Moldova

Country Partnership Framework for FY18-21

Chair Summary*

July 27, 2017

Executive Directors discussed the joint World Bank/IFC/MIGA Country Partnership Framework (CPF) for Moldova for the period of FY18-21. Directors underlined the importance of the CPF’s focus on governance reforms and skills development, opening the way for a growth model driven by exports, investments and private sector job-creation. On this basis, Directors endorsed the three CPF focus areas: (a) Economic Governance, (b) Service Governance, and (c) Skills for Jobs, as well as the cross-cutting focus area of Greater Adaptation and Resilience to Climate Change. Directors observed that these priorities appropriately reflect the salience of governance issues in the country.

Directors recognized that Development Policy Financing (DPF) is an appropriate instrument to address Moldova’s deep governance and corruption challenges. Directors acknowledged Moldova’s progress, with DPF support, on the stabilization of the banking sector and fiscal adjustment since the 2014 banking sector fraud. However, they highlighted the need for further action.

Directors were pleased to see that the CPF was accompanied by a Country Gender Action Plan and a Citizen Engagement Plan. They welcomed the CPF’s experimental simplified format, but cautioned against reducing analysis in the document too much. They recognized the flexibility in the lending and non-lending program from FY20 onwards and that the program to be defined by the 2019 Performance and Learning Review will depend upon reform progress, national priorities after the November 2018 elections and the availability of IDA and IBRD resources.

Directors noted that the planned work on governance and advisory services on energy exemplifies the cascade approach by helping to de-risk private sector investment. They expressed the hope that IFC and MIGA might in the longer term have greater scope to support private enterprises. They encouraged consideration of opportunities for regional work that would support Moldovan growth.

Directors highlighted the importance of coordination among development partners on reforms and especially on governance questions. They encouraged the World Bank Group to continue its convening role in this regard.

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*This summary is not an approved record.