

Mali**First Recovery and Governance Reform Support Operation****Chair Summary*****November 18, 2014**

Executive Directors approved a credit in the amount of SDR 23.3 million (US\$36 million equivalent) and a grant in the amount of SDR 17.4 million (US\$27 million equivalent) to the Republic of Mali for the First Recovery and Governance Reform Support Operation (IDA/R2014-0308), on the payment terms set out in the President's Memorandum.

Directors supported the operation and underscored the critical and timely relevance of comprehensive governance reforms in Mali for the stabilization throughout the entire country and the broader Sahel, and ultimately the protection of households' livelihoods. In particular, Directors highlighted the importance of the operation to strengthening fiscal transparency, improving public financial management and external controls, and fostering an effective decentralization process for greater local accountability. In this regard, they particularly emphasized capacity-building efforts. Moreover, they underscored the need for continued support for the country's electricity sector reform efforts, noting that achieving the intended development impact will require sustained efforts from the authorities to contain electricity utility losses and redirect subsidies towards poverty reduction and investment. In particular, Directors encouraged vigilance with regard to Ebola.

Directors acknowledged the substantial risks associated with this operation, particularly as related to implementation. And while the proposed mitigating measures were welcomed, vigorous monitoring of the risks was also urged. Directors also emphasized that sound social accountability will require Government and World Bank support for good governance interventions at the national, transversal and local levels.

Looking ahead, Directors reinforced the importance of sound analytics, so that any future World Bank Group Country Partnership Framework is grounded in a deep understanding of fragility and governance challenges and risks. They encouraged the IFC and MIGA to play a role in helping to restore private sector confidence and support private sector development and diversification. Finally, they welcomed the close collaboration with the IMF and encouraged closer coordination with other development partners to further advance needed reforms.

* This summary is not an approved record.