

## BANK OF BOTSWANA

### PRESS RELEASE

#### GOVERNOR RETURNS FROM THE JOINT MEETINGS OF THE BRETTON WOODS INSTITUTIONS AND THE MEETING OF THE COMMISSION FOR AFRICA

The Governor of the Bank of Botswana, Mrs Linah Mohohlo, has recently returned from this year's joint annual meetings of the World Bank Group and the International Monetary Fund (IMF) which were held in Washington DC. She represents Botswana on the Board of Governors of the IMF. Thereafter, the Governor proceeded to Addis Ababa where she attended the meeting of the Commission for Africa, in which she serves as Commissioner. The Permanent Secretary in the Ministry of Finance and Development Planning, Mr Serwalo Tumelo, also participated in the IMF/World Bank meetings in his capacity as Botswana's representative on the Board of Governors of the World Bank, and the delegation included other senior staff of the Bank of Botswana and the Ministry of Finance and Development Planning.

The joint annual meetings addressed recent global economic developments, the roles of the Bretton Woods institutions (IMF and World Bank), as well as multilateral cooperation in promoting growth, stability and poverty reduction. The meetings noted that economic growth prospects for 2004 were positive for most countries, with world output expansion projected to be the highest in the last three decades due to a rise in international trade, appropriate policies and favourable financial market conditions. Concern was expressed regarding the adverse effects of the recent sharp increase in oil prices to the highest levels in half a century, a development that could rekindle inflation, and slow down growth prospects especially in poor countries.

It was observed that despite the generally positive outlook for economic growth, developing countries, most of which are in Africa, were unlikely to meet the Millennium Development Goals (MDGs). Therefore, the meetings stressed the need for speedy action on debt relief, and on the implementation of the decisions made at the Monterey Consensus and Doha round of negotiations under the World Trade Organization (WTO). On their part, the developing countries are expected to improve their political and economic governance policies as this would, in turn, attract support by developed countries through increased and better coordinated aid, technical assistance and trade.

There were also meetings of the Africa Group I Constituency of the IMF and the World Bank (which includes Botswana), where the nominations of the new Executive Directors of the Constituency were ratified. Tanzania and Burundi will represent the Constituency in the Executive Boards of the IMF and the World Bank, respectively, for the next two years.

The Governor took the opportunity to have one-to-one consultation meetings with the new Managing Director of the IMF, Mr Rodrigo de Rato, and other senior officials of the IMF and discussed, among other issues, enhanced technical assistance support to Africa and the need for Africa to have more representation at Board and senior staff levels of the IMF. She held other bilateral meetings with senior representatives of financial institutions and investment banks on matters of mutual interest.

The meeting of the Commission for Africa was hosted by Prime Minister Meles Zenawi of Ethiopia (himself one of the 17 Commissioners).

The UK Prime Minister, the Right Honourable Tony Blair, chaired the meeting. In his opening remarks, the Prime Minister recounted the overall poor economic and social development performance of African countries in the last decade relative to the rest of the world, and pointed out that the circumstances that constrained Africans from improving their lives must be changed. In order to accomplish this goal, Prime Minister Blair stressed that practical steps needed to be developed and implemented to improve delivery of assistance by developed countries to the African continent. In this regard, it was his conviction that the

call for immediate action was not an act of charity but a mission in support of the common humanity that Africa and the developed countries share. For this reason, the Prime Minister suggested that 2005 will be the year for decision-making in this endeavour, for the mutual benefit of Africa and the international community and that failure to act would be devastating to the continent.

The Commissioners exchanged views on key challenges as well as mechanisms for addressing them in all its themes (governance, peace and security, human development and culture, growth resources, aid and debt). In addition, they discussed the programme of work to be done before the finalisation of the Commission Report in the first half of 2005.

Mrs Mohohlo co-chaired, with Prime Minister Blair, the Commission's closed session on Governance, Peace and Security, and chaired the open session on the theme for members of civil society from across the African continent.

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