

FULFILLING OUR PROMISES

STATE OF THE NATION ADDRESS

by

**HIS EXCELLENCY
PROF. ARTHUR PETER MUTHARIKA
PRESIDENT OF THE REPUBLIC OF MALAWI**

on the occasion of

THE STATE OPENING OF THE 4TH MEETING IN THE
45TH SESSION OF PARLIAMENT AND THE
2015/2016 BUDGET MEETING

LILONGWE

- **YOUR EXCELLENCY MADAME GERTRUDE MUTHARIKA, FIRST LADY OF THE REPUBLIC OF MALAWI;**
- **RIGHT HONOURABLE SAULOS CLAUS CHILIMA, VICE PRESIDENT OF THE REPUBLIC OF MALAWI;**
- **RIGHT HONOURABLE RICHARD MSOWOYA, M.P., SPEAKER OF THE NATIONAL ASSEMBLY;**
- **YOUR LORDSHIP HONOURABLE ANDREW NYIRENDA, 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;**
- **YOUR EXCELLENCY MADAM THANDIWE DUMBUTCHENA, DEAN OF THE DIPLOMATIC CORPS AND HEADS OF DIPLOMATIC MISSIONS;**
- **MR. GEORGE MKONDIWA, CHIEF SECRETARY TO THE GOVERNMENT;**
- **DISTINGUISHED INVITED GUESTS;**
- **LADIES AND GENTLEMEN.**

INTRODUCTION

Mr. Speaker, Sir, I am delighted to be here this morning to deliver the State of the Nation Address to this august House and to open the 2015/2016 Budget Meeting.

Allow me, Mr. Speaker, Sir, to begin my address by exalting the Almighty God for his continued grace that has seen us through the first year of my term of office as President of the Republic of Malawi. I also express my sincere gratitude to all Malawians for giving me the opportunity to serve them as President and this honourable House for its support during the year.

Mr. Speaker, Sir, in my first State of the Nation Address in June last year, I outlined a comprehensive reform agenda and plans to transform this nation. I also specifically stated that prosperity, justice and security would be pillars of my Administration. Today, I am here, Mr. Speaker, Sir, to report on the progress we have made thus far and where we stand as a nation. I will talk about the strong foundation that we are laying to propel our nation forward. I am particularly delighted because we are already delivering on our promises before the first anniversary of my Administration.

Mr. Speaker, Sir, as stated in the 2014 DPP Manifesto and indicated in my 2014 State of the Nation Address, we are at a very pivotal moment of our history as a nation. The first fifty years of independence were a mixed bag. While we have so far registered a number of successes, we have also not done well in some areas.

Mr. Speaker, Sir, I am reiterating today that we, as a nation, have to always learn from experience and past mistakes. The opportunity to correct mistakes lies with us. Mr. Speaker, Sir, we all have to be mindful of the fact that history will harshly judge us if we do not seize the opportunities that are currently

available for us to redefine and reposition our destiny as a nation. Our children will never forgive us if we fail to make the right decisions for a better future.

Mr. Speaker, Sir, let me, therefore, reaffirm my commitment to public sector reforms as one of the important pillars for sustainable socio-economic transformation. This entails abandoning archaic systems and practices that, though familiar, are no longer serving us efficiently. I repeat, Mr. Speaker, Sir, that our current situation necessitates fundamental changes in the way we do things as we look into the future with renewed hope, confidence and enthusiasm. I am, however, aware that old habits die hard and that change can be a painful or stressful experience. I am thus calling upon all Malawians, especially you, Honourable Members of Parliament to render your support to the reform initiatives.

Mr. Speaker, Sir, this is why I have, in the past few months, launched various public sector reforms under the Public Service Reform Agenda. I have also launched several programmes and initiatives aimed at enhancing knowledge and skills transfer and empowering Malawians in various aspects of life. In addition, I recently launched the Public Finance Management Reforms Programme with a view to strengthen public sector finance management. The programme, which is home-grown and tailor-made to our particular circumstances, aims to curb mismanagement of public funds so that we avoid the recurrence of the *cash gate* scandal.

Mr. Speaker, Sir, true to my manifesto promise, I appointed and have maintained a lean Cabinet of 20 members including the President and Vice President. I am proud to report that the lean Cabinet has so far performed well and achieved its main objective of minimizing Government expenditure. In addition, we have already significantly reduced the powers of the presidency by transferring some departments from the Office of the President and Cabinet (OPC) to relevant ministries. This means OPC is now focusing on its core functions.

Mr. Speaker, Sir, all this is a clear demonstration of the DPP-led Government's commitment in delivering on its promises. It is for this reason that I have titled my address ***Fulfilling Our Promises***.

MACRO-ECONOMIC POLICY REFORMS

Mr. Speaker, Sir, Government will continue to design and implement sound macroeconomic policy reforms aimed at creating a stable macroeconomic environment for the private sector to thrive, with a view to transforming the economy to attain full recovery and achieve sustained inclusive growth and development. Fiscal and monetary policies will, therefore, seek to ensure that annual inflation remains low, stable and within single digits; reduce and eventually eliminate huge domestic borrowing; reduce balance-of-payments deficits; maintain a stable exchange rate; and achieve and maintain lower interest rates. The policies will ensure that the economy achieves and maintains high economic growth rates of at least 6 percent.

Mr. Speaker, Sir, the sound macroeconomic policies that Government has been implementing in the 2014/2015 financial year have already started bearing positive results. The economy is projected to register a real GDP growth of 5.4 percent in 2015, despite setbacks such as recent floods and dry spells that have affected agricultural production. Going forward in 2016, the economy is projected to rebound with a strong growth of 6.5 percent.

Mr. Speaker, Sir, although our current foreign exchange reserves still remain lower than adequate, it is pleasing to note that recently, our foreign exchange reserves have risen to more than 3 months of import cover. This increase in foreign exchange reserves has managed to anchor the stability of the Kwacha in 2015.

Mr. Speaker, Sir, it is expected that foreign exchange reserves would continue to rise with the onset of the tobacco marketing

season and the resumption of the International Monetary Fund (IMF) programme.

Mr. Speaker, Sir, annual average inflation is expected to drop from 23.8 percent in 2014 to 16.4 percent in 2015. This is due to the combined effect of the stable exchange rate and a significant decline in global oil prices. It is projected that inflation will continue to be on a downward trend and will reach an annual average rate of 12 percent in 2016.

Extended Credit Facility

Mr. Speaker, Sir, I am pleased to report that Government successfully concluded negotiations with the IMF on the Extended Credit Facility (ECF) for the Fifth and Sixth reviews in March, 2015. This resulted in the IMF's approval of the completion of the Fifth and Sixth reviews of Malawi's economic performance under the programme supported by the ECF arrangement, as well as financing amounting to US\$18.1 million for immediate disbursement. Mr. Speaker, Sir, the successful conclusion of the reviews and approval of the disbursements is expected to trigger disbursements from all other development partners, since this signals Government's commitment to the macroeconomic programme.

