

## MEFMI PRESS RELEASE

### **Africa must deploy better policy tools to leverage its natural resource wealth: Annual meeting of Eastern & Southern African Finance Ministers & Central Bank Governors**

*LIMA, PERU. 6 OCTOBER 2015.* With increasing discoveries of natural gas and oil in eastern and southern Africa, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) will propose to develop a Natural Resources Management Capacity Building Programme (NRM-CBP) to be part of future MEFMI country policy programs.

The announcement will come at MEFMI's annual Combined Forum on the sidelines of the annual 2015 World Bank / IMF meetings at the Sheraton Lima Hotel and Convention Center in Lima, Peru on Tuesday 6 October. The event will be held with support from EY and Investec Asset Management.

The Forum brings together the Ministers and Permanent Secretaries of Finance or Planning and the Central Bank Governors of MEFMI's 14 member countries: Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The Combined Forum has met annually since 1994 to discuss various shared interests in monetary and fiscal policies.

The Forum is also expected to come up with policy proposals in specific areas including, contract negotiation, taxation of natural resources, and establishment and management of sovereign wealth funds. Officials and experts will also discuss the foreseeable risks and challenges in managing natural resources wealth as well as mitigating measure.

Dr Caleb M. Fundanga, Executive Director for MEFMI, says:

“MEFMI's member countries are richly endowed with natural resources. It is incumbent upon our nations that while demonstrating prudence when extracting revenue from our natural resources, we also take full advantage of the economic potential we possess. Many countries are already hard pressed with huge infrastructure gaps and investment needs, and face the challenges of also saving for future generations and stabilizing current budgets. With this abundance of resources, we must take great care of our future prosperity.”

Rohan Malik, EY's Global Emerging Markets and Deputy Global Government & Public Sector Leader, says:

“Sadly the rising tide of natural resource wealth is not lifting all of Africa. Poverty is not falling fast enough. African governments must use increased revenues generated by resources to counteract rising inequality. Without proper investment and management of natural resources, future generations may be disadvantaged, due to inadequate capacity in managing natural resources in the region, and the finite and depleting nature of natural resources. It is important that natural resource rich countries in the MEFMI region effectively translate this exhaustible resource wealth into sustained economic growth for poverty reduction.”

With these announcements, the theme of this year's Forum is "Leveraging Natural Resources for Economic Transformation". Panel discussions will address the following areas:

- ▶ Transforming Depleting Natural Resources into Income for Growth
- ▶ Taxation of Natural Resources: Principles and Policy Issues
- ▶ Sovereign Wealth Fund Management: The Case of Botswana
- ▶ Managing Africa's Revenues: In search of Stability and Diversification

Leading voices and officials will make presentations and lead discussions including:

- ▶ Ms. Arunma Oteh, Treasurer and Vice President of the World Bank
- ▶ Ms Linah Mohohlo, Governor of the Bank of Botswana & MEFMI Executive Committee Chairperson
- ▶ Mr. Kristian Flyvholm, Secretary General, International Forum of Sovereign Wealth Funds
- ▶ Ms. Ekaterina Gratcheva & Mr. Bernard Murira, World Bank Treasury, RAMP;

Hon. Martin Dlamini, Ministry of Finance for Swaziland, and Mr. José Pedro de Morais, Governor Banco Nacional de Angola and Chair, Board of Governors will officiate at the event

Dr Fundanga will also present the outcomes of MEFMI Regional Central Bank Governors Forum that was held in June in Basel, Switzerland. The focus of his presentation will outline current developments in the MEFMI region, which has witnessed first time producers of oil and gas as well as MEFMI member countries who continue to generate substantial export revenue from natural resources extraction. Four MEFMI countries have made additional discoveries of natural resources including gas in Mozambique and Tanzania and oil in Kenya and Uganda. These four nations join the six existing MEFMI countries who are already natural resource-rich (Angola, Botswana, Lesotho, Namibia, Zambia and Zimbabwe).

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