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BUSINESS ACCELERATION FOR YOUTH PROJECT NEWSLETTER

MARCH-APRIL 2024



Introduction



David Slane, Chief of Party

Welcome to the debut edition of our Business Acceleration for Youth project newsletter! We are thrilled to share with you the latest updates and success stories from our Incubation and Acceleration programs.

Business Acceleration for Youth project is a three-year, innovative initiative funded by USAID Malawi and led by the Alliance of Bioversity International and International Center for Tropical Agriculture (CIAT).

Framed around a resilience-led sustainability strategy, the project aims to strengthen the resilience of youth and women-led business start-ups in Mangochi, Balaka, Machinga, Zomba, Chiradzulu, Chikwawa, Nsanje, Mulanje and Thyolo through the delivery of business incubation services creating growth-orientated, sustainable firms able to secure and effectively utilize investment. Nationally, the project is supporting Small and Medium Enterprises (SMEs) through the delivery of bespoke technical support, industry specific expertise, mentorship and access to finance.

The purpose of the project is to accelerate and invest in youth-led enterprises that result in job creation, greater access to financing, diversified incomes, a more inclusive private sector and improved household resilience in targeted vulnerable districts.

In this edition, we will shine a spotlight on the achievements of our participants and introduce you to the dynamic SMEs driving business innovation and growth.

We hope you will enjoy reading it as much as we have enjoyed putting it together. Your feedback is invaluable to us, so please do not hesitate to reach out and share your thoughts. Stay tuned for more exciting updates in future editions!

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SHAPING STANDARDS COMPLIANT BUSINESSES THROUGH THE INCUBATION PROGRAM.

Trust Majamanda from Thyolo can process and produce her fortified porridge flour from a dedicated production facility located at her home courtesy of a new grinding machine she purchased with a grant from the USAID funded Business Acceleration for Youth project.

Trust's interest in fortified porridge flour started as a solution for her mother's health issues. When her mother could no longer access soya porridge flour from the hospital and buying it from the shops became financially unsustainable, Trust decided to create her own fortified porridge flour using locally available ingredients. Witnessing her mother's health improve significantly, contrasted with malnutrition prevalent in her community, she saw an opportunity to turn the porridge flour into a business.

With unique ingredients like yellow maize and vanilla powder, Trust's porridge quickly became people's favorite attracting customers from Thyolo, Blantyre as well as Chikwawa Districts. This ignited a desire to scale up production to meet the growing demand and obtain certification from the Malawi Bureau of Standards (MBS), which led to her applying for the Business Acceleration for Youth project Incubation program in Thyolo.

Trust learned the necessary steps to obtain MBS pre-certification such as proper production equipment and facilities, through the Incubation program's trainings and coaching sessions. She was advised to convert her unused two-bedroom quarters into a mini factory. To achieve this, Trust has focused her MK4,250,000 (\$2,500) grant on setting up a facility that would meet certification standards.

Using the first tranche of her grant, she purchased a mini grinding machine, a bag closing machine and a sealing machine. She also began renovating her quarters to create a processing room.

"During incubation, the mentors emphasized the importance of having a clean environment and equipment for processing food. I used to process my porridge flour at a common milling place where I could not control nor guarantee cleanliness. With the grant, I have managed to purchase my own machine that will allow me to produce the flour at home. When the renovations are done, I will move the machinery there, making it my dedicated processing room. This will ensure that my porridge flour is of good quality and made in a clean environment and also help me kickstart MBS certification process," said Trust.



Trust Majamanda, owner of Trust Porridge

Trust learned the necessary steps to obtain MBS pre-certification such as proper production equipment and facilities, through the Incubation program's trainings and coaching sessions.

With the remaining funds, Trust plans to complete the renovations of the production facility, purchase more raw materials and formally initiate the MBS certification process. Her goal is to have her product widely available in retail shops and increase production to over 500 packs per month with the flexibility provided by the new machinery.



