



REPUBLIC OF MALAWI

DELIVERING ECONOMIC TRANSFORMATION  
AND GOVERNANCE REFORM THROUGH  
SACRIFICIAL ACTION AND SERVICE  
EXCELLENCE

STATE OF THE NATION ADDRESS

by

HIS EXCELLENCY  
DR. LAZARUS McCARTHY CHAKWERA  
PRESIDENT OF THE REPUBLIC OF MALAWI

on the occasion of

THE STATE OPENING OF THE 1<sup>ST</sup> MEETING OF  
THE 50<sup>TH</sup> SESSION OF PARLIAMENT AND THE  
2023/2024 BUDGET MEETING

LILONGWE, MALAWI

Friday, 17<sup>th</sup> February 2023

- **YOUR EXCELLENCY MADAME MONICA CHAKWERA,  
FIRST LADY OF THE REPUBLIC OF MALAWI;**
- **RIGHT HONOURABLE DR. SAULOS KLAUS CHILIMA,  
VICE PRESIDENT OF THE REPUBLIC OF MALAWI;**
- **RIGHT HONOURABLE CATHERINE GOTANI HARA,  
M.P., SPEAKER OF THE NATIONAL ASSEMBLY;**
- **YOUR LORDSHIP HONOURABLE RIZINE  
MZIKAMANDA, SC, CHIEF JUSTICE;**
- **HONOURABLE DEPUTY SPEAKERS;**
- **HONOURABLE LEADER OF THE HOUSE;**
- **HONOURABLE CABINET MINISTERS AND DEPUTY  
MINISTERS;**
- **HONOURABLE JUSTICES OF APPEAL AND JUDGES  
OF THE HIGH COURT;**
- **HONOURABLE LEADER OF THE OPPOSITION;**
- **LEADERS OF POLITICAL PARTIES REPRESENTED  
IN PARLIAMENT;**

- **HONOURABLE MEMBERS OF PARLIAMENT;**
- **HER EXCELLENCY DR. NANCY SAUNGWEME, DEAN OF THE DIPLOMATIC CORPS AND HEADS OF DIPLOMATIC MISSIONS;**
- **MS. COLLEEN ZAMBA, SECRETARY TO THE PRESIDENT AND CABINET;**
- **SENIOR GOVERNMENT OFFICIALS;**
- **DISTINGUISHED INVITED GUESTS;**
- **LADIES AND GENTLEMEN.**

## I. INTRODUCTION

**Madam Speaker,**

As a former Member of this House, I have friends and colleagues on both sides of the political divide, and some of them warned me that my reception in this Chamber today may be hostile. However, I have come today without anxiety, not only because it is required of me to be here by Section 89 of our Republic's Constitution, but also because the time I spent as a Member of this House persuades me that both sides of the political divide are dominated by serious and patriotic men and women who have gathered here for no other reason than to debate respectfully about what is best for Malawians. And so both today and when I return to answer questions, I am eager to engage in that debate in this House that is Honourable, and not a circus.

At the outset, **Madam Speaker**, my summation of Malawi's condition is that we are a nation at a crossroads; a crossroads at which we must take sacrificial action now to transform our economy and reform our governance systems. In this regard, I come

bearing some bad news, some good news, and an urgent appeal.

## **Macroeconomic Overview**

Admittedly, the bad news is evident to all Malawians. On the economic front, the bad news is that our macroeconomic indicators signal that our economy is suffering from several vulnerabilities.

While the GDP growth in 2021 was 4.6%, a rebound from the 0.8% growth registered in the year I took office, that rebound receded to 1.2% in 2022 and is not expected to recover beyond 2.7% in 2023. Even a cursory look at inflation rates is not encouraging. The average annual inflation rate for 2021 was in the single digits at 9.1%, and yet this increased by more than double to 20.9% in 2022, way above the central bank's target of 5%, with no prospect of reaching that target in 2023, whose inflation rate is projected to be 18.2%. Similarly, food inflation rose sharply from 13.6% in 2021 to a staggering 31.3% as of two months ago, while non-food inflation doubled from 9.3% to 18.6% in the same period.

These deteriorating trends are consistent with and connected to similar trends around the world. According to last month's IMF World Economic Outlook report, the growth of the global economy slowed down from 6.0% in 2021 to 3.4% in 2022, and it is projected to slow down even further to 2.9% this year. Even advanced economies are expected to register a growth decline from 2.7% in 2022 to 1.2% in 2023. And here within our Sub-Saharan region, the trends are the same, with economic growth slowing down from 4.7% in 2021 to 3.8% in 2022, with no prospects of an increase in 2023.

**Madam Speaker,** I mention all of this so that we do not engage in wishful thinking about what is happening to our economy. Even here in our own neighbourhood, the global economic slowdown has spread to our neighboring countries, as the growth of the Tanzanian and Zambian economies has slowed down from 4.9% and 4.6% in 2021 to 4.5% and 2.9% in 2022 respectively.

The fact is, with our economy being heavily dependent on strategic foreign imports like fuel, fertilizer, pharmaceuticals, and other commodities from

countries whose economies have been severely disrupted by war, or Covid-related lockdowns, or Government-imposed tight monetary policies, it is simply unrealistic to not expect any adverse effects on our own economy. As if these blows from the global economy were not painful enough, our economy also came under assault from exogenous shocks within our own context, such as continuing pressure from servicing our mountain of debt, adverse weather conditions that affected the 2021/2022 agriculture growing season, and two successive tropical storms that destroyed lives, livelihoods, infrastructure, and a third of our electricity generation capacity.

One consequence of the sudden reduction in the power supply is that industries have had to resort to using overpriced diesel to run their factories. Therefore, the fuel shortage crisis we went through during the year can be attributed, in large part, to an increase in local demand for imported petroleum products and a sharp rise in the price of those products globally.

## **Trade Balance**

Now, **Madam Speaker**, to appreciate the knock-on effects of the global economic thunderbolts that have hit our economy, one need only look at what has happened to our trade balance. While the trade deficit went down from 2.07 billion dollars in 2021 to 564.41 million dollars in 2022, this reduction was not driven by an increase in exports as would be the case in a robust economy. Rather, it was driven by a sharp drop in imports caused by the scarcity of foreign exchange, resulting in a protracted balance of payment problem.

For example, the gross official reserves recorded at end-December was 1.21 months of import cover, down from 2.73 months of import cover in June 2020 and down from 1.72 months of import cover in December 2021. Our structural challenges in generating foreign exchange have impeded the importation of commodities critical to our economy, such as the importation of pharmaceuticals, which fell by 80% in 2022, and the importation of fertilizer and diesel, which both fell by over 30%, resulting in

supply shortages that have caused great pain to Malawians.

## **Monetary Policy**

The disruptions in the global economy and their effect on commodity prices forced us to adopt a cautiously tightened monetary policy over the past two years based on the need to manage inflation risk, preserve the value of the currency, and sustain the recovery of our economy. The Kwacha has thus been allowed to gradually adjust in alignment to its appropriate market value to somewhat absorb global commodity price shocks.

