



IMF Topical Trust Fund on Managing Natural Resource Wealth (TTF MNRW)

SECO finances the MNRW to help countries build capacity to manage their natural resource wealth effectively. The fund also helps create a stable macroeconomic environment for exploration and exploitation of natural resources, helping to ensure that they are managed in a socially responsible way.

Rationale

Many resource-rich developing countries fail to realize the full development potential of their natural resources. This is especially acute in the case of oil, gas, and mineral resources. The enlarged fiscal space from such resources can boost economic growth and generate large revenues for the government. Those, in turn, can finance public goods and services that benefit sustainable development and poverty reduction, such as investment in education, health, and physical infrastructure. However, evidence from many resource-rich countries shows their performance on human development indicators compares unfavourably to less-endowed countries.

Objectives and activities

The overall objective of the MNRW Trust Fund is to enable natural-resource-rich low and lower middle income countries to derive the maximum benefit from their oil, gas and mineral resources, boosting economic development and alleviating poverty by providing Technical Assistance (TA) to support the building of economic-policy and administrative capacities.

TA is provided through five modules covering the following components: (1) Extractive Industries Fiscal Regimes, Licensing and Contracting; (2) Extractive Industries Revenue Administration; (3) Extractive Industries Macro Fiscal, Public Financial Management and Expenditure Policy; (4) Exchange Rate Regimes and Macroprudential Policies; (5) Statistics for Managing Natural Resources. By using these modules, a customized multi-year TA delivery plan will be formulated.

Governance Structure

SECO has been a major donor for the MNRW Trust Fund since 2011. The IMF MNRW TTF is a multi-donor initiative to finance technical assistance in Natural Resource Wealth Management in resource-rich low and lower middle-income countries. The main decision body of the MNRW Trust Fund is the Steering Committee composed of donor representatives and IMF staff. Its main role is to provide strategic guidance and contribute to the setting of policies and priorities, and to monitor and review progress of the annual work program.

Country/region
Global

Executing agency
IMF

Partners
Australia, EC,
Netherlands, Norway

Project duration
2016 – 2022
(Phase II)

Total budget
USD 30'000'000

SECO contribution
CHF 7'000'000



Results from the first phase

The IMF implemented 43 projects in 22 countries, eight research projects and five conferences/workshops.

- Nine countries have reformed the laws relating to the Extractive Industries fiscal regimes, making the regimes more efficient and more conducive to an increasing government revenue share.
- The capacity to effectively manage resource wealth has been increased in 12 countries in using the IMF's Fiscal Analysis for Resource Industries model.
- The ability to better administer fiscal regimes has been enhanced with five countries forming special staff or units within the revenue administration to administer large extractive companies.
- New or revised frameworks for public financial management are being implemented in 11 countries, to better manage natural resource revenues.
- One country has reformed the governance structure and investment management of its Sovereign Wealth Fund.
- Three countries have improved their reporting of natural resource revenues in the national accounts.

How to get involved

The MNRW Trust Fund follows a demand-driven approach. Technical assistance is provided upon request by eligible countries' authorities. All natural resource-rich, low-income and lower-middle-income countries are eligible.

Further information and contact details

MNRW Trust Fund Coordinator at SECO:

Tel.: +41 58 464 07 94

Email: wemu.sekretariat@seco.admin.ch