Executive Directors discussed the joint IBRD/IFC Seychelles Country Partnership Strategy (CPS) for FY12-15 (R2012-0051[IFC/R2012-0059]).

Directors commended the Seychelles authorities on the progress made since re-engagement with the Bank in 2008, particularly by prudently managing the macroeconomic situation despite the global economic crisis, improving governance with respect to public enterprises, and enhancing transparency in public financial management.

Directors noted that the economic outlook for the medium term is broadly positive, although Seychelles remains vulnerable to external shocks. In this context, Directors encouraged the authorities to accelerate structural reforms to create conditions for sustainable, private sector-led growth. Directors emphasized the importance of measures to improve the business environment and enhance public sector efficiency.

Directors expressed broad support for the CPS and noted that it responded well to Seychelles’ development challenges. They welcomed its alignment with the two objectives of the Seychelles Medium Term National Development Strategy, namely to reduce Seychelles’ vulnerability, and to provide the basis for long-term sustainable development. Directors commended the strong government ownership of the reform program which underpins the Bank Group’s increased engagement in the Seychelles. Directors also noted that the CPS takes into account lessons learned from the implementation of the previous Interim Strategy Note.

Directors welcomed the selectivity of the Bank Group in its engagement, the emphasis on partnership with national stakeholders and development partners, and the strong focus on analytical work underpinning planned lending activities. Directors also emphasized the importance of knowledge services for long term sustainable development, and asked the Bank to assist the Government in advancing structural reforms.

* This Summary is not an approved record.