Briefing Paper for Scottish Parliament Members' Business Debate: 150th Anniversary of the Founding of Blantyre in Malawi

Scheduled for Tuesday 6th October, 5:30pm

Proposed by Clare Haughey MSP (S7M-00862)

Background: Scotland and Malawi, and SIDA's role

The 150th anniversary of the founding of Blantyre provides an opportunity to celebrate the depth and diversity of the relationship between Scotland and Malawi, while also considering what an equal and effective partnership can look like in the years to come.

Blantyre was founded on 23 October 1876 by Scottish missionaries and named after the Scottish birthplace of David Livingstone, who first arrived in east and central Africa in 1859. The relationship has since grown far beyond its historical origins. Today it encompasses communities, schools and universities, businesses, civil society organisations and governments in both countries.

Scotland's International Development Alliance (SIDA) is the membership body in Scotland for organisations and individuals committed to creating a fairer world, free from poverty, injustice and environmental threats. Currently 52 of our member organisations, around one third of our total membership, work in Malawi either directly or through Malawian partner organisations. Their work ranges from major programmes in health, education and agriculture to locally led and community-based partnerships connecting people and organisations in both countries. This breadth of engagement demonstrates that Scotland's connection with Malawi is not simply a matter of shared history. It is a contemporary relationship involving thousands of people and institutions, built increasingly around partnership, mutual respect and shared learning.

The Scottish Executive, led by First Minister Jack McConnell, first established the International Development Fund and signed a Co-operation Agreement with the Government of Malawi in 2005. That agreement was founded on principles of mutual respect and partnership, and helped establish the framework for Scotland's modern approach to international development. Over the two decades since, Scotland's international contribution has developed further through the Climate Justice Fund, Humanitarian Emergency Fund and wider global partnerships.

Scotland's civil society and network organisations have played their part in turning those commitments into long-term relationships, practical programmes, public engagement and opportunities for learning between Scotland and partner countries. The Scotland-Malawi Partnership has mapped people and organisational links with Malawi that exist in all 73 Scottish Parliament constituencies.

The Scottish Government currently provides core support to four network bodies: Scotland's International Development Alliance (SIDA), Scottish Fair Trade (SFT), the Scotland-Malawi

Partnership (SMP) and the Malawi-Scotland Partnership (MaSP). They play distinct but complementary roles, including strengthening partnerships, supporting global citizenship, convening organisations and communities, building the capacity of the wider sector and amplifying the impact of Scotland's international development activity. Their value lies not simply in the work of the individual organisations, but in the infrastructure they provide for a much broader network of schools, universities, charities, businesses, faith groups, communities and overseas partners.

The value of this relationship also lies in what Scotland can learn from Malawi. Scotland-Malawi links have created opportunities for two-way learning in areas including sustainable agriculture, community-led development, education, health and climate resilience. Malawian experience of smallholder farming, crop diversification, irrigation, co-operative working and climate-smart agriculture is relevant to wider debates about sustainable food systems and resilience in Scotland as well as Malawi. The strongest partnerships recognise that expertise, ideas and innovation should flow to and from each partner.

These strong connections are increasingly important in a changing global context. Climate breakdown, rising debt burdens, conflict and weakening international co-operation are placing growing pressure on lower-income countries, while political support for international development is declining in several donor countries.

The anniversary therefore offers more than an opportunity to look back. It is also a moment to consider how Scotland and Malawi can build a relationship for the future that responds to the challenges Malawi faces today, including unsustainable debt, climate vulnerability and a sharp contraction in international development finance.

Malawi and the global debt crisis

Alongside long-standing development challenges, Malawi is facing severe economic pressures, high inflation, climate-related shocks, declining international aid and an unsustainable debt burden.

The IMF has described Malawi's public debt dynamics as unsustainable and assesses the country as being in debt distress. Some key indicators from the IMF illustrate the scale of the challenge:

- Public debt reached around 88% of GDP at the end of 2024, equivalent to approximately US$10.3 billion.
- The Government's interest bill was approaching 7% of GDP in 2024/25 and the IMF projected it to rise above 8% in 2025/26.
- Malawi remains in arrears to commercial external creditors and has been negotiating the restructuring of parts of its external debt.
- Economic growth has remained weak, while high food prices and foreign exchange shortages have contributed to persistent inflation and pressure on household incomes.

