



1. CAS/CPS Data	
Country: Republic of Belarus	
CAS/CPS Year: FY13	CAS/CPS Period: FY14 – FY17
CLR Period: FY14 – FY17	Date of this review: April 9, 2018

2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Good</i>

3. Executive Summary

- i. This review of the World Bank Group's Completion and Learning Report (CLR) covers the period of the original Country Partnership Strategy (CPS), FY14-17, and the Performance and Learning Review (PLR) discussed at the Board on June 30, 2016. The CPS period was not extended at the PLR stage.
- ii. Belarus is an upper middle-income country with a GNI per capita income of \$5,600 in 2016. During 2014-16 the economy contracted at an average annual rate of -1.6 percent, compared with an average growth of 1.8 percent for the ECA region. The country's Gini coefficient is 27.2 and its poverty headcount ratio based on the national poverty line was five percent on average in 2014-16, comparable with rates in advanced countries. Rural poverty during this period was 8.3 percent. While income distribution and poverty measures place Belarus with more advanced countries, human development remains a challenging area. The country ranks 52nd on the UNDP Human Development Index.
- iii. The IMF's most recent Article IV Consultation Report (December 2017) reports that a broad-based economic recovery is now underway, supported by more favorable external conditions and stronger domestic demand. At the beginning of the CPS period, Belarus had a large public enterprise sector, an underdeveloped private sector, and policies for broad-based income distribution. These conditions have not changed during the CPS, and challenges remain to reform the state-owned enterprises (SOEs), improve labor and product markets to remove impediments for private sector growth, and develop more efficient social safety nets to support social stability.
- iv. The CPS corresponded well with the government's stated development objectives and was aligned with the government's Program of Social and Economic Development for 2011-2015 which has since been followed by a 2016-2020 Development Program and Action Plan. The CPS program had three pillars: (i) improving competitiveness of the economy by supporting structural reforms, including reducing the role of the state, transforming SOE sector, promoting private and financial sector development and integration into the global economy; (ii) improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry services, and increased public goods benefits; and (iii) improved human development outcomes through better delivery of education, health and social services. To this end, the CPS program sought to support some areas of government reforms, but with modest actual ambitions in line with the

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government's desired careful pace of reforms. The CPS program was further modified in the 2016 PLR.

v. The original lending program (FY14-15) comprised of five operations for \$380 million, of which three materialized during the CPS period for a total of US\$ 290 million. Following the PLR, the overall expected program was \$976 million for the FY14-17 period. At the end of the CPS period, total program lending amounted to \$655.7 million, consisting of seven projects (all IPFs including two additional financings). Trust funds for \$15.2 million were active during the CPS period. For the same period, IFC made net commitments of \$205 million, of which trade finance accounted for a much-increased share of 75 percent. The bulk of IFC's net commitment (73 percent) took place in the early part of the CPS (FY14). MIGA approved guarantee coverage of \$115 million for the equity investment of an Austria-based bank in its subsidiary in Belarus.

vi. On balance, IEG rates the overall development outcome rating as **Moderately Satisfactory**. Five of the seven objectives were rated Mostly Achieved. Focus Area I was Moderately Unsatisfactory. There was progress on structural reforms, but limited progress on transparent management of public resources, and increasing diversification of the financial market; however, there was little or no progress on improving the business environment or financial inclusion. All three objectives had shortcomings in their selected indicators. Focus Area II was Moderately Satisfactory. There was progress on the forestry sector roadmap, energy efficiency, improved quality of water, and road safety; but limited progress on waste water treatment and waste disposal. Focus Area III was also Moderately Satisfactory. There was only one objective for this focus area, which achieved improvements for a policy framework for health sector reforms.

vii. IEG rates the WBG performance as **Good**. The CPS as designed addressed important areas for the development of Belarus, with an appropriate combination of lending and knowledge activities (ASA). The program sought to address (mostly through ASAs) some important areas of structural reforms while using investment lending operations to address other priorities in energy, agriculture and health and education. It was designed to be adaptable and flexible, and the CPS only identified planned lending operations for the first two years. The program adjusted or dropped initiatives when met with government lack of interest. Portfolio performance at exit has been good (albeit based on two projects) with respect to the ECA region and the Bank average. Fiduciary and safeguard issues have been well handled, and there were no major issues during CPS implementation. Risks were mostly adequately identified and reasonably addressed. The PLR came late in the CPS period, and led to the easing of some targets and the elimination of one objective, but otherwise the program was largely maintained. Several outcome indicators were pitched at the project rather than program levels, which could imply that these investments have limited additionality. The actual lending program was smaller than envisaged at the CPS and in the PLR. The actual IFC program was also smaller than in the previous period, with approvals concentrated in the first year, and heavily focused on trade finance. Overall, the WBG has had to work within the constraints of a quite narrow framework, although the program reasonably took some risks for reforms that largely were not achieved.

viii. IEG concurs with a number of the CLR lessons including: (i) successes are associated with areas where the WBG was able to align support with the authorities' reform plans, and which delivered concrete, easily measurable results and efficiency gains, and (ii) willingness to support reforms step by step but also willingness to understand detailed implementation practicalities and to develop acceptable financing mechanisms is important for long-term results.

ix. IEG adds the following lessons:

- First, programs aiming at policy or structural reforms supported through ASA may need to be balanced with other instruments such as "traditional" investment lending for service delivery in order for a program to go forward even if the reform components do not receive sufficient government buy-in. In the case of Belarus, the program rightly included components addressing required reforms, but these components were mostly delayed or



did not materialize, while the program's IPF components provided vehicles for dialogue with the government and to work towards more limited sectoral objectives.