Fiscal Policy

Mr. Speaker, Sir, following the "cash-gate" scandal, the contribution of donor support to the budget substantially declined from about 30 percent of the total resource envelope to less than 20 percent in the 2014/2015 fiscal year. As a result, the 2014/2015 budget has been largely financed by domestic resources.

In order to fill the revenue gap created by the deficit in donor financing, Government intensified implementation of tax policy

reforms aimed at improving the tax regime to reduce loopholes and improve on tax compliance and investor confidence. In addition, Government also embarked on a comprehensive review of the various tax legislations in order to improve on tax administration and encourage investment in the country. This process is expected to be completed by the end of the 2015/2016 fiscal year.

Mr. Speaker, Sir, let me report to this august House that Government, through the Malawi Revenue Authority (MRA), introduced the Electronic Fiscal Devices (EFDs) to improve the collection of Value Added Tax (VAT). I am, therefore, appealing to both the public and business operators to support the new system and embrace the culture of tax compliance in order to assist the Government in fulfilling its social and economic obligations.

Mr. Speaker, Sir, Government has also taken steps to strengthen debt management practices and restructure repayment of outstanding arrears to suppliers in order to ease pressure on the budget and give Government room for other priority expenditures. Government will also avoid further accumulation of arrears through strict expenditure control measures.

Going forward, Mr. Speaker, Sir, Government will endeavour to reduce its fiscal deficit to levels below the internationally acceptable threshold (3 percent of GDP), in order to reduce pressure on domestic borrowing and interest rates. This will be supported by Government's commitment to fiscal consolidation and foreign borrowing through loans obtained on concessional terms.

Mr. Speaker, Sir, the 2015/2016 budget will reflect a prudent fiscal stance whereby all recurrent transactions will be largely financed by domestically generated resources with a modest net domestic borrowing of about 1.1 percent of GDP.

Mr. Speaker, Sir, Government will also introduce the Programme Based Budgeting (PBB) in the short to medium term, in line with the ongoing Public Sector Reforms. This budgeting approach will ensure that ministries and departments report on achievement of results under specific programmes that are aligned to their strategic objectives as a prerequisite for funding.

Public Finance Reform Programme

Mr. Speaker, Sir, the Public Finance Reform Programme which I alluded to in my introduction seeks to, among other things, restore the integrity of the public service in the management of public resources.

This will be achieved through:—

- strict enforcement of laws, rules and regulations that govern the management of financial resources in Government;
- training of civil servants in public finance management;
- strengthening and customizing the Integrated Financial Management Information System to suit the local conditions of Malawi;
- the rehabilitation of the public finance system to ensure proper accountability, transparency and control of the financial flows; and
- strengthening the Central Internal Auditing Service by putting in place proper internal auditing systems.

Mr. Speaker, Sir, I strongly believe that these efforts will, in due course, bear fruits in re-establishing fiscal discipline in the public sector.

SUSTAINABLE ECONOMIC GROWTH

Agriculture

Mr. Speaker, Sir, agriculture remains a key driving sector of our economy. Government will, therefore, continue to prioritise the sector to meet both national and household food requirements as well as support agro industries for export.

Mr. Speaker, Sir, the 2014/2015 growing season experienced extreme weather conditions that included heavy floods and prolonged dry spells at the critical stage of crop development. This has resulted in a significant drop in agricultural production. According to the 2014/2015 crop estimates, maize production has decreased from 3,978,123 metric tonnes in the 2013/2014 agricultural season to 2,898,123 metric tonnes in the current agricultural season, representing a 27.7 percent decline. The results also show a slight decrease in other major food crops such as rice, millet, cassava and sorghum. However, except for cotton and groundnuts, other cash crops such as pulses have registered a slight increase.

Mr. Speaker, Sir, to mitigate the looming food shortage and to ensure availability of food at household and national levels, Government has allocated MK8.0 billion in the 2015/2016 budget for restocking the Strategic Grain Reserves. Government is also discussing with development partners to provide more resources for the same purpose.

Meanwhile, Government, with support from development partners has provided early maturing maize seed, fertilizer, sweet potato vines and cassava cuttings to support affected smallholder farmers to revive their farming enterprises to take advantage of residual moisture and irrigation.

Farm Input Subsidy Programme (FISP)

Mr. Speaker, Sir, in view of the significant contribution of the Farm Input Subsidy Programme to agricultural growth and

national food self sufficiency, Government continued to implement the Programme during the 2014/2015 fiscal year. Through the programme, a total of 1.5 million deserving farm families benefitted from 150,000 metric tonnes of fertilisers, 7,500 metric tonnes of maize and 3,000 metric tonnes of legume seed.

Mr. Speaker, Sir, to address the challenges that have dogged the programme over the years, Government implemented efficiency measures that included:—

- delegating procurement of fertilisers to Smallholder Farmers Fertilizer Revolving Fund of Malawi (SFFRM);
- provision of police escort during fertiliser distribution;
- vetting of transporters to avoid fertiliser thefts;
- conducting fertiliser quality checks to avoid mixture of fertilisers with sand; and
- piloting the use of electronic vouchers to facilitate easy and transparent access to subsidised inputs by eligible farmers.

Mr. Speaker, Sir, Government will, in the next fiscal year, intensify implementation of the efficiency measures in order to maximise the programme's contribution to national food security.

Cotton Up-scaling Programme

Mr. Speaker, Sir, Government continued with the Cotton Up-Scaling Programme in the 2014/2015 growing season. The programme supported over 389,000 cotton growers with extension services, farm inputs and pesticides.

Mr. Speaker, Sir, there is a projected drop of 31.4 percent in cotton production in the 2014/2015 growing season compared

to the 2013/2014 season. The drop in cotton production is mainly attributed to poor weather conditions and reduced area put to the crop due to poor prices.

Mr. Speaker, Sir, Government will continue to work with the cotton industry and farmers to improve cotton yields and production. Government will endeavour to develop backward and forward linkages in the cotton industry value chains with tremendous potential to create employment and increase foreign exchange earnings.

Tobacco Production and Marketing

Mr. Speaker, Sir, tobacco is a very important strategic crop and a major contributor to our foreign exchange earnings. According to the 2014/2015 estimates, production is projected at 181.9 million kilograms and is expected to generate about US\$300 million of income for our farmers. This year's projected production is slightly lower than last year's production of about 192 million kilograms.

Mr. Speaker, Sir, Government is, however, aware of the risks posed by the Framework Convention on Tobacco Control and the anti-smoking lobby. In this regard, Government will continue to carry out necessary reforms in the tobacco sector whilst intensifying diversification of agricultural commodity production. The reforms will include continued review of the Integrated Production System (IPS) and placing emphasis on value addition of our tobacco.