POULTRY FARMING INNOVATED: THE GERALD JULIUS WAY

Amidst the saturated poultry farming landscape in Malawi, a distinct gap persists in accessing quality broods, particularly for small scale poultry farmers with Proto feeds reigning as the primary supplier. This gap propelled the 25-year-old Gerald Julius from Zomba rural to venture into poultry farming. He centered his focus within the poultry business towards production of chicks to facilitate small scale poultry farmers' access to local and improved chicks of uniform age and breed.

In 2021, Julius launched his business, Wisdom Hatchery, investing his initial capital in purchasing an incubator to initiate his venture. Needing brooders for hatchlings but due to limited resources and 'uninspiring' commercial brooder options, Julius started his research in pursuit for tailored solution largely leveraging YouTube videos for guidance. Eventually, he succeeded in crafting a custom brooder design equipped with a responsive heating system that regulates temperature changes.

"Chicks are very sensitive to temperature fluctuations. One needs to strike a good balance so that the temperature is not too high but also not too low. In my journey of chick production, I discovered that most commercial brooders do not have an automatic controlled heating system.

This motivated me to develop a custom-designed brooder that addresses issues of overheating and chilling. When the temperature is too high the heating bulb switches off and when it is too low, the heating bulb lights up to supplement the heat in the brooder countering adverse temperature extremes which can affect the chicks' welfare. Initially, financial constraints limited me to just one brooder. However, with the grant I received, I have been able to expand. I now have ten additional brooders and the resources to acquire more eggs, which will push the business and enable me to meet the growing demand for chicks," Julius explained.

With aspirations to become one of the major suppliers of chicks in Malawi, Gerald has utilized the grant he received from the USAID funded Business Acceleration for Youth project to buy over ten trays of eggs for incubation and constructing an additional ten brooders of which each brooder can accommodate 200 chicks.

He plans to use the ten brooders to segregate the chicks based on development stages. He will invest more of the remaining funds in procuring eggs and veterinary to meet the high demand for chicks from poultry farmers.

Beyond chick production, Julius plans to diversify into mature chicken and quail farming alongside establishing an in-house feed manufacturing facility to cut the high feed costs.



The incubator Julius purchased prior to joining the incubation program.

Gerald Julius is a participant in the USAID funded Business Acceleration for Youth project incubation program and he is also a recipient of the K4,250,000 project grant from Zomba rural. In addition to the grant received from the project to scale up his business, Julius acknowledges that the project's incubation program has also helped him to gain a better understanding of business management. He can now maintain his business financial records and utilize different marketing strategies particularly on social media platforms to attract more customers.

LAYING FOUNDATION FOR STARTUPS SUCCESS WITH THE INCUBATION PROGRAM



The prototype he came up with following the trainings and coaching sessions

After completing his undergraduate studies in Indigenous Knowledge Systems and Practices at Malawi University of Science and Technology, Alinafe Mtukula thought of applying his classroom learnings to establish a business. Recognizing the availability of castor trees in his community in Machinga and growing interest particularly women in castor oil for beauty use, he decided to venture into processing castor oil. With limited resources, Alinafe started collecting the castor seeds from his community and manually processed castor oil using local 'low-tech,' equipment such as a mortar and pestle. Lacking business management skills was hampering the growth of his business.

This prompted him to apply for the Business Acceleration for Youth project incubation program with Machinga, his district of residence being one of the targeted districts to bridge his skills gap. Selected to participate, he started attending the bootcamp trainings facilitated by Small and Medium Enterprises Development Institute (SMEDI).

The training sessions covered a range of topics including design thinking, business plan development, markets, finance management complemented by one-one coaching that provided tailored guidance intended to boost the participants business skills.



Alinafe Mtukula, Machinga Incubate and founder of Nyasa Castor Oil

Identifying areas for improvement in Alinafe's business such as not branding his castor oil, reliance on castor seeds from a natural forest in his community and use of unsuitable bottles to sell his castor oil, the mentors from SMEDI challenged him and gave him tasks to improve his business approach.

