

\$900m World Bank support: Govt receives first tranche \$300m

Business Desk Report

THE World Bank has approved a \$300 million Development Policy Operation for Ghana.

This represents the first tranche of the \$900 million three-year development policy budget support programme for the country.

Under the programme, Ghana is expected to receive \$300 million each year for a period of three years for budget support.

The World Bank in a release said the first Resilient Recovery Development Policy Financing was a critical contribution by the Bank's International Development Association (IDA) to help Ghana's economic recovery and support the country's resilient and inclusive growth.

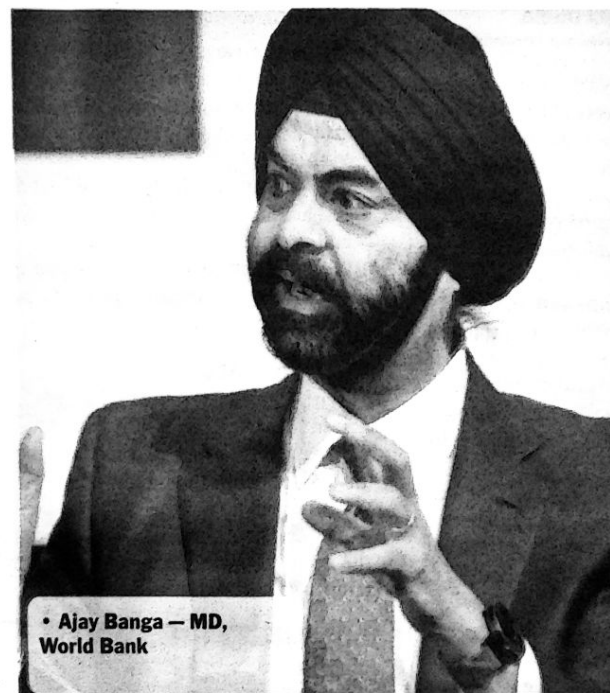
Among other things, it seeks to restore fiscal sustainability; support financial sector stability and private sector development;

improve energy sector financial discipline; and strengthen social and climate resilience.

Specific reforms supported by this financing series include strengthening domestic revenue mobilisation, controlling expenditure, 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 approval of this 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.

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



• Ajay Banga — MD, World Bank

Commenting on this, the Minister of Finance, Ken Ofori-Atta, said the government remained committed to restoring macroeconomic stability and the implementation of lasting reforms to set the economy on a path of strong long-term

sustainable growth and transformation.

He said the disbursement of that \$300 million Development Policy Financing, the first in a series of three, would play a vital role in easing Ghana's fiscal constraints, sustaining the momentum of economic

recovery while protecting the poor and vulnerable.

The 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 — were urgent priorities for Ghana.

He said they were also essential steps to allow the country to attract more foreign investment, revitalise its domestic private sector, build resilience against climate change and improve the quality of life of its people.

About IDA

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 programmes 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 per cent going to Africa.