

**Jordan: Country Partnership Framework FY2017-FY2022****and****Lebanon: Country Partnership Framework FY2017-FY2022****Chair Summary\*****July 14, 2016**

Executive Directors discussed the IBRD/IFC/MIGA FY17-FY22 Country Partnership Frameworks (CPFs) for Jordan and Lebanon, respectively. They strongly supported the World Bank Group (WBG) framework for engagement in each country and their alignment with the Systematic Country Diagnostics and the Group's goals of eradicating extreme poverty and boosting shared prosperity.

Directors supported the cross-cutting theme of governance and renewing the social contract in both countries, which is central to implementing the new MNA strategy and a critical ingredient for peace and stability. They recognized the critical need to promote economic opportunity, develop human capital, and create jobs. Directors underscored actions to strengthen gender equality and inclusion in the WBG program. They welcomed increased citizen engagement and monitoring under the CPFs in both countries.

Directors recognized the impact of regional instability on both Jordan and Lebanon. They welcomed the use of concessional resources, in particular through the Concessional Financing Facility, to help countries respond to the challenges stemming from the Syrian refugee influx, which is straining the economy, infrastructure, and fiscal situation. Directors stressed the creation of an environment for higher productivity and employment growth within communities hosting refugees and recommended using concessional resources to create an adequate framework for the protection of refugees and creation of economic opportunities.

Directors welcomed strong collaboration with donors and UN agencies in Jordan, Lebanon, and throughout the region. They recognized the importance of regional initiatives, such as promoting environmental sustainability, and learning from others, particularly via South-South exchanges and cross-fertilization.

**Jordan**

Directors welcomed the WBG's approach to implementing the Jordan Compact and Vision 2025, in line with the country's medium-term development goals including through investments by IFC and MIGA. Directors also urged continued improvements to social assistance programs together with economic inclusion measures, stressing the importance of pro-poor growth measures. They called for stronger monitoring of results against CPF objectives, especially in education.

Directors emphasized the need for the authorities to prioritize structural reforms which can place Jordan on a path to economic self-reliance. They supported business environment and labor

market reforms for more and better jobs for youth and women, with promotion of women's labor force participation as a key step towards gender equality.

Directors supported the CPF's focus on private-led growth, improved quality and equity of service delivery, and the cross cutting themes of governance, youth, and gender. They underscored the role of IFC in expanded mobilization of private investment, promotion of the investment climate, and access to finance. Directors welcomed WBG support in fostering regional cooperation – particularly to address extreme water scarcity. They looked forward to learning from the success of efforts to restore cost recovery for the National Electric Power Company. Directors welcomed WBG efforts to attract investment in Special Economic Zones and through adoption of a clear PPP framework.

Directors noted the recent IMF staff-level agreement on an Extended Fund Facility and the importance of continued progress on structural reforms, debt management, and Bank-IMF collaboration.

### **Lebanon**

Directors welcomed the areas of focus in the CPF for Lebanon, namely, to expand access to and quality of service delivery and to expand economic opportunities and increase human capital. Directors recognized the risks to continued stability and security. They supported the flexibility and selectivity reflected in the CPF to respond to emerging priorities. Directors were concerned about the macroeconomic instability and structurally weak public finances that characterize the Lebanese economy, and called for support to fiscal management and public administration. They noted the need to address governance and other institutional weaknesses, with emphasis on strengthening the effectiveness, efficiency, and transparency of public institutions. They also highlighted the importance of building implementation and monitoring capacity, including municipal and local institutions.

Directors emphasized the need to address the binding constraints to domestic private sector development, recognizing the role of the private sector to support increased employment, especially among women and youth, contribute to reducing the high levels of poverty and inequality, and support communities hosting refugees.

Directors encouraged continued strong collaboration across the World Bank Group. They appreciated IFC's strong advisory and investment operations and their significant expected contributions to achieving the CPF objectives, especially in the areas of access to finance and mitigating the effects of climate change, and MIGA's role in supporting cross-border investments.

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\* This summary is not an approved record