"When we discussed Alinafe's business and his vision, we saw its potential for growth. We advised him on crucial aspects he needed to work on before pitching for the grant such as packaging his castor oil in new bottles with branded stickers, the possibility of him growing his own castor trees for a sustainable supply of raw materials and keeping records of his business transactions to track progress," said Francis Mwamadi, one of the mentors.

Alinafe took these recommendations seriously and began packaging his Castor oil in properly branded 'Nyasa Castor Oil' 30 ml bottles inspired by a renowned 'Jamaican castor oil' brand.

"The bootcamps and coaching sessions have helped me to transition from a casual approach to operating my business strategically. Before joining the incubation program, I was just processing my castor oil and packing it in any bottle I could find and selling without even recording the sales and expenses. With the guidance from SMEDI, I now properly package and brand my castor oil and I am keeping financial records. In addition to these improvements, I have also cultivated my own castor trees on a 2-hectare land, and I am anticipating a harvest in the next four months," said Alinafe.

Due to the manual production process, he currently only manages to produce 10-15 liters per month, falling short of the high demand for his castor oil. He is looking forward to the pitching sessions scheduled in March 2024.

Alinafe hopes to secure the K4,250,000 from the project. This funding would enable him to purchase an oil extractor and cold pressed machine and packaging machine. In the near future, he plans to scale up castor and moringa trees cultivation through contract farming with local farmers in Machinga to ensure a consistent availability of raw materials for his business.

VUNICA FARMS: FROM A BUSINESS IDEA TO REALITY

Gloria Goba (32) had always aspired to venture into poultry farming, but her limited financial capacity seemed to make it an unattainable dream. Thanks to a grant she received from the USAID funded Business Acceleration for Youth project however, her long-term dream is now becoming a reality.

The poultry farming business idea was all Gloria had when she applied to the project's incubation program in April 2023. Fortunately, her business idea was among the 50 selected to receive technical assistance in Zomba Urban facilitated by mHub. Gloria participated in bootcamp sessions which covered essential aspects of running a business such as design thinking, financial management and marketing. mHub conducted one-on-one coaching sessions with her in addition to the trainings she received, which aimed at providing tailored guidance in alignment with her business idea.



The chicks purchased

Gloria along with other participants were guided and supported in the processes of registering their businesses, (which she registered as Vunica farms), developing business plans as well as opening bank accounts. To be eligible to pitch for a grant from the project, these needed to be in place.

She saw her dream inch closer to reality when she pitched her business idea for a chance to access a project grant valued at MK4,250,000 and was selected as one of the successful 20 awardees from Zomba Urban. After receiving her first tranche of the grant, which is milestone based, Gloria purchased 300-day old chicks, starter mash, drinkers, feeders, vaccines and has also employed two people, a caretaker and a security guard at her farm.

"I have wanted to do poultry farming for so long and now that I have received the funds, I am finally doing it. With the first tranche that I received: I purchased all the necessary materials that are needed to start poultry farming.

My focus is on layers because the business will center on production and selling of eggs which are in demand throughout the year. In Zomba, we mostly rely on Central Poultry or Donna's eggs, which are produced in Blantyre. At Vunica farms, we aim to provide hotels, restaurants, and households in Zomba with a reliable source of fresh farm eggs year-round including an option for home deliveries," said Gloria.



Gloria Goba, founder of Vunica farms

Having nurtured the business idea for a long time, Gloria utilized some personal savings to build a field chicken shelter for her business. The shelter is now in its final construction phase, and she plans to move the chicks in within a few days. In addition to egg production, Gloria's business will also focus on collecting chicken manure that she will be selling to farmers. As the next step in her grant agreement, Gloria is set to receive the second tranche of the grant which she will use to buy grower mash, vaccines, and other essentials.



Vunica farms on track

MAGNUM INVESTMENTS: RESHAPING MALAWI'S AGRICULTURAL LANDSCAPE



In Malawi, the Macadamia and cashew nuts industry is gaining momentum, and among the key players driving this growth is Magnum Investments. Founded by Raymond Mwenifumbo, the Malawian venture aims to add value to commercial agricultural produces in Malawi, specifically for export purposes. The venture trades in six agricultural products: macadamia, cashews, rice, coffee, honey and tangerines.

