

SRI LANKA: COUNTRY PARTNERSHIP STRATEGY**CHAIRMAN'S SUMMING UP*****Meeting of the Executive Directors****May 22, 2012**

The Executive Directors discussed the joint IBRD/IDA/IFC Sri Lanka Country Partnership Strategy (CPS) for FY13-16 (R2012-0096[IDA/R2012-0115; IFC/R2012-0130]).

Directors commended the Sri Lankan authorities for the progress made toward improving its macroeconomic situation, transitioning to middle-income status, achieving sustained and equitable growth, becoming a knowledge-based economy, and resettling Internally Displaced Persons following the end of the conflict. Directors urged the government to focus on the remaining challenges facing the country, including maintaining a high pace of economic growth, strengthening public policies in relation to the country's income status, improving governance, building capacity particularly in lagging areas, and enhancing social inclusiveness.

Directors expressed broad support for the CPS and its three pillars: (i) facilitating sustained private and public investment; (ii) supporting structural shifts in the economy; and (iii) improving living standards and social inclusion. Directors noted that the pillars responded well to Sri Lanka's structural challenges as the country transitions to middle-income country, and that the CPS is strongly aligned with the government's long-term development strategy and the Mahinda Chinthana vision. Directors welcomed the incorporation of lessons learned from the implementation of the previous Country Assistance Strategy and noted that the CPS was developed in close collaboration with the Government and promotes Government accountability for actions consistent with its own vision of inclusive, private sector-led growth. The importance of close monitoring and attention to gender and environmental challenges were also highlighted.

Directors also acknowledged the extensive consultations undertaken as part of the CPS process, and the close IBRD/IDA/IFC collaboration. Finally, Directors noted the relevance of the Development Partners Forum in terms of information sharing and aid coordination, and encouraged close donor and development partners' coordination.

*This summary is not an approved record.