

**Bulgaria**  
**Country Partnership Framework FY17-22**  
**Chair Summary\***

**May 19, 2016**

Executive Directors discussed the joint IBRD/IFC/MIGA Country Partnership Framework (CPF) for Bulgaria for the period of FY17-22. Directors acknowledged the CPF alignment with the National Development Plan for Bulgaria 2020 which is focused on smart, sustainable and inclusive growth and demographic challenges. They appreciated that the CPF is informed by the findings of the Systematic Country Diagnostic (SCD) and main lessons from the last Country Partnership Strategy (CPS) as well as relevant stakeholder feedback.

Directors noted that the proposed CPF represents a renewed, active engagement following economic and political challenges. They supported its selectivity and the two strategic engagement areas: (i) strengthening institutions for sustainable growth; and (ii) investing in people. Noting Bulgaria's upper middle income status, Directors supported the strong knowledge content and complementarity of World Bank Group (WBG) partnership with the European agenda and assistance provided by other development partners.

Directors recognized the need to raise productivity and address demographic changes in Bulgaria. They called on the government to make concerted efforts to address the challenges in the financial and energy sectors to help improve macroeconomic stability and foster private sector growth. Directors noted that poverty alleviation, inclusion of minority groups, and public administration are potential areas for further WBG engagement. They emphasized close monitoring of reforms to ensure improved access to services by the bottom 40 percent and vulnerable groups, including ethnic minorities and the elderly. Directors also urged the WBG to remain open to client demand in areas like closing the income and gender gaps, inclusion, financial sector reform, and pensions. Directors noted the risks to the CPF program and concurred with the proposed mitigation measures.

Directors noted that the CPF is flexible enough to capture engagements which can be scaled up following two-year review intervals. At the same time, they underscored the need for close monitoring of political and macroeconomic developments and longer-term progress across the set of outcomes set out in the CPF. Directors urged further integration of IFC and MIGA activities under the CPF, with a concerted effort to develop the private sector, improve the business environment, increase competitiveness of domestic companies, and attract additional foreign investment. They called for a strong link to outcomes and greater ambition and strategic orientation in the results framework, reflecting the specific areas of WBG engagement.

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\*This summary is not an approved record.