



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you that the Millennium Challenge Corporation (MCC) has reinstated assistance to Malawi, based on a determination that the Government of the Republic of Malawi has taken sufficient corrective action to reverse the negative pattern of actions for which assistance was suspended, as set forth in the attached notification and accompanying report.

MCC staff members are available to meet with you at your convenience to discuss this reinstatement. If you or your staff would like to arrange a meeting, please contact me or Jim Mazzarella at (202) 521-2695. The attached notification is being sent to Congress on June 26, 2012.

Sincerely,

T. Charles Cooper
Vice President
Congressional and Public Affairs

MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION
June 26, 2012

This notification is submitted pursuant to section 611(c) of the Millennium Challenge Act of 2003, as amended (22 USC 7701 *et seq.*) (the Act), to report that the Millennium Challenge Corporation (MCC) has reinstated assistance to the Government of Malawi (GoM).

MCC and the Republic of Malawi entered into a \$350.7 million Millennium Challenge Compact on April 7, 2011 (the Compact). As notified to Congress on March 26, 2012, MCC determined that the GoM had engaged in a pattern of actions contrary to its eligibility criteria and, as a result, MCC suspended assistance to Malawi effective April 10, 2012. As set forth in the accompanying report, the MCC's Chief Executive Officer (CEO) has determined that the GoM has taken sufficient corrective action to reverse the negative pattern of actions for which assistance was suspended.

On June 21, 2012, MCC's Board of Directors concurred with the CEO's recommendation to reinstate MCC assistance to Malawi and authorized the CEO to take the necessary actions to carry out the reinstatement. Effective June 26, 2012, MCC reinstated all MCC assistance under sections 605 and 609(g) of the Act.

A report containing the determination by the CEO under section 611(b) of the Act that Malawi has taken sufficient action to correct each condition for which assistance was suspended is attached.

**REPORT ON THE DETERMINATION BY THE CHIEF EXECUTIVE OFFICER THAT
THE GOVERNMENT OF MALAWI HAS TAKEN SUFFICIENT CORRECTIVE
ACTION TO ADDRESS EACH CONDITION FOR WHICH ASSISTANCE WAS
SUSPENDED**

The Millennium Challenge Corporation (MCC) and the Republic of Malawi entered into a \$350.7 million Millennium Challenge Compact on April 7, 2011 (the Compact). The Compact is designed to provide approximately \$2 billion in benefits for an estimated 5 million people in Malawi. On March 22, 2012, MCC's Board of Directors (the Board) concurred with the recommendation of the Chief Executive Officer (CEO) that the Government of Malawi (GoM) had engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of Malawi for assistance, under 611(a)(2) of the Millennium Challenge Act of 2003, as amended (22 USC 7701 *et seq.*) (the Act) and authorized the CEO to suspend assistance to Malawi. On June 21, 2012, MCC's Board unanimously concurred with the CEO's recommendation to reinstate assistance to Malawi based on the CEO's determination that Malawi had taken sufficient corrective actions to reverse the negative pattern of actions for which assistance was suspended. These actions include, but are not limited to:

- GoM action to account for the violent events of July 19 to July 21, 2011, such as steps toward police reform by the new Police Inspector General, and open parliamentary discussion of public reports on the events of July 2011;
- Re-establishment of an environment which promotes and protects individual human rights through actions such as dropping controversial charges against journalists, civic actors, political actors, and other members of civil society; and
- Repealing or addressing laws that constrained media freedom, LGBT human rights, and citizen access to justice, as well as restoring the function of key independent governance institutions.

Although not an explicit component of the original grounds for suspension, the GoM has also taken action to restore sound economic governance, including fiscal and monetary policy reform and restructuring actions deemed necessary to reach a staff-level understanding with the International Monetary Fund on a new extended credit facility program. Malawi's new government also demonstrated a strong commitment to human rights by declining to host an African Union summit over concerns that Sudanese President Omar al-Bashir would attend, despite the International Criminal Court's outstanding warrant for his arrest.

Conclusion

MCC has determined that the GoM's commitments and corrective actions since March 22, 2012 have been sufficient to reverse the negative pattern of actions for which assistance was originally suspended and have restored Malawi's commitment to sound democratic and economic governance.