

Ethiopia

Ethiopia First Sustainable and Inclusive Growth Development Policy Operation

Chair Summary*

July 30, 2024

The Executive Directors approved a grant in the amount of SDR 760.3 million (US\$1,000 million equivalent) and a credit in the amount of SDR 380.2 million (US\$500 million equivalent) to the Federal Democratic Republic of Ethiopia for the First Sustainable and Inclusive Growth Development Policy Operation on the terms and conditions set out in the President's Memorandum.

Directors supported the program and appreciated the complementarity with the IMF program. They highlighted the importance of official creditors participating under the G20 Common Framework for Debt Treatments. They stressed the criticality of supporting the country during the adjustment period and to build solid foundations for long-term economic growth in Ethiopia, while alleviating the potential negative impact on the most vulnerable.

Directors encouraged the Bank to continue working with the authorities and other development partners to expand the coverage, efficiency, and effectiveness of Ethiopia's social safety nets to broaden social inclusion. Directors welcomed the efforts to enhance fiscal transparency and stressed the continued need for technical assistance to improve the transparency of budget and off-budget activities.

Directors noted the risks associated with the implementation of the reforms, notably the continued risks associated with conflict as well as political and governance, macroeconomic, sectoral, institutional, social, and stakeholder risks. They highlighted the need for a strong communication strategy to build public support for successful implementation of the reforms. They underlined the importance of carefully monitoring risks as well as strong donor coordination among the Bank, IMF, and other development partners on risk mitigation measures.

*This Summary is not an approved record.