- Second, program indicators need to be designed carefully to measure progress and achievements in the stipulated objectives. In the case of Belarus, the CPS used some indicators that were no longer monitored at the beginning of the CPS (EBRD transition indicators) or were based on surveys produced as part of other exercises (PEFA) that would not be delivered during the program period. Such indicators could have been retrofitted at the PLR and/or additional interim indicators provided to ensure monitoring and reporting of such indicators during and at the end of the CPS period.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Belarus is an upper middle-income country with a GNI per capita income of \$5,600 and a population at the time of the CPS of 9.5 million. The country ranks 52nd on the UNDP Human Development Index. The country's Gini coefficient is 27.2—France had a Gini of 29 in 2015 for comparison—and its poverty headcount ratio based on the national poverty line was five percent on average in 2014-16, comparable with rates in advanced countries. During 2014-16, the economy contracted at an average -1.6 percent annual rate, compared with an average growth of 1.8 percent for the ECA region. In an effort to revive growth, beginning in early 2015 the exchange rate was floated (and depreciated), prices liberalized, and efforts made to address state-owned enterprise (SOE) inefficiencies.¹ The IMF's most recent Article IV Consultation Report (December 2017) reports that a broad-based economic recovery is now underway, supported by more favorable external conditions and stronger domestic demand.
2. The CPS was well aligned with government's Program of Social and Economic Development for 2011-2015, which has since been followed by a 2016-2020 Development Program and Action Plan. The CPS stated that "Comprehensive structural reforms will be critical to regaining competitiveness, maintaining macroeconomic stability and sustaining growth". To this end, the CPS program sought to support areas of reforms to improve the competitiveness of the economy by supporting structural reforms, including the role of the state, transforming the SOE sector, and promoting private and financial sector development and integration into the global economy. However, as discussed later in this CLRR, the actual ambitions of the CPS program were more modest in practice as a reflection of the government's desire for a gradual pace of reforms. Thus, the 2017 IMF report notes that in spite of the improved macroeconomic performance, pervasive government involvement in the economy—including government directed lending by state owned banks, price controls, and quasi-fiscal operations and subsidies- continue to distort resource allocation and efficiency.
3. **Relevance of Design.** Overall, the program covered a range of activities of importance for the economic development of Belarus. The objectives were of reasonable clarity and alignment with expected interventions (lending and non-lending). While there were linkages between outcomes (and their indicators) and stated objectives, the link between the two could have been tighter. For example, the results indicators for education and health dealt with organizational reforms and had no intermediate indicators for quality or results in the education and health sectors. Several outcome indicators were pitched at the project rather than program level, which could be a sign of lack of broader additionality beyond investment financing. The CPS program identified new lending only for the first part of the program period (FY14 and FY15), while the lending scope and specific projects for the outer years would be defined in the CPS Progress Report (now PLR). Since the PLR was only prepared in June 2016 – one year before the end of the CPS period – this gave little time for the additional lending in the PLR to contribute to or have a measurable impact on outcomes during the program period. There were no cross-cutting areas in the FY14-FY17 program, but the CPS

¹ Monetary and fiscal policies were simultaneously tightened to contain the possible inflationary effects of these policies.



nevertheless flagged several thematic issues for the program - governance, social accountability and gender.

Selectivity

4. The three focus areas and eight (later seven) program objectives were appropriate given the government's priorities and limited Bank resources. The planned lending and ASA program covered a range of important topics, although the CPS identified possible lending operations only for the first two years of the program period in line with its flexible approach. The ASA work was well linked with lending operation and reforms supported by the Bank, although it lacked clear prioritization. For this period, two of five planned lending operations were for additional financing, two in areas where the Bank had a reasonable comparative advantage, and one (in public financial management modernization) for an area of reform; the latter only materialized later in the CPS period and in much reduced lending commitment. The additional operations identified in the PLR were for investment project financing (IPF) operations requested by the government and for which the Bank had significant experience.

Alignment

5. IEG concurs with the assessment in the CLR that given low levels of extreme poverty and of inequality in Belarus, the Bank's focus on shared prosperity and reduced vulnerability was appropriate. However, only one of the seven objectives in the Bank program addressed shared prosperity directly: Laying the ground for increased efficiency of health and education services delivery. The CPS also included ASA to analyze social impacts of policy reforms such as removal of subsidies on utilities tariffs. There was however an implicit tension in the program as originally designed between shared prosperity in the short to medium term and the need for improved competitiveness and increased reliance on market forces, although this became less clear given the lack of progress on such aspects as privatization.

5. Development Outcome

Overview of Achievement by Objective:

6. Following the IEG-OPCS Shared Approach (SA) for Country Engagement, the assessment of the development outcome is based on the updated results framework at the PLR stage. In line with the SA, this review applies the following nomenclatures: focus areas and objectives corresponding to the CLR's pillars and results areas, respectively.

Focus Area I: Improving competitiveness of the economy by supporting structural reforms, including the role of the state, transforming state owned enterprise sector, promoting private and financial sector development and integration into the global economy.

7. **Objective 1: Economic Stability and Competitiveness.** This objective, with two outcome measures, was supported primarily through the FY16 Public Financial Management Modernization Project and technical assistance (TA) including through the Programmatic Structural Reform TA and TA for fiscal governance and trade policy. Inter alia, these items of TA supported policy dialogue with the government, capacity-building for officials, and various items of analytical work including on macroeconomic stability and fiscal sustainability, transformation of SOEs, private sector development, medium-term budgeting, heat tariff reform and social impact mitigation. The CLR also notes that the 2015 Roadmap of Structural Reforms was incorporated into government policy documents.

8. Outcomes: (i): Progress made in structural reforms (as measured by the scores of four EBRD transition indicators). *Achieved.* The outcome was based on achieving modest improvements FY14-17 in four EBRD transition indicators – three indicators (governance and enterprise restructuring; price liberalization; and competition policy) were reported as achieved and one (trade and forex system) as slightly exceeded. As defined, these indicators would underpin reasonably well the outcome. However, EBRD stopped reporting the transition indicators after 2014 (baseline year) and the CLR



data are based on Bank staff calculations using EBRD methodology. These calculations were not presented in the CLR, but the country team has subsequently provided a comprehensive explanation to IEG on the calculations. (At the PLR, the components of the EBRD indicator for small scale and large scale privatization were dropped from the calculations.) (ii) More transparent management of public resources. *Not Verified*. There were two indicators: (a) The PEFA PI-10 score for public access to key fiscal information was targeted to increase from C in 2009 to B in 2017; and (b) PEFA PI17 – recording and management of cash balances, debt and guarantees – improved from C+ in 2009 to B+ in 2014, which was the target for 2017. Since PEFA indicators were not available after 2014, these indicators were not well chosen. The country team indicates that the indicators may have been achieved but IEG could not validate this information.

9. The chosen indicators, particularly the EBRD transition indicators, provided in principle significant but still only partial support for the objective of economic stability and competitiveness. However the PEFA scores as indicators were poorly chosen since they would not be produced after 2014. Additional information from the 2018 Doing Business Report shows improvements in the Belarus' ranking from 63 in 2014 to 38 in 2017, although the country still lags significantly in the areas of getting credit and paying taxes. The 2017 IMF Article IV Consultation report notes that near-term external financing pressures have eased, and that the key macroeconomic and financial policy frameworks have improved somewhat, although external and public debts are high and medium-term financing needs are significant. Overall, based on additional information, Objective 1 was *mostly achieved*.

10. **Objective 2: Deepening financial intermediation on market-based terms.** This objective, with two outcomes, was supported primarily by an update in FY16 of the Belarus Financial Sector Assessment, together with other TA under the Programmatic Financial Sector Monitoring TA and the Consumer Protection TA. Bank technical support provided inputs and guidance, but it would not be reasonable to expect a one-to-one link between ASAs and results achieved under this objective.

