



**Government of Malawi**

**IMPROVING TRANSPORT CONNECTIVITY FOR SUSTAINABLE ECONOMIC  
RECOVERY POST COVID-19: INITIATIVES AND SOLUTIONS**

Statement by

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**Turkmenbashi, Turkmenistan**

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## IMPROVING TRANSPORT CONNECTIVITY FOR SUSTAINABLE ECONOMIC RECOVERY POST COVID-19: MALAWI'S EXPERIENCE

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Chairperson,

Distinguished delegations,

Like fellow land locked countries, Malawi still faces the challenges of cumbersome border crossing procedures and inadequate transport infrastructure both of which tend to increase transport and trade related costs. For this reason improving transport connectivity has remained a development objective of all time for Malawi.

Clearly, the COVID-19 pandemic had exacerbated these challenges. The closure of borders at one time or the other was a common strategy in the safety-first approach in the fight against covid-19 adopted by Malawi and its transit countries. The approach constrained flow of essential commodities, creating shortage and price increases.

In containing the spread of the virus, Malawi's public and private sectors had to slow down production and investment activities due to lock downs, border closures and disruptions to trade and supply chains. In the wake of covid-19, we had to refocus our energies towards containing the virus and helping our people through emergency operations at the expense of medium to long-term development objectives. This delayed implementation of planned development projects.

**I wish therefore to briefly describe Malawi's initiatives and solutions on transport connectivity as follows:**

### **1. Focus on multi-modal transport network**

In line with the Vienna Programme of Action (VPoA) priorities on 'infrastructure development and maintenance' and 'international trade and trade facilitation', Malawi has prioritised transport infrastructure development as a critical enabler for creating an inclusively wealthy and self-reliant nation in her Vision 2063 dubbed MW2063. We intend to create an integrated transport system that is not only able to support domestic economic activity but also linked to global economy.

Past efforts had a huge bias in favour of road transport that has proved inadequate to cater for all transport requirements and reduce transport

costs. It has also presented high maintenance costs demand particularly as a result of non-existence of complementary rail transport.

Our strategy for transport infrastructure development from now to the year 2030, as guided by MW2063 (MIP1) is to embark on impactful flagship projects for a multi-modal transport system consisting of road, rail, air and inland water transport.

## **2. Address logistical challenges to transport and trade**

With support and cooperation from our neighbouring countries, of Tanzania, Mozambique and Zambia, We have simultaneously embarked on addressing logistical challenges, through among others, adopting the one-stop border post (OSBP) concept and digitisation of customs and immigration procedures in a bid to facilitate movement of goods and people to and from Malawi.

## **3. Corridor-based interventions**

We have learnt that both infrastructural and logistical challenges are best tackled with a regional or at least corridor-based arrangement involving two or more national member-states. In this case we cherish our cooperation with our neighbouring countries in setting-up and sustaining corridor management institutions for Mtwara, Nacala, Beira (Sena) and the North-South Corridors. Regional and international development institutions find it more reasonable if proposals are developed and implemented from a regional or corridor perspective.

There are a number of challenges that have constrained progress in infrastructure development in Malawi, the largest being lack of access to long-term financing. **I wish to share the following Malawian experience and initiatives with respect to financing of transport infrastructure projects:**

### **1. Lack of Project Preparation Facilities (PPFs)**

Lack of Government own project preparation facilities (PPFs) and Government's inability to access funding from PPFs existing elsewhere limits the Malawi's ability to tap from global development financing since we are unable to present investment-ready or bankable projects to prospective investors and development partners. For projects that commence without studies and designs, as a result of lack of project preparation facilities, experience is that they would take longer than design duration and with huge cost overruns. Malawi Government has

set-up albeit a small financing arrangement for project preparation. We welcome assistance that could be availed to us to develop project proposals that would be implementation ready to be used in solicitation of funding from local as well as external sources.

## **2. Grants and Concessional Loans**

Grants and Concessional loans extended to Government of Malawi has traditionally been the main source of financing. While these remain the main source of financing, it has never been adequate to cover the huge infrastructure gap. Furthermore these are subject to geo-political factors that are out of control of recipient countries and therefore present a big external shock to economic development.

## **3. Domestic Resource Mobilisation for specific infrastructure development projects**

Malawi is making strides to finance its development programmes by itself. The Road Toll-gates first introduced in October 2021 and the local bonds are becoming an increasingly important financing mechanism.

## **4. Public Private Partnerships (PPP)**

While PPP arrangements provide an option, this has not been used for transport infrastructure in Malawi. Currently Government of Malawi wishes to use this financing mechanism for such elements of the transport system as development of logistic hubs, inland dry port in strategic area and construction and management of bus terminals in the main and secondary cities.

## **5. Focus on manageable size of investment**

Learning from the past where resources had been thinly distributed over so many development projects, leading to failure to deliver, the first MW2063 Implementation Plan (MIP1) guides that resources should be mobilised and used on a few impactful flagship projects for a multi-modal transport system.

With this story from Malawi, we wish to learn from others on how you have gone about addressing our common challenges as we pursue the development course of our countries.

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