Magnum Investments collaborates with over 300 farmers organized in various co-operatives across strategic districts in Malawi including Ntchisi, Neno for Macadamia, Salima and Mangochi for cashew nuts, Chitipa, Nkhatabay and Ntchisi for coffee.

Presently, Magnum Investments operates on an order-by-order basis supplying their products to Bingu International Conference Centre, Kamuzu International Airport, Chileka Airport, Ama Khofi and Ufulu Gardens among other customers. Lack of necessary processing machinery for higher volume productions, presents a constraint.

This limitation motivated Magnum Investments to participate in the Business Acceleration for Youth project SME acceleration program,

seeking an opportunity to gain from technical assistance and have the opportunity to access finance to increase production capacity to meet the growing demand.

“Our products are of high quality, well packaged and we are consistent with our quality so that we are competitive. This makes our products outstanding in the market. There is a lot of demand for our products both locally and internationally, but our manual production processes limit our capacity. This is why we applied for the project's Acceleration program to not only be capacitated on how best we can manage the business but also get an opportunity to secure financing for purchasing machinery to increase processing capacity,” said Raymond.

Beyond increased production, Magnum Investments also envisions collaborating with at least 1,000 farmers and also creating more jobs for youths and women as there will be need for increased labor in the pre-harvest and post-harvest processes as well as through their supply and distribution channels.

Further, environmental benefit is generated by incentivizing farmers to invest in and value their tree crops.

Currently undergoing technical assistance with a Business Development Services provider, Magnum Investments is gearing up to pitch for a matching investment grant of up to \$75,000 which they plan to invest in acquiring various machinery such as a nut de-husking machine, nut crackers, nut sorter, nut roaster, packaging machine for cashew and macadamia nuts. Additionally, they are aiming to procure a roaster, hand huller, grinding machine and miller for processing coffee along with a harvesting machine and processing plant for honey.

With the new machinery in place, Magnum Investments plans to increase their production to at least 50 metric tons for macadamia, 3 metric tons for cashew nuts, 62 metric tons for coffee. The venture is also aiming to tap into new markets making its products available in supermarkets and establishing an e-commerce store, expanding its sales and reaching beyond the local market.



Raymond Mwenifumbo,
Co-founder of Magnum
Investments and Acceleration
program participant



A LIGHT BULB MOMENT: GET TO KNOW DANIEL EKALI KWIZOMBE, ACCELERATION PROGRAM PARTICIPANT

Tell us about yourself?

"I am Daniel Ekali Kwizombe, the founder of DEK engineering and Electrical contractors, a company that produces Eka-lite bulbs. I am a full hands-on electrical and electronics engineering person who also holds a bachelor's degree in business administration."

What inspired you to start DEK engineering and electrical contractors?

"With my background in Electrical and Electronics engineering, I wanted to turn classroom knowledge into practical solutions. I saw a gap in the energy sector seeing that most bulbs you find in shops are imported yet we have so many engineers in Malawi. I thought to myself, why is it that as a country we are importing bulbs and this was my light bulb moment. Through research, reading and training at Malawi University of Business and Applied Sciences, I created the Eka-lite bulbs and I obtained certification from the Malawi Bureau of Standards in 2021."

What sets Eka-lite bulbs apart from imported ones?

"Eka-lite bulbs stand out as a locally produced Malawian brand, owned by a young entrepreneur. This alone stands out. Beyond national pride, Eka-lite bulbs are recyclable, cost effective, energy efficient while offering superior illumination and long-lasting performance compared to imported bulbs."

What challenges have you faced in scaling up production and how do you plan to address them?

"The primary challenge is lack of machinery for mass production. I currently do production at home in a small space with basic machinery. However, I have invested in land in Chileka, Blantyre to set up a proper production facility will all the necessary machinery."