11. Outcomes: (i) Improved financial inclusion. *Not Achieved*. The achievement of this outcome was to be measured by the share of population with savings account at a formal financial institution. The target was to reach 30 percent by 2017; instead the percentage declined to 11 percent by 2016 (below the baseline of 19 percent). This indicator was probably affected by overall macroeconomic difficulties during the CPS period. (ii) Increased diversification of financial market. *Achieved*. There were two indicators for this outcome: (a) Reduced flow of government directed lending on non-market terms (lending not using market rates). *Achieved*. The flow of government directed lending dropped from 7 percent of GDP in 2013 to 2.6 percent in 2016, compared to the target of 4 percent by 2017. The CLR notes that the 2015 ASA on directed lending helped guide the establishment of a comprehensive database at central and local government levels. (b) Increased availability of financing for micro, small and medium enterprises (MSMEs) of up to \$10 million per annum. IFC made available in 2014 a credit of \$13 million to one bank to support MSMEs and to support exporting companies through several banks. However, an indicator that can be achieved solely through WBG activities – as in this case - says little about conditions on the ground (activities of commercial banks or demand/supply of credit for MSMEs).

12. On balance, with one outcome *Achieved* and one *Not Achieved*, Objective 2 was *Partially Achieved*.

13. **Objective 3: Liberalized environment for private sector investment.** This objective was supported primarily by IFC TA for regulatory simplification and investment climate improvement, and by the Pilot Enterprise Privatization TA. The WBG's intervention for this objective was largely advisory services, and its contribution to the very modest achievements could not be verified.

14. Outcomes: (i) Improved business environment for private entrepreneurs/investors. *Not Achieved*. This outcome had two indicators: (a) Growth (per annum) in newly created private enterprises and individual entrepreneurships was expected to increase from eight percent in 2010 to 12 percent in 2017. Between 2015 and 2016, the growth in new businesses was impacted by a



recession which resulted in a decline in registration of new individual entrepreneurs by 21.3 percent (compared to the targeted increase of 12 percent in 2017) while the registration rate of legal entities only grew by 1.9 percent. (b) The rate of legal entities stating unstable legislation as a severe obstacle to business declined to 40.9 percent (from a baseline of 59 percent in 2012) against a target of 34 percent by 2017 according to the Business in Belarus 2016 Report prepared by the IPM Research Center, (ii) Stronger reliance of the economy on the private sector. *Not Achieved*. This outcome was measured by one indicator – growing share of MSMEs in employment, with a target from 26.3 percent in 2012 to 30 percent in 2017. The share grew to just 26.7 percent in 2014 and then declined to 26.3 percent in 2016. It would have been preferable for this outcome to have been measured by more than one indicator (for instance, by also looking at private sector share of investments or exports).

15. With both outcomes *Not Achieved*, Objective 3 was *Not Achieved*.

16. For Focus Area I one objective was *Mostly Achieved*, one *Partially Achieved*, and one *Not Achieved*. Overall, Focus Area 1 was **Moderately Unsatisfactory**, and as noted above several of the outcomes and objectives were not fully supported by the chosen indicators.

Focus Area II: Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry services, and increased global public goods benefits.

17. **Objective 4: Enhanced energy security and efficiency of resource use.** This objective, with three outcomes, was supported primarily by the previous FY06 Post-Chernobyl Recovery Project (PCRP) and its FY11 Additional Financing, and the FY09 Energy Efficiency Project (EEP) and its FY13 Additional Financing.

18. Outcomes: (i) Increased energy efficiency in the Bank-supported projects. *Mostly Achieved*. The sum of energy savings from the two projects (PCRP and EEP) indicates that about 126 million M3 were saved by June 2017, against the target of 134 million M3. (ii) Reductions in carbon emissions through Bank-supported projects (tons/year, CO2 equivalent). *Partially Achieved*. The CLR reports achievement of 232,000 tons per year, compared to the target of 254,000 tons per year. However, only the savings under the PCRP could be validated by IEG since the June 2017 ISR for the EEP did not report on the reduction in carbon emissions in CO2 equivalent. (iii) Increased use of renewable energy resources in the Bank-supported projects. *Achieved*. Annual energy amount of renewable fuel used at about \$264,000 MWh per year was well above the target of 200,000 MWh/year.

19. With one outcome *Achieved*, one *Mostly Achieved* and one *Partially Achieved*, Objective 4 was *Mostly Achieved*.

20. **Objective 5: Improved standards in the agriculture and forestry sectors.** This objective was supported primarily by the Forest Law Enforcement and Governance Programs I and II, implemented 2008-12 and 2012-16, respectively, that included Belarus among other ECA countries, and provided analytical background for the 2015-30 National Forestry Sector Strategic Plan. This support was followed up by the FY15 Forest Management Improvement project, which supported the implementation of the Strategic Plan. Support for the agriculture sector was provided through the TA for Strengthening Institutional Capacity for M&E of Agricultural policy and the IFC Belarus Food Safety Project. This objective had three outcomes.

21. Outcomes: (i) Forestry sector reform roadmap developed. *Achieved*. The roadmap (sectoral plan) was approved and is under implementation with support from the FY15 project. (ii) The cost of compliance for agri-business reduced (thus increasing the possibilities for agricultural exports). *Mostly Achieved*. This outcome had two indicators: (a) The system of food safety control to be aligned with EU practice as confirmed by IFC expert and EU missions. This indicator was met per the completion report of the IFC Belarus Food Safety Project. (b) Belarus dairy and poultry sectors get approved by EU for export. The CLR reports that the dairy sector has been certified for export to the EU, but not the poultry sector. The completion report for the IFC Belarus Food Safety Net Project reported that four dairy companies were approved for exporting to the EU, but does not report on the poultry sector. (iii)



Increased efficiency of food sector as measured by increased sales for client companies of the IFC Food Safety Project. Achieved. Sales for beneficiary companies increased to \$34.2 million against the target of \$30 million.

22. With two outcomes *Achieved* and one *Mostly Achieved*, Objective 5 was *Mostly Achieved*.

23. **Objective 6: Improved public infrastructure and municipal public utility services.** This objective, with five outcomes, was supported primarily by FY09 the Water Supply and Sanitation System project and its additional financing (FY14), the FY10 Integrated Solid Waste Management Project, and the FY11 Road Upgrading and Modernization Project.

24. Outcomes: (i) Improved quality of supplied water. *Achieved.* Population provided with access to drinking water compliant with national quality standards increased to more than 320,000 against the target of 277,000. (ii) Improved performance of wastewater treatment systems. *Partially Achieved.* The indicator was percent of regulatory treated wastewater samples complying with national standards for four cities at above 95 percent by 2017. IEG has validated the target for one city (Baranovitchi) as achieved, but data were not reported for the three other cities. (The September 2017 ISR for the FY09 project also reported that not all wastewater treatment plants had been completed). (iii) Reduced amount of waste disposed at landfill and higher rates of material recovery from solid waste. *Partially Achieved.* Tons of waste not buried at a landfill due to a new facility as of June 2017 is 4,735 tons against a target of 20,000 tons. (iv) Transport costs for road users on the upgraded sections of the M5 road reduced. *Achieved.* Vehicle operating costs were reduced by 14 percent by June 2015 against a target of six percent. (v) Road safety improved on the upgraded sections of the M5 road. *Achieved.* The number of fatalities dropped from nine to five between 2011 and 2015, and dropped further to two in 2016, against the target of five fatalities in 2014.

