

Belarus

Country Partnership Framework

April 3, 2018

Chair Summary*

The Executive Directors discussed the World Bank Group's FY2018-2022 Country Partnership Framework (CPF) (R2018-0035[IFC/R2018-0040, MIGA/R2018-0015]) for Belarus.

Directors supported the CPF's three-interlinked focus on creating opportunities for the private sector to grow, strengthening the country's human capital and improving the contribution of infrastructure to climate change management, economic growth and human development. Directors underscored the importance of accelerating reforms to sustain the country's inclusive growth with an enhanced role for market forces and strengthened social safety nets.

Directors commended Belarus' strong record of shared economic growth and poverty reduction in the past decades but noted economic recovery is expected to be weak due to increasing macroeconomic and fiscal vulnerabilities. Directors supported the prudent approach adopted by the CPF with flexibilities built into the program to respond rapidly to changes in the speed of reform. They further welcomed the CPF's theme related to promoting greater use of data and access to information to increase the transparency and improve the outcomes of decision making.

While noting the gradual pace at which the Belarusian authorities are likely to implement policy change, Directors urged the Bank to play a proactive role in supporting the country to address development bottlenecks of growing debt stress, financial sector vulnerabilities, as well as to improve citizen engagement and competitiveness of State Owned Enterprises. Directors expressed concerns over the externalities of the energy sector strategy and the quotation of World Governance Indicators in the CPF. They also discussed the issues related to Doing Business rankings in general, and those of Belarus in particular.

Directors commended the close cooperation across the WBG in preparation of the CPF, noting the work in strengthening the business environment for private sector growth. Directors particularly noted the coordination between IBRD and IFC to stimulate private sector growth through joint efforts to mobilize public-private partnerships and improve the investment climate.

*This summary is not an approved record.