**Gabon**

**Second Gabon Fiscal Consolidation and Inclusive Growth**

**Development Policy Financing**

**Chair Summary\***

**February 19, 2019**

Executive Directors approved a Development Policy Financing operation for the Gabonese Republic for an amount of Euro 175.9 million (US$200 million equivalent) on the terms and conditions set out in the Memorandum and Recommendation of the President. Mr. Bethel wished to be recorded as opposing and Mr. Schoenleitner wished to be recorded as abstaining.

Directors expressed support for the operation as the World Bank’s contribution to the concerted international response to the CEMAC crisis. They welcomed the three pillars of the operation: (i) Strengthening Fiscal Sustainability and Efficiency in Public Sector Management; (ii) Enhancing competitiveness; and (iii) Protecting the poor. They noted that the reforms and policy actions under these three pillars are at the very core of macroeconomic stability, fiscal balance, diversified growth, and improved service delivery for the poor.

Directors took note of the political and governance, macroeconomic, institutional capacity, fiduciary, and regional risks associated with the operation. They emphasized the need for close and pro-active monitoring of regional and country macro-fiscal developments, domestic resource mobilization, debt management and transparency, and external and domestic arrears’ payment, in coordination with the IMF. They expected IFC and the private sector to play a greater role in supporting the country’s development agenda.

Directors inquired about the rationale behind the supported health reforms and raised concerns regarding the high poverty levels in this middle-income country. They requested that the forthcoming Systematic Country Diagnostic reflect these challenges.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\*This Summary is not an approved record.