## **Fiscal Performance**

The depreciation of our currency continues to have lagged effects, especially on prices and public spending. The primary budget deficit for 2022/2023 is expected to be 7.1% of GDP, and though this is slightly lower than the original projection of 7.7%, it is still well above the recommended level of 3% that is stipulated in the Public Finance Management Act. To mitigate against this, my Administration has been

implementing significant debt restructuring and avoiding debt-incurring policies, as well as pursuing concessionary funding from foreign sources.

But it must be understood, **Madam Speaker**, that while all these measures are designed to slow the bleeding, they are not enough to stop it or heal the primary wound hemorrhaging our economy. That wound is the fact that we as a people and as a country are simply not producing enough valuable goods and services to generate the forex and revenue necessary to pay off our debt, engage in meaningful development, free ourselves from foreign aid, and make our economy resilient against external shocks, disasters, public health crises, and global disruptions.

As of mid-year, the outturn for domestic revenues was estimated at 805.8 billion kwacha, 6.8% of GDP, of which 766.6 billion is tax revenue and 39.2 billion is non-tax. At the close of the fiscal year, it is expected that domestic revenue will have amounted to 1.628 trillion kwacha, 13.7% of GDP. This revenue generation performance is not good enough to change the living conditions of Malawians.

## **Living Conditions**

**Madam Speaker**, the living conditions and poverty of many Malawians are so harsh that millions are still unable to feed themselves. In 2020, over 2.6 million people in 581,775 households were determined to be food insecure, and despite the successes of the Affordable Inputs Programme in 2021, over 1.6 million people in 367,395 households were still determined to be food insecure, which increased by more than double in 2022. In the past three months alone, my Administration has had to support over 3.8 million Malawians in 847,421 households in all three regions of the country with food items or cash to buy food.

I was saddened, **Madam Speaker**, when one Member of Parliament from Mulanje came to thank me for ensuring that the people in his constituency who are food insecure had received their allocation of food, for he feared that his constituency would be excluded from the relief because he sits on the opposition side and because he knows that past Administrations had a habit of politicizing food and using cycles of hunger for political ends. But that is not the vision I have for

the country, and that is not what Malawians want. What Malawians want is for us to become a nation of people who can produce enough to afford to feed themselves without owing anyone here at home or abroad any thanks for it.

For this reason, **Madam Speaker**, restructuring our economy to be productive enough to create wealth, create jobs, and achieve food security in order to move our country towards becoming a low-middle-income economy and acceleration of the achievements of Sustainable Development Goals (SDGs) as spelled out in the Malawi 2063 First 10-Year Implementation Plan (MIP-1) is the urgent task at hand and remains my Administration's top priority.

That is why the theme of my address today is: ***“Delivering Economic Transformation and Governance Reform through Sacrificial Action and Service Excellence.”*** And today, I have some good news about the progress my Administration has made in laying a foundation for accomplishing this goal going forward.

## **II. PROGRESS ON ACTIONS AND SERVICES TO TRANSFORM OUR ECONOMY**

**Madam Speaker,** over the past two years, my Administration has sought to strike a balance between two equally important needs. The first is the need to cushion the poorest and most vulnerable Malawians against the harshest blows of the global and local economic thunderstorm that is raging in the short-term, and the second is the need to lay a foundation for restructuring the economy for transformation in the long term.

### **Social Protection Efforts: Progress, Projects, Plans.**

To meet the first need, we have employed a number of programmes. One such programme is the Affordable Inputs Programme and its objective is to protect the most vulnerable Malawians from food insecurity.

**Madam Speaker,** you may recall that in 2020/2021, my Administration supported 3.7 million smallholder farming households with 370,000 Metric Tonnes of

fertilizer and 12,698 Metric Tonnes of seeds, resulting in a 21% increase in maize production and a national surplus of over 1 million Metric Tonnes. And despite adverse weather conditions such as the late and violent start of the rains during the 2021/2022 planting season, my Administration still managed to support 3.25 million smallholder farming households with 350,000 Metric Tonnes of fertilizer and 13,318 Metric Tonnes of seeds, resulting in the production of 3.716 million Metric Tonnes of maize and a national surplus of 387,197 Metric Tonnes.

As for the 2022/2023 planting season we are in, the AIP faced administrative challenges that resulted in the September deadline I had set for its rollout to be missed. But when this happened, I took decisive and corrective steps by appointing a new Minister of Agriculture and making personnel changes at the Ministry. Since then, the Ministry has been working around the clock to catch up. Although some farmers have struggled to access the commodity, we have made a lot of progress in catching up. As of three days ago, the Programme has achieved a redemption rate of 73.74%, just 1.5% shy of what it was at this point last year. The number of households that have

already benefited so far stands at over 1.7 million, with access to about 182,425 Metric Tonnes of fertilizer and over 9,000 Metric Tonnes of cereal seeds. By category, this includes 2,006,705 bags or 100,335 Metric Tonnes of NPK, representing 81.12%, just 2% lower than it was at this time last year; 1,641,813 bags or 82,090 Metric Tonnes of Urea, representing 66.27%, less than 1% lower than it was at this time last year; 1,786,326 packs or 8,931 Metric Tonnes of Maize seed, representing 72.21%, higher than the 70.38% rate achieved at the same time last year; and 125,440 packs of legume seed. In addition, the Programme is distributing livestock in some districts, and 9,482 goats have thus far been distributed. So even though there are still many vulnerable Malawians waiting to access the inputs they need, at the speed we are moving, I can assure them that help is on the way.

However, **Madam Speaker**, in October I announced my intention to redesign the AIP to make it more targeted and efficient in the upcoming fiscal year. This is because after three years of implementation, it has become evident that the programme faces a number of challenges, including ineffective targeting

of beneficiaries, high cost of farm inputs, and delayed procurement. As such, to address these challenges, the Programme is undergoing reforms to enhance its impact, which will be effected in the new fiscal year. The new design is necessary because despite the impact the programme has had on ensuring food security for millions, the Malawi Vulnerability Assessment Committee (MVAC) 2022 annual assessment estimated that over 3.8 million people in over 845,000 households may still not meet their food requirement during the 2022/23 consumption period, representing about 20% of the population who require humanitarian assistance for the 2022/23 lean season.

Now, in order to cushion those in this category, my Administration is implementing the 2022/23 Lean Season Food Insecurity Response Programme. This programme, which was rolled out in November as a collaboration between the Department of Disaster Management Affairs (DoDMA) in my office and our humanitarian partners, is providing food assistance through two modalities, namely cash transfers and in-kind relief maize distribution. Since then, **Madam Speaker,** my Administration has released over

62,000 Metric Tonnes of maize for distribution. Meanwhile, the Department of Disaster Management Affairs (DoDMA) has already drawn 55,000 Metric Tonnes, out of which 30,000 Metric Tonnes of maize has already been distributed to food insecure households nationwide.

Furthermore, my Administration has provided funds amounting to 9 billion kwacha, out of which 7 billion kwacha has been used for cash transfers and supporting logistics for maize distribution while 2 billion kwacha has been used for emergency disaster response. Meanwhile, my Administration in collaboration with KFW, the World Bank, the European Union, the World Food Programme, UNICEF, Irish Aid, Save the Children and the Malawi Red Cross has mobilized about 41 billion kwacha for the implementation of cash transfers to targeted beneficiary households up to the end of the consumption season, which will target food-insecure households in twenty-six districts.