25. On balance, Objective 6 was *Mostly Achieved*, albeit with several outcome indicators pitched at the project rather than at program level.

26. Overall, Focus Area II was **Moderately Satisfactory**. All three objectives were Mostly Achieved. There was progress regarding forestry (sector reform roadmap developed) and agri-business /reduced cost of compliance), energy efficiency, quality of water, and road safety but limited progress in some areas such as waste disposal and reduction in carbon emissions.

Focus Area III: Improved human development outcomes through better delivery of education, health and social services, with one objective.

27. **Objective 7: Laying the ground for increased efficiency of health and education services delivery.** This objective, with two outcomes, was supported primarily by the Programmatic Education Sector TA, the Strengthening Evidence-Based Policymaking for Education Sector TA, the FY17 Health Sector Modernization Project, and the Quality of Health Care Programmatic TA.

28. Outcomes: (i) Continued reforms in the area of school network reorganization. *Partially Achieved.* There were two indicators: (a) The roll-out of per-student financing started by 2017. From a small-scale pilot launched in 2015 there was scaling-up to 188 schools in 2016 and around 350-400 schools expected for 2017, although the available information does not permit IEG to validate that the pilot was implemented to 642 schools as reported in the CLR. (b) Increased school autonomy and increased efficiency indicators (class-size, student-teacher ratio) in pilots by 2016. The Completion Summary Note of the activities undertaken under the Programmatic Education Sector TA indicates that technical workshops were developed, but no specific baselines or targets were reported. (ii) Policy framework for health sector reforms improved. *Achieved.* A health sector reform strategy had been developed by 2017 as reflected in the government's program of February 2017 - *The Health of the Nation and Demographic Safety of Belarus for 2016-20* - a program that is expected to include reduced reliance on expensive hospital care and further development of primary health care.

29. With one outcome *Achieved* and one *Partially Achieved* Objective 7 was *Mostly Achieved*.



30. Focus Area III was Moderately Satisfactory. The sole objective was Mostly Achieved, with scaling up of the roll-out of per-student financing and the development of a framework for health sector reforms.

Overall Assessment and Rating

31. On balance, IEG rates the overall development outcome rating as **Moderately Satisfactory**. Five of the seven objectives were rated Mostly Achieved. Focus Area 1 was Moderately Unsatisfactory. There was progress on structural reforms, but limited progress on transparent management of public resources and increasing diversification of the financial market; however, there was little or no progress on improving the business environment and financial inclusion. All three objectives had shortcomings in their selected indicators. Focus Area II was Moderately Satisfactory. There was progress on the forestry sector roadmap, energy efficiency, improved quality of water, and road safety; but limited progress on waste water treatment and waste disposal. Focus Area III was also Moderately Satisfactory. There was only one objective for this focus area, which achieved improvements for a policy framework for health sector reforms.

Objectives	CLR Rating	IEG Rating
Focus Area I: Improving competitiveness of the economy by supporting structural reforms.	Not Available	Moderately Unsatisfactory
<i>Objective 1: Economic stability and competitiveness.</i>	<i>Outcome 1: Mostly Achieved; Outcome 2: Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 2: Deepening financial intermediation on market-based terms.</i>	<i>Outcome 1: Not Achieved Outcome 2: Achieved</i>	<i>Partially Achieved</i>
<i>Objective 3: Liberalized environment for private sector investment.</i>	<i>Outcome 1: Not Achieved Outcome 2: Not Achieved</i>	<i>Not Achieved</i>
Focus Area II: Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry services, and increased global public goods benefits.	Not Available	Moderately Satisfactory
<i>Objective 4: Enhanced energy security and efficiency of resource use.</i>	<i>Outcome 1: Achieved Outcome 2: Mostly Achieved Outcome 3: Partially Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 5: Improved standards in the agriculture and forestry sectors.</i>	<i>Outcome 1: Achieved Outcome 2: Mostly Achieved Outcome 3: Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 6: Improved public infrastructure and municipal public utility services.</i>	<i>Outcome 1: Achieved Outcome 2: Achieved Outcome 3: Partially Achieved Outcome 4: Achieved Outcome 5: Achieved</i>	<i>Mostly Achieved</i>
Focus Area 3: Improved human development outcomes through better delivery of education, health and social services.	Not Available	Moderately Satisfactory
<i>Objective 7: Laying the ground for increased efficiency of health and education services delivery.</i>	<i>Outcome 1: Mostly Achieved Outcome 2: Achieved</i>	<i>Mostly Achieved</i>



6. WBG Performance

Lending and Investments

32. At the beginning of the CPS period, the outstanding lending volume was \$548 million for seven lending operations, all Investment Project Financing (IPFs) including Additional Financing. Trust funded outstanding volume for the same period was \$10.6 million. During the CPS period, total lending commitments of \$655.7 million were approved for seven IPF operations. In addition, a total of \$4.6 million trust funded commitments were approved for the same period. The original CPS lending program was only for FY14-15, consisting of five operations for \$380 million, but the actual amount approved was for \$290 million of which three materialized during the CPS period, while one was approved at the end of FY 13, and another – a proposed operation involving a \$100 million loan for PFM (Public Financial Management) Modernization was delayed and scaled down to \$10 million at the PLR. The indicative lending at the PLR included six operations for \$755 million, of which four operations materialized for \$435 million of new commitments.

33. Overall, the closed and active portfolio of Belarus showed good performance. During the review period, only two projects were closed and validated by IEG. Both were rated Satisfactory and with Moderate risk to Development Outcome. Both ratings compare favorably with ECA and Bank-wide averages, in terms of both value and number of projects. In terms of active portfolio, the disbursement ratio for Belarus at 22.1 percent for the CPS period was slightly above the average for the ECA region (21 percent) and the Bank (20.6 percent). However, the CLR notes that while the disbursement ratio is a bit higher than the ECA region, some projects were disbursing more slowly than anticipated at appraisal due to delays in procurement and the delivery of goods. For the same period, Belarus had projects at risk at 14.3 percent, well below the average for ECA (17.3 percent) and the Bank (23.9 percent). The CLR notes that disbursement profiles for investment operations would need to be adjusted to reflect the reality of slow start-ups and lumpy investments.

