



**REMARKS BY HIS EXCELLENCY DR. LAZARUS MCCARTHY
CHAKWERA, PRESIDENT OF THE REPUBLIC OF MALAWI, AT THE
MCC DINNER IN DALLAS, TEXAS**

Ladies and Gentlemen,

The key word for me as far as tonight is concerned is force. In the course of the four years that I have been the sixth President of Malawi, I have learnt that there are some things in life, in business, and in Government that only make progress when you force them to. In fact, anyone here who has ever been a parent knows that there are times in life when some human beings only make progress when they are forced to. So even though I was happy to participate in the signing of the second MCC Compact between the United States of America and the Republic of Malawi two years ago, I am even more delighted that tonight, we are bringing this compact into force.

As you know, this second MCC Compact provides a grant of up to Three Hundred and Fifty Million United States Dollars to advance economic growth and reduce poverty in Malawi. So today marks a long-awaited milestone, a testament to the unwavering dedication and tireless efforts of all the people behind the development and execution of the Compact. The journey thus far has been built on vision, trust, persistence, and collaboration.

When Malawi signed the Compact, there were a number of conditions that needed to be fulfilled before the Compact could become effective.

These conditions included both legislative and administrative reforms and actions, and today I am immensely proud that Malawi has fulfilled all the Entry Into Force conditions. As such, this launch marks the start of the much-anticipated implementation of the Compact, and I look forward to welcome Ms. Alice Albright to Malawi at the end of this month to break ground on one of the projects this Compact offers.

I would like to extend my heartfelt gratitude to the Government of the United States of America, through MCC, for its steadfast support. This year, MCC commemorates 20 years since it was established by you, Your Excellency President Bush, during your time in office. During the period that it has been in existence, MCC has fostered economic growth, and reduced poverty in many countries, including my own. Since 2004, MCC has been a steadfast friend of Malawi in her journey towards inclusive economic advancement. In fact, Malawi was one of the first beneficiaries, and we are grateful for its continued impact. Through this program, Malawi has beefed up its oversight institutions, leading to Malawi's qualification for its first Compact which was implemented from 2013 to 2018. Through this program, Malawi revamped its energy sector and laid a strong and solid foundation for the expansion of our nation's power grid, benefiting close to 1 million Malawians. And when you consider the impact of the PePfar Program that President Bush also brought to Africa to avail affordable HIV medication to our people, saving millions of lives in the process, I'd go so far as to say that President Bush has been the most positively consequential US President for Africa, and it is only fitting that you are here tonight.

The partnership between our two nations has thus been instrumental in delivering tangible development outcomes for the people of Malawi. We are grateful to the American people for this partnership. So as we now move forward with this second Compact, we celebrate the

interventions it brings to Malawi's Transport and Land sectors. The Road transport is the dominant mode of transport in Malawi for passenger and freight transport. Roads currently carry 99% of all passenger transport and over 80% of domestic goods. Therefore, the road network has a direct impact on social as well as economic activities in Malawi since they are the primary means of accessing socio-economic services. To this end, a good public road network is very important for the socio-economic development of this country. It is due to these reasons that my government has put much emphasis on the development of the country's road network.

Under the second Compact, the plan is to construct four corridor roads. The focus is to resolve significant problems in linking farms, particularly smallholder farms to markets. With poor rural road infrastructure, we see extremely high prices of farm-to-market transport and in some cases, significant market power of transporters and agro-processors. These prices potentially inhibit the development of Malawi's rural economy and stymie structural transformation by preventing the rural to urban movement of labor, and diversified production of cash-crops. The poor condition of most of the rural road network is also a constraint to economic activity and growth. Rural roads are particularly vulnerable during the rainy season and extreme weather events, which can close access to areas.

The planned intervention therefore under the Compact will include investments in road infrastructure and policy and institutional reforms, including the decentralization of district road maintenance. This will address first-mile transportation for smallholder farmers, leading to lower transport costs, improved access, and connectivity between farms in rural areas to the broader transport network, therefore

reducing the barriers linking farms to markets. It will also support policy and institutional reforms to enable strong planning for road maintenance, encourage a more transparent and competitive business environment for transporters, and promote safer conditions for women to move and conduct economic activity along the corridors. As for the Land Project, this Compact will support reforms to expand land-based revenues, address institutional change, and increase resources for key services to increase investment in land. It will also address the land rights records that underpin land institution work, which is critical considering that land management and wealth creation go hand in hand.

So on behalf of 20 million Malawians, tonight I extend my gratitude to the American People and the US Government for the assistance provided through the MCC second Compact for Malawi. I promise you that this investment is not in vain, and we will put it to good use.

Thank you very much and God Bless you all!