



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

NATIONAL TREASURY PARTICIPATION AT THE 2017 INTERNATIONAL MONETARY FUND AND THE WORLD BANK GROUP ANNUAL MEETINGS

The Minister of Finance, Malusi Gigaba, and the Director-General, Dondo Mogajane, are leading a senior National Treasury delegation to represent South Africa at the 2017 Annual Meetings of the International Monetary Fund (IMF) and World Bank Group, which will take place from 13 – 15 October, 2017. National Treasury's overarching theme for the meetings is: **Fostering global cooperation for inclusive growth and economic sustainability in Africa**

The agenda of the meetings include:

- Statutory meeting of the International Monetary and Financial Committee of the IMF, and the Development Committee of the World Bank Group.
- High-level engagements with IMF and World Bank African constituency member states.
- Meetings on the side-lines with finance ministers and central bank governors of the G20, G24, BRICS, and the Commonwealth.
- Bilateral meetings with ministers of finance from advanced economies, and emerging market and developing countries.
- Interactions with sovereign credit rating agencies, and foreign bond investors.

These are some of the main priorities of the Minister and his delegation:

1. G20 Compact with Africa – mobilising infrastructure capital for the African region

The G-20 Compact with Africa (CwA) Initiative was launched by Germany at the G20 Africa Conference in Berlin, Germany on 12-13 June 2017. The CwA prioritizes investment in infrastructure, which is critical to attract private investment, connect Africa's regional markets, and better integrate them into global value chains. The CwA includes tailor-made programs for countries, with the active participation of international organisations such as IMF, World Bank, African Development Bank, and partner countries from G20 countries.

The "CwA" is arguably one of the most concrete deliverables by the G20 to support growth and development on the African continent. South Africa committed to co-chair the CwA work alongside Germany beyond 2017 and encourages Southern African countries to consider the Compact with Africa Initiative as a vehicle to narrow the existing infrastructure finance gap, particularly in the energy and electricity spheres. To date, the following countries have committed to sign investment compacts: Ghana, Senegal, Cote d'Ivoire, Morocco, Rwanda, Tunisia. Guinea, Egypt and Benin have expressed interest to join.



South Africa and Germany will convene an information sharing meeting on the side-lines of the Annual Meetings.

2. Reinforcing inclusive growth and transformation to address inequality, poverty and unemployment

Employment creation, poverty alleviation as well as advancing economic growth remains a priority for South Africa and the African Region; therefore, the Annual Meetings will provide the Minister an opportunity to assess the international economy, and progress on development issues such as poverty reduction. The World Bank will be crafting a new five-year strategy for South Africa in 2018, and is now busy with the Systematic Country Diagnostic (SCD). The SCD aims to identify the root causes that hold back inclusive growth and job creation in particular, and to propose policy priorities that can accelerate South Africa's transition toward a more inclusive and prosperous society. The findings will guide priorities for the new World Bank/South Africa Country Partnership Framework, which will be in accordance with the development priorities identified in the National Development Plan.

3. Meetings with Sovereign Credit Rating Agencies and Investors

The Minister, Governor of the Reserve Bank and the Director-General will have meetings with the investor community and rating agencies at the meetings. It is important that we continue to engage these stakeholders to discuss interventions on how they can support South Africa's development process, and to demonstrate our commitment towards addressing their concerns and restoring comfort and confidence through the 14 confidence boosting measures, over and above the country's potential to chart an inclusive growth and economic recovery programme.

4. Strengthening of the Constituency Office in the World Bank and forging economic partnerships

South Africa shares a constituency office with Angola and Nigeria that is represented by a South African executive director at the board of the Bank. The creation of the constituency office in 2010 was important to advance the interests and voice of the African Middle Income Countries within the World Bank Group. The three countries are quite significant in that they constitute about 60% of Africa's GDP. It is important that these countries project the voice and representation of middle-income sub-Saharan African countries.

It is equally important for the three Ministers of Finance to enter into "structural bilateral cooperation" on pertinent issues that do not necessarily have to fall within the scope of the World Bank. This will help these countries exchange views on mutual beneficial interest as well as share best practices. This would significantly increase the National Treasury's outward influence and pave the way for economic opportunities such as co-financing of infrastructure.

Issued on behalf of National Treasury

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