NATIONAL YOUTH SYMPOSIUM ON PUBLIC DEBT

YOUTH POSITION PAPER

Reimagining Youth Engagement, Debt Transparency and Accountability in Malawi

Developed and validated by youth participants | 5–6 August 2026 | Crossroads Hotel, Lilongwe

ABOUT THIS PAPER

This position paper was developed by young people from across Malawi who participated in the National Youth Symposium on Public Debt held on 5–6 August 2026 at Crossroads Hotel, Lilongwe. It reflects the collective perspectives, concerns, and recommendations of youth participants drawn from diverse backgrounds including civil society, universities, youth-led organisations, and rural communities across all three regions of Malawi.

The paper was informed by evidence sessions, facilitated group discussions, and a structured synthesis process guided by youth rapporteurs. It represents a unified youth position, not a government or development partner document. The Youth Consortium and the EU-Malawi Youth Sounding Board supported the evidence and facilitation architecture of this process.

1. OUR OPENING POSITION

We are Malawi's largest demographic. Over 70 percent of this country's population is under 35 years of age. We are also the generation that will inherit the consequences of decisions being made today about public debt, decisions made, in most cases, without any structured mechanism for our input.

We are not here to oppose borrowing. Public borrowing, managed responsibly and directed toward productive investment, can accelerate development. ***We support borrowing that finances agriculture, infrastructure, education, manufacturing, and climate resilience. We oppose borrowing that finances recurrent expenditure, is contracted without parliamentary scrutiny, and is not disclosed to the public at the point it is made.***

We are here because Malawi is in debt distress, officially classified as such by both the International Monetary Fund and the World Bank, and because that distress is already constraining the investments our generation needs. We are here because transparency, accountability, and youth participation in fiscal governance are not optional extras. They are prerequisites for sustainable debt management.

This paper sets out our evidence base, our concerns, and our specific recommendations. We submit it to the Government of Malawi, to Parliament, to the Reserve Bank, to development partners, and to the EU Delegation as a formal youth position that demands a formal response.

2. THE EVIDENCE OF WHERE MALAWI STANDS

2.1 The Debt Situation

Malawi's public debt has grown from K3.9 trillion in 2019 to an estimated K24 trillion by end-2025, representing approximately 90 percent of GDP. Out of this K16 trillion is from domestic representing 67% of GDP while K8 trillion of this debt stock representing 33% is from external. The domestic borrowing, primarily contracted through Treasury Bills, Notes and government securities issued via the Reserve of Malawi.

The 2026/27 national budget records a deficit of over K2.8 trillion. Debt service costs. Interest payments alone exceed K2.7 trillion for the same fiscal year. ***This means that for every kwacha collected in revenue, a significant share goes directly to debt repayment before a single teacher is paid, a single clinic is stocked, or a single road is maintained.***

Both the IMF Article IV Consultation (2025) and the World Bank Malawi Economic Monitor (July 2025) formally classify Malawi as being in debt distress. The IMF identifies the need for fiscal consolidation, domestic revenue mobilisation, and improved public financial management. The World Bank points to slow growth, high inflation, and foreign exchange shortages as compounding factors.

Indicator	Figure	Source
Total debt stock (end-2025 est.)	**K24 trillion / ~90% of GDP**	GoM Budget 2026/27
Domestic borrowing share	**67% of total debt stock**	GoM Budget 2026/27
2026/27 budget deficit	**Over K2.8 trillion**	GoM Budget 2026/27
Annual interest costs alone	**Over K2.7 trillion**	GoM Budget 2026/27
IMF/World Bank classification	**Debt distress**	IMF (2025), World Bank (2025)
OBS debt transparency score	**Significantly below international standards**	Open Budget Survey 2025

2.2 The Transparency Gap

The Open Budget Survey 2025 Debt Accountability Module confirms that Malawi falls significantly short of international standards for debt transparency, oversight, and public participation. Specific gaps identified include: ***inadequate disclosure of loan terms and conditions at the point of contracting; incomplete reporting of contingent liabilities and state-owned enterprise debt; weak reconciliation systems between borrowing agencies and the Debt and Aid Management Department; and limited parliamentary capacity to scrutinise debt-related legislation***.

