Executive Directors discussed the joint IBRD/IFC/MIGA Country Partnership Framework (CPF) for the Republic of Ecuador for the period FY19-FY23. They approved the First Inclusive and Sustainable Growth Development Policy Loan for Ecuador in the amount of US$500 million.

Directors supported the proposed CPF and emphasized the need to implement key reforms to ensure macroeconomic stability in the long-term, enhance transparency and accountability, and increase the effectiveness of the social protection system for the most vulnerable, especially in the context of the large influx of migrants. They also noted the need to make the investment climate more attractive to the private sector and encouraged more active IFC and MIGA engagement to support the country’s transition to a private sector-led growth model.

Directors welcomed both the alignment of the DPL with the CPF results areas and the Government’s efforts to address macro-fiscal imbalances and the shift from a state-led economic model to a balanced, productivity-driven one. They inquired about the size and ambition level of the DPL and underscored the appropriate targeting and sequencing of the reforms. They also commented on the pace and sustainability of the ongoing fiscal consolidation efforts and stressed the importance of mitigating the impacts on the poor and vulnerable, with a focus on strengthening climate resilience and supporting structural transformation and job creation.

Directors encouraged the WBG to continue its active engagement with the Government and noted the need to further strengthen the governance framework and build institutions. They also encouraged close coordination with the IMF and other development partners to avoid duplication and ensure sustained implementation of the reforms.

*This Summary is not an approved record.*