**Madam Speaker,** these are not mere claims, but actions we are taking on the ground to ensure that no Malawian is food insecure. Should you have any

doubts, you can ask the Honourable members of this house, including those from the opposition benches, and because they are honest, they will tell you themselves of these things that we are doing in Thyolo, Chiradzulu, Mulanje, Blantyre, Nsanje, Chikwawa, Mzimba, Mzuzu, Zomba, Lilongwe, Machinga, and Mangochi.

So long as the country continues to experience weather related disasters of different magnitude, my Administration will continue providing social protection support to the poorest and most vulnerable. So far, we have already seen strong winds, heavy rains, stormy rains, floods, hailstorms and lightening that have already affected 27 councils across the country. As at 2nd February, 2023, over 19,000 households had been affected by weather related disasters with 57 deaths and 176 injuries recorded. The disasters have also caused damage to crop fields, roads and other public infrastructure.

**Madam Speaker,** another social protection programme my Administration is implementing to support the vulnerable is the Social Cash Transfer Programme (SCTP), which is targeting 292,000

ultra-poor households in all the 28 districts of the country to reduce their exposure to risks associated with climate change and other disasters. Similarly, the Climate Smart Enhanced Public Works Programme (CSEPWP) is being implemented by my Administration with development partners to benefit 380,000 ultra-poor households across the country.

However, what we have learnt in the rollout of these social protection programmes is that more coordination is needed to improve efficiency by removing duplications. This is why in this coming fiscal year, all social protection programmes will be under one Consolidated Safety Nets Programme that will enhance synergies by making sure that the three main safety nets, namely the SCTP, CSEPWP and AIP, are each more uniquely targeted, all of which will protect no less than 4 million of the poorest and most vulnerable Malawians against the worst effects of our economic winter.

But if this Consolidated Safety Nets Programme is going to be sustainable and if we are going to graduate people from it, we have to boost productivity in the wider economy and generate the revenue necessary to

do so. And the seven Ministries where we have the greatest potential for boosting productivity and revenue are Finance and Economic Affairs, Agriculture, Tourism, Mining, Industry and Trade, Foreign Affairs, and Natural Resources and Climate Change. Let me therefore report on the progress we have made in each of these.

## **Wealth and Job Creation: Progress, Projects, Plans**

### **Finance and Economic Affairs**

I am pleased to inform you, **Madam Speaker**, that my Administration secured the approval and disbursement of 88.3 million dollars from the International Monetary Fund (IMF) on the twelve-month Food Shock Window of the Rapid Credit Facility, and agreed on a Programme Monitoring with Executive Board involvement. We have also made good progress in our negotiations for a new Extended Credit Facility with the IMF, thanks to the hard work of our technocrats and the significant advocacy work of our development partners, particularly the United States of America, the United Kingdom, and the European Union.

I am also pleased to report that we have made progress on the first 10 year implementation plan of MW2063 (MIP-1), moving us towards the goal of graduating the country to a low-middle-income economy by 2030. In particular, we have commenced the implementation of 80 percent of the MIP-1's planned interventions, with a focus on tracking through the deployment of champions we have identified to drive implementation.

Looking ahead, my Administration aims to expand the tax-base to increase revenue. In 2021, my Administration developed and launched the Domestic Revenue Mobilisation Strategy (DRMS), covering the period 2021-2026, whose overall goal is to increase revenue to GDP ratio by 5 percentage points by 2025/26 fiscal year, and this will be pursued aggressively this coming fiscal year to broaden the tax base and boost revenue.

## **Agriculture**

**Madam Speaker,** it goes without saying that we cannot transform our economy without revitalizing

our primary sector of Agriculture, and this must go beyond social protection programmes like AIP. What we are pushing for is agricultural mechanization, commercialization, and industrialization. Allow me to highlight our signature initiatives in this regard:

- **Mega Farms: Madam Speaker**, my Administration has successfully embarked on Mega Farms aimed at establishing large production units for increased agricultural production. We have already established two Mega Farms in Chipoka, Salima and Nkopola, Mangochi with 200 hectares of maize currently under cultivation in Mangochi and 80 hectares of cotton under cultivation and production in Chipoka. Additionally, through the Agriculture Commercialisation Project (AGCOM), we have also allocated 6 million dollars to the Katunga Maseya Cooperative to invest in a Mega Sugarcane Farm in Chikwawa. It is also worth mentioning that other entities such as the Malawi Prison Services and Malawi Defence Force have established their own Mega farms.

- **Commercial Agriculture: Madam Speaker,**  
speaking of agricultural commercialisation, we have been organizing our farming communities into cooperatives and alliances that can grow crops at scale and add value for both local and international markets. Through AGCOM, we have successfully established 345 Productive Alliances throughout the country and made a total of 23 million dollars in investment through matching grants. Currently, the program is supporting over 74,000 farming households across the country including 43,880 women, 30,200 men, and 20,572 youth. In the past year alone, AGCOM increased value of gross sales by producer groups to 18.5 million dollars against a target of 10 million dollars. This is wealth creation at household level where it matters most.

A critical part of our agricultural commercialization drive is the need for ambitious programmes to get us ready for the international markets we have been securing, such as the United Arab Emirates. The beginnings of this journey is the Livestock Infrastructure Development Project, which aims to

construct 50 state-of-the-art livestock service centers.

- **Intensive Irrigation: Madam Speaker**, another clear policy direction is that we are intensifying irrigation systems and moving away from reliance on rain-fed farming. We have launched various irrigation schemes across the country, including rural irrigation schemes, but we have also intensified the progression of the Shire Valley Transformation Project.
- Examples of irrigation schemes in progress include the Wowo Irrigation Scheme in Phalombe, now at 74% completion; the Lingoni Irrigation Scheme, now at 83% completion; and the Matoponi Irrigation Scheme now at 74% completion; the Mafinga scheme in Chitipa, now at 65% completion; the Marko Irrigation Scheme in Chitipa, now at 61% completion; and the Mlooka Irrigation Scheme in Zomba, now at 10% completion. Similarly, the rehabilitation of five other irrigation schemes, including Ukanga, Wovwe, Mphinga, Chonanga and Hara, is already

underway, while Mzenga Irrigation Scheme in Nkhata Bay will be starting soon.

As you can imagine, once all these schemes are done and operational, our agriculture sector will be flying.

- **Seed Development: Madam Speaker,** there can be no agricultural revolution without seed development. That is why we have pursued the enactment of the Seed Bill 2022, the review and gazetting of new seed regulations and procedures, the development of a business plan for transforming the Seed Services Unit, the appointment of an Authority Board, and the establishment of a Fund for the Authority.