Fisheries and Aquaculture Development

Mr. Speaker, Sir, the fisheries sub-sector contributes significantly to food and nutritional security; sustainable livelihoods of the rural population; and socio-economic growth of the country. During the 2014/2015 financial year, fish production was estimated at 116,127.78 tonnes with a total beach value of K74.33 billion accrued by fishers. This is an

increase from 112,248.27 tonnes that had a beach landing value of K53.55 billion during the 2013/2014 fiscal year.

Mr. Speaker, Sir, fish is highly perishable and loses value through poor post-harvest handling practices. In order to address this problem, Government completed and commissioned three ice plants and cold rooms in Nkhotakota, Mangochi and Zomba. Plans are underway to extend these facilities to Nkhata Bay, Salima and Blantyre districts.

Mr. Speaker, Sir, in an effort to promote aquaculture fish production, Government, in collaboration with the private sector produced and distributed over 3.5 million tilapia and catfish fingerlings for stocking in various aquaculture farms throughout the country. As a result, aquaculture fish production is estimated to increase to 4,000 tonnes in the 2014/2015 financial year from 3,500 tonnes in the previous year.

Mr. Speaker, Sir, Government will continue to promote aquaculture development for increased contribution towards food and nutritional security, diversified source of cash incomes for farmers and creation of employment opportunities.

Water Development and Irrigation

Water Development

Mr. Speaker, Sir, Government recognizes the importance of providing safe water for our human capital development. In order to meet the needs of our growing population, Government continued to invest in short and long-term strategies in the water sector guided by the Water and Sanitation Sector Wide Approach.

During the 2014/2015 financial year, Government completed rehabilitation of Mudi Pumping Station and Walkers Ferry Treatment Plant as well as the construction of three reservoirs,

each with a capacity of 5,000 cubic metres together with their booster stations, pumping and supply pipelines in Blantyre. These works will go a long way in alleviating acute water shortages in the city of Blantyre.

Mr. Speaker, Sir, Government further:-

- commenced upgrading works on Kamuzu Barrage in Liwonde in order to address the structural stability concerns of the barrage and to improve its water regulatory capacity;
- finalised construction of Songwe Water Supply System; and
- undertook integration and expansion of Salima Lakeshore and Kasungu Water Supply Schemes.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will rehabilitate and expand twelve gravity fed schemes that will entail construction of 600 cubic metres localized storage reservoirs and break pressure tanks and 2,925 Communal Water Points. In addition, we will commence construction of 450 new boreholes and 166 sanitation facilities at public institutions such as schools, health and market centres.

Irrigation and Greenbelt Initiative

Mr. Speaker, Sir, Government remains committed to promote irrigation through among others, the Greenbelt Initiative.

During the 2014/2015 financial year, Government continued to develop Chikwawa Irrigation Scheme in Salima. As a complementary project, a sugar factory is being constructed at the Scheme which will be operated through a joint venture. Construction of the factory is expected to be completed in the 2015/2016 financial year.

Mr. Speaker, Sir, Government also developed about 2,000 hectares of land for smallholder irrigation bringing the total land under smallholder irrigation to around 52,000 hectares benefiting almost 400,000 smallholder farmers. In addition, the private sector is currently irrigating another 52,000 hectares of land bringing the total area developed for irrigation to 104,000 hectares.

Mr. Speaker, Sir, Government further rehabilitated about 1,800 hectares of smallholder irrigation schemes at Nkhate in Chikwawa, Muona in Nsanje, Limphasa in Nkhatabay and Likangala in Zomba.

In the forthcoming financial year, Government will commence development of 42,500 hectares of land for irrigation in Chikwawa and Nsanje Districts through the Shire Valley Irrigation Project.

Mining Development

Mr. Speaker, Sir, Government recognises that the mining sector has huge potential in contributing to the country's economic growth and development. For this reason, Government will continue to prioritise the sector with a view to increase its contribution to the country's GDP from the current 6 percent to about 20 percent by 2020.

Mr. Speaker, Sir, Government will reach this target by, among others, reviewing the legal and policy instruments, including the Mines and Minerals Act in a manner that safeguards the interests of the country. Government will also use the recently completed country-wide Airborne Geophysical Survey to attract prospective investors in the sector.

Mr. Speaker, Sir, let me also report that in view of the commitment by Government to enhance transparency in the mining sector, Government will join the Extractive Industries Transparency Initiative (EITI) to promote revenue

transparency. In this regard, Government will formally be applying for candidature under the EITI once all preparatory processes are concluded.

Tourism, Wildlife and Culture

Mr. Speaker, Sir, Government realises that a vibrant tourism sector is a significant economic driver that influences all areas of business including the Micro, Small and Medium Enterprises (MSMEs). Government will, therefore, continue to address the structural challenges faced by the tourism, wildlife and culture sector through the implementation of various policy reforms and strategies.

In the 2014/2015 financial year, some of the achievements made in the sector were:—

- approval of the first ever National Culture Policy which effectively promotes the country's cultural heritage;
- construction of a 21 Km fence in Liwonde National Park; and
- up-scaling of anti-poaching efforts within and around protected areas in a bid to safeguard wildlife particularly elephants following a surge in illegal trade in elephant products.

Mr. Speaker, Sir, in the 2015/2016 fiscal year, Government intends to enhance the sector's regulatory and policy environment by reviewing the Tourism Policy, the Wildlife Policy and the Tourism Act as well as developing specific legislation to protect wildlife. Government will also establish the National Arts and Heritage Council of Malawi and a Cultural Trust Fund to promote cultural heritage preservation and fund cultural activities, respectively.

Industry, Trade and Private Sector Development

Mr. Speaker, Sir, Government is aware that the promotion of industrialization and development of the private sector are vital to the attainment of desired levels of economic growth and industrial output.

Mr. Speaker, Sir, in order to improve the competitiveness of our economy, Government introduced initiatives targeted at building Malawi's productive capacity. Some of the initiatives that were implemented during the 2014/2015 financial year include:—

- development of the National Industry Policy;
- review of incentive packages for manufacturing and exporting companies to encourage value addition and utilization of indigenous raw materials;
- development and revision of a number of economic laws including the Insolvency Bill, the Warehouse Receipt System Bill and the Credit Reference Bureau Bill;
- development of regulations for Personal Property Security Act and the Business Licensing Act; and
- introduction of innovative lending instruments for MSMEs under the Matching Grants Scheme.

Mr. Speaker, Sir, as a demonstration of Government commitment, I set up a Ministerial Committee on Doing Business in 2014 specifically to oversee the reduction of unnecessary administrative, legal and regulatory burdens and advance the pro-business agenda. The Committee comprises Cabinet Ministers, private sector representatives and senior public officials.

Mr. Speaker, Sir, in the coming few months, Government will:—

- start construction of the Standards, Quality and Accreditation Infrastructure at the Malawi Bureau of Standards in Blantyre;
- draft the Commodity Exchange Bill;
- establish Special Economic Zones as a tool to spur economic growth in the country through increased Foreign Direct Investment (FDI);
- review the Investment and Export Promotion Act; and
- facilitate legal and regulatory reforms in agribusiness - related areas through the drafting of agricultural commodity laws.

