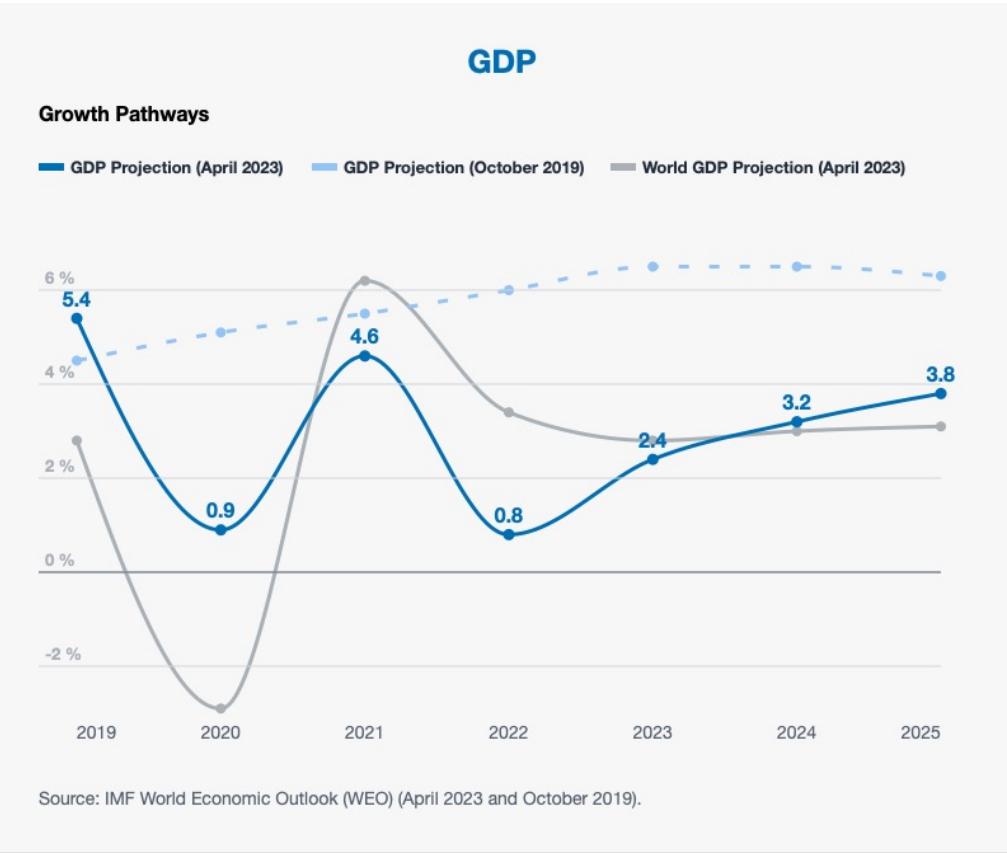
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Malawi’s economy is in mitigation mode in 2023-2024 but is projected to accelerate by 2025.¹ While this pace of economic growth is expected to surpass the global figure, it is still well below the country’s growth trajectory projected before the pandemic.

This pace of growth is not expected to have a noticeable impact on extreme poverty reduction at \$2.15 a day — leaving critical distributional challenges that need to be addressed to accelerate the rate of progress in the short-term. Hence the country’s commitment to achieving the SDGs should focus on mitigating the effects of the downturn on the most vulnerable households and on reducing extreme poverty. On the other hand, this economic growth cycle comes at the expense of the environment as the country’s carbon emissions intensity of GDP is expected to increase at an annual rate of 1% due to fossil fuel usage.²