## **Tourism**

**Madam Speaker,** although Tourism is Malawi's third foreign exchange earner after tobacco and tea, we are taking decisive steps to maximize its potential and increase its contribution to our GDP and forex generation. In particular, my Administration has adopted and is pursuing the following policies:

- The waiving, with immediate effect, of all Visa fees for nationals from the following key tourism markets: i) the United Kingdom; ii) United States of America; iii) the Netherlands; iv) Germany; v) Australia; vi) Belgium; viii) Italy; ix) France; x) Poland; xi) Nordic Countries (Norway, Finland, Sweden) and xii) future markets, including China, Russia, and Canada.
- The completion of negotiations to introduce direct flights into the country from major tourism markets.
- The launch of an aggressive international media marketing campaign in strategic places and through strategic personalities and platforms around the world and on the web, showcasing Malawi's unique tourist attractions.
- The improvement of roads to key tourism sites.
- The review of the Malawi Lake Services Concessionaire to improve its terms towards the growth of tourism activities on Lake Malawi.

- The zoning and securing of land, especially under the Lakeshore (Development of Plots) Control Order, for use by major investors who can put up tourism infrastructures along the lake.
- The engagement of tourist enterprises and hospitality industry players with incentives for the development of special packages for Malawians to boost local tourism.

## **Mining**

**Madam Speaker,** it is an established fact that under our feet are rich minerals like uranium, gold, bauxite, coal and phosphates. And more recently, it has been discovered that just outside this city is the largest deposit of rutile in the world. My Administration is determined to leverage these resources for economic transformation. In the current financial year, my Administration has already taken the following decisive steps:

- Commencing the establishment of the Mining Regulatory Authority to regulate the development,

management and utilization of the country's mineral resources, and members of this House should expect the Mining Regulatory Authority Bill to be tabled in this sitting.

- Continuing the capitalization and operationalization of the National Mining Company under the Ministry of Mining.
- The construction of a state of the art mineral processing laboratory complex, which is now at 95% completion.
- The continued designation of the Reserve Bank of Malawi as a structured market for gold, which as of November 2022, had procured a total of 186.96 kilograms of gold bought at a total purchase cost of 9.4 billion kwacha.
- Finalizing the formalization of the Artisanal and Small-scale mining sector in recognition of the role they play in extracting various minerals.

- Reviewing poorly negotiated mining agreements from the past in order to close all loopholes and conflicts of interest that were designed to deprive Malawi of its mineral riches.

**Madam Speaker,** one key area we will strengthen this coming fiscal year is the enforcement of mining laws and regulations. Several laws like the Mines and Minerals Act of 2019 and the Reserve Bank of Malawi Act of 2018 are simply not being complied with. As a case in point, the Reserve Bank of Malawi Act designates the Bank as the sole institution that can purchase, sell or hold gold in Malawi, yet there are people from various nations here procuring gold in Malawi without a licence. These are criminals and my Administration will deal with them according to law.

## **Trade and Industry**

**Madam Speaker,** another Ministry that we will leverage to transform our economy into a productive one is Trade and Industry. It is not acceptable that Malawi exports huge volumes of crops such as legumes to our neighbouring countries and beyond

with little to no forex coming back into our economy. To reverse this trend, I have appointed a new Minister of Trade and Industry to work jointly with other agencies in deploying a rapid strategy that tracks the exportation of produce, while my Administration continues to make progress in establishing a digital platform for marking and tracking all commodities traded in our economy.

**Madam Speaker,** in March last year, I spoke about the need to support the local industry by encouraging the local buying of materials for Government officers such as police uniforms. Yet just last week, uniforms for police officers were captured at the airport, which means some in our midst do not take this policy seriously. But the policy remains in force. Unless you have a special waiver from my office, the procurement of uniforms by Government from outside the country is banned forthwith. I also order the Ministry of Trade and Industry to release a full list of products subject to a similar ban.

**Madam Speaker,** in our quest to boost trade and local industry, I am pleased to report the following progress my Administration has made:

- In conjunction with His Excellency Hakainde Hichilema, President of the Republic of Zambia, I commissioned the One Stop Border Post at Mchinji-Mwami border, which has already started easing and increasing trade and competitiveness, with clearance time for passengers and traders reduced by 70%.
- The Dedza – Colomue and Mwanza – Zobue facility is at 95% completion rate, and the Songwe – Kisumulu is at the mobilization stage. The Muloza – Milanje OSBP is currently at the design review stage, while funding approval for Chiponde – Mandimba has been granted by the African Development Bank.
- We have established the National Single Window (NSW) which when fully completed will simplify and harmonize trade procedures, reduce the cost of doing business, improve revenue collection and enhance border controls.

- In December 2020, my Administration issued an MSME order to reserve the procurement of certain goods, works, and services by Government for local small and medium enterprises. Since then, we have registered 2,778 MSMEs and awarded them a total of 658 contracts worth 1.3 billion kwacha.
- In line with the National Export Strategy II, **Madam Speaker**, following the MoU we signed with India in June 2021 for the export of 50,000 MT of Pigeon peas annually, this past year China granted us 98% duty-free and quota-free market access, as well as an MoU on Sanitary and Phytosanitary to facilitate the export of groundnuts and soybeans. So far, we have exported 23,000 MT of Pigeon Peas and 63,000 MT of soya beans to India. We have also conducted trial exports of 1,200 MT of Maize Flour and 900 MT of Rice to South Sudan. Currently, we are engaged in discussions with Tanzania and the Gambia for the export of 100,000 Metric Tonnes of Soybeans and 70,000 Metric Tonnes of broken rice respectively.

On the Industry side, **Madam Speaker**, one of my Administration's key initiatives is the creation of Special Economic Zones. Last year, I reported that we had identified four potential sites, namely Matindi, Chigumula, Dunduzu, and Area 55. I wish to report that in my interaction with the President of the African Development Bank at the COP 27 in Sharm El Sheikh in Egypt four months ago, I secured the Bank's commitment to support this initiative. As such, the Minister of Trade and Industry is expected to submit a roadmap to me in the coming two weeks, followed by monthly updates until this initiative is a reality.

## **Foreign Affairs**

**Madam Speaker**, my Administration's foreign policy in the year under review was focused on Development Diplomacy. Key deliverables that have resulted from this include the signing of an Accord for a Healthier World with Pfizer Pharmaceuticals; the signing of energy MoUs with Elsewedy and AMEA Power; the rollout of 20 Megawatts grid-integrated Battery Energy Storage System worth 20 million dollars from

the Rockefeller Foundation with support from the Global Energy Alliance for People and Planet (GEAPP); and the multi-million dollar Compact with the Millennium Challenge Corporation, just to name a few.

While this focus on development diplomacy will continue in the coming fiscal year, we will also focus on Economic Diplomacy, where our diplomats will also promote investments in Malawi, secure markets for the trade of Malawian goods, and promote Malawi's tourism. In this regard, there will be close collaboration between the Ministries of Foreign Affairs, Trade and Industry, and Tourism.

**Madam Speaker,** I am pleased to inform you that following our efforts to restore the confidence of the international community in our commitment to credible governance, some development partners like the European Union are exploring the possibility of resuming budget support, which was halted in 2013.

Also, as part of our pursuit of economic diplomacy, my Administration secured a cooperation agreement with the Kingdom of Morocco, which has since opened

its foreign mission in Malawi and donated 10,000 Metric Tonnes of fertilizer. Similarly, we received a donation of 20,000 MT of NPK Fertilizer from Uralchem a Russian Company through World Food Programme. Meanwhile, in the year under review, Government also leveraged on my chairship of SADC, which ended in August 2022, and my chairship of LDCs, which ends next month, to promote investment and trade.