Mr. Speaker, Sir, allow me to inform this august House that the Compendium of bankable investment projects that I launched in December, 2014 has started to bear fruits. To-date, certificates for investments worth US\$211 million have been granted. Government will complement this initiative with continued participation in investment missions in a bid to attract more investments.

Natural Resources and Environmental Management

Mr. Speaker, Sir, effective and efficient management of natural resources and the environment is key to the country's socio-economic development. I am, therefore, concerned with the colossal damage to the environment whose economic costs have certainly been massive.

In the year just ending, Government implemented various measures to safeguard the country's natural resource base focusing on, among others, environmental impact and pollution control; biodiversity conservation and protection; climate change management; and radiation control and protection. Some of the key achievements include:—

- development of an integrated pollution control and waste management strategy that will address the pollution and waste management challenges in the country;
- development of a National Biodiversity Strategy and Action Plan (2015 - 2025) and the Global Biodiversity Strategic Plan;
- ratification of the Nagoya Protocol under the Convention on Biological Diversity and the commencement of a legislative framework to regulate Access and Benefit Sharing of biological and genetic materials in the country; and
- development of the National Climate Change Policy and the National Climate Change Investment Plan.

In 2015/2016 financial year, Government will continue to implement programmes that would promote efficient and effective management of natural resources and environment.

Labour and Employment

Mr. Speaker, Sir, Government realises that a skilled labour force is an important prerequisite to a country's socio-economic development. The Labour Employment Survey of 2013 revealed glaring gaps in the country's skills development and vocational training. It is for this reason that Government has prioritized Labour and Manpower Development to address these gaps.

To accelerate skills development, Government is in the process of establishing community colleges across the country. A total of 28 community colleges will be established, at least one in each district.

Let me report, Mr. Speaker, Sir, that so far, 11 community colleges are already operational. Government will develop the remaining 17 colleges, which are expected to be opened by

2016. Government will further expand and modernize the existing seven national technical colleges in order to provide technical skills required in the labour market.

Mr. Speaker, Sir, Government is developing the Employment and Labour Policy which seeks to place employment at the centre of national development by vigorously pursuing employment creation in all sectors of the economy.

Mr. Speaker, Sir, to ensure that every worker receives a wage that is above the poverty line, Government revised the minimum wage from K317 per day to K551 per day. To further improve the welfare of the workers in this country, Government is moving towards fixing the minimum wage by sector so that the remuneration of employees is commensurate with the performance of their respective sectors.

Mr. Speaker, Sir, Government is aware that child labour has been a problem in Malawi for a long time. Child labour exposes children to hazardous work and hinders them from many opportunities such as education. In this regard, Government continues to put in place stringent measures to stop child labour. Government is currently in the process of finalizing a child labour policy.

Integrated Rural Development

Mr. Speaker, Sir, as you are aware, rural development is a catalyst for sustainable socio-economic development. As such, Government is committed to improve the livelihoods of rural communities in the country through the implementation of the Integrated Rural Development Strategy.

Mr. Speaker, Sir, during the 2014/2015 fiscal year, Government:—

- completed construction of the basic social infrastructure at Nthalire Rural Growth Centre in Chitipa district;

- embarked on construction works of the second phase of Rural Growth Centres at Chitekesa in Phalombe, Chapananga in Chikwawa and Mkanda in Mchinji districts; and
- completed the construction of a modern market at Enukwenu in Mzimba district.

Mr. Speaker, Sir, Government is expected to complete the second phase of the construction of Rural Growth Centres during the 2015/2016 fiscal year.

SOCIAL DEVELOPMENT

Education, Science and Technology

Mr. Speaker, Sir, Government recognises the important role that education plays in the socio-economic development of any country. To this end, Government is committed to provide quality and relevant education to all Malawians to enable them acquire relevant knowledge, skills, expertise and competencies to perform effectively as citizens.

Mr. Speaker, Sir, during the 2014/2015 financial year, Government made positive strides in the sector. To expand equitable access to education, Government:-

- established 10 resource centres for primary school learners with special needs and 4 for secondary school students;
- established 540 Complementary Basic Education Centres;
- provided school meals to 1.54 million primary school learners;
- provided bursaries to 7,492 boys and 5,019 girls and cash transfers to 2,353 boys and 1,693 girls for needy and gifted students to access secondary education;

- turned 23 Community Day Secondary Schools (CDSS) into double shift schools to increase access;
- completed construction of 7 girls' hostels through the Local Development Fund; and
- supported the Lilongwe University of Agriculture and Natural Resources and Mzuzu University in the establishment of Open and Distance Learning Centres to increase access under Skills Development Project.

Mr. Speaker, Sir, to improve quality and relevance of education, reduce dropout and repetition and promote effective learning, Government:—

- completed construction of Phalombe Teacher Training School (TTC);
- trained 50 TTC lecturers to Master's Degree level;
- commenced development of a sign language dictionary;
- provided special needs education training to 130 teachers at Diploma, Bachelors and Masters levels; and
- increased intake at Malawi University of Science and Technology from 152 to 300 students.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will continue implementing the following projects:—

- construction of 1,022 classrooms, 238 teacher's houses and 18 administration blocks across the country;
- rehabilitation and upgrading of 11 Community Day Secondary Schools;
- construction of Machinga Secondary School;
- construction of teaching and administration complex at

Lilongwe University of Agriculture and Natural Resources;

- construction of classrooms, workshops, lecture theatres, libraries and laboratories at Mzuzu University, Polytechnic, Chancellor College; and Salima, Lilongwe, Soche and Nasawa Technical Colleges;
- construction of Chiradzulu TTC; and
- construction of a secondary school TTC at Nalikule in Lilongwe.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will:—

- open Phalombe TTC;
- increase special needs education grants in all districts by at least 30 percent;
- operationalize the Higher Education Students Loan and Grant Board; and
- Commence construction of Thumbwe Secondary School, 12 girls' hostels and Chikwawa, Mchinji and Rumphu TTCs.

Public Health

Mr. Speaker, Sir, Government prioritizes public health as it has a direct bearing on socio-economic development. In this regard, Government continues to implement initiatives aimed at enhancing public health across the country.

Mr. Speaker, Sir, as you are aware, the health sector has, in recent years, faced numerous challenges including inadequate essential medicines and supplies and shortage of staff. I am, however, pleased to report that compared with the past two fiscal years, medicines and medical supplies situation has substantially improved. A recent assessment revealed that the

highest stock-out of essential tracer drugs was as low as 7 percent.

Mr. Speaker, Sir, during the year under review, Government continued with the construction of health workers' houses and flats for doctors in all central hospitals, rehabilitation of central and district hospitals, construction of 15 health centres (five in the north, four in the centre and six in the south); and upgrading Domasi Health Centre into a community hospital.

