

MCC Malawi Compact **Background**

- MCC and the Government of Malawi worked in close partnership to develop an MCC Compact investment that will provide much-needed infrastructure in the power sector. This five-year \$350.7 million MCC Compact focuses mostly on energy sector infrastructure and requires significant policy reforms to help ensure sustainability. The proposed investment is expected to generate \$2.4 billion in income benefits for more than five million Malawians over 25 years.
- The Malawi Compact was approved by the MCC Board of Directors in early January 2011. After the compact was approved, but before a date for signing had been scheduled, Malawi finalized some 200 amendments to its historic penal code. Two amendments particularly concerned MCC: one that potentially could be used to restrict media freedoms; and another that was inconsistent with Human Rights obligations regarding LGBT citizens. MCC immediately halted planning for the signing of the Compact and initiated a direct policy dialogue with the Government of Malawi regarding the two new laws.
- High-level officials from MCC and the Government of Malawi engaged in a constructive dialogue. The Malawian President and Cabinet then published a statement to clarify that the publications amendment was intended to prohibit child pornography or incitements to violence, not to restrict political speech. The Government of Malawi outlined the role of judicial protections against misapplication of this law, and publically affirmed the constitutional protections of free speech.
- The other penal code amendment of concern criminalized female homosexual conduct. MCC stands firm that such laws are inconsistent with a country's human rights obligations and with MCC's policy indicators. MCC has made clear to the Government of Malawi that MCC's eligibility criteria includes the freedom of all groups, including LGBT individuals, to exercise equal human rights before the law, and that Criminal punishment of LGBT individuals under laws will prompt MCC to initiate the investigation required for suspension or termination of the Compact.
- MCC has reached out to human rights, LGBT and development organizations to communicate the agency's position that criminalizing homosexual conduct is inconsistent with a country's human rights obligations and MCC's policy indicators.

- In keeping with our model, MCC will continue its dialogue with the Government of Malawi on these issues, and closely monitor to ensure that universal human rights commitments and fundamental principles of democratic good governance are observed.

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