This is one of the major reasons I applied for the Business Acceleration for Youth project acceleration program to gain technical as well as financial assistance to purchase machinery."

What is your current production capacity and what is your marketing strategy?

"Our current capacity is 10,000 bulbs per month targeting supermarkets and local shops. Eka-lite bulbs are available in all Ekhaya supermarkets and other shops in Mangochi, Chilobwe and Likuni. Discussions with Shoprite are underway to expand our market reach."

What motivated you to apply for the Business Acceleration for Youth project acceleration program?

"Networking opportunities, financial support and technical assistance offered by the project were compelling factors."

If granted the project matching grant, what investments do you plan to make and how will they impact your business?

"The grant will be invested in purchasing essential machinery and raw materials. Part of the funds go to working capital to increase our production capacity to more than 25,000 bulbs per month."

How did winning the Manufacturer founder of the year award at the 2024 FOYA awards in South Africa impact you?

"Winning the Manufacturer Founder of the Year award was a proud moment. It provided increased exposure and motivation to achieve even more."



INTRODUCING BUSINESS ACCELERATION FOR YOUTH PROJECT COHORT II ACCELERATION PROGRAM PARTICIPANTS



Wanthu

JOTHAM CHALIMBANA



GLORY FRANCIS MAGANGA



GIORGIA PRIZZON



CHINDIKANI NYIRENDA



SANGWANI MTEGHA



NOMONDE SAMBAKUNSI



THUNYAKO MACHINERIES
Metal Magic In Every Inch

THUNYAKO MFUNE



CHIKUMBUTSO CHIKHADZULA



DENNIS BVALANI



RONALD MUTEE



SAMSON FIADO



DESMOND BIKOKO



Khama Cattle Ranch

ADRIAN SEMBA



JOAN THAUNDI



MATHIAS SILUMBU



DUMISANI MAMBIYA



ELIZABETH NKHWAZI



THOKOZANI MLAVIWA



FISHANI MSISKA



TIMOTHY JAMES



MANOTA MPHANDE



MTISUNGE BANDA



KETTIE CHISAMBI



LUNGILE JERE



PEMPHERO KUMBANI



MERCY ESAU



VICTOR DAFFRECE



SIMALIKE MUSYANI



SLYVESTER CHABUKA



OLIPA THOLE



VANESSA KWILASYA



FRANK MELUSINGH



TINA THOLE



EVELYN CHIBAMBO

UPCOMING EVENTS BUSINESS ACCELERATION FOR YOUTH PROJECT SME-INVESTOR MATCHMAKING EVENT, THURSDAY 11th APRIL 2024.

The Business Acceleration for Youth project is organizing an SME–Investor matchmaking event, a gathering that is aiming to bring together SMEs within the project on one end, and representatives from local financial institutions and international (impact) investors on the other.

The primary objective of the event is to formally, introduce SMEs and their potential investors to each other, allowing for the formation of relationships, hopefully leading to investment in the near future.

The project’s acceleration program is targeting 60 SMEs, which have moved beyond the early growth phase and can no longer grow solely based on the reinvestment of internal revenues.

To propel the business growth of these enterprises during this critical phase, the program provides technical support and facilitates access to investment. This event forms part of that support, and which seeks to enable entrepreneurs’ access to investment.

The event will provide a platform for participating SMEs to market their investment proposition, and for providers of capital to source investment opportunities. It will furthermore allow for exchange of ideas between government officials and other stakeholders with the SMEs, FIs and investors.

PROJECT PROGRESS

A SNAPSHOT OF THE BUSINESS ACCELERATION FOR YOUTH PROJECT AND THE PROGRESS TO DATE.