Mr. Speaker, Sir, in the forthcoming financial year, Government will:—

- Complete the construction of the new Nkhata-Bay District Hospital; and
- Commence construction of Phalombe District Hospital, Mponela and Edingeni Community Hospitals as well as the National Cancer Center.

Mr. Speaker, Sir, to further address prevailing challenges in the health sector, Government will undertake various reforms, including establishing a health fund to generate additional revenue for the health sector; revitalizing health insurance schemes to reduce pressure on public health financing; and improving efficiency in the management of health services in both central hospitals and district health systems.

Nutrition, Malaria and HIV and AIDS Management

Mr. Speaker, Sir, with regard to nutrition, Government continued to implement several initiatives aimed at reducing disease burden and deaths from malnutrition and other nutrition related health problems among the various categories of the population. During the period under review, Government:—

- provided vitamin A supplementation and deworming tablets to over 1 million under-five children;

- intensified nutrition screening in camps which hosted people affected by the flood disaster for early detection and treatment of malnutrition; and
- scaled up support to people living with HIV and AIDS, those on TB treatment as well as those with other chronic illnesses such as cancers under the Nutrition Care, Treatment and Support program.

In the forthcoming financial year, Government will:—

- roll out the Community Management of Acute Malnutrition Program to cover 100 percent of health facilities in the country from the current coverage of 90 percent;
- scale up the nutrition program for people living with HIV and AIDS, those on TB treatment and other chronic diseases to 50 percent of the sites that provide ART Services; and
- continue with behaviour change communication for improved infant and young child feeding practices and prevention of anaemia in children and adults, among others.

Mr. Speaker, Sir, under the Global Fund Health Sector Support, I wish to report that the Global Fund allocated a total of US\$574.3 million for the period 2014/2017 of which US\$278.2 million is part of the ongoing commitments and is already in the country through existing grants which are ending in December, 2015. Government, therefore, submitted to the Fund two new funding proposals for Malaria programme and a Joint HIV and AIDS and TB programme amounting to US\$296.1 million for the next two fiscal years. I am optimistic that the Fund will approve the proposals having met all the requirements.

Mr. Speaker, Sir, the resources from the Global Fund will support Government's efforts to reduce further cases of malaria in the country as well as sustain and increase the

number of people receiving free Anti-Retroviral Therapies (ART's) beyond the current 524,000 which represents almost 50 percent of those infected with the HIV virus to almost 90 percent by 2020.

Mr. Speaker, Sir, the remaining funding will be disbursed under a new funding model in which the Ministry of Health is now the New Principal Recipient (PR) on the public side whilst World Vision and Action Aid are principal recipients for the non-bimedical components for Malaria and TB/HIV grant, respectively. A team from the Global Fund is in the country to, among other things, support the Principal Recipients in preparing for their new roles. Government is fully committed to this program and will do everything possible to ensure that the program is successful.

Youth Development and Empowerment

Mr. Speaker, Sir, Government is fully aware that the youth play a crucial role in the development of this nation. Government will, therefore, ensure that our youth have the prerequisite knowledge and skills to enable them play a meaningful role in the different sectors of the economy.

In this financial year, Government continued to implement various training programmes targeting the youth. In this regard, I am pleased to report that over 13,400 young people were trained in technical, vocational, enterprise development and leadership skills across the country.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will complete the construction of Bingu Stadium in Lilongwe and youth centres in Mzuzu and Thyolo. Government will also rehabilitate Kamuzu Institute for Youth in Lilongwe and Kamuzu Stadium in Blantyre. Government will further recapitalize the Youth Enterprise Development Fund and continue to train youth in vocational business development, entrepreneurship and life skills.

Gender, Women and Development

Mr. Speaker, Sir, Government remains committed to the promotion of gender equality and the empowerment of women. To demonstrate this commitment, I recently launched the **HeForShe** Campaign as a Champion of gender equalisation. In addition, I was the first head of state in the SADC Region to sign the **End Child Marriage** Campaign on 25th July 2014.

Mr. Speaker, Sir, in the year under review, Government:—

- reviewed the National Gender Policy;
- passed the Marriage, Divorce and Family Relations Bill and the Trafficking in Persons Bill; and
- through Gender Equality and Women Empowerment Programme (GEWE), disseminated information on gender based violence to over 1.3 million individuals, addressed over 10,000 gender based violence cases and trained 50 women groups in business management.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will implement the National Gender Policy and enforce laws which promote gender equality and the empowerment of women.

Child Development

Mr. Speaker, Sir, children are the future of our nation. In this regard, Government will continue to implement programmes aimed at making our children responsible citizens.

In the 2014/2015 financial year, Government, with support from development partners, constructed and rehabilitated 1,200 Early Childhood Development (ECD) centres, bringing the total number of ECD centres to 11, 105 in the country benefitting 1.4 million children.

Mr. Speaker, Sir, in a bid to increase the number of children accessing ECD Centres, Government will, in the 2015/2016 financial year, construct and rehabilitate 1,000 ECD Centres across the country. We will also work with traditional leaders to develop by-laws with a view to increasing enrolment and retention in the ECD centres.

INFRASTRUCTURE DEVELOPMENT

National Construction Industry

Mr. Speaker, Sir, Government believes that a vibrant and efficient construction industry is a catalyst to the development of any country. However, the construction industry in the country has been facing a number of challenges over the years. Some of the key challenges include low capacity of local contractors and consultants; lack of supportive mechanisms in terms of financial credit facilities for local firms; and weak policy and regulatory framework. In view of this, Government developed a National Construction Industry Policy which seeks to promote the development of a vibrant and efficient local construction industry that is internationally competitive.

Energy Development

Mr. Speaker, Sir, the search for alternative sustainable energy sources continues to be a priority in Government's development agenda. In this regard, Government remains committed to develop energy projects that are efficient, cost effective and environmentally friendly. I wish to report to this august House that Government is currently concentrating on renewable energy sources.

Mr. Speaker, Sir, Government will continue implementing the Malawi Rural Electrification Programme (MAREP) after the successful completion of MAREP 7 under which 157 trading centres were connected surpassing the target of 81 trading centres.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will:—

- continue engaging the private sector in the energy sector through Public Private Partnerships (PPPs) arrangement;
- implement the Malawi Rural Electrification Programme (MAREP) phase 8 under which eighty one (81) trading centres will be electrified; and
- encourage electricity generation, transmission and distribution companies to invest in Malawi in addition to the Electricity Supply Corporation of Malawi (ESCOM) to promote competition and efficiency in the sector.

Transport Infrastructure

Mr. Speaker, Sir, the transport sector is a linchpin to economic growth and provision of social services such as health and education. It is also a critical factor in revenue generating sub sectors like agriculture, mining, tourism and manufacturing.

Mr. Speaker, Sir, it is against this backdrop that Government has placed high priority on transport infrastructure development to facilitate local and regional trade and provide access to markets and other social amenities.

