



REPUBLIC OF MALAWI

SPEECH DELIVERED BY

**HIS EXCELLENCY NGWAZI
PROFESSOR BINGU WA MUTHARIKA
PRESIDENT OF THE REPUBLIC OF MALAWI**

AT THE

MALAWI COMPACT SIGNING CEREMONY

**NEW STATE HOUSE
7th APRIL, 2011
10:00 AM**

- **MINISTER OF FINANCE, HONOURABLE KEN KANDODO, MP;**
- **MINISTER OF NATURAL RESOURCES, ENERGY AND ENVIRONMENT, HON. GRAIN MALUNGA, MP;**
- **US CHARGE' D'AFFAIRES IN MALAWI, MADAM LISA VICKER;**
- **VICE PRESIDENT OF THE MILLENNIUM CHALLENGE CORPORATION, MR. PATRICK FINE;**
- **HONOURABLE MINISTERS AND DEPUTY MINISTERS;**
- **CHIEF SECRETARY TO THE GOVERNMENT, MR. BRIGHT MSAKA, SC;**
- **MEMBERS OF THE DIPLOMATIC CORPS AND INTERNATIONAL ORGANIZATIONS;**
- **LADIES AND GENTLEMEN.**

I am pleased to welcome to Malawi Mr Patrick Fine, the Vice President of the Millennium Challenge Corporation. Please feel most welcome. I also welcome to the State House Ms Lisa Vickers, the Charge d'Affaires of the United States Government. I also welcome all the members of delegation from the Millennium Challenge Corporation and the United States Government. As for the ministers and officials from Malawi, this is home. So, feel at home.

I am very pleased today to witness the signing ceremony of the Malawi Compact with the Millennium Challenge Corporation under which a grant of US\$350 million will be made available to us in the next five years to develop our energy sector.

After three years of thorough consultations, close collaboration and difficult negotiations we now have witnessed this momentous occasion. This ceremony heralds a new phase in the already cordial and strong relations between Malawi and the United States of America.

As most of you already know, the relations between our two countries have remained strong and uninterrupted for more than forty years. During that entire time, the United States of America has stood side by side with Malawi as Malawi developed from a newly independent nation to the robust and vibrant democracy that we are today.

I take this opportunity to state that the Government of the United States of America has remained Malawi's strong and dependable ally in all areas of human endeavour. We owe the American leadership, the American government, and the American people, a huge debt of gratitude.

Some five years ago, during my first tenure of office, we negotiated with the American government the possibility of Malawi benefitting from a compact under the Millennium Challenge Corporation. Malawi was found to be a suitable country for funding under the MCC, on the basis of the very stringent criteria set down by the MCC. I am happy that we qualified.

I am happy that in consultation with all our people we identified the challenges that we face in the energy sector as key constraints to our development efforts. We collectively believe that an efficient and dependable power supply will unlock our development potential, and propel our nation from poverty to prosperity.

Our American friends agreed with our assessment, that the energy sector is one of my Government's nine priorities within priorities. Without adequate and reliable energy, no real growth and development can take place in any country.

Let me also emphasize that one of the key elements of our partnership with the American Government under this compact is that our two governments will continue to walk together side by side unwaveringly

committed to adhering to internationally accepted democratic and governance principles. On this understanding, we have travelled together thus far. On the same understanding, we are committed to travel the rest of the journey to full implementation of the compact.

I am pleased to note that when we started, the resource envelope was US\$300million. That was a substantial amount of money by any standards. What is more pleasing in that the resource envelope has now increased to US\$350 million. We shall therefore be in a position to achieve more as a result of this generous increase.

Let me make it clear to all Malawians. This is not a loan. We are not borrowing this money. This is a grant. What greater mark of friendship can there be?

We have agreed to utilise this money to improve our power transmission and distribution systems which are in a dilapidated condition. Our present generation capacity of 287 Megawatts would have been achieving much more if our transmission and distribution lines were in a good state of repair.

As we know, falling power lines are a common sight in our country and a source of frequent power cuts. After the implementation of this compact, I am pleased to say, these frequent power outages will be a thing of the past.

Furthermore, a more robust power transmission system, with a much higher carrying capacity, will inspire further investment in our power generation. We have many potential power generation sites dotted all over our country such as Mpatamanga and Kholombidzo on the Shire river, Lower Fufu on the South Rukuru, Zoa on the Ruo River, and many others on the Bua river and other rivers. All power to be generated in these sites will be carried by a much stronger backbone that will be created by this American investment.

Therefore, I can confidently say that this signing ceremony marks a turning point in the power sector in Malawi. Five to ten years from now, I am in no doubt whatsoever that power cuts and blackouts will be

history. With the new reliable power, industrial, mining, and other developments will be greatly enhanced.

Let me assure the government of the United States that my government will continue to adhere to and uphold democracy and good governance, freedom of expression, freedom of association, freedom of religion and of worship and freedom of economic and academic pursuits. These fundamental freedoms are enshrined in our Constitution. This is why there are no political prisoners in Malawi.

In conclusion, I want to pay a special tribute to His Excellency President Barak Obama, for the relentless support he has demonstrated for Malawi since he came into office. I ask you Ms Vickers to convey my special gratitude and the gratitude of the people of Malawi, to him for this Compact.

I also want to thank the American Government, the American Congress and Senate, and the American people, for having faith in Malawi.

Finally, I want to thank the Millennium Challenge teams Malawi as well as the United States of America's side for negotiating a successful compact. Your tireless efforts are appreciated.

GOD BLESS AMERICA.

GOD BLESS MALAWI.