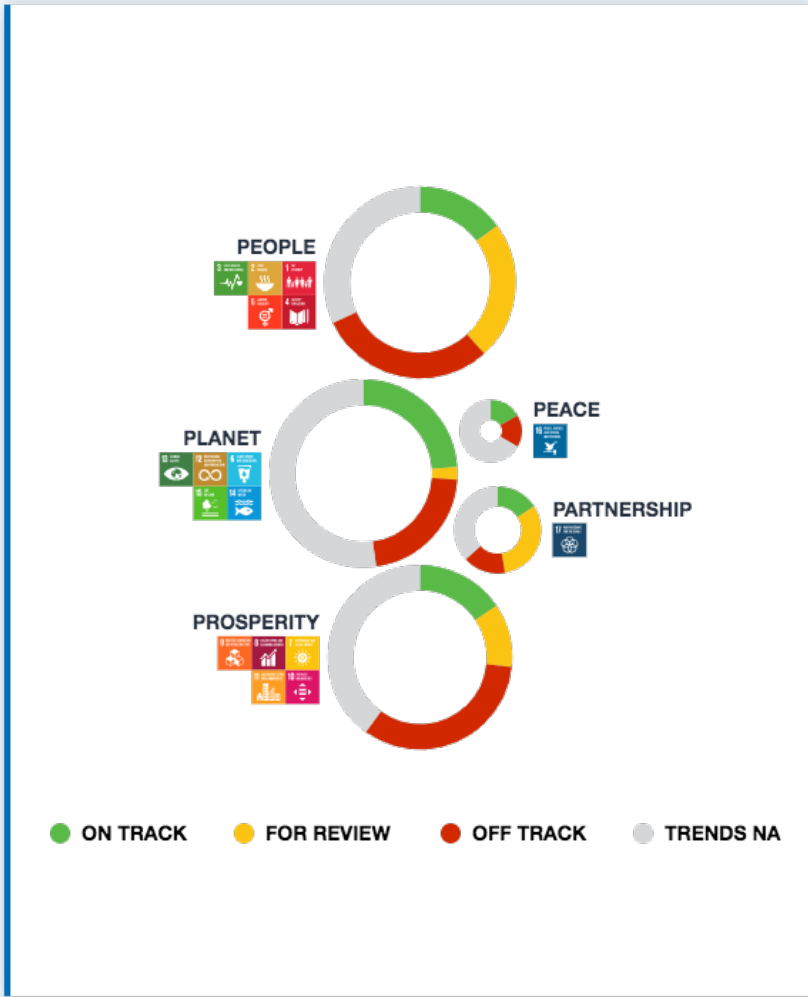
¹ The economic cycle is determined by adjusting the country’s current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Malawi performs against the SDG targets provides a baseline landscape against which build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



Trends in detail:
<https://data.undp.org/sdg-push-diagnostic/MWI/sdg-trends>

SDG PRIORITIES

Malawi’s national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:

1. The Malawi First 10- Year Implementation Plan (MIP 1) 2021-2030
2. UN Sustainable Development Cooperation Framework Malawi 2019–2023
3. Final Common Country Analysis Malawi 2023
4. Cooperation Framework Companion package
5. Malawi Voluntary National Review 2022
6. Multiannual Indicative Programme -1 2021 - 2030
7. Economic and Fiscal policy Statement, 2023
8. Budget Policy Statement 2023/2024
9. State of the Nation, 2023
10. Malawi 2023 Draft Programme Based Budget Document

Priorities in detail:
<https://data.undp.org/sdg-push-diagnostic/MWI/current-priorities>