## **Natural Resources and Climate Change**

**Madam Speaker,** the seventh and final arena my Administration is pursuing for revenue and forex generation is carbon trading under the Ministry of Natural Resources and Climate Change. Toward that end, while at the COP 27 last November, my Administration signed a carbon trading compact with the Government of Switzerland for transaction of Internationally-Transferable Mitigation Outcomes (ITMOs) under Article 6 of the Paris Agreement, and we are developing our national framework and guidelines for its implementation.

Going forward, we will continue our ongoing engagement with carbon markets through the National Reducing Emissions from Deforestation and Degradation (REDD+), as well as through the new partnership my Administration has established with the African Carbon Markets Initiative (ACMI) in order to scale up our carbon credit production.

So our plan is to expand these projects from the current average of 600,000 tonnes of carbon credits each year towards our national target of generating 5 million carbon credits, which will mobilize up to 100 million dollars and support more than 250,000 jobs. This would only be the beginning, because the value of Malawi's carbon credits is estimated at close to 20 million metric tons of carbon per annum valued at 628 million dollars per annum.

But, **Madam Speaker**, one of the implications of this is that as a nation, we have to get serious about preserving our forests. In 2022, we had to recruit 300 Forest Guards and 33 Forestry Officers who were deployed in 88 forest reserves and 21 Forest Plantations. Through their efforts, we have managed 5,772.4 hectares of natural regeneration,

contributing to an increase in our forest cover in areas such as Kaning'ina, Dzalanyama, Mulanje, Zomba-Malosa, Pelekezi, Ntchisi, Thuma, Thambani, Mua-Livulezi, and Philirongwe Forest Reserves, which are vital water catchments, tourist attractions, and biodiversity hotspots.

**Madam Speaker,** it may also be of interest to you and the Members of this House to know that in an effort to make our conservation efforts sustainable, my Administration has established the National Climate Change Fund, with 500 million kwacha in seed money for its operationalization. But in terms of forest conservation, more will be done, and we have a whole set of measures for that purpose.

### **III. PROGRESS ON ACTIONS AND SERVICES TO REFORM OUR GOVERNANCE**

**Madam Speaker,** in many regions of the world, including ours, citizens want change beyond democratic elections. They demand inclusive, responsive and accountable government. And above all, they demand to see their taxes delivering services that benefit them, not the few who hold public office.

As such, I can say with certainty that any efforts we make to transform our economy must deliberately be translated into better public services for Malawians, because making public services more empowering, more organized, and more efficient is the best way to turn our economic gains into a better life for all our citizens.

But **Madam Speaker**, if we are going to succeed, then I must say two painful truths that are difficult to say and that may be difficult to hear. First, this ambitious agenda of improving public service delivery has for decades been impeded by multiple systemic, historical, and cultural obstacles, obstacles we ourselves have created as a people, obstacles we ourselves must confront and remove.

These obstacles include dysfunctional public procurement processes; unchecked wastage of public resources on inconsequential activities; corruption and theft across all branches of government, including parastatals, parliament, police, and the military; redundant payment systems; an overstretched and inconsistent justice system;

political sabotage by political agents camouflaged as public servants; rent-seeking behaviour by some public officials; an insatiable appetite for cash handouts from Government officials by members of society and community leaders; tolerance of exploitative contractors on public projects; and needless and endless inter-agency rivalries driven by toxic egos.

The obstacles also include lack of coordination between government ministries, departments and agencies; lack of monitoring and enforcement of standards and targets for Government projects and programmes by controlling officers and Directors; lack of basic and consistent standards of decency, order, and speed of service in public places like hospitals, stadia, markets, road traffic offices, police stations, immigration offices, border posts, and bus depots; lack of regulation or enforcement of established rules and consequences across entire sectors, including in the standards of constructing roads and other infrastructure projects, the compliance of media practitioners with the ethics of their profession and the terms of their licenses, the conduct of foreign diplomats and foreign-funded

NGOs, the treatment of workers and their rights in the home and in the office, the protection of artists' copyrights, the protection of our nation's mineral riches from theft by crooks from the West and crooks from the East, and the protection of our natural environment. This broken sewer of chaos cannot be left uncorrected, **Madam Speaker.**

The second painful truth I must say is that we cannot fix all broken public services at once. We don't have the resources to do that. That means that in each portfolio of public service, we must prioritize some services over others. The mistake of treating every public service as a priority has caused us to spread our limited resources so thinly and so widely that they do not actually change anything. So for each portfolio of public service, we must know what activities are a priority. Let me begin with Health.

## **Public Service Delivery: Progress, Projects, Plans**

### **Health**

**Madam Speaker,** the major milestones we have achieved over the last year are as follows:

- We have successfully installed 894 solar direct drive fridges, constructed cold rooms in Zomba, Mzimba South and Mangochi districts, installed 35 solar backup power systems at district vaccine stores, and procured vaccine refrigerated vehicles.
- We have successfully delivered our promise of establishing the Public Health Emergency Operating Centre (PHEOC) which is now fully functional as a command centre for supporting emergency response efforts in the event of any crisis, including Polio, Covid 19 and Cholera.
- We have reduced new HIV infections and reached the UNAIDS treatment targets. The national target was to reduce new HIV infections from 33,000 to 11,000 between 2019 and 2025, and as of today, we have reduced new infections to 17,700.
- We have also made remarkable progress in our efforts to reach the UNAIDS 95-95-95 treatment

targets. Currently, we are at 95-99-94 on these targets.

- Our target of reducing maternal deaths to 350 per 100,000 live births is on course. Since February 2022, we have trained 523 skilled birth attendants in Basic Emergency Obstetric and Newborn Care and procured 74 ambulances with ORT funds and 76 with support from the Global Fund. Our efforts have led to a reduction in maternal deaths to 349 per 100,000 live births, according to UNICEF.
- Regarding family planning, in the past two years, we have conducted training and mentorship programs for 489 pharmacy personnel and service providers in supply chain management and logistics. This has increased the modern contraceptive prevalence rate from 38.1% in 2012 to 62.1% for married women in 2022. Our National Population Policy has been finalized and endorsed by Cabinet in January 2023, setting us on a path to achieve our international target of 60% modern contraceptive prevalence rate by 2030.

- In the fight against Tuberculosis, we have seen a reduction in the incidence of TB from 141 cases per 100,000 people in 2020 to 132 cases per 100,000 people in 2022. Our treatment success rate has also increased from 88% to 90%.
- We have successfully recruited 6766 health care workers who have been deployed to various health facilities across the nation, and we will support them accordingly.
- The National Cancer Center is now offering chemotherapy services, which is a great development in our efforts to treat cancers.
- We have completed the construction of Phalombe District Hospital and officially opened it, and the facility is now operational.
- We have also finished constructing the main building of the Lilongwe Institute of Orthopedic and Neurosurgery (LION) at the Kamuzu Central

Hospital and equipment installation is underway in readiness for its official opening this April.

