

# World Bank Approves \$300m Macroeconomic Stability Fund



Ousmane Diagana

## A Business Desk Report

**THE WORLD Bank** has approved a \$300 million Development Policy Operation for the country.

This first resilient recovery development policy financing is a critical contribution by the Bank's International Development Association (IDA) to help the country's economic recovery and support its resilient and inclusive growth.

Minister of Finance, Ken Ofori-Atta, said the disbursement of the \$300 million development policy financing, the first in a series of three, will play a vital role in easing the country's fiscal constraints, sustaining the momentum of economic recovery while protecting the poor and vul-

nerable.

"The government remains committed to restoring macroeconomic stability and to the implementation of lasting reforms to set the economy on a path of strong long-term sustainable growth and transformation," he assured.

The World Bank in a statement said the approval of the financing package follows last week's agreement in principle by the Official Creditors' Committee under the G20 Common Framework on the key parameters of the proposed debt restructuring for Ghana.

It said the agreement, which is consistent with the Joint World Bank-International Monetary Fund Debt Sustainability Framework, represents a critical milestone toward restoring debt sustainability.

World Bank Vice President for Western and Central Africa, Ousmane Diagana, said "Restoring fiscal and debt sustainability, bolstering growth prospects, curbing inflation, and protecting the most vulnerable – measures supported by this financing – are urgent priorities for Ghana."

He indicated that the above are essential steps to allow the country attract more foreign investment, revitalize its domestic private sector, build resilience against climate change, and improve the quality of life of its people.

The Resilient Recovery Development Policy Operation is the first in a series of three operations of \$300 mil-

lion each and part of a broad World Bank engagement for crisis response and resilience in Ghana.

Its objectives are to: 1) restore fiscal sustainability; 2) support financial sector stability and private sector development; 3) improve energy sector financial discipline; and 4) strengthen social and climate resilience.

Specific reforms supported by this financing series include strengthening domestic revenue mobilization, controlling expenditures, safeguarding financial sector stability, removing barriers to private investment, setting the energy sector on a sounder financial and operational footing, strengthening the country's social protection system, and mainstreaming climate adaptation and mitigation across policies.

The World Bank's International Development Association (IDA), established in 1960, helps the world's poorest countries by providing grants and low to zero-interest loans for projects and programs that boost economic growth, reduce poverty, and improve poor people's lives.

IDA is one of the largest sources of assistance for the world's 74 poorest countries, 39 of which are in Africa.

Resources from IDA bring positive change to the 1.3 billion people who live in IDA countries.

Since 1960, IDA has provided \$458 billion to 114 countries. Annual commitments have averaged about \$29 billion over the last three years (FY19-FY21), with about 70 percent going to Africa.