Despite the Access to Information Act enacted in 2016, access to timely and comprehensive public debt data remains limited. ***Borrowing decisions are frequently not disclosed until after funds have been committed, constraining both parliamentary oversight and public accountability***. Supporting the efforts of government, The EU through its own Multi-Annual Indicative Programme for Malawi (2021–2027) sets a target of improving Malawi's Open Budget Index score from 27 out of 100 to above 60.

2.3 The Youth Dimension

Young people constitute the majority of Malawi's population and the majority of its workforce, yet they are almost entirely absent from fiscal governance processes. The 2024 Labour Force Survey by the National Statistical Office records a youth unemployment rate of 21.6 percent among those aged 15–35, with ***41.4 percent classified as not in employment, education, or training***, the NEET rate. ***These figures exist in a context where the government's capacity to invest in youth employment,***

education, and entrepreneurship is directly constrained by the fiscal space consumed by debt servicing.

Following the September 2025 general elections, data from the Inter-Parliamentary Union shows that only 3.1 percent of Members of Parliament are aged 30 or younger, and only 21.1 percent are below age 40. Currently the Malawi National Assembly has institutionalized a youth caucus. However. capacity gaps for them to effectively advocate for debt transparency and accountability remains inevitable.

Regionally, countries such as Rwanda have demonstrated that improved debt transparency frameworks, stronger public reporting standards, and enhanced parliamentary oversight capacity are achievable and produce measurable improvements in governance quality. ***Kenya has shown that organised youth advocacy on fiscal governance, backed by evidence and coalition, can influence policy outcomes.*** Malawi can and must do the same.

3. WHAT THIS MEANS FOR YOUNG PEOPLE

Malawi's debt crisis is not an abstract macroeconomic variable. It has direct, measurable consequences for young people across all three regions of the country.

Impact Channel	How it affects young people
Fiscal space compression	As debt service absorbs nearly half of government revenue, discretionary spending on education, health, social protection, and youth employment programmes faces real-term reductions.
Private sector crowding out	Heavy domestic borrowing through Treasury Bills offers risk-free returns to commercial banks, reducing their incentive to lend to young entrepreneurs and small businesses. This directly constrains youth access to credit and business financing.
Austerity-driven employment restrictions	IMF-aligned fiscal consolidation measures include public sector employment restraint, reducing formal job opportunities at precisely the moment when the youth population is largest.
Weakened ATMM implementation	High debt servicing costs weaken the government's capacity to fund the Agricultural Commercialisation, Tourism, Mining and Manufacturing (ATMM) sectors, the sectors with the greatest potential for youth employment and export growth.
Intergenerational burden transfer	Borrowing decisions made today will be serviced by tomorrow's taxpayers, *the current generation of young Malawians*, through taxes, reduced services, and limited economic opportunity, without any formal mechanism for youth input into those decisions.

4. ALIGNMENT WITH NATIONAL AND INTERNATIONAL FRAMEWORKS

Our position remains anchored by national development frameworks.

Malawi 2063 envisions an inclusively wealthy and self-reliant industrialised upper-middle-income country, with youth as the primary enablers of that transformation. The vision explicitly states that youth shall be the drivers of the development agenda. Sustainable, transparent debt management is a prerequisite for the productive investments in agriculture, tourism, mining, and manufacturing that Malawi 2063 requires. Debt that finances recurrent expenditure or projects with limited economic returns directly undermines the vision.

The National Economic Recovery Programme (2025–2030) similarly prioritises macroeconomic stability, export growth, fiscal sustainability, and improved public sector efficiency. Our recommendations on disclosure, parliamentary scrutiny, and domestic borrowing reduction are directly aligned with the NERP's own objectives.