- We have finished constructing Area 23 Health Centre facility equipped with an OPD, maternity, waiting home, laboratory, drug store, dead body hold room, and five staff houses.

The area of public health service delivery that now needs urgent attention is the supply of medicines, for we currently have a 50% to 60% availability rate of essential medicines in our hospitals, and we will be prioritizing this area in pursuit of our goal of 95% availability at the health facility level. It is simply not right for Malawians to be going to hospitals where there are no medicines, or hospitals that are not clean, or hospitals that have no order, or hospitals that leave patients unattended.

Similarly, **Madam Speaker**, we will prioritize increasing access to health facilities by continuing the construction of the 900 rural health units we started

last year to ensure that we reduce the distance our people walk to access health services. And now that Phalombe District Hospital is done, Chikwawa, Rumphi, and Dowa are next.

## **Education**

**Madam Speaker,** one of our priority commitments in education is to achieve compulsory primary education. As such, we are implementing various projects with billions of investments as follows:

- With support from the German Government (KfW), we have completed the rehabilitation of water and sanitation systems at Blantyre, Lilongwe, and St. Joseph Teacher Training Colleges, and we have constructed 308 classrooms and 120 teachers' houses in teaching practice schools.
- We have successfully constructed three fully furnished Teacher Training Colleges in Mchinji,

Chikwawa, and Rumphu districts, and we have recruited 1,800 teacher trainees to date.

- We trained 5,070 primary school teachers, mobilized 250 million dollars under the Malawi Education Reform Programme to help in expanding access, improving quality and performance of the primary sub-sector. As of today, we have successfully recruited 2,200 primary school teachers and have hired 7,395 primary school auxiliary teachers, with 3,270 being hired in the 2021/2022 fiscal year and an additional 4,125 hired in the current fiscal year.

Notwithstanding, aside from teacher training and recruitment, the areas of public service delivery we must prioritize in the provision of primary education are school blocks, school desks, and school materials, and we will make the necessary sacrifices to ensure this is the basic standard of service every child receives in school.

At secondary level, **Madam Speaker**, I can report the following milestones:

- Under the Secondary Education Expansion for Development (SEED) Project, 30 urban Community Day Secondary Schools (CDSSs) were expanded in the 2021/2022 fiscal year, and 30 new rural CDSSs were completed and opened last month. Going forward, we will continue with the construction of 8 rural CDSSs which are at an average of 51.2% completion rate, while the construction of 51 rural CDSSs will commence in the 2023/24 fiscal year.
- We are continuing with our agenda to construct 34 Secondary Schools of Excellence, and construction works for schools in six locations will commence in the 2023/24 fiscal year.

At tertiary level, **Madam Speaker**, we have made progress as follows:

- We have completed the expansion and rehabilitation of the School of Economics at the University of Malawi, including the construction of a 350-seater lecture theater and a 100-seater computer laboratory.
- The construction of the new administration block and teaching complex at LUANAR has also been completed.
- The rehabilitation of two campus hostels and the expansion and upgrading of Domasi College of Education have also been completed.
- Going forward, we are accelerating the construction of the technical education building at MUBAS, and the administration block at KUHeS, with an expected completion date of 2025.
- We have secured funding for the Kamuzu High-Tech University Teaching Hospital, and the industrial park at MUST is at 65% completion.

- As far as increasing access to tertiary education is concerned, we have increased it from 45,809 in 2019 and 55,002 in 2021 to 65,057 in the 2022/2023 academic year, representing a 21.9% increase. We will continue on this trajectory to achieve our goal of increasing enrolment to 85,000 by 2030.
- In the coming fiscal year, **Madam Speaker**, we are finally commencing the construction of the Inkosi Ya Makhosi M'mbelwa University.

## **Justice**

**Madam Speaker**, another priority area for public service delivery improvement is the administration of justice, and during the year under review, we registered the following gains:

- We have addressed the problem of insufficient judicial officers by appointing four new Justices to the Supreme Court of Appeal and 23 new High Court Judges. This brings the total number of High

Court Judges to 40, while the Supreme Court now has 11 Justices of Appeal, with the highest percentage of gender parity ever achieved in the history of the Malawi Judiciary.

- We have amended the Courts Act, and under this amendment, a new Deputy Chief Justice for the Supreme Court and High Court of Malawi will soon be appointed.
- The construction of Likoma Magistrate Court and Balaka Magistrate Court has also been completed, with support from European Union, under Chilungamo Programme while the rehabilitation of Rumphu and Dowa District Magistrates Courts will be completed in the first quarter of the new fiscal year.
- **Madam Speaker,** a top priority for my Administration was the establishment of a Financial and Economic Crimes Court. I am therefore delighted to report that following the enactment of the Courts Act, this new Court was

set up, with three Judges, an Assistant Registrar, an Administrator and support staff.

- The purpose of the Financial and Economic Crimes Court is to expedite the successful prosecution of corruption cases. I know that some have argued that the lack of progress on cases is due to legal and political impediments that have beleaguered the Director General of the Anti-Corruption Bureau in the last two months. I agree that it is likely that those impediments have disturbed her in her work, and it is a relief that the new Director of Public Prosecutions whom I appointed and whom this House confirmed last month has removed these impediments.

However, it is also my view that the impediments that have disturbed her work need not be seen as a hindrance to the work of the institution itself. It is no secret that under my Administration, the Bureau is a fully capacitated institution with hundreds of human and billions of financial resources at its disposal, as well as greater

operational freedom since the removal of the consent clause from the Corrupt Practices Act.

In fact, the Bureau itself has proved this to be true, because despite the impediments the Bureau Chief has faced, the Bureau has continued to execute its mandate in other matters throughout the same year in which the Director General was variously impeded. For example, in the past year, the ACB investigated 584 cases out of 914 complaints received, completed 270 investigations, recommended 67 cases for prosecution conducted several procurement approvals, monitored five national programs, conducted six Anti-Corruption Clinics, coordinated a successful national anti-corruption conference, and led a 20-week anti-corruption campaign.

So, **Madam Speaker**, since the Bureau has been productive as an institution in these other important matters it was handling during that same period, I believe that the lack of progress on the prosecution of cases by the entire institution over that period needs a more serious and sober analysis. For that reason, although only a fraction

of the 48 corruption cases the Bureau has consent to prosecute have made progress, I do not presently blame anyone for the delay, because the factors that can delay the prosecution of any case are many.

But what I would like to do instead is to respectfully appeal to the Judiciary to assist with the worrisome situation by setting dates for all the consented cases so that Malawians can see progress. I am appealing to the Judiciary because its performance in the management of other cases this past year has been impressive, with a total of 65,157 cases registered, over 40,000 of which were concluded, representing 62% completion rate, and Malawians deserve similar progress on corruption cases.

- Next up in this report, **Madam Speaker**, is the good news that we established the Asset Forfeiture Unit, through which we have so far traced and preserved illicit assets worth over 1.4 billion kwacha, connected to 25 individuals who are answering cases of fraud and money laundering. Through this Unit, we will be seeking the recovery of moneys

stolen from Malawi and domiciled in other countries like the UK, the USA, the EU, the UAE, South Africa, and we count on our development partners to be as passionate about helping us recover our stolen wealth from their nations as they are about keeping their donated wealth from being stolen here in Malawi.

