1. Context and Background

2. Emerging Themes: Shared Prosperity and EU Funds Absorption

3. Suggested pillars and themes
What is the Country Partnership Strategy?

Country Partnership Strategy (CPS) guides World Bank activity in a country, based on the country’s own development objectives.

CPS defines the key areas of World Bank support, based on the country’s needs and the Bank’s potential value-added to address these needs.

CPS attempts to define expected results of the partnership between the Bank and the Government over a four year period (2014-2017).
World Bank strategy is in line with European and national strategic documents

EU2020: Smart, Sustainable and Inclusive Growth
- Partnership Agreement for the next EU programmatic period (2014-2020)

National Strategic Documents
- Governmental Program (2013-2015)
- National Reform Plan (2014-2016)
- Focus on strategies for ex-ante conditionalities
- National Plan for Strategic Investments and Jobs Creation

NRP and Convergence program
- Competitiveness (Transport/ICT, business environment, R&D, energy efficiency)
- Public Administration
- Labour market/education/health/social inclusion
During 2009-2013, World Bank in Romania focused on three main pillars:

- **Public Sector Reform** (comprising of: public financial management, public administration reform, governance)
- **Growth and competitiveness** (comprising of: growth agenda, financial sector, business environment and competition, knowledge economy and digital agenda, research, development and innovation, education, agriculture and rural development, energy and environment, transport, hazards risk mitigation)
- **Spatial and Social Inclusion** (comprising of: Social Inclusion, Social Assistance, Social Insurance and Health sector)

At Mid-Term, 3 new themes were added:

- Policy reforms to reap the benefits of the EU membership and meet the objectives of the Europe 2020 strategy
- Modernization of public institutions to enhance resource allocation and absorption of EU funds
- Complement the EU funding
Romania’s lending portfolio was US$2.05 bn.

During 2009-2013, six new operations were delivered: three DPLs, 1 DPL-DDO, Results Based Social Assistance System Modernization SIL and Modernization of Tax Administration SIL.

26 new Reimbursable Advisory Services were signed, including Assistance to strengthen administrative capacity and increase rate of EU Funds absorption (covering: Agriculture, Public Finance, Transport, Education, Competition, Regional Development)
We learned from our work in Romania during 2009-2013

- Close coordination with EC and IMF is needed
  - Cooperation between and joint supervision by the Government-EC-IMF-Bank generates the right framework for complex public sector reforms

- Alignment with EC priorities is key
  - Alignment of Bank program with the priorities outlined by EC yields higher levels of Government ownership and warrants implementation

- World Bank needs to be more flexible to adapt to country needs
  - Multi-tranches operations allows a high degree of flexibility and the pursue of coherent reforms

- CPS can also be an instrument for enhancing dialogue
  - CPS can act as catalyzer for transparency and consultation through the design of reform programs
We value our client’s perspective regarding our performance

Clients believe World Bank should continue supporting Romania in numerous sectors and that the Bank has tremendous capacity in social sectors

- This is the result of the Knowledge mapping project. The study will be complemented by the Country Survey, in October 2013.
- Transport, Environment and Financial Sector are not represented in the above graph
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The World Bank strategy focuses on shared prosperity

Growth was shared in Romania even after the crisis

Improving shared prosperity implies…

- Managing volatility and creating resilience
- Improving the quality of public sector interventions
  - Sectoral (education, health, social protection, infrastructure)
  - National and regional institutions
- Enhancing equality of opportunities
  - Minorities
  - Safety nets
  - Access to basic services
Romania can reach 3% poverty rate (at $5.0/day) by 2030
EU resources represent an untapped opportunity for Romania

Although there is a low absorption rate in the current financing program, the trend is growing rapidly.
In supporting the Romanian Government during 2014-2020, World Bank will consider the main themes agreed to between EU and Romanian Govt.

- Strengthening research, technological development and innovation, ICT
- Enhance competitiveness of SMEs, agricultural sector and fisheries and aquaculture sector
- Support the shift towards low carbon economy in all sectors, promote climate change adaptation, resources efficiency
- Promote sustainable transport and remove obstacles
- Promote employment and supporting labor mobility, social inclusion and combating poverty
- Invest in education and lifelong learning
- Enhance institutional capacity and an efficient public administration
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Some early suggestions for the future CPS pillars…

Creating a 21st Century Government

Jobs and Growth
- Jobs Creation. Labor market. SOEs. Capital Market Development. Agriculture. Infrastructure

Shared prosperity

*Conclusions of the consultations to date
Important cross-cutting themes include...

- EU Funds absorption
- Shared prosperity
- Sustainable growth

*Conclusions of the consultations to date
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