Mr. Speaker, Sir, I am pleased to inform this august House that, during 2014/2015 financial year, Government reviewed the National Transport Policy in order to incorporate emerging issues in the transport sector such as private sector participation and inter and intra-modal competition.

Mr. Speaker, Sir, poor quality of workmanship by some contractors as well as delayed completion of some projects remains a challenge in infrastructure development. In order to address this, Government will:—

- assess some contracts with a view to either re-package or terminate them;

- through the National Construction Industry Council, intensify training of contractors to enhance their performance;
- provide adequate funding in order to accelerate completion of selected projects, particularly those that have stalled; and
- enhance regulation of the transport sector.

Road Transport

Mr. Speaker, Sir, Government is implementing a Road Sector Programme which provides a short to long - term investment framework for the classified road network, unpaved and unclassified roads across the country.

Mr. Speaker, Sir, some of the major projects that have been completed recently include:—

- the rehabilitation of the Zomba - Blantyre Road; and
- the construction of the Lilongwe West bypass road from Bunda turn-off to Kaunda Road on Mchinji Road.

Mr. Speaker, Sir, Government is currently carrying out a number of projects to further improve our road transport system and these include:—

- Zomba - Jali - Kamwendo - Phalombe - Chitakale Road;
- Thyolo - Thekerani - Muona - Bangula Road;
- Liwonde - Naminga Road;
- Jenda-Edingeni Road;
- Chiringa - Miseu Folo - Chiradzulu Road; and
- Lumbadzi - Dowa - Chezi Road.

Mr. Speaker, Sir, projects which are scheduled for commencement in the 2015/2016 fiscal year, include the following:—

- Lilongwe Old Airport - Kasiya - Santhe Road Construction Project;
- Njakwa - Livingstonia - Chitimba Road Design and Construction Project;
- Illovo roundabout - Midima Road expansion and dualisation;
- Karonga - Songwe Road Rehabilitation Project;
- Mzuzu - Nkhata Bay Road rehabilitation Project;
- Liwonde - Mangochi Road rehabilitation Project;
- Expansion and dualisation of the road from Area 18 Roundabout - New Parliament Building - Kamuzu Central Hospital Round-about to Paul Kagame on Amina Round-about; and
- Lirangwe - Chingale - Machinga Road construction.

Mr. Speaker, Sir, furthermore, Government will reseal and upgrade a number of roads in the main cities of Blantyre, Lilongwe, Zomba and Mzuzu.

Water Transport

Mr. Speaker, Sir, as you are aware, phase one of the Shire-Zambezi Waterway Project was completed and officially launched in 2010. The Governments of Malawi, Mozambique and Zambia, through the Southern African Development Community, engaged a consultant to carry out a feasibility study of the project. The results of the study, which will be released within this month, will guide future activities of the project.

Rail Transport

Mr. Speaker, Sir, as you are aware, Government signed a concession agreement with Vale Logistics Limited for the construction of a 138 km line from Kachaso in Chikwawa passing through Mwanza and Neno Districts to join the existing railway network at Nkaya junction in Balaka District. Vale Logistics Limited has since completed the construction of the new rail line and is currently conducting trial runs. This project will provide a cheaper transport alternative to the people living along the track and provide them with an opportunity to engage in social and economic activities. In addition, Vale Logistics Limited also rehabilitated and upgraded the 100 km section between Nkaya and Nayuchi.

Air Transport

Mr. Speaker, Sir, during the 2014/2015 fiscal year, Government made some positive strides in air transportation, including:—

- installation of up-to-date communication and air traffic control equipment at Chileka International Airport in order to enhance efficiency and safety in operations; and
- rehabilitation of terminal buildings at Chileka International Airport.

Mr. Speaker, Sir, in the 2015/2016 fiscal year, Government will undertake several reforms in the air transport sub sector including the establishment of an autonomous Civil Aviation Authority (CAA) which will facilitate Public Private Participation (PPP) for the management, operations, rehabilitation and construction of airports in the country.

Government will also complete the rehabilitation of terminal buildings at Chileka International Airport and embark on a project to replace some of the equipment at both Kamuzu and Chileka International Airports.

Information and Communication Technology

Mr. Speaker, Sir, Government has earmarked Information and Communication as one of the sectors to champion the Public Service Reform Programme. In this respect, Government has been implementing a number of programmes in the sector.

During the year under review, Government:—

- successfully installed and commissioned the Digital Terrestrial Television network in Lilongwe, Blantyre and Mzuzu;
- launched the Digital Migration Awareness campaign in April, 2015 aimed at raising public awareness on digital television broadcasting;
- approved the Electronic Transactions Bill; and
- commenced a review of the Communications Act, 1998.

Mr. Speaker, Sir, in the forthcoming financial year, Government will:—

- enhance Government Wide Area Network uptime to 98 percent through the Financial Reporting and Oversight Improvement Project and the Regional Communications Infrastructure Project;
- intensify training of public servants on the use of ICTs to speed up service delivery;
- conduct ICT mass literacy campaigns to sensitize the general public on the use of various e-government solutions; and
- finalize the review of the Communications Act, 1998.

Lands, Housing and Urban Development

Lands

Mr. Speaker, Sir, access to land is crucial for the realization of socio- economic development. In this respect, Government is committed to ensure equitable access to land for various uses by all Malawians.

Mr Speaker, Sir, some of the achievements attained in the sector during the 2014/2015 financial year were as follows:—

- piloting of a project to assess land utilization in estates in Kasungu and availability of idle agricultural estates, out of which 4,000 agricultural leases were reviewed;
- facilitating the acquisition of land for investment initiatives such as the Green Belt Initiative and for construction of public infrastructure;
- reviewing eleven land related legislations to ensure an up-to-date and responsive legal framework on land matters;
- preparation of land use plan for the proposed Mombera University in Mzimba District;
- identification and assessment of possible resettlement areas for flood victims in all the 15 affected districts; and
- continuation in the re-affirmation and demarcation of Malawi's international boundaries with Mozambique and Zambia.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will continue to implement programmes aimed at improving access to land for socio-economic development.

Housing

Mr. Speaker, Sir, the provision of affordable, safe and secure housing for people in both rural and urban areas is at the heart of Government's development agenda.

Mr. Speaker, Sir, during the 2014/2015 financial year, I launched the Decent and Affordable Housing Programme

popularly known as the *Cement and Malata Subsidy Programme* in December, 2014. I wish to report that we had a successful pilot of the programme in Msampha 1 Village under T/A Chadza and Chitekwere Village under T/A Chimutu in Lilongwe.

During the year under review, Government also:—

- continued to provide mortgage loans to junior and senior public officers through the Public Servants Home Ownership Scheme; and
- continued with construction of a Government office building and a clinic at Capital Hill. The two projects are expected to be completed later in the year.

In the forthcoming financial year, Government will, under the *Cement and Malata Subsidy Programme*, construct 15,440 houses across the country translating into 80 houses per constituency.