- Another way in which people try to defraud the Malawian people is by making exorbitant claims against the Government in court, but thanks to the tenacity of the Attorney General, we have challenged over 850 civil cases, thus saving over 260 billion kwacha in settlement claims.
- But justice is only possible where there are just laws, and so I must thank all the members of this House for doing their part in passing 45 bills that my Administration presented to this House, including the Seed Bill, 2022, the Fertilizer Bill 2022, the Penal Code (Amendment) Bill 2022, and the Courts (Amendment) Bill, 2022. I am therefore hopeful that this kind of legislative progress will continue in this sitting, as there are a number of

important bills coming your way, including a new and modernized bill for better regulation of the tobacco industry.

- To reduce acts of fraud and monopoly in public procurement, we developed and gazetted various pieces of subsidiary legislation, including the Beneficial Ownership Regulations under the Companies Act, which will identify the beneficial owners of companies participating in public bids.
- We have also scaled up the operations of the Financial Intelligence Authority (FIA) in the fight against public fraud and money laundering, resulting in the investigation of 234 money laundering incidents and prosecution of 58 of them, representing a staggering increase of 1040%.
- My last report under the justice sector relates to electoral justice, and our key achievements include the successful re-demarcation of constituency boundaries, the passage of legislative reforms three

months ago, and the commencement of the Electoral Commission's planned relocation of its Headquarters from Blantyre to Lilongwe.

- Additionally, to avoid the risk of disenfranchising citizens from enjoying their right to vote, the Electoral Commission is working with the National Registration Bureau to remove the restriction of an expiry date on National ID cards, which will also save Government the billions that would be needed to renew the cards that have already expired over the past two years.

## **Energy**

**Madam Speaker,** in the energy sector, our top priority is the provision of reliable electricity for Malawians. While we were on course in this effort throughout 2021, we suffered a major setback this past year when a third of our power supply was destroyed by tropical storms. We have been working to rectify the situation, and though the deadline to

restore the Kapichira Power Plant by the end of the last quarter of 2022 was missed due to concerns for the environment, I am happy to announce that our engineers are on target to restore partial generation of power from the plant by the end of this quarter.

Meanwhile, the Mozambique - Malawi Interconnector Project, which will allow us to import and export power to the Southern African Power Pool, is now finally underway, with construction having begun in November 2022. Even more encouraging is the fact that in June 2022, we commissioned the 20 Megawatts Golomoti Power Station with Battery Energy Storage System (BESS). We also secured a 25 million dollar financing agreement to enable Golomoti Solar to capitalise this investment in solar power generation, as well as similar agreements with Elsewedy and AMEA Power. Similarly, the construction of the 21 Megawatts Serengeti Solar Power Station in Nkhotakota is near completion and will be commissioned in the coming weeks.

More broadly, we are increasing access to electricity through in-house wiring for 30,325 low-income households and free electricity connection for 32,325 under Ndawala Initiative through the Rural Electrification Fund. We are also increasing access to electricity through grid connection of 180,000 ESCOM customers under the World Bank-funded Malawi Electricity Access Project (MEAP), to be completed next year, as well as the construction of 16 mini-grids under MEAP, MAREP, the UNDP supported Access to Clean and Renewable Energy (ACRE) project, which will connect 200,000 off-grid customers by next year as well.

## **Homeland Security**

**Madam Speaker,** under Homeland Security, our top priorities are the improvement of public service delivery by the Malawi Police Service, the Malawi Prison Service, and the Department of Immigration.

In the year under review, my Administration has recruited and trained 2,974 police officers, of whom 1,737 are male and 1,237 are female. Additionally, 1,500 police constables and 1,984 police officers underwent various national and international trainings to upgrade their skills in modern policing standards, and in the new fiscal year, we are providing resources to enable them recruit and train additional police personnel.

In the area of prisons, our focus is improving the conditions of our prisons. This past year, we constructed new prison holding cells at Mpyupyu and Mzuzu Prisons, sanitation facilities in existing prisons, and began the process towards the construction of a 4000 capacity Chitedze Maximum Prison in Lilongwe. And in the new fiscal year, we are reviewing and bringing forward the Prison Services Bill to create the parole system that will usher in a more fair system for releasing prisoners before they complete their sentences.

**Madam Speaker,** in Immigration, I can report the following progress we have made in improving service delivery:

- Decentralization of passport services to districts in order to bring the service closer to the general public. In the new fiscal year, this is being done in Salima, Kasungu, Chikwawa and Mzimba.
- Upgrading of passport issuance system and integrating it with the National Registration Bureau.
- Introduction of e-passport system through which we have since issued 75,400 e-passports.
- Refurbishment of the passport offices in Blantyre, Lilongwe, Mzuzu and Mangochi.
- Installation of a passport laboratory at Kamuzu and Chileka International Airports.

- Installation of e-permit processing system in the Blantyre Immigration office, which will also be installed in the other regions in the new fiscal year.
- Streamlining of visa application process to make it easier for people to travel to Malawi.

On a sad note, **Madam Speaker**, Malawians were horrified with news in October following the discovery of a mass grave containing the remains of close to 30 men. There have also been numerous reports of smuggling of goods across the borders, such as legumes, maize and beverages. There is no denying that the porousness of our borders is a threat to our national security, and so my Administration has resolved to strengthen and digitize our border control systems to protect the good we have within our borders and stop the ills that lurk without.

## **Transport and Public Works**

**Madam Speaker,** in the Transport sector, our top priorities are the rehabilitation of rail to open up Malawi's access to corridors that link to markets and the rehabilitation of roads to make the movement of goods and people around the country easier and safer. Key efforts in this area include:

- Rehabilitating and upgrading the 72km Marka – Bangula Railway Section, 1km of which has commenced.
- Upgrading of the 31km Chitipa - Ilomba Road, the design of which has been completed, and the contractor is currently setting up campsites, with a goal to complete the project next year.
- Capacity Improvement of Kenyatta Drive and Mzimba Street, whose physical progress is now at 25%.

- Rehabilitation of M1 Road from KIA Turn Off - Mzimba Turn Off and Kacheche – Chiweta, a stretch of 300.7 kilometers of the road, whose start was delayed by environmental concerns, which are being addressed to commence works as soon as rains subside.
- Upgrading of Nsanje to Marka Road, on which five major bridges and the rail/road grade separation have already been constructed, along with the entire 31.5 km road, which was completed two months ago.
- Upgrading of Dzaleka – Ntchisi – Mpalo – Malomo Road, with the 7.7 km phase 1 already completed.
- Rehabilitation of M5 Road from Balaka Market - Kaphatenga – Dwangwa – Mukwiya.

## **Local Government, Unity, and Culture**

**Madam Speaker,** as far as Local Government is concerned, in the 2022/2023 fiscal year, the Local Authority Performance Assessment (LAPA) was conducted in all 28 district councils, and 25 of them qualified and accessed 14.9 billion kwacha of the Performance-Based Grants (PBG), with 60% already disbursed to the councils. This has allowed us to implement 273 projects in these 25 districts, with a major allocation towards the health sector at 26% and the education sector at 22%.

