

Republic of Chad**Country Partnership Framework FY16-20 & Fiscal Consolidation Program Support Grant****Chair Summary*****December 10, 2015**

Executive Directors discussed the World Bank Group (WBG) Country Partnership Framework (CPF) FY16-20 for the Republic of Chad. They also approved a development policy grant in the amount of SDR 35.8 million (US\$50 million equivalent) for the Fiscal Consolidation Program Support Grant.

Directors welcomed the discussion of the CPF as a timely response to constraints to growth, macroeconomic challenges, challenges to poverty reduction, and exposure to regional security tensions. They acknowledged the alignment of the CPF with WBG strategic goals, the analysis presented in the Systematic Country Diagnostic, the special themes selected for IDA17, and the Government's development plan. Directors commended the authorities for remaining on track with the IMF-supported arrangements and urged sustained momentum on reforms in the post-HIPC era. They expressed support for the CPF focus on strengthening management of public resources, improving returns to agriculture and building value chains, developing human capital, and reducing vulnerability.

Directors noted that the CPF will be implemented in a fragile setting, with high risks in governance, macroeconomic, institutional capacity, and fiduciary aspects. Directors recognized the limited available funding and significant economic and security concerns, noting the need to maintain flexibility to adjust priorities given changing conditions. They stressed the need to closely monitor risks and strengthen technical capacities for effective implementation. Directors underscored the centrality of agriculture for economic growth and encouraged expansion of private investment in agriculture and agribusiness. They pointed out the interconnection of energy, transport, commerce, and refugee situations in the region, calling for an enhanced regional approach and funds mobilization for initiatives such as the Sahel Regional Initiative and the Africa Climate Business Plan. Recognizing the challenging situation of fragility, conflict, and violence and the impacts from the influx of refugees, Directors stressed the importance of partnership, including with the UN, and called for leveraging complementary financing and attracting private investment. They also asked about Chad's eligibility for financing under the IDA Turnaround Facility.

Directors expressed support for the objectives of the Fiscal Consolidation Program Support Grant. They noted that the operation helps to cover part of the financial gap created by the oil price collapse and deterioration of the security situation while also supporting the government's efforts to improve overall fiscal policy and mitigate vulnerability to shocks. They underscored the importance of economic diversification and reduction of oil dependency. Directors also highlighted the importance of cooperation between the WBG and its partners to support the government reform effort, urging continuous engagement among stakeholders, including the UN, to support delivery of results.

*This summary is not an approved record.