SOCIAL SUPPORT AND DISASTER RISK MANAGEMENT

Public Works Programme and Social Cash Transfers

Mr. Speaker, Sir, Government continued to implement the Public Works Programme which has two categories namely; Community Driven Public Works Programme and Social Cash Transfer Programme. The purpose of the Programme is to provide cash transfers to poor households to, among other reasons, enable them purchase subsidized farm inputs and food during the lean season.

Mr. Speaker, Sir, I am pleased to report that Government increased the daily wage for the Community Driven Public Works Programme from K350 to K485. Through this Programme, Government reached 136,121 households against a target of 570,370 households. The gap of 456,000 households may be reached if the Malawi Social Action Fund (MASAF) IV Project Designated account ceiling is adjusted from US\$5million to US\$12 million to allow for implementation of a full Public Works Programme cycle.

With regard to Social Cash Transfer Programme currently targeting Dedza, Ntcheu and Nkhatabay, a total of 21,000 households have been reached.

Persons with Disabilities

Mr. Speaker, Sir, Government is committed to improving the welfare of persons with disabilities to enable them live fulfilling lives as well as contribute to the socio-economic development of our country.

Mr. Speaker, Sir, let me take this opportunity to, once more, outrightly condemn the recent spate of attacks on persons with albinism which our country experienced. Let me say, in no uncertain terms, that the long arm of the law will not spare any one found to be responsible for the attacks. Government has, therefore, taken a strong multi sectoral approach in order to protect and promote the rights of persons with albinism in the country.

Mr. Speaker, Sir, during the year under review, Government continued to implement programmes aimed at improving the status of persons with disabilities. These included:—

- training of 220 persons with disabilities in various skills across the country;
- in collaboration with the University of Malawi, hosted the fourth African Network for Evidence-to-Action in Disability conference;
- provision of 500 assistive devices such as wheelchairs, clutches and walkers to persons with disabilities; and
- completion of a female hostel at Mulanje Vocational Training Centre for the Blind which will increase girls' intake from 15 to 50.

Mr. Speaker, Sir, in the 2015/2016 financial year, Government will continue to provide assistive devices and other rehabilitation services to persons with disabilities. We will also

commence construction of a male hostel at Mulanje Vocational Training Centre for the Blind with a view to increasing enrolment.

The Elderly

Mr. Speaker, Sir, Government regards the elderly as a group among our citizenry that deserve special care and attention. It is for this reason that Government continued to implement programmes aimed at improving the status of the elderly.

During the 2014/2015 financial year, Government provided support to 20,000 elderly persons in the form of food, blankets, and targeted medical services. Government will continue to provide the necessary support to older persons to ensure that they live fulfilling and dignified lives.

Disaster Management

Mr. Speaker, Sir, Government is committed to providing responses to disasters in a timely, efficient and effective manner and mitigating disaster risks. As you are aware, Mr. Speaker, Sir, our country experienced unprecedented flooding which resulted in 106 deaths, 172 people missing and 230,000 people displaced. Overall, up to 1.15 million people were affected by the floods. May I, therefore, request that we observe a minute of silence in remembrance of people who lost their lives due to the floods.

[1 minute silence]

Mr. Speaker, Sir, I immediately declared a State of Disaster as a result of the massive flooding in 15 districts of Chikwawa, Nsanje, Phalombe, Zomba, Blantyre, Chiradzulu, Thyolo, Mulanje, Balaka, Machinga, Mangochi, Ntcheu, Salima, Rumphu and Karonga. Following the declaration, foreign Governments, United Nations Agencies, Non-Governmental Organizations, Civil Society Organisations, the Private Sector,

individuals, and other well-wishers came forward with donations which amounted to MK492 million and US\$642,000 as emergency relief assistance to the flood victims.

Government also provided 14,000 metric tonnes of maize from the Strategic Grain Reserves for distribution to the affected people and disbursed MK650 million to ministries and departments to enable them respond to the floods.

Mr. Speaker, Sir, I am pleased to report that during the year under review, Government launched the first ever National Disaster Risk Management Policy which will guide effective coordination of disaster risk management programmes in the country.

In the forthcoming financial year, Government will, among other measures, relocate communities that are affected by floods every year to upland areas in order to reduce the impact of disasters on the population, infrastructure and the economy.

DEMOCRATIC GOVERNANCE

Mr. Speaker, Sir, Government recognizes that good governance plays a critical role in the attainment of sustainable socio-economic development. It is for this reason that Government continues to safeguard and promote good governance, respect for rule of law and human rights.

Human Rights

Mr. Speaker, Sir, as a result of Government's commitment to the observance of human rights, Malawi participated and contributed to the State Party Report on the United Nations Covenant on Civil and Political Rights and has been implementing the recommendations of the report.

Mr. Speaker, Sir, in the 2015/2016 fiscal year, Government will continue to promote human rights issues, by among others, enhancing awareness of human rights, promoting equitable access to opportunities, strengthening legal protection and equitable treatment for marginalised populations.

Rule of Law

Mr. Speaker, Sir, in order to develop a strong justice system and rule of law, Government has undertaken reforms that include reviewing of the law in order to promote principles of democracy in accordance with the Constitution and international practice.

Mr. Speaker, Sir, during the year under review, Government prosecuted over 987 criminal cases out of a target of 1,000 cases that included homicide cases. Furthermore, Government managed to reduce default judgements by 70 percent. In order to promote the welfare of women and children, Government administered deceased estates to over 2,000 beneficiaries in the course of the year.

Mr. Speaker, Sir, in the 2015/2016 fiscal year, Government will review the Citizenship Act in order to, among others, consider dual citizenship and eliminate discrimination based on gender.

The Fight against Corruption

Mr. Speaker, Sir, Government will not relent in the fight against corruption, fraud and theft. It is against this backdrop that Government is pursuing and prosecuting suspects in the theft of public funds and abuse of other public resources. Government is currently prosecuting over 70 cases of theft of public funds popularly known as *cash-gate*.

I am pleased to report that Government has made considerable progress in these cases. At present, five *cash-gate* convictions have been secured in our courts. Government is also resolute to recover the stolen resources from the people involved.

Mr. Speaker, Sir, as a result of our efforts in the fight against corruption, Malawi scored 33 points in the Transparency International's Corruption Perception Index in 2014. This is a record high for the country. Going forward, Government will consolidate its efforts in ensuring that all cases involving corruption, fraud and theft of public resources are successfully prosecuted by making available adequate resources.