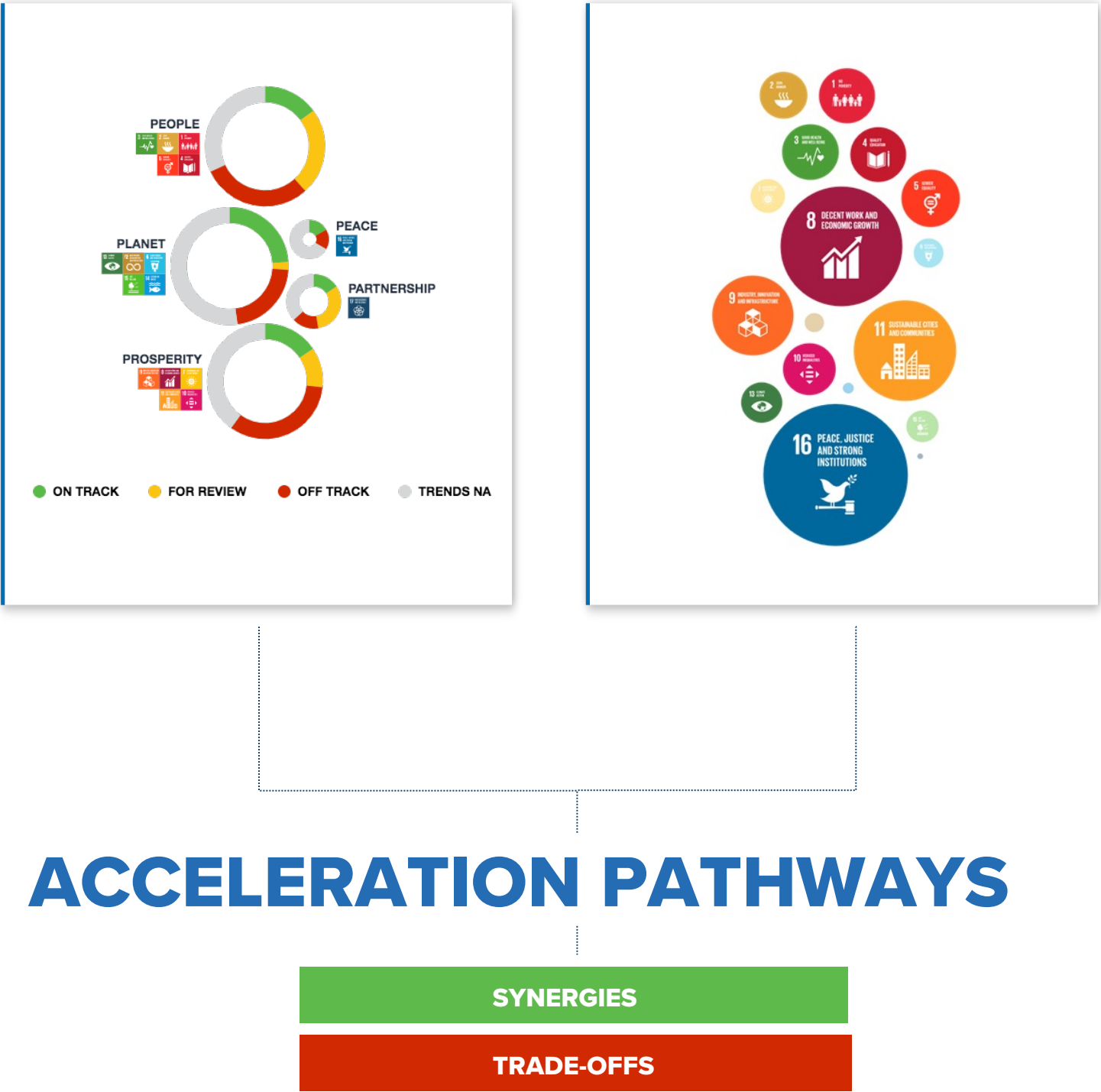
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Malawi to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Malawi’s SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Malawi:

- Target 5.4: Value unpaid care and promote shared domestic responsibilities
- Target 8.5: Full employment and decent work with equal pay
- Target 9.2: Promote inclusive and sustainable industrialization
- Target 11.b: Implement policies for inclusion, resource efficiency and disaster risk reduction
- Target 16.6: Develop effective, accountable and transparent institutions



SDG INTERLINKAGES

5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family, as nationally appropriate

In Malawi, women experience lower human endowments, economic opportunity, voice and agency than men. Gender inequality increases women’s lack of agency at home, and thus increases their vulnerability to gender-based violence. An estimated 24.3% of all women aged 15-49 years have experienced physical violence in the last 12 months, while 16.3% of women believe that a husband is justified in beating his wife under certain circumstances

To address this, it is essential to focus on policies that prioritize addressing gender gaps in policy combinations and address human capital, economic opportunities, ownership and control of assets and that promote women’s voice and agency. The Multiannual Indicative Programme-1 2021-2030 emphasizes the need for integrated approaches to promote gender equality and to create greater opportunities, especially for women and youth.

Furthermore, a robust social protection programme (targeting women) that leverages the potential of digital technology can empower women by enabling them to succeed in the future of work, to access essential digital services, including those for education and health care, and to increase their civic and political engagement.



Explore the interlinkages at:
<https://data.undp.org/sdg-push-diagnostic/MWI/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

With a national unemployment rate in Malawi of approximately 18.5% in 2018 (higher among females than males, at 20.3% and 16.6%, respectively), and youth (aged 15-24 years) not in education, employment, or training at 29.6% in 2020, it is crucial to give special attention to women, youth and people with disabilities when addressing the issue of decent work for all.

As the country’s economic activity mostly takes place in the agricultural sector, it continues to be highly vulnerable to economic and climate shocks due to weak or no protection systems.

By focusing on Target 8.5, the Government of Malawi can advance inclusive and sustainable economic growth and development and improved livelihoods for its citizens and leverage the synergies with investments that reduce energy intensity and to increase its efficiency to mitigate the negative impact on the share of renewable energy (Target 7.2) and energy efficiency (Target 7.3).