34. At the beginning of the CPS period, IFC had a net commitment balance of \$453 million, of which major shares were for the Global Trade Finance Program (GTFP) (47 percent), financial markets (20 percent), and tourism, retail, construction, and real estate (TRP) (15 percent). During the CPS period, IFC made net commitments of \$205 million (a lower amount than the \$296.1 million committed during the previous CPS period (FY08-11)), of which the GTFP accounted for a much increased share of 75 percent. The bulk – 73 percent - of IFC's net commitment activity during the CPS period came in FY14. Only one project has closed of the 20 projects that were active during the CPS period.

35. During the CPS period, IEG validated Expanded Project Supervision Reports (XPSRs) for two financial sector projects, with one rated Unsuccessful and the other Mostly Unsuccessful. Both projects were intended to provide demonstration effects to encourage entry and promote competition in the micro and small and medium enterprise (MSME) segment, but poor business performance limited their impact on sector development. A difficult economic environment, including a sharp depreciation of the local currency, contributed to the poor performance of these projects. Of the seven active projects with DOTS ratings, the latest ratings show that three are rated Moderately Successful, one Moderately Unsuccessful, and three rated Too Early to Tell.

36. During the CPS period, MIGA approved guarantee coverage of \$115 million for the equity investment of an Austria-based bank in its subsidiary in Belarus.

Analytic and Advisory Activities and Services

37. During the review period, the Belarus program delivered a total of 24 pieces of ASAs comprising four items of economic and sector work (ESW) and 20 items of Technical Assistance (TA). The ESW work included the delivery in FY15 of a study note on Tariff Reform and Social Impact Mitigation, and in FY17 of an FSAP Update (Financial Sector Assessment Program). The TA covered a wide range of activities such as for privatization, quality of health care, education, structural reform, fiscal governance, ICT strategy support, and shared prosperity. The CLR reports on the strong links



between ASA activities and lending and the roll out of reforms. But it further notes that the Bank could have done more in the consultation and dissemination of ASAs to a broader non-government audience.

38. At the beginning of the CPS period, there were three ongoing IFC Advisory Services (AS) projects amounting to \$7.2 million. During the period, IFC approved two additional such projects totaling \$3.5 million. One of these - the National Quality Infrastructure and Business Regulatory Program - accounted for more than 99 percent of that amount and aimed to support reforms in priority areas such as improving the investment climate. There were two IEG validations of AS Project Completion Reports (PCRs) during the CPS period. Development effectiveness was rated too early to judge for the support to a microfinance institution and not applicable for an energy survey project.

Results Framework

39. The original CPS results framework with eight objectives was of reasonable size and complexity in relation to the WBG program. This was also the case for the revised PLR program that dropped one objective and reformulated the targets downwards for some indicators to reflect the developments on the ground. The CPS and PLR both reflected the links between the country development goals, issues and obstacles, the CPS outcome indicators and the WBG interventions, including both lending and ASAs, and activities of both IBRD and IFC. However, as discussed above some objectives were not well supported by the chosen indicators, and several outcome indicators were pitched at the project rather than program levels. Finally, some indicators were difficult to monitor and the attribution to WBG interventions was not always clear, as in the case of objectives under Focus Area 1. The CPS used some indicators that were no longer monitored at the beginning of the CPS (EBRD transition indicators) or were based on surveys produced as part of other exercises (PEFA) that would not be delivered during the program period. Such indicators could have been retrofitted at the PLR and/or additional interim indicators provided to ensure monitoring and reporting of such indicators during and at the end of the CPS period.

Partnerships and Development Partner Coordination

40. The CLR reports that coordination with other development partners has been through professional contacts. Formal coordination mechanism among development partners has yet to be established. Nevertheless, the CLR notes that program implementation has benefited from growing partnerships, including with European institutions (including the EU, EBRD, the European Investment Bank (EIB), and the Nordic Investment Bank (NIB), with IMF on macro-economic issues in addition to joint work on the preparation of the Structural Reforms Roadmap – prepared in March 2015, and with UNICEF on the education, poverty, and health agendas. Belarus is also member of the Eurasian Economic Union, which facilitates trade and other economic reforms consistent with Russia's membership of the WTO.

Safeguards and Fiduciary Issues

41. During the review period, two projects (energy and transport) that were closed and validated by IEG triggered environmental and social policies. The CLR states that fiduciary and safeguard issues have been well handled, and that there were no major issues during CPS implementation. The ICRs and the ICRRs noted full compliance with the applicable safeguards and a faithful application of the requirements, with no major issues or adverse impacts on both the environment and the population. Regarding possible fraud and corruption, INT noted four complaints in Belarus during the period FY14-17; three of these were not pursued but one (in the energy sector) remains open.

Ownership and Flexibility

42. The CLR does not discuss ownership in any depth. Overall, the impression is that the government's ownership of investment programs and their objectives has been significantly stronger than for structural reforms in the enterprise and financial sectors. For instance, most IPFs once approved were implemented at reasonable speed (although both civil works and TA contracts could be subject to delays), and project implementation delays have generally been resolved without affecting



the achievement of project outcomes. The Bank demonstrated flexibility by adjusting the program at the PLR stage. In cases where there was not sufficient dialogue with the government (such as on SOE restructuring, social assistance, labor market analysis, and unemployment insurance) or there were particular difficulties, planned programs were dropped, postponed or adapted.

WBG Internal Cooperation

43. The CPS was a joint strategy of the Bank and IFC. The latter was envisaged to contribute to CPS objectives and outcomes in the following areas: financial market diversification, improved environment for private investors, improved energy efficiency, and reduced cost of compliance for agribusiness. However, IFC's scope for new activities was reduced due to downturns in the economic environment and slower progress in structural reforms and in privatization. Nonetheless, the CLR reports that the Bank and IFC collaborated in several areas, mainly through IFC's advisory services, and through joint programmatic TA on SME development. These joint initiatives supported the CPS pillars on competitiveness and liberalized environment for private sector investment. In parallel, IFC also supported the Bank's Transit Corridor Improvement Project by undertaking advisory work on reducing border clearance times, thus contributing to the implementation of the CPS objective on infrastructure.

Risk Identification and Mitigation

44. The CPS and PLR identified and addressed appropriately the program risks. Thus the CPS identified as major risks the possible re-emergence of price and exchange risk instability, continued slow progress (or even reversals) of structural reforms, gas pricing, and deteriorating relations with the EU, which had remained strained since 1996 (with a few temporary reversals). The CPS document indicated that such risks could be managed to some extent through careful monitoring and consultations with key stakeholders. In case of reform stagnation, the CPS rightly indicated that WBG assistance would be calibrated, and in case of constrained reform space – which turned out to be the case – the Bank program would be limited to “traditional” uncontroversial investment projects for infrastructure needs, especially those with global public good benefits plus Bank ASA and IFC advisory services and (perhaps) investment in the private sector. The PLR confirmed that the risks (and responses) to program implementation identified in the CPS remained valid, saw the macro-economic risks to the CPS pillars as manageable, and noted that the risks arising from the strained relations with the EU and the West had become more manageable with the easing of the EU sanctions in February 2016.