Debt is therefore not simply a question of government finances. High debt-servicing costs reduce the resources available for priorities such as health, education, social protection and

investment in resilience to climate change. They also make Malawi more vulnerable to further shocks and more dependent on increasingly scarce concessional finance.

Scotland has already provided an important platform for Malawi's voice on this issue. During the 2026 Commonwealth Games programme, representatives of the Governments of Malawi, Zambia and Scotland agreed the Glasgow Statement on Debt Justice in the Commonwealth following a high-level roundtable hosted by the Scottish Government. The Statement recognises that debt repayments are constraining the ability of many countries to finance sustainable development and essential public services. It calls for:

- timely and equitable debt restructuring and, where appropriate, debt relief;
- fuller participation of private, bilateral and multilateral creditors in debt resolution;
- greater access to affordable concessional and climate finance;
- stronger debt transparency, public financial management and domestic resource mobilisation;
- a new debt framework through the United Nations or another broadly agreed multilateral process;
- greater representation for developing countries in global financial decision-making.

Crucially, the Statement also calls for debt reform to feature prominently when the UK hosts the G20 Summit in 2027, with countries most affected by the debt crisis helping to shape the discussion.

For Scotland, the opportunity now is to build on the Glasgow Statement rather than allowing it to remain a one-off declaration. The Scottish Government should continue working with Malawi, Zambia and other Commonwealth partners to promote its proposals, including in the run-up to CHOGM in Antigua and Barbuda in November 2026 and the UK's G20 Presidency in 2027. Scottish parliamentarians can also use Scotland's engagement through the Commonwealth Parliamentary Association to support dialogue with parliamentarians and civil society from countries most affected by unsustainable debt. With CHOGM bringing together governments, parliamentarians, civil society, youth and other Commonwealth networks, it offers an immediate opportunity to broaden the coalition for reform and ensure affected countries help shape the debate.

The challenge of cuts to Official Development Assistance

The pressure created by Malawi's debt crisis is being compounded by a steep fall in international development assistance. The UK Government has decided to reduce Official Development Assistance to 0.3% of Gross National Income by 2027, but the impact on Malawi will be substantially greater than the headline reduction in the overall aid budget.

FCDO plans show that bilateral aid to Malawi is expected to fall by around 90%, from £50.2million in 2025/26 to just £5million in 2028/29. The UK Government's own Equality Impact Assessment gives an indication of the likely human impact. It says FCDO is likely to stop delivering programmes with health objectives in Malawi and estimates that this could result in around 250,000 adolescents losing access to modern methods of family planning each year and around 20,000 children being at risk of dropping out of school following the end of school feeding support.

These reductions come after a long period in which UK aid has made a substantial contribution to development outcomes in Malawi. A recent Centre for Global Development assessment estimates that UK bilateral aid to Malawi since 2009 totalled around £1.6 billion in 2025 prices. It found that UK support had contributed to improvements across health, education, humanitarian response, climate resilience and livelihoods. Among the results attributed to UK support were 3.1 million people reached with essential health services, more than 400,000 children supported to gain a full, decent education, and more than 385,000 people supported to cope with the effects of climate change.

Building greater economic resilience

The scale of Malawi's debt and aid challenges also underlines the need to look beyond development assistance alone. Malawi's long-term ability to finance public services and sustainable development depends on strengthening domestic revenues, while ensuring that international tax and financial rules allow lower-income countries to retain a fairer share of the wealth generated in their economies.

That includes stronger tax administration and public financial management, action on illicit financial flows, and fairer taxation of multinational companies. The ongoing negotiations towards a UN Framework Convention on International Tax Cooperation are an important opportunity to make global tax rules more inclusive and responsive to the priorities of developing countries.

Scotland can support this agenda by backing fairer global tax rules, stronger representation for developing countries in international financial decision-making, and a more coherent approach to debt, tax and development finance. This reflects SIDA's wider call for reform of the global financial architecture.