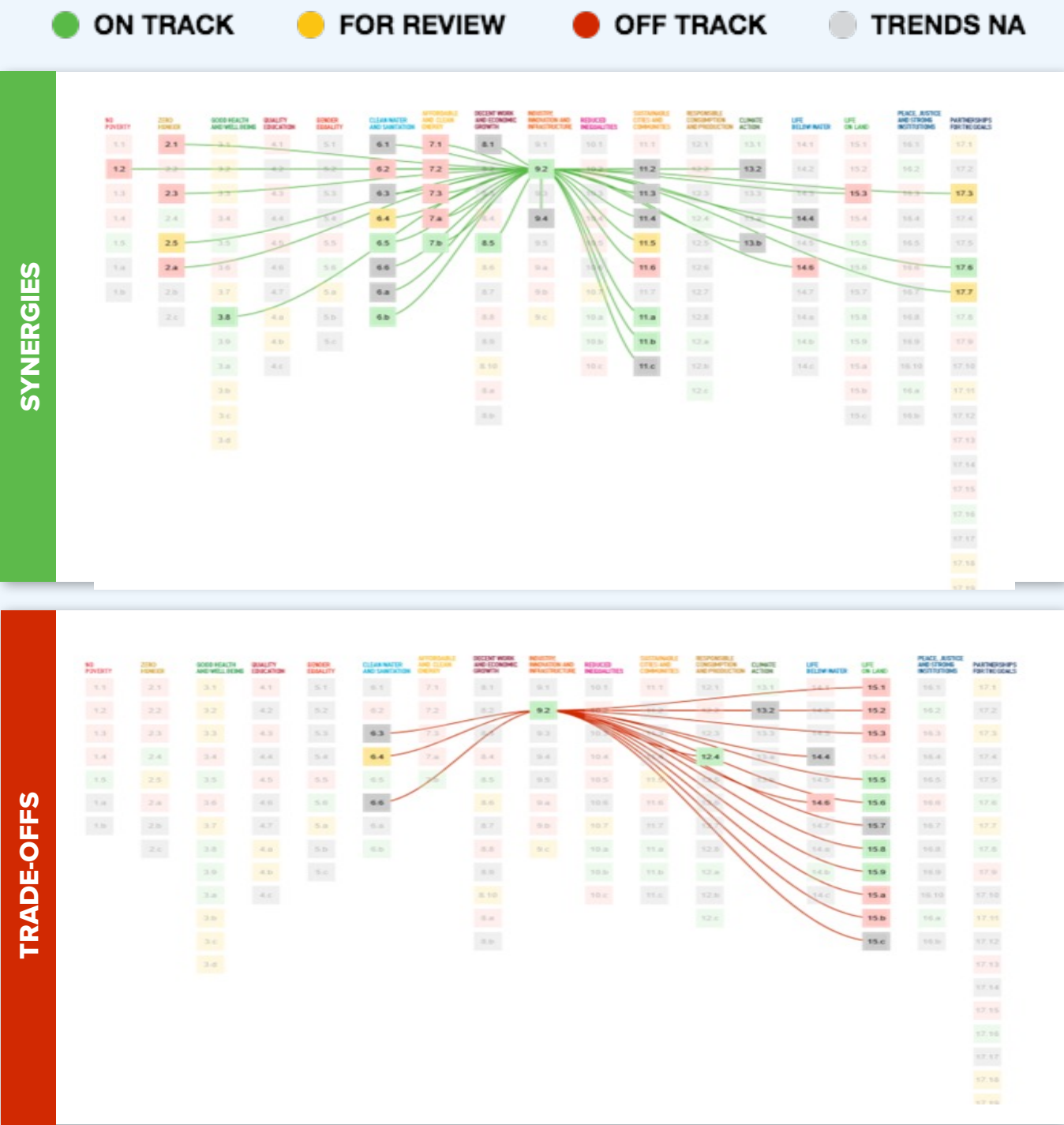
SDG INTERLINKAGES

9.2: Promote inclusive and sustainable industrialization, and by 2030 raise significantly industry’s share of employment and GDP, in line with national circumstances, and double its share in LDCs.

SDG Target 9.2 aims to foster inclusive and sustainable industrialization in Malawi while simultaneously enhancing its economic growth. Despite recent improvements, manufacturing value added as a proportion of GDP and per capita remains relatively low in Malawi (around 11.5 % in 2020).

However, the pursuit of industrialization also entails tradeoffs. It requires careful consideration of environmental sustainability, as industrial activities can have adverse ecological impacts—affecting ecosystems (SDGs 15 and 2), potable water (SDG 6), life below water (SDG 14) and life on land (SDG 15). Rapid industrialization could put pressure on energy access (Target 7.1) at the expense of energy sustainability (Targets 7.2 and 7.3). Ensuring inclusivity in this process is crucial to prevent potential social, gender and territorial inequalities (Targets 10, 5).