**Madam Speaker,** in pursuit of promoting peace and unity among Malawians, we introduced the Peace and Unity Bill which this House unanimously passed to become law. In the coming fiscal year, Government is establishing the Peace and Unity Commission, as well as District peace and unity committees across the country. These structures will foster unity around our shared national identity and the national goals we can pursue together even when we hold different political views or have different tribal roots.

## **Water and Sanitation**

One shared national goal we can all work together in advancing is the goal of ensuring every home in Malawi has access to clean water. Our collective neglect of this goal over the decades is partly the reason we have the worst cholera outbreak in our history right now. I realized even before I came into office that water and sanitation issues needed urgent attention, and so I created an entire Ministry to give them the focus they deserved. And since that decision, there has been great progress in terms of investments in this sector, including the following:

- Kholongo Multipurpose Dam (Water Supply and Irrigation) for Mponela Township, which will serve over 173,000 people.
- Senga-Bay/Salima Water Supply and Sanitation Project, which will serve 151,160 people in Salima town and surrounding areas.

- 30MW Solar Power Plant project to generate power for Blantyre Water Board (BWB), for which I must thank the Government of India on behalf of the 1 million Malawians in Blantyre City it will serve.
- Rehabilitation of Liwonde and Balaka Water Supply Project under EIB, which will provide clean water to over 237,052 residents of Liwonde and Balaka.
- Blantyre and Rumphi Water and Sanitation project, whose funding we are negotiating with the African Development Bank.
- Malawi Northern Region Water Board Water Efficiency Project (MNWEP), which we will be launching very soon, as the physical progress of the project is at 93% and the financial progress is at 87%, with the works in Mzuzu and Ekwendeni already completed.
- The Lilongwe Water Supply Project under the Lilongwe Water Board, which will serve 250,000 in 14,700 households.

- Karonga Town Water Supply Project, with a production capacity of 31 million litres of water per day to serve 184,000 people.
- Mangochi Water Supply Project, through which we have laid 85 km of pipeline to benefit 92,000 Mangochi residents.
- Solar Powered Ground Water Supply Scheme, which is fully funded by Government and will see 193 Solar powered groundwater supply systems developed to benefit 115,800 people.

There are other projects in the pipeline, all of which we are eager to pursue in our quest for Sustainable Development Goal No. 6 because it is not acceptable to me that in the 21<sup>st</sup> Century we are still a country in which there are millions of citizens with no access to clean water.

## **Information and Digitalization**

**Madam Speaker**, in our pursuit of a digital economy, we installed the Government Local Area Network (G-LAN), adding four buildings to the fourteen that were connected last year at Capital Hill. We also connected internet to 61 public institutions of higher learning. In the year under review, my Administration completed and launched the National Data Centre, critical to the management of public data. The House may wish to know that our Affordable Inputs Programme system is currently being hosted in the National Data Centre.

To improve access to information, the Malawi Broadcasting Corporation rolled out MBC Television 2, which began broadcasting in September 2022. We also continued our efforts to reduce the cost of internet data to give more people access to information and other opportunities to advance their businesses and other interests. Through collaboration with mobile network operators, retail internet data prices have been significantly reduced,

and the two major mobile operators also reduced data bundles. Further, Government through MACRA has also issued licenses to three telecommunications operators, including Starlink, which will in time make internet even more affordable.

**Madam Speaker,** to address challenges citizens face when obtaining a National Identity Card, my Administration has introduced an electronic payment service for the National Registration Bureau (NRB). This pilot service is currently available in three districts of Lilongwe, Mzimba, and Blantyre, with the goal of expanding to the rest of the country in the upcoming financial year.

## **LANDS**

**Madam Speaker,** in land governance, our priority was the enactment of a law to bring sanity in the sector. Now that this has been done, we are determined to have regulations that ensure that the era of land grabbing is permanently erased.

I also feel duty-bound to update the House on the progress of the Security Housing Project, aimed at the construction of 10,000 houses for our security agencies, with a direct impact on job creation as well. The houses were to be delivered in the following phases: 1,028 houses in phase 1, 4,300 houses in phase 2, and 4,672 houses in phase 3, and the catalogue of how we have performed to date is as follows:

- Under phase 1, we have constructed 231 houses in Lot 1, and 787 houses in Lot 2, which have created 1,800 jobs.
- 196 out of 231 houses in phase 1 Lot 1 are at various stages of completion, with 10 police houses at Jenda at 99% completion to be handed over next month.
- Procurement processes for 2,300 houses in phase two is underway with 1.4 billion kwacha already in compensation.

## **LABOUR**

**Madam Speaker,** our top priority in the Ministry of Labour is capacitating our youth for the labour market and tracking their progress therein. I am therefore pleased to report that the jobs portal that is linked with the Labour Market Information System is up and running. This is also a job matching portal that facilitates electronic information exchange and enables job seekers to access vacancies and secure jobs through online platforms. The portal also tracks jobs created and provide real-time data.

I therefore call upon private sector to utilize this portal and report jobs created and jobs lost. As a case in point, as of September 2022, a total of 1,161,000 reported jobs were tracked in our systems. I must also mention, **Madam Speaker,** that since 2020, my Administration has given opportunities to 10,119 interns, offering them their first work experience, and in the new financial year, we are offering opportunities to 3600 youths.

## **YOUTH AND SPORTS**

**Madam Speaker,** speaking of youth, our top priorities in serving them are empowerment and employment. In the year under review, we continued to make significant investment in skills development, job creation, and construction of sports facilities. Some of the notable programmes and interventions in this regard were as follows:

- Through the Job Creation initiative alone, we created over 20,000 jobs between 2020 and 2022, as well as over 7,000 new youth enterprises;
- We expanded access to TEVET through the establishment of new Community Technical Colleges.
- In July 2022, we launched the National Youth Service Program to impart skills and knowledge industry needs. It started with 114 young people who have since graduated from the pilot program,

but between this coming fiscal year and 2026, the program will have created skills development opportunities for 20,000 youths.

- We are on course to complete the Griffin Saenda Indoor Sports Complex, which is at 80% completion rate, as well as the National Aquatic Complex at Kamuzu Institute for Sports, both of which were instrumental in our successful hosting of the African Union Region 5 Games, from which Malawi won a total of 44 medals, surpassing our performance in Lesotho in 2020.
- The Games also gave a boost to our tourism and hospitality sector, creating 1,536 temporary jobs and generating over 1.4 million dollars in participation fees.
- Lastly, Madam Speaker, I am happy to inform you that after more than 10 years of promises to construct the Mzuzu Youth Centre, the works are underway. You may recall that this project has been allocated funds in budget after budget since the time of the first DPP Administration, yet there

was nothing on the ground. That dark era has ended now, and Mzuzu Youth Centre is on the way.

**Madam Speaker,** this is the state of our nation as I see it. However, it is not lost on me that I have left out a report on the state of our Military under the Ministry of Defence, which are matters of national security. However, I can give you some comfort by informing you that our military remains strong and disciplined, and we continue to modernize its operations.

As Commander-in-Chief, I intend to keep it that way.

**Madam Speaker,**

I thank you for your attention, and I yield the floor.