KEY TARGETS

- **450** Youth and Women-led startups supported to improve their business management and entrepreneurship skills through business incubation training
- **60** SMEs provided with bespoke technical assistance
- **200** Startups provided with grants amounting to \$2,500 each
- **30** SME’s access grants worth up to \$75,000 each
- **50%** increase in jobs created
- **65%** of total implementation to be delivered through Malawian firms

PROGRESS HIGHLIGHTS

Data here is subject to changes and is accurate as of February 2024

500

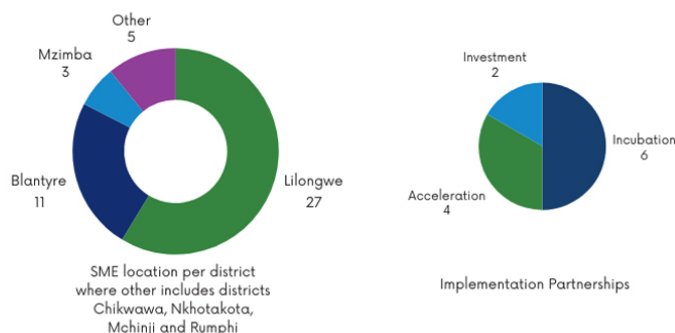
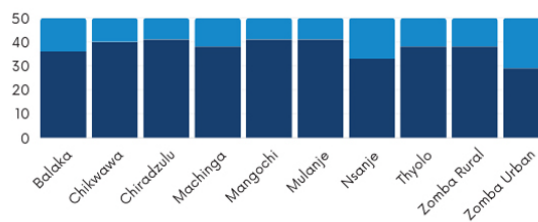
Total number of startups supported

46

Out of a targeted 60 SMEs have been selected onto the Acceleration program



140 grants of \$2,500 have been awarded



REFERENCES

1. Business Acceleration for Youth Annual Report 2023
2. Business Acceleration for Youth 1st Quarter Report 2023 - 2024

INTERNATIONAL WOMEN'S DAY CELEBRATION BUSINESS ACCELERATION FOR YOUTH PROJECT WOMEN ENTREPRENEURS NETWORKING EVENT IN PICTURES.

Every year on 8th March, the world celebrates International Women's Day. This year, the commemorations focused on the theme, Invest in Women: Accelerate Progress. This theme aligns with one of the key targets of the Business Acceleration for Youth project which aims to accelerate Micro, Small and Medium Enterprises (MSMEs) with a goal of 50% being women owned.

As part of the initiative to highlight and support women entrepreneurs participating in the Business Acceleration for Youth project and to disseminate information for opportunities available for other women entrepreneurs through the project, a special Women Entrepreneurs networking event was organized on Friday, 8th March, 2024 at Sunbird Capital hotel.

During the event, women entrepreneurs had a chance to network and engage in discussions that motivate and promote learning.



Government Ministries connect (Ministry of Trade and Industry and Ministry of Local Government)



Madalitso Kaferawanthu (USAID SEG Deputy Director), Christina Zakeyo (Principal Secretary Ministry of Trade) and Oganive Chingakule (Project Business Acceleration Officer)



USAID Representatives with appreciating products of one of the project SMEs



Participants pose for a group photo



Incubation program participants



Happy faces at the event



More participants table photos



Happy International Women's Day



More attendees



Ministry of Trade and Industry Deputy Director Value Addition Jacinta Chipendo with USAID SEG Deputy Director Madalitso Kaferawanthu.

MEET THE BUSINESS ACCELERATION FOR YOUTH PROJECT TEAM



David Slane: Chief of Party



Oganive Chingakule: Business Incubation and Acceleration Officer



Bruno Mwalwanda: Grants and Matching Senior Analyst



Grace Mzumara: Monitoring, Evaluation and Learning Specialist



Ramadhan Kadammanja: Project Associate



Emily Nkhambule: Communications Analyst

OUR BUSINESS DEVELOPMENT SERVICES PARTNERS

Incubation Program



OUR BUSINESS DEVELOPMENT SERVICES PARTNERS

Acceleration Program



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The Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT) delivers research-based solutions that harness agricultural biodiversity and sustainably transform food systems to improve people's lives.

Alliance solutions address the global crises of malnutrition, climate change, biodiversity loss, and environmental degradation.

The Alliance is part of CGIAR, a global research partnership for a food-secure future.

<https://alliancebioversityciat.org>

www.cgiar.org