By investing in SDG 9.2 (inclusive and sustainable industrialization), Malawi can improve on its current employment challenges and focus on key priorities around eradication of poverty, reducing inequality, improving the business environment and local entrepreneurship. This, complemented with rural economic transformation that focuses on fostering commercially successful smallholders and creating on- and off-farm employment opportunities for smallholders, will both generate jobs in downstream agro-processing and the services sectors and increase demand for locally produced services.



Explore the interlinkages at:
<https://data.undp.org/sdg-push-diagnostic/MWI/synergies-and-tradeoffs>

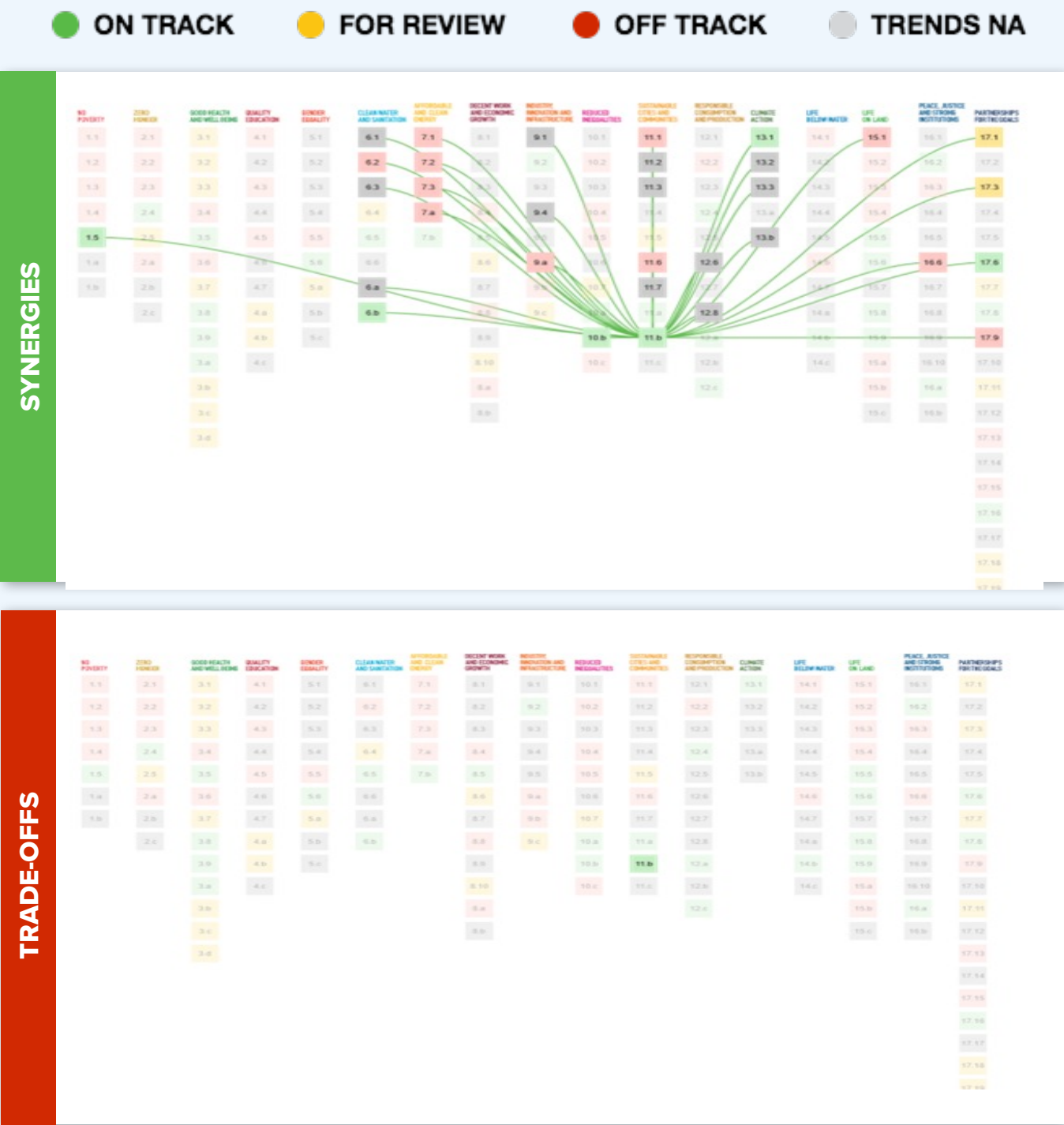
SDG INTERLINKAGES

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

Persons affected by direct economic loss due to cyclones, floods, landslides, droughts, multiple shocks (exogenous and endogenous), including the COVID-19 pandemic, have increased in the past decade in Malawi.

