

Albania**Country Partnership Framework FY15-19****Chair Summary*****May 21, 2015**

Executive Directors discussed the IBRD/IFC/MIGA FY15-19 Country Partnership Framework (CPF) for Albania. Directors welcomed Albania's recent progress in implementing macro-fiscal and structural reforms and noted the Government of Albania's strong commitment to these long overdue reforms. They welcomed the Government's overarching goal of achieving equitable growth and integration into the European Union. They appreciated the CPF's alignment with priorities outlined in the Systematic Country Diagnostic (SCD) and with the country's priorities, which will also contribute to achievement of the World Bank Group's (WBG) strategic goals.

Directors underscored the importance of enhancing the inclusiveness of growth through a comprehensive agenda to create jobs and eliminate barriers to employment among youth, women, minorities, and marginalized groups. Directors encouraged complementary efforts of IBRD, IFC, and MIGA, highlighting the potential for expanded private sector investment to boost competitiveness and job creation, noting the importance of agribusiness, energy, and banking sectors. They noted the potential for greater linkages with global and regional economic integration, but acknowledged the challenges and risks faced by countries in the region, including sluggish economic recovery, financial sector uncertainty, and heightened political tensions. Directors commented on the critical importance of sustained growth and effective macro-financial management. They noted that Albania faces an overhang of both public and private debt and needs to reduce non-performing loans and improve the performance of state-owned enterprises.

Directors found the degree of selectivity in the WBG program appropriate given the strong reform orientation of the Government. Directors encouraged the use of WBG analytics and investments to leverage support from other partners such as the European Union and bilateral donors and urged the WBG to maintain strong collaboration with the International Monetary Fund on macro-fiscal stability. They underscored the importance of coordination and effective division of labor within the WBG and with development partners, including in the monitoring of results under the CPF.

Directors strongly supported the ramping up of WBG support under this CPF to acknowledge Government's reform ambitions within a challenging regional and global environment. They underscored the importance of institutional capacity for implementation at national and local levels, given the government's reform program and the planned front-loading of WBG assistance under the CPF. Directors also emphasized the strengthening of governance, anti-corruption efforts, and fiduciary capacity to mitigate risks during CPF implementation.

*This summary is not an approved record.