Overall Assessment and Rating

45. Overall, IEG rates the WBG performance as **Good**.

46. Design. The CPS as designed addressed important areas for the development of Belarus, with an appropriate combination of lending and knowledge activities (ASA). ASA products had strong links with lending operations and reform initiatives. The program was relatively broad, but with reasonable selectivity at the level of focus areas and objectives. It sought to address (mostly through ASAs) some important areas of structural reforms while using investment lending operations to address other priorities in energy, agriculture and health and education. It was designed to be adaptable and flexible to better respond to the government's priorities and level of ambition. Hence, the CPS only identified planned lending operations for the first two years, and the program adjusted or dropped initiatives when met with lack of government interest. The choice of some indicators in the results framework was problematic, such as being based on surveys produced as part of other exercises (PEFA) that would not be delivered during much of the program period. Several outcome indicators were also pitched at the project rather than program levels, which could imply that these investments have limited additionality.

47. Implementation. The PLR came late in the CPS period. The CLR notes that the PLR should not have been allowed to slip into late FY16. The PLR led to the easing of some targets and the elimination of one objective, but otherwise the program was largely maintained. The actual lending



program was smaller than envisaged at the CPS and in the PLR. Portfolio performance at exit has been good (albeit based on just two projects) with respect to the ECA region and the Bank average. The active portfolio also showed good performance as measured by disbursement ratio and percentage of projects at risk. The actual IFC program was also smaller than in the previous period, and approvals were concentrated in the first year and heavily focused on trade finance. IFC also contributed through its advisory services in parallel to the implementation of some Bank operations, and Bank-IFC cooperation was regular and business-like. The Bank collaborated with development partners in a number of areas albeit collaboration was not formalized but through professional contacts. The government's ownership of investment programs and their objectives appears to have been significantly stronger than for structural reforms in the enterprise and financial sectors, as indicated by their relative degrees of progress. Fiduciary and safeguard issues have been well handled, and there were no major issues during CPS implementation. Risks were mostly adequately identified and reasonably addressed. Overall, the WBG has had to work within the constraints of a quite narrow framework, although the program reasonably took some risks for reforms that largely were not achieved.

7. Assessment of CLR Completion Report

48. The CLR is well organized and well prepared, and it covers the most important aspects. The CLR reports on the more general thematic issues, although it does not cover governance, when the PLR (one year earlier) noted that supporting governance related measures and building capacity in the public sector had been an integral part of IBRD operations. It could also have discussed the lower than planned level of IFC's activities and the issues for the Bank in working with a government focused on gradual economic and structural reforms. Finally, the CLR could have provided the Bank's calculations of the EBRD transition methodology (later provided separately to IEG) and alternative sources of verifiable evidence especially for Objective 1.

8. Findings and Lessons

49. IEG concurs with a number of the CLR lessons including: (i) successes are associated with areas where the WBG was able to align support with the authorities' reform plans, and which delivered concrete, easily measurable results and efficiency gains, and (ii) willingness to support reforms step by step but also willingness to understand detailed implementation practicalities and develop acceptable financing mechanisms is important for long-term.

50. IEG adds the following lessons:

- First, programs aiming at policy or structural reforms supported through ASA may need to be balanced with other instruments such as "traditional" investment lending for service delivery in order for a program to go forward even if the reform components do not receive sufficient government buy-in. In the case of Belarus, the program rightly included components addressing required reforms, but these components were mostly delayed or did not materialize, while the program's IPF components provided vehicles for dialogue with the government and to work towards more limited sectoral objectives.
- Second, program indicators need to be designed carefully to measure progress and achievements in the stipulated objectives. In the case of Belarus, the CPS used some indicators that were no longer monitored at the beginning of the CPS (EBRD transition indicators) or were based on surveys produced as part of other exercises (PEFA) that would not be delivered during the program period. Such indicators could have been retrofitted at the PLR and/or additional interim indicators provided to ensure monitoring and reporting of such indicators during and at the end of the CPS period.

Annex Table 1: Summary of Achievement of CPS Objectives - Belarus

Annex Table 2: Belarus Planned and Actual Lending, FY14-FY17

Annex Table 3: Analytical and Advisory Work for Belarus, FY14-FY17

Annex Table 4: Belarus Trust Funds Active in FY14-17

Annex Table 5: IEG Project Ratings for Belarus, FY14-17

Annex Table 6: IEG Project Ratings for Belarus and Comparators, FY14-17

Annex Table 7: Portfolio Status for Belarus and Comparators, FY14-17

Annex Table 8: Disbursement Ratio for Belarus, FY14-17

Annex Table 9: Net Disbursement and Charges for Belarus, FY14-17

Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Belarus

Annex Table 11: Economic and Social Indicators for Belarus, 2014-2016**

Annex Table 12: List of IFC Investments in Belarus

Annex Table 13: List of IFC Advisory Services in Belarus

Annex Table 14: IFC net commitment activity in Belarus, FY14 - FY17

Annex Table 15: List of MIGA Activities in Belarus, 2014-2017



Annex Table 1: Summary of Achievement of CPS Objectives - Belarus

	CPS FY14-FY17: Focus Area I: <i>Improving competitiveness of the economy by supporting structural reforms</i>	Actual Results	IEG Comments
<p>Major Outcome Measures</p>	<p>1. CPS Objective: Economic Stability and Competitiveness</p>		
	<p>Outcome 1: Progress made in structural reforms as measured by the following scores of the EBRD Transition Indicator:</p> <p>Indicator 1: Governance and Enterprise Restructuring Baseline: 1.7 (2014) Target: 2.0 (2017)</p> <p>Indicator 2: Price Liberalization Baseline: 3.0 (2014) Target: 3.3 (2017)</p> <p>Indicator 3: Trade and Forex System Baseline: 2.3 (2014) Target: 2.7 (2017)</p> <p>Indicator 4: Competition Policy Baseline: 2.0 (2014) Target: 2.3 (2017)</p>	<p>Various technical assistance (TA) contributed to this outcome such as the Programmatic Structural Reform TA (P143074, FY13-17) which supported policy dialogue and analytical work in (1) Macroeconomic Stability and Fiscal Sustainability; (2) Financial Markets and Allocation of Resources; (3) Social Expenditure Efficiency; (4) Factor and Product Market Reforms; (5) Transformation of State-Owned Enterprises (SOEs) and (6) Private Sector Development (see Operations Portal).</p> <p>The Fiscal Governance TA (P143355, FY13-16), supported policy dialogue with the government, after the preparation of the 2014 PEFA, which approved a Public Finance Management reform strategy in 2015 in the areas of medium term budgeting, program budgeting, treasury, debt management, and accounting (see Operations Portal).</p> <p>The Trade Policy Dialogue/WTO Accession TA (P133676, FY13-15) supported capacity-building for officials and analytical work was also prepared under the Regional Development AAA (P148164, FY15 ; see working papers) and the Heat Tariff Reform and Social Impact Mitigation Study (P146249, FY14-15, see working paper).</p> <p>The CLR reports that the four indicators were fully achieved – and the value reported for the Trade and Forex System is 2.8, exceeding the target. As reported in the CLR, EBRD stopped reporting Transition Indicators after 2014 and the data presented in the CLR is based on WBG staff calculations using EBRD methodology. The calculations were not presented in the CLR, but the country team has subsequently provided a comprehensive explanation to IEG on the calculations.</p>	<p>The CPS original Focus Area I was: « <i>Improving competitiveness of the economy by supporting structural reforms, including reducing the role of the state, transforming SOE sector, promoting private and financial sector development and integration into the global economy</i> ».</p> <p>Before the PLR, Outcome 1 also considered the following EBRD Transition Indicators: « <i>Small Scale Privatization, and Large Scale Privatization</i> ». In addition, the baseline and target for all the EBRD Transition Indicators were: Baseline: 2.2 (2012) Target: 2.7 (2017) (PLR, page 24).</p> <p>As reported in the CLRR: "EBRD scoring captures the progress in constructing market economy. Score 1 designates limited reforms, while score 4 is for a mature market economy".</p>