In a context in which climate change-related extreme weather events are expected to increase, it is critical to step up prevention, mitigation and adaptation interventions that strengthen the resilience of human settlements and cities across the country. Such interventions will be critical to enable Malawi to attain its SDGs and its ambitions to attain sustainable environmental and natural resources management, disaster risk reduction, and to minimize the adverse impacts of climate change by 2030, as recognized in the MIP 1 2021 – 2030.

Investing in SDG 11 (Sustainable and resilient cities and human settlements) can help Malawi address current challenge of resilience of the poor and vulnerable to focus on key priority areas, such as water and sanitation, affordable and clean energy, sustainable and resilient infrastructure, environmental sustainability and to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.



Explore the interlinkages at:
<https://data.undp.org/sdg-push-diagnostic/MWI/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

In Malawi approximately 44.8% of the population are satisfied with the public services they receive. By focusing on SDG 16 (Peace, justice, and strong institutions), and specifically Target 16.6, measures can be implemented to cut across all goals and pillars outlined in the MIP-1 2021 – 2030, where public services are provided.

This offers Malawi the opportunity to set a higher ambition, for example, towards the percentage of the population satisfied with public services received. This increase will have a positive multiplier effect on the progress made for other SDGs.

However, it is crucial to ensure that this goal is accompanied by safeguards to prevent the deepening of poverty inequalities.



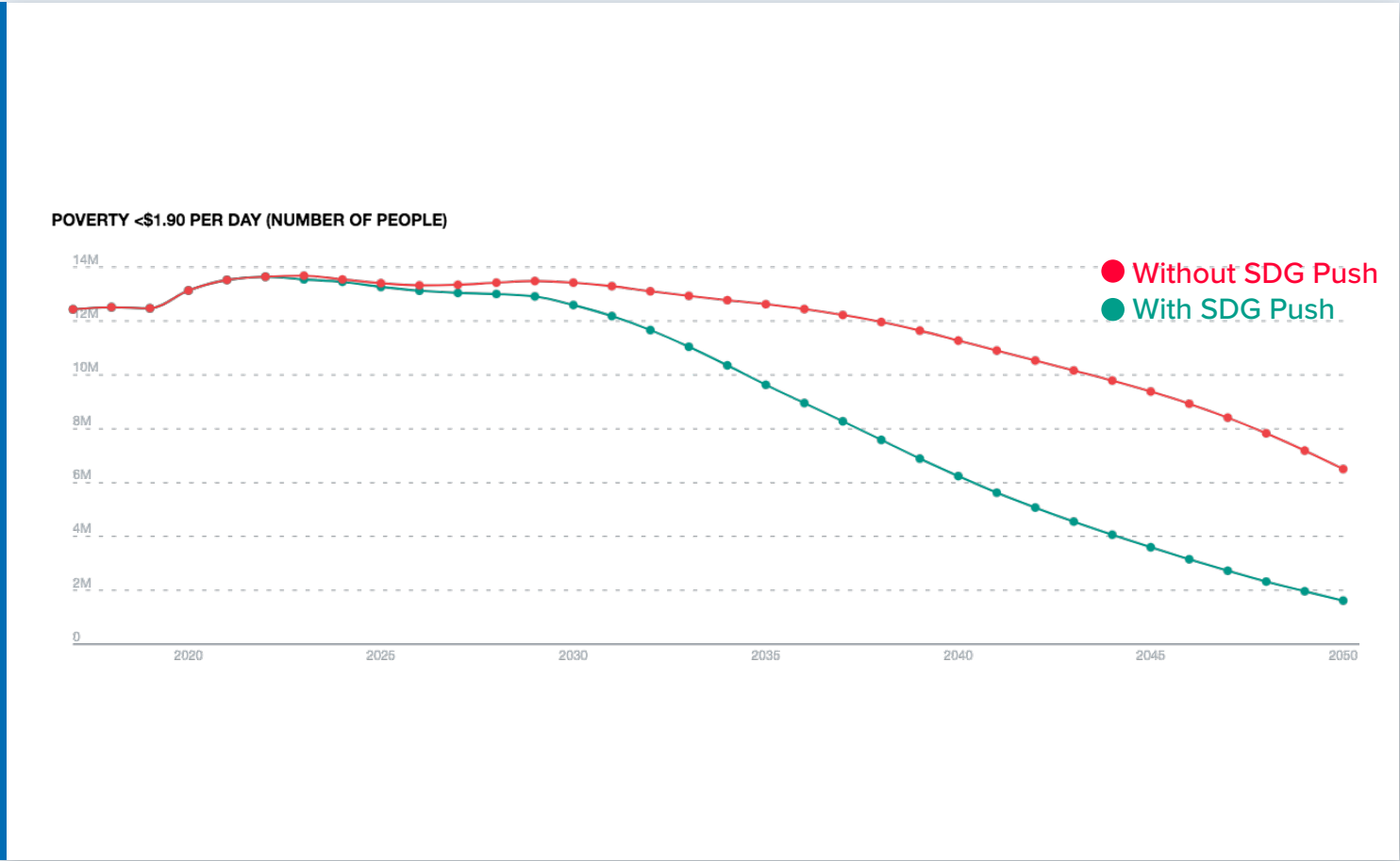
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Malawi can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	13 mn	6.5 mn
With the SDG Push	13 mn	1.6 mn