Public Service Management Reforms

Mr. Speaker, Sir, Government is committed to foster and sustain a public service that is results-oriented, accountable and transparent in order to ensure efficient and effective public service delivery. It is for this reason that Government instituted reforms in the public service in order to strengthen and improve efficiency and effectiveness of the public service. Let me report, Mr. Speaker, Sir, that notable progress has been made in our quest to reform the public service. The achievements made so far include the following:—

- the establishment of a Public Service Reforms Commission;
- restructuring of the Office of the President and Cabinet by relocating some of its functions to relevant ministries to enable it focus on its core business;
- creation of a One-Stop-Centre for investment at the Malawi Investment and Trade Centre;
- decentralisation of printing of passports to Lilongwe and Mzuzu;
- decentralisation of payment of salaries for teachers to Education Divisions;

- restructuring of the civil service salary; and
- a ban on attending political functions by Principal Secretaries and other Government Officers not directly related to their core mandate so that they concentrate on their core duties.

Mr. Speaker, Sir, some of the specific reform issues which are in the pipeline for implementation include:-

- establishment of a Malawi School of Government to facilitate development of identified key competencies;
- depoliticization of the Public Service whereby officers will be appointed to senior positions on merit;
- harmonization of remuneration and conditions of service across the public service;
- effective implementation of a Performance Management System by linking organisational performance assessments to individual performance contracts;
- decentralizing service delivery for efficiency and effectiveness in the Ministry of Local Government and Rural Development to facilitate full devolution of service delivery to some districts on a pilot basis;
- establishment of One Stop Citizen Service Delivery Centres through Post Offices throughout the country to enable citizens to access various public services and information from a single point at their convenience;
- rightsizing the Public Service to make it more efficient and effective in public service delivery; and
- introduction of a Civil Servants Health Scheme.

Mr. Speaker, Sir, with regard to the performance of parastatal organizations, I am pleased to report that by midyear, 18 of the 24 commercial parastals had registered surpluses. These surpluses will, among other things, enable the parastals to

invest in capital projects and improve their operational and financial performance. In the forthcoming financial year, Government plans to further improve the performance of parastals, including the Blantyre Water Board and the Lilongwe Water Board, with a view to addressing the water problems being faced in the cities.

National Peace and Security

Mr. Speaker, Sir, Government is determined to provide adequate safety and security to all persons, property and investments in the country for the enhancement of sustainable national development. During the 2014/2015 fiscal year, some of the achievements made in the security sector were:—

- procurement of 50 police vehicles that has improved mobility of police officers;
- enactment of the Trafficking in Persons Bill;
- development of migration profiles to make data on migration readily available for stakeholder use;
- completion of Phase 1 of the National Registration Programme which involved sensitizing traditional leaders in all the 28 districts on national registration and registering all births, young persons and deaths; and
- identification of a site for a transit shelter for refugees and asylum seekers in Karonga and another site for relocation of Dzaleka Refugee Camp.

Mr. Speaker, Sir, Government is determined to increase the number of police officers in the country. In this regard, I am pleased to inform this august House that, later this week, I will preside over the passing out parade of 1,874 police recruits, which is the biggest number of recruits in the history of the Malawi Police Service.

In the 2015/2016 financial year, Government plans to:—

- procure an additional 100 police vehicles;
- build capacity in crime investigation through acquisition of appropriate equipment, training and recruitment of criminal intelligence gatherers;
- enhance border management system by providing necessary resources and tools to prevent illegal and irregular immigrants from using unchartered routes;
- commence issuance of national identity cards to all Malawians of 16 years of age and above; and
- decentralise the passport issuance system to 6 new data and documents collection points namely; Blantyre, Lilongwe, Mangochi, Salima, Mzuzu and Mzimba using post offices.

Defence

Mr. Speaker, Sir, Government continues to remain alert in order to defend and uphold the sovereignty and territorial integrity of our country.

Mr. Speaker, Sir, Malawi is committed to global and regional peace initiatives. In this regard, Malawi continued to serve in the Democratic Republic of Congo (DRC), as part of the UN and SADC Intervention Force Brigade.

In order to improve the welfare and living conditions of our Defence Force, Government continued to develop infrastructure in the Malawi Defence Force establishments, including the rehabilitation of Camp Hospital at Cobbe Barracks; the connection of Changalume Barracks water system to the Southern Region Water Board; and the rehabilitation of Kamuzu Barracks water supply systems. These are on-going projects which will be finalized in the forthcoming fiscal year. Other projects that will commence next

financial year include the rehabilitation of some structures at the Malawi Armed Forces College in Salima and Cobbe Barracks in Zomba.

Mr. Speaker, Sir, Government is also planning to establish a National Service whereby young men and women will be enlisted to undergo basic military training.

International Relations

Mr. Speaker, Sir, I wish to report that Government continues to maintain cordial relations with all countries and international organisations with which we share a common vision and aspirations. In this respect, we extended our circle of allies by, among other things, establishing non-residential diplomatic ties with several countries.

Mr. Speaker, Sir, Government also participated in Election Observer Missions in the SADC, the AU as well as the Commonwealth. During the year under review, we fielded election observers in Madagascar, Mozambique, Mauritius, Namibia, Botswana, Lesotho, Zimbabwe, Zambia and Nigeria. As a Government that believes in democratic values, Malawi will continue to participate in election observation missions in African countries.

Mr. Speaker, Sir, on a very sad note, and as most of you are already aware, there have been xenophobic attacks against foreign nationals, including Malawians, living in the Republic of South Africa. These attacks started on 31st March, this year. The situation is very worrisome, as six Malawians are reportedly killed, with over 3,000 affected. Government made timely interventions to repatriate all those willing to return home. In this regard, I am pleased to inform the nation that Malawi was the first country to repatriate its citizens from South Africa. The first 390 evacuees arrived in the country on 20th April, 2015, and to date, 3,590 Malawians have been repatriated. This process will continue until every willing Malawian is repatriated.

Mr. Speaker, Sir, Government is actively engaging the Government of South Africa in order to find a lasting solution to this unfortunate development. Government will also seek to resolve this issue through regional and multilateral organisations, such as SADC.

Conclusion

Mr. Speaker, Sir, I have outlined the various strides we are making in fulfilment of our manifesto promises and the plans for our country. I wish to guarantee Malawians that my Government has a clear vision aimed at addressing the various challenges currently being faced by Malawians, within and outside the country.

Mr. Speaker, Sir, I believe that as a nation we have enough reasons to celebrate the gains that we have achieved in the past twelve months. With the strong foundation we have laid, I can confidently say that the agenda to transform this country is on course.

I, therefore, call upon all Malawians to be fully involved and take part in our efforts to take this country to greater heights. As a nation, we must unite and join hands to accelerate the gains that we have made so far as we work to transform our beloved country.

Mr. Speaker, Sir, at this juncture, allow me to thank cooperating partners, Non Governmental Organisations, Civil Society Organisations, the Private Sector, religious and traditional leaders and all Malawians for the role they play in the implementation of Government programmes.

Let me also thank you, Mr. Speaker, Sir, the Leader of Opposition and all Honourable Members of this august House for the critical role that you play in the development of our country.

Mr. Speaker, Sir, it is now my singular honour to declare the 2015/2016 Budget Meeting of Parliament, officially open.

God bless you all

God bless Mother Malawi

Thank you, Mr. Speaker, Sir.