CPS FY14-FY17: Focus Area I: <i>Improving competitiveness of the economy by supporting structural reforms</i>	Actual Results	IEG Comments
	<p>As reported in the CLR, a competition law was enacted in 2014 (see legal information).</p> <p>The WB also supported the liberalization of prices for goods and services and the development of a Roadmap for Structural Reform (see the December 2017 WBG Economic Update, the 2016 IMF Article IV and the WBG Country Program Snapshot) incorporated in the Government Program of Socio-Economic Development for 2016-2020. However, as reported in the CLR, the action plan to address price liberalization was not prepared during CPS implementation.</p> <p>Achieved.</p>	
<p>Outcome 2: More transparent management of public resources as measured by:</p> <p>Indicator 1: PEFA PI10 - public access to key fiscal information Baseline: C (2009) Target: B (2017)</p>	<p>The TAs reported for Outcome 1 also contributed to this outcome, as well as the Public Financial Management Modernization Project – PFMMP (P146997, FY16).</p> <p>Indicator 1: the CLR indicates that in 2016 public access to fiscal information was improved by the introduction of mandatory disclosure of contract award information and executive budget proposals. In addition, in December 2016 the Government approved a Medium-Term Financial Program for 2017-2019 that includes a break-down of expenditure for investment programs. The 2014 PEFA score for this indicator was B. PEFA data is only available for 2009 and 2014, not 2017 (see PEFA page) although additional information provided by the country team (video conference minutes on the status of the PFMMP activities implementation) , on project P146997, indicates that indicator PEFA PI-10 has been achieved. The information could not be verified. Not Verified.</p> <p>Indicator 2: the CLR reports that this indicator was achieved as a result of the expansion of the coverage of the Treasury Single Account and of improved control over loans and guarantees. The 2014 PEFA score for this indicator was B+.</p>	<p>The latest ISR: MS (February 2018) of project P14699 does not permit to validate the information provided by the country team (the VC minutes) since the ISR did not present comparable indicators that would permit to verify progress on indicators PEFA PI10 and PEFA PI17.</p>



	CPS FY14-FY17: Focus Area I: <i>Improving competitiveness of the economy by supporting structural reforms</i>	Actual Results	IEG Comments
	<p><u>Indicator 2</u>: PEFA PI17 - recording and management of cash balances, debt and guarantees Baseline: C+ (2009) Target: B+(2017)</p>	<p>PEFA data is not available 2017 (see PEFA page) although additional information provided by the country team (video conference minutes on the status of the PFMMP activities implementation), on project P146997, indicates that indicator PEFA PI-17 has been achieved since "Recording and management of cash balances, debt and guarantees has improved due to expansion of the Treasury Single Account (TSA) coverage, as well as streamlining the mechanisms for borrowings and guarantees monitoring". This information could not be verified from the ISR. Not Verified.</p>	
2. CPS Objective: Deepening financial intermediation on market-based terms			
	<p>Outcome 1: Improved financial inclusion as evidenced by:</p> <p><u>Indicator</u>: Share of population with savings account at a formal financial institution increased: Baseline: 19% (2012) [18.6% male, 19.3% female] Target: 30% (2017) [30% male, 30% female]</p>	<p>The WBG supported the preparation of an update of the Belarus Financial Sector Assessment – FSAP (P157917, FY16). Other TA approved between FY14-16 for this sector were developed under the Programmatic Financial Sector Monitoring TA (P147039, FY14); the Consumer Protection and Financial Literacy (P144749 and P152000, see working paper) and the Regulation/ supervision of NBFIs (P153172, see the technical note).</p> <p>As reported in the CLR, in spite of progress on some aspects of the financial inclusion agenda, due to the economic slowdown and decline in real incomes, only 11% of the population had a savings account at a formal financial institution as of 2016. Not Achieved.</p>	<p>The gender indicators were added at PLR stage.</p>
	<p>Outcome 2: Increased diversification of financial market as measured by:</p> <p><u>Indicator 1</u>: Reduced flow of government directed lending on non-market terms (% of GDP) Baseline: 7.0% (2013) Target: 4.0% (2017)</p>	<p>The TAs that contributed to this outcome are also reported under Outcome 1. In addition, the IFC Trade Finance (FY14) and MSME Lending programs supported Outcome 2. Achieved.</p> <p><u>Indicator 1</u>: the CLR reports that the flow of government directed lending on non-market terms dropped to 2.6% of GDP in 2016. It also indicates that a multi-year plan for reduction of government directed</p>	<p>At PLR stage, Indicator 1 was changed from: "Increased share of mortgage lending at market terms Baseline: 20% (2013) Target: 40% (2017) ».</p>