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/MWI/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

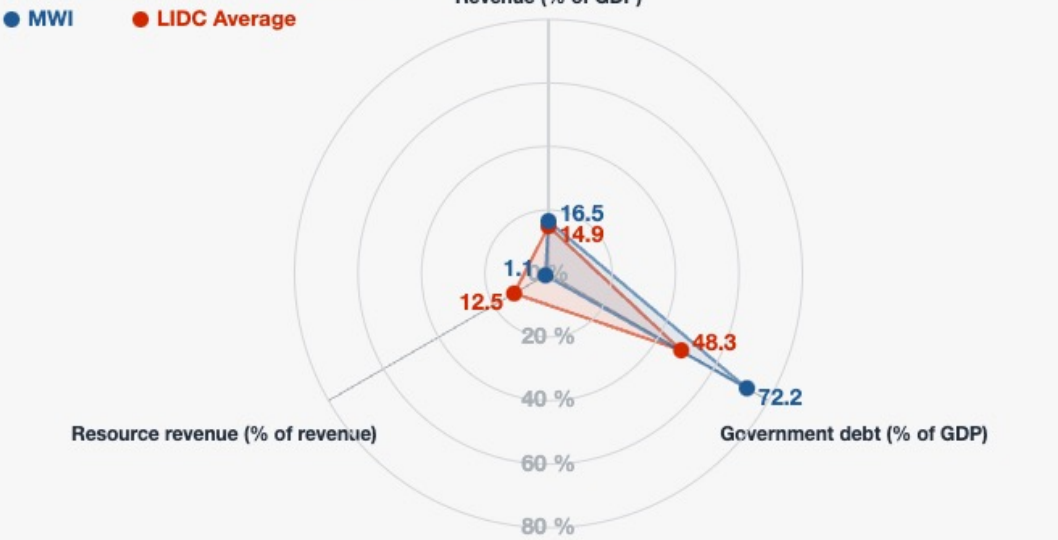
The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country’s latest Debt Sustainability Assessment (DSA) risk rating.

Malawi's gross government debt, projected at 72.2% of GDP in 2023, is much higher than the low-income developing countries (LIDC) group average of 46.3%. Comparatively, the country will collect slightly more revenue, projected at 16.5% of GDP in 2023 versus 14.9% for the LIDC group.

Compared to the average LIDC country, Malawi’s external debt servicing relative to revenue, projected at 6.8% this year, is lower, but given its high overall level of debt and sustained fiscal deficits, the latest DSA rates the country as ‘in debt distress’.

Malawi is using an Integrated National Financing Framework to address key fiscal and financial constraints and to build a more sustainable financial architecture at the national level. Priority actions include developing and implementing a digital local tax payment platform building on lessons learned from the Malawi Revenue Authority’s Msonkho Online; improving business registration; strengthening property tax enforcement; optimizing mining royalties; preparing a Medium-Term Debt Management Strategy; implementing a Single Treasury Account for all ministries and SOEs to streamline the management and disbursement of public funds; and improving sector plans to stabilize the investment environment for the private sector.

LOW-FREQUENCY INDICATORS



FINANCIAL INDICATORS



Notes: External debt covers public and publicly guaranteed debt. The LIDC average of resource revenue (% of revenue) only includes the 38 countries that reported data for that indicator.

Sources: EITI (resource revenue, data from 2017), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), IMF/World Bank (DSA Rating as of 31 May 2023).

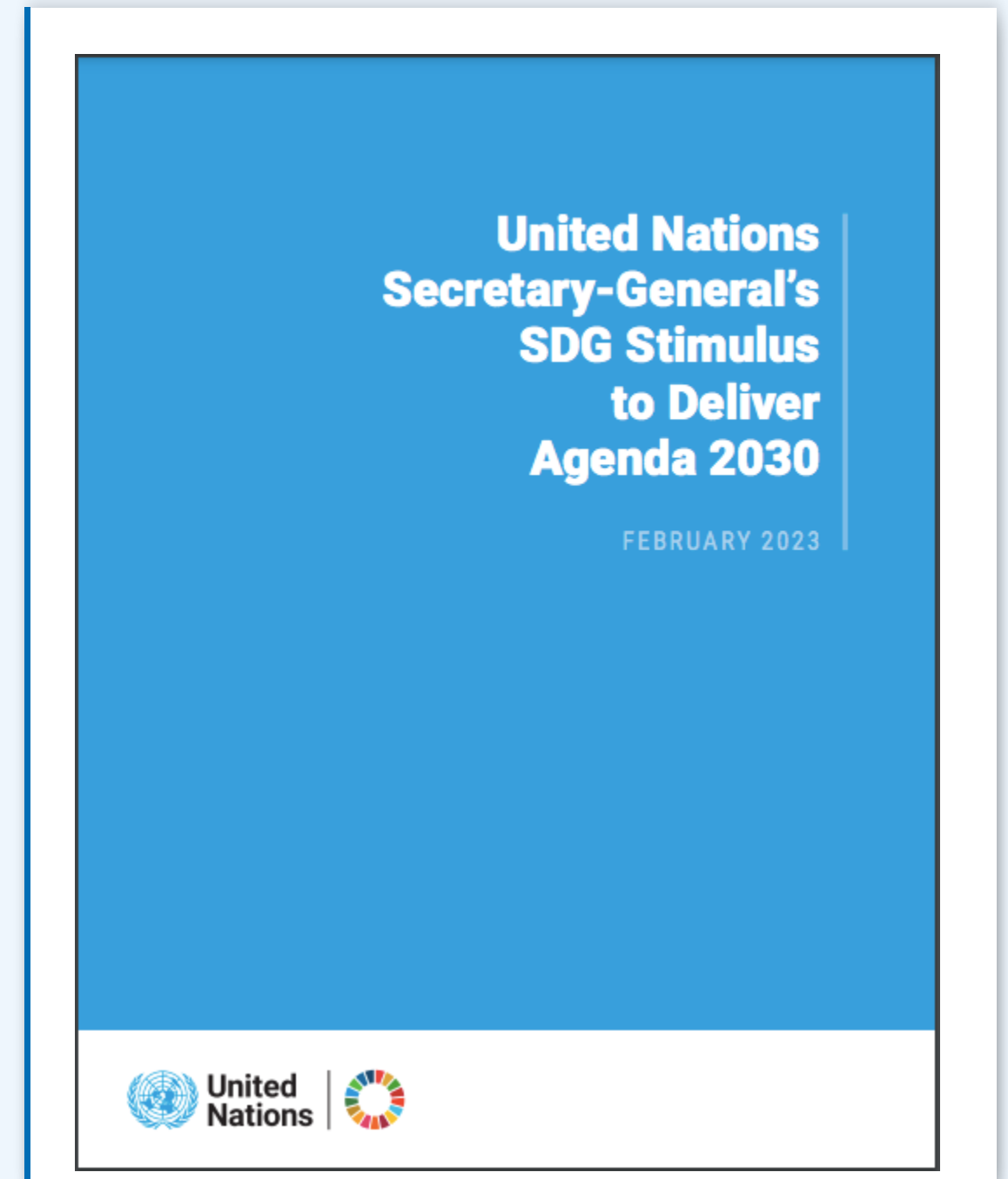
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Malawi, possible funding options for the investments derived from the identified interlinkages are mechanisms identified in the SDG Stimulus and proposed by the Malawi Integrated National Financing Strategy:

- Tax and revenue reform through digital tax administration
- Tax for the SDGs
- Debt sustainability for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing
- Leveraging the potential of trade, e.g. the African Continental Free Trade Area and other trading blocs



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).