Internationally, the EU's Multi-Annual Indicative Programme for Malawi explicitly commits to strengthening public financial management, transparency, and civic participation in fiscal governance. The IMF and World Bank's own reform recommendations, fiscal discipline, domestic revenue mobilisation, improved PFM, point in the same direction. ***We are not asking for anything inconsistent with what the Government of Malawi has already committed to and what international partners are ready to support.***

5. WHAT BETTER LOOKS LIKE; OPPORTUNITIES FOR MALAWI

Responsible, transparent debt management remains a governance requirement and an economic opportunity. ***Countries that have strengthened their debt transparency frameworks have attracted more favorable borrowing terms, improved investor confidence, and unlocked development partner support that was previously conditioned on governance reforms***.

For Malawi specifically, there are four near-term opportunities that responsible debt management would unlock:

Opportunity	Description
Improved borrowing terms	Greater transparency in loan contracting and debt reporting reduces perceived risk and can improve the terms on which Malawi accesses concessional financing from multilateral lenders.
Youth employment through ATMM	Freeing fiscal space from debt servicing enables greater investment in the Agricultural Commercialisation, Tourism, Mining and Manufacturing sectors, the primary drivers of youth employment and export growth in Malawi 2063.
Development partner alignment	Several development partners, including the UN, EU, have conditioned and linked programming to governance and PFM reform. Demonstrating progress on debt transparency could unlock additional programme support.
Youth civic capacity	Investing in financial literacy and youth participation in budget processes creates a long-term accountability constituency. An informed citizenry capable of sustained oversight, reducing the governance vacuum that has enabled opaque borrowing practices.

6. RECOMMENDATIONS

The following recommendations are specific, addressed to named institutions, and grounded in the evidence presented in this paper. We request written acknowledgment and response from each addressed institution within 30 days of the symposium.

RECOMMENDATION 1: MANDATORY REAL-TIME DEBT DISCLOSURE

Addressed to: Ministry of Finance, Economic Planning and Decentralisation

The Government of Malawi should establish a publicly accessible, real-time digital debt dashboard, developed by the Debt and Aid Management Department in collaboration with Ministry of information within 12 months. The dashboard should disclose all loan agreements, including terms, conditions, interest rates, repayment schedules, and stated purpose, at the point of contracting, not retrospectively. This would give practical effect to the Access to Information Act (2016), which currently exists but is not operationally applied to public debt data. Among others, this extends to using Chichewa language for ease of adoption and comprehension. Malawi's current Open Budget Index score of 27 out of 100 reflects this gap directly.

RECOMMENDATION 2: ENACT A COMPREHENSIVE DEBT MANAGEMENT LAW

Addressed to: Parliament of Malawi — Finance and Budget Committee

The Finance and Budget Committee of Parliament should, within the current parliamentary session, table a Debt Management Bill that establishes a binding legal framework for public borrowing. At minimum, the law should require: parliamentary approval for all new external and domestic borrowing above a specified threshold; mandatory disclosure of loan terms before parliamentary vote; establishment of a debt ceiling tied to GDP; and annual independent audit of debt management by the National Audit Office with a specific desk for auditing debt contracted projects. The current framework relies on executive discretion which is a legal ceiling with parliamentary oversight would structurally reduce the governance risk that the IMF and World Bank have identified.

RECOMMENDATION 3: ESTABLISH A FORMAL YOUTH PARTICIPATION MECHANISM IN THE BUDGET CYCLE

Addressed to: Ministry of Finance, Economic Planning and Decentralisation; National Youth Council of Malawi

There is currently no formal mechanism for youth input into the national budget preparation process. We recommend the Ministry of Finance, in partnership with the ministry of youth and National Youth Council of Malawi, establish an annual Youth Budget Consultation which must be held before the budget is tabled through which youth organisations can formally submit evidence-based inputs and receive a written response on how those inputs were considered. This mechanism will ensure localized budget consultations reflecting the lived realities and priorities of rural young people. This is not a request for symbolic participation. It is a request for a structured accountability mechanism that gives the generation most affected by debt decisions a formal channel to influence them.