	CPS FY14-FY17: Focus Area I: <i>Improving competitiveness of the economy by supporting structural reforms</i>	Actual Results	IEG Comments
	<p><u>Indicator 2:</u> Increased availability of financing for MSMEs up to US\$ 10 million per annum (Y/N)</p>	<p>lending by 2017 has been approved, as part of the Program of the Activities of the Government for 2016-2020 (see Financial Stability in the Republic of Belarus 2016 report). As reported in IMF 2016 Article IV the Government has begun to reduce the stock of directed lending, « beginning with a 1.6% of GDP cut in 2016, with planned cuts of 2.1 % of GDP in 2017 and of 2.2% of GDP in 2018 ». However, the reported information does not provide detail on « non-market terms ». Achieved.</p> <p><u>Indicator 2:</u> in 2014 the IFC provided a US\$13 million credit line to Belnarodny Bank (BNB) to support the MSME sector (project 34287, XPSR development outcome rating: successful), complementing the US\$175 million IFC program (project 37722), aimed at supporting Belarusian export companies (as part of the Global Trade Facilitation Program, GTFP and channeled through five commercial banks, see BNB information). Achieved.</p>	
3. CPS Objective: Liberalized environment for private sector investment			
	<p><u>Outcome 1: Improved business environment for private entrepreneurs/investors evidenced by:</u></p> <p><u>Indicator 1:</u> Growth in newly created private enterprises and individual entrepreneurships Baseline: 8% (2010) Target: 12% (2017)</p>	<p>The IFC Regulatory simplification, investment climate improvement TA (0057614, FY14) and the IFC Sector-specific business regulation (00576147, FY15) as well as various TAs such as the Programmatic Private Sector Development (P147060, FY14-16, see draft report), which included TA on SME Organization and Development Strategy (P151572); on National Quality Infrastructure (P151570) and on Minority's Shareholders rights (P151571) in addition to the Pilot Enterprise Privatization TA (P125389, FY10, see ISR: MS of February 2017) supported this outcome. Not Achieved.</p> <p><u>Indicator 1:</u> the CLR reports that growth in new businesses was impacted by the recession after 2015 which resulted in a 21.3% decline in the registration of new individual entrepreneurs between 2015</p>	<p>The attribution of this result to the WBG program is not verified, considering the nature of the WBG program in the sector, mainly ASAs.</p> <p>Although the following two indicators are rated Not Achieved and Partially Achieved, Belarus' overall ranking in Doing Business improved from the 63rd position in 2014 (see report) to the 37th position in 2017 (see report).</p>



	CPS FY14-FY17: Focus Area I: <i>Improving competitiveness of the economy by supporting structural reforms</i>	Actual Results	IEG Comments
		and 2016 (31,151 new individual entrepreneurs registration in 2016, compared to 39,610 new individual entrepreneurs registered in the same period in 2015) - while the registration rate of legal entities grew by 1.9%. Not Achieved.	
	<u>Indicator 2:</u> A number of legal entities stating unstable legislation as a severe obstacle for business Baseline: 59% (2012) Target: 34% (2017)	<u>Indicator 2:</u> the rate of legal entities stating unstable legislation as a severe obstacle for business went down to 40.9% according to the Business in Belarus 2016 report prepared by the IPM Research Center. Partially Achieved.	
	<u>Outcome 2: Stronger reliance of the economy on private sector evidenced by:</u> <u>Indicator:</u> Growing share of MSMEs in employment Baseline: 26.3% (2012) Target: 30% (2017)	The operations presented above for Outcome 1 also supported Outcome 2. The CLR reports that the target was not achieved since the share of MSMEs in employment grew to 26.7% in 2014 and decreased to 26.3% in 2016. Not Achieved.	
	CPS FY14-FY17: Focus Area II: <i>Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry resources and increased global public good benefits</i>	Actual Results	IEG Comments
	4. CPS Objective: Enhanced energy security and efficiency of resource use:		
<u>Major Outcome Measures</u>	<u>Outcome 1: Increased energy efficiency in the Bank-supported projects as measured by:</u> <u>Indicator:</u> Reduced annual gross consumption of energy resources Baseline: by 15 ml m3/year (2012, PCR, Post Chernobyl Recovery Project)	Through the Post-Chernobyl Recovery Project – PCR (P095115, FY06 and additional financing P118376, FY11, IEG: S) about 365,000 MWh of energy were saved (heat energy and electricity savings) between FY06 and FY14, or an equivalent of 34.41 million m3. Through the Energy Efficiency Project – EEP (P108023, FY09 and additional financing P133442, FY13), 93.14 MW of energy was saved as of June 2017 according to the June 2017 ISR: S or an equivalent of 8,780 m3. In addition, the	The following website was consulted to convert MWh to m3. At PLR stage, the target for was changed from the original target: “by 155 ml m3/year (2017), including through: PCR: by 20 ml m3/year; EEP: by 90 ml m3/year and EEP AF: by 45 ml m3/year ».



CPS FY14-FY17: Focus Area II: <i>Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry resources and increased global public good benefits</i>	Actual Results	IEG Comments
<p>Target: by 134 ml m3/year (2017), including through: PCR: by 26 ml m3/year EEP: by 87 ml m3/year (Energy Efficiency Project), EEP AF: by 21 ml m3/year</p>	<p>project permitted gas savings of 92, 314 thousand cubic meters or an equivalent of 92.314 million m3. The December 2017 Restructuring Paper of the EEP does not provide updated information but indicated that the project was reaching successful completion and that the PDO was expected to be achieved satisfactorily at project closing.</p> <p>The sum of the energy savings from these two projects indicates that 126.54 million m3 of energy was saved by June 2017. Mostly Achieved.</p>	
<p>Outcome 2: Reductions in carbon emissions through Bank-supported projects (tons/year, CO₂ equivalent)</p> <p>Baseline: 40,800 (2012, PCR)</p> <p>Target: 53,029 (2013, PCR+EEP) 66,381 (2014, PCR+EEP) 125,427 (2015, PCR+EEP) 213,621 (2016, PCR+EEP) 253,675 (2017, PCR+EEP)</p>	<p>Through the PCR (IEG: S), the estimated total emission reductions were 121,147 tons of CO₂ equivalent between FY06 and FY14.</p> <p>The June 2017 ISR: S of the EEP does not report information on the reduction in carbon emissions in CO₂ equivalent but only on total efficiency and gas savings, as reported under Outcome 1.</p> <p>The target only mentioned emission reductions from the PCR and the EEP projects (see IEG comment). Consequently, only the emission reduction achieved through the PCR can be validated, which represents a total emission reduction of 121,147 tons of CO₂ equivalent, compared to 232, 000 tons of CO₂ equivalent reported by the CLR). Partially Achieved.</p>	<p>At PLR stage, the target was changed from: "77,000 (2013, PCR +EEP); 142,000 (2014 PCR +EEP); 207,000 (2015 PCR+EEP); 232,000 (2016 PCR, EEP); 322,000 (2017 PCR, EEP + Biomass DH) ».</p> <p>According to the January 2018 ISR: S of the Biomass District Heating Project (P146194, FY14), 1,154,620 metric ton of CO₂ emissions were saved as of June 2017 and according to the last ISR: S (April 2017) of the Forestry Development Project (P147760, FY15), 4.712 millions of metric tons of carbon were sequestered as of April 2017.</p>
<p>Outcome 3: Increased use of renewable energy resources in</p>	<p>Through the PCR (P095115, FY06 and additional financing P118376, FY11, IEG: S), about 248,736 MWh/year of heat and</p>	



CPS FY14-FY17: Focus Area II: <i>Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry resources and increased global public good benefits</i>	Actual