

Ghana - First Resilient Recovery Development Policy Financing

Chair Summary*

January 23, 2024

The Executive Directors approved an IDA credit to the Republic of Ghana for the First Resilient Recovery Development Policy Financing (DPF) in the amount of US\$300 million on the terms and conditions set out in the President's Memorandum.

Directors welcomed the DPF which supports an ambitious program of reforms to restore macroeconomic stability and lay the foundations for sustainable and resilient economic growth.

Directors appreciated the reforms supported by the DPF series, noting the importance of strengthening domestic revenue mobilization, particularly through revenue reforms, with a focus on expenditure management and transparency. They inquired about the planned Ghana Financial Stability Fund (GFSF)'s design and objectives, noting the need to safeguard financial sector stability. They also asked for greater focus on removing impediments to private investment, putting the energy sector back on a sounder financial and operational footing, strengthening the country's social protection architecture, and ensuring that climate adaptation and mitigation are better mainstreamed in policies.

Directors commended the Ghanaian authorities for advancing a strong reform program in response to the current crisis and the progress accomplished in reaching an agreement on debt treatment with their external official creditors, under the G20 Common Framework. They cautioned against the potential risk of debt accumulation in the future.

Directors noted that Ghana is still facing considerable macroeconomic risks, as well as risks related to institutional capacity and potential deteriorations in the global environment. They encouraged the World Bank to continue supporting the authorities with the reform program implementation. They called for further efforts to support growth, regulatory reforms, and the Government's institutional-building initiatives. They also inquired about the social impact of the operation, including the outlook for poverty reduction, and the ambition of the results framework.

Directors appreciated the close coordination between Ghana's development partners, notably with the IMF, and highlighted the need for continued close coordination with development partners in supporting policy reforms. They also noted the value of the World Bank's complementary work program in Ghana, including technical assistance to support the design and implementation of key policy reforms.

*This Summary is not an approved record.