Climate justice and loss and damage

Malawi is one of the countries most vulnerable to the impacts of climate change, despite having contributed very little to the emissions driving it. Its predominantly rain-fed agricultural economy is particularly exposed to changing rainfall patterns, drought, flooding and tropical cyclones. Recent shocks have destroyed homes, crops and infrastructure, displaced communities and deepened food insecurity. Around 6.2 million people experienced high levels of acute food insecurity between December 2024 and March 2025, driven by a combination of economic and climate-related pressures. Climate shocks also compound Malawi's wider economic and debt problems. The World Bank highlights repeated droughts and floods as threats which erode livelihoods faster than many households can recover, while its assessment of Malawi's risk profile identifies drought and flooding as the country's most significant recurring natural hazards.

Scotland has played a distinctive role in developing the concept of climate justice, recognising that those least responsible for climate change are often those experiencing its most severe effects. Through the Climate Justice Fund, Scottish Government support has included a major £8 million Climate Just Communities programme in Malawi, as well as support for

communities affected by Tropical Storms Ana and Freddy and direct cash transfers to Malawians experiencing climate-related loss and damage.

Scotland also helped move the international debate on loss and damage from principle towards practical funding. At COP26 in Glasgow, the Scottish Government became the first government in the Global North to make a specific financial commitment to address loss and damage, initially pledging £2 million. The Scottish Government says that commitment has subsequently grown to £10 million pledged and mobilised, including £800,000 for work in Malawi following tropical storms. The significance of this leadership was recognised by then President of Malawi Lazarus Chakwera, who told the BBC that Scotland's Loss and Damage Fund could provide a model for wider international action that: *"This fight belongs to all of us and I believe that this example will serve as a prototype of what could happen."*

The agreement at COP27 to establish an international Loss and Damage Fund, followed by its operationalisation at COP28, demonstrated the wider shift that Scotland's early intervention had helped encourage. Continued Scottish leadership should now mean protecting and growing the Climate Justice Fund, maintaining dedicated support for loss and damage, and ensuring funding is additional, locally led and shaped by the priorities of affected communities. SIDA has called for the Climate Justice Fund to increase from £12.7 million to at least £15 million in 2027-28, alongside a dedicated Loss and Damage element.

What Scotland can do now

Scotland cannot replace in full the funding being lost to Malawi by other major donor government cuts, although it is worth noting that Scottish Government figures show its total spending in Malawi in 2024/25 totalled £5.3million, which is greater than the projected FCDO budget in Malawi for 2028/29. This contrast underlines the importance of maintaining and growing Scotland's own contribution and of providing predictable, long-term support through partnerships with Malawian organisations and institutions.

SIDA has welcomed the Scottish Government's commitment to increase the International Development by 25% during the current Parliament, alongside continued support through the Climate Justice Fund and Humanitarian Emergency Fund.

In particular, we recommend that the 2027/28 Scottish Budget should:

- increase the core International Development Fund from £15 million to at least £18.75 million, with future annual increases at least in line with inflation;
- retain separately ring-fenced and additional humanitarian funding, while establishing an interim response mechanism and co-designing a successor to the HEF Panel model;
- increase the Climate Justice Fund to at least £15 million in 2027-28, with subsequent annual increases at least in line with inflation, including dedicated and additional funding for Loss and Damage
- protect and expand multi-year, flexible and accessible funding arrangements, including through the new Global Solidarity Fund, for smaller, diaspora-led and Global South organisations
- provide sustainable core funding for Scotland's international development network organisations

- resource the development of a new International Development Strategy and the implementation and monitoring of the Feminist Approach to International Relations
- ensure the forthcoming revision of the National Performance Framework is fully aligned with the UN Sustainable Development Goals, takes account of the UN's Beyond GDP framework, and includes clear mechanisms for regular public reporting on Scotland's progress.

The 150th anniversary of Blantyre city is an opportunity to celebrate a remarkable relationship, but also to consider how Scotland can help ensure that partnership remains relevant to the challenges Malawi faces today. A relationship rooted in history must become an increasingly equal, reciprocal and future-focused partnership, capable not only of responding to immediate needs but of addressing the structural causes of poverty and inequality.

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Contact:
Frances Guy, Chief Executive – frances.guy@intdevalliance.scot
Patrick Grady, Head of Policy & Communications – patrick@intdevalliance.scot