

**FOR
INFORMATION**

FO/DIS/20/32

February 21, 2020

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Mr. Zhang's Report to the Executive Board on His Visits to Botswana, Mozambique, and Switzerland—February 4–16, 2020**

Board Action: Executive Directors' **information**

**Deputy Managing Director Tao Zhang's Report to the Executive Board on His Visits to Botswana, Mozambique, and Switzerland
February 4–16, 2020**

1. I started my trip in Botswana, accompanied by Alternate Executive Director Ms. Mannathoko. I had the opportunity to meet President Masisi, Bank of Botswana Governor Pelaelo, and other senior officials, as well as representatives of the private sector and the diplomatic community. I also was able to visit—and make a contribution on behalf of the IMF to—the SOS Children's Village, an inspiring organization that cares for Botswana orphans in a family setting. My visit was covered extensively in the local media.
2. From my meeting with the President who was reelected for a 5-year term in October 2019, I got the impression that the policy dialogue has moved on fairly considerably since my earlier visit in 2018. The government now clearly states in public that "the diamond era is over" and is committed to promoting a new growth model—transforming Botswana into a more diversified, knowledge-based economy.
3. Against that background, the authorities co-sponsored a closed-door workshop with the IMF and other international partners on "Fostering Diversification to Escape the Middle-Income Trap," at which I delivered opening and closing remarks. The two-day conference was attended at a senior level by the government and featured presentations from distinguished international policymakers and academics on the diversification experiences of Chile, Costa Rica, Korea, Mauritius, and Estonia.
4. Finally, I also had the opportunity to visit the impressive Kazungula bridge currently under construction. The bridge lies near the meeting point of four countries—Botswana, Zambia, Namibia, and Zimbabwe—and could play an important role in fostering regional integration.
5. The second leg of my trip took me to Mozambique, which I was visiting for the first time. My trip, which attracted substantial press coverage, was an additional step in the gradual process of rebuilding the relationship with Mozambique since the "hidden debts" scandal emerged in 2016. It was also an opportunity to engage with President Nyusi and his economic team, as well as the private sector, CSOs, and the international community, and to reaffirm the Fund's strong commitment to reforms aimed at fostering inclusive growth, protecting against climate shocks, and strengthening governance, transparency and accountability.
6. President Nyusi appreciated the Fund's policy advice and technical assistance, stressed his deepest gratitude for our speedy emergency financial assistance in the wake of Tropical Cyclones Idai and Kenneth, and expressed his wish that the relationship be further deepened. In this context, he made a request for the Fund to start discussions with his economic team on a medium-term financial program in support of the government's reform agenda.

7. I also had the opportunity to visit a drought resilience and recovery project in rural Matutuíne, financed by the African Development Bank. I learned firsthand about the vulnerability of poor communities to climate shocks, which are becoming more intense and frequent, and I emphasized the importance that the Fund places on this issue. Following this event, I visited a shelter for vulnerable elderly in Maputo and offered a donation on behalf of the Fund.

8. During the last leg of my trip, I visited Geneva, where I attended the "International Macroeconomics and Finance Workshop," hosted by the Graduate Institute. The conference was attended by prominent international academics and policymakers and covered a wide range of issues. I delivered opening remarks and participated in the final panel discussion, both on the topic of fintech and its implications for monetary policy.