RECOMMENDATION 4: REDUCE DOMESTIC BORROWING WITH A CLEAR TRANSITION PATH

Addressed to: Ministry of Finance; Reserve Bank of Malawi

We recommend the Government set a time-bound target to reduce domestic borrowing as a share of total public debt from the current 65 percent to below 50 percent within three years, by increasing concessional external financing, accelerating domestic revenue mobilisation through broadening the tax base rather than increasing rates, and reducing non-essential recurrent expenditure. Governement of Malawi through the ministry of finance should leverage on the existing debt climate swaps as well as seeking grants. The Reserve Bank of Malawi should additionally publish quarterly Treasury Bill issuance data in accessible, non-technical formats so citizens can monitor domestic borrowing trends in real time.

RECOMMENDATION 5: STRENGTHEN PARLIAMENTARY SCRUTINY WITH STANDARDISED INFORMATION REQUIREMENT

Addressed to: Parliament of Malawi — Finance and Budget Committee; Ministry of Finance

All loan authorisation bills presented to Parliament should include, as a minimum standard, the following information: total loan amount and currency; lender identity and loan category (commercial, concessional, or bilateral); applicable interest rate and fee structure; repayment schedule and maturity period; specific purpose and project or programme to be financed; expected economic return or development outcome; and risk assessment. Members of Parliament should not be required to vote on borrowing without this information. We recommend the Finance and Budget Committee develop and adopt a standardised loan bill checklist within six months.

RECOMMENDATION 6: DEVELOPMENT PARTNERS TO FUND YOUTH-LED DEBT MONITORING

Addressed to: EU Delegation to Malawi; UN Malawi; World Bank Malawi

We request that development partners active in Malawi's governance space, particularly the EU Delegation in light of its MIP commitments on democratic governance, allocate dedicated resources within existing programmes to support youth-led public debt monitoring. Specifically: fund a structured youth debt accountability network as a Community of Practice, building on the momentum of this symposium; support district-level financial literacy programmes on public debt, domestic borrowing instruments, and the budget cycle; and include youth-led monitoring outputs in the evidence base for governance programme reviews and conditionality assessments.

RECOMMENDATION 7: EXPAND CIVIC EDUCATION ON PUBLIC DEBT AND FINANCIAL LITERACY

Addressed to: Ministry of Education; Ministry of Youth; National Youth Council of Malawi; Civil Society

Awareness and understanding of public debt issues remain critically low, particularly regarding domestic borrowing instruments such as Treasury Bills and their implications for the economy. We recommend that civic education curricula at secondary and TVET level be updated to include public finance management, debt literacy, and budget oversight. Civil society organisations and youth networks should be supported to deliver community-level financial literacy programming, with specific attention to rural and underserved communities.

7. CONCLUSION

Malawi's debt crisis is not inevitable, and its consequences for young people are not unavoidable. ***What is required is a structural shift from opaque, discretionary borrowing toward transparent, accountable, and youth-inclusive fiscal governance.***

The young people who participated in this symposium are not asking for charity, nor for symbolic inclusion. ***We are asking for the governance mechanisms that allow us to participate meaningfully in decisions that will shape our lives and the lives of our children. We are asking for disclosure, scrutiny, accountability, and a seat at the table, not after decisions are made, but before.***

Malawi 2063 declares that youth shall be the drivers of the national development agenda. That declaration is meaningless if young people are excluded from the fiscal decisions that determine whether the agenda can be funded. Responsible debt management and meaningful youth participation are not separate goals. They are the same goal.

We submit this paper as a formal youth position. We request formal, written responses from all addressed institutions within 30 days of this symposium. We commit to monitoring and publicly reporting on the progress of our recommendations at six months and twelve months.

8. REFERENCES

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Developed and validated at the National Youth Symposium on Public Debt
5–6 August 2026 | Crossroads Hotel, Lilongwe, Malawi
Organised by the Youth Consortium | Evidence support: EU-Malawi Youth Sounding Board (MW-YSB)