

Bosnia and Herzegovina**Country Partnership Framework for FY2016-2020****Chair Summary*****December 15, 2015**

Executive Directors discussed the joint IBRD/IFC/MIGA Country Partnership Framework for Bosnia and Herzegovina (R2015-0225[IFC/R2015-0318, MIGA/R2015-0093]) for the period of FY2016-2020. Directors welcomed the CPF's emphasis on supporting structural reforms to generate sustained growth and job creation, and its alignment with the national development plans and programs, including in particular the recently adopted Reform Agenda. Directors supported the three focus areas: (1) increasing public sector efficiency and effectiveness; (2) creating conditions for accelerated private sector growth; and (3) building resilience to natural shocks.

Directors recognized the challenging demographic trends that will affect growth, fiscal situation and delivery of public services in the middle income country, and encouraged incorporating these considerations into the WBG program in line with the CPF's focus to accelerate growth and job creation. Close coordination of the WBG with the EU and other development partners was highlighted. Directors underscored the importance of the new dynamism in the EU accession process as an anchor for economic reform. They called for stronger presence from IFC and MIGA to strengthen the business environment and develop the private sector including through PPPs, noting that properly addressing the issues of SOEs and unemployment are central to the reform.

Directors acknowledged that the strategy faces significant risks, in particular from possible resistance to reducing public sector spending, and challenges of maintaining consensus on labor, SOEs, and other priority reforms given the complex political landscape. Directors stressed the importance of wide consultations with civil society and political parties to ensure broad social and political support for reform implementation. Directors appreciated that the CPF includes lessons learned and a cross-cutting theme of inclusion, noting the importance of clear results and robust monitoring, to help improve economic empowerment of women and minorities. Directors also underscored strong support for mitigation of the risk of natural disasters and investments in infrastructure, renewable energy and sustainable growth.

*This summary is not an approved record.