



Economic Resilience and Recovery Window Challenge

The Context:

Whilst the challenges to Malawi's private sector are already significant, the magnitude of the current shock brought about by the Coronavirus pandemic introduces a significant level of complexity to the economy and increased risks to businesses operating in Malawi.

In order to respond to this crisis, MICF will deploy a funding window of immediate support to critical businesses in agriculture, manufacturing, as well as those whose failure could have severe systemic impacts on the economy. This could include, for example, businesses that support the supply of food, transport and logistics. The focus will be on the dual objectives of:

- Helping key businesses to maintain supply chains and adapt production and processes to supply goods that are likely to experience rapid domestic demand and potential for longer term profitable business lines. These interventions will seek to preserve existing jobs and incomes of suppliers, and avoid financial restructuring
- *Supporting businesses that can deliver a fast recovery from the shock.* It will do this through complementary actions to directly increase firm resilience to economic shocks, as well as leverage local production possibilities to scale and grow products that are likely to have potential for future exports

The Challenge:

Within this environment the Economic Resilience and Recovery Window will solicit business ideas from private sector organisations operating within Malawi that have a capacity to implement that can:

- ***Strengthen businesses operating in key supporting functions of value chains, particularly within logistics, distribution and last mile delivery*** to ensure that domestic supply chains can function and continue to deliver vital supplies even with social distancing measures in place.
- Support critical ***businesses across value chains that can have the potential to leverage producers and suppliers to scale and grow products that are likely to experience supply shortages but have potential for future exports.*** These will need to demonstrate: i) how local production could be integrated, scaled and grown; ii) domestic demand shortages that the product could fill; iii) a relatively quick turnaround time to commence manufacture / processing; and iv) the longer term potential for delivering export growth. These could, for instance, include soaps (from vegetable / sunflower oil-based products); hand sanitisers from sugar wastes and molasses; through to developing virtual marketplaces for different products, etc.
- ***Support technology-based solutions for tracking movements of goods, supporting aggregation, traceability and delivery.*** It will support the integration of either innovative or off the shelf technology solutions for creating linkages across various market players especially in supporting aggregation, distribution and last mile delivery.

The amount of contribution by MICF shall range between USD 200,000 and up to USD 500,000 and the grantee must contribute at least 30% of the total project value. The projects will be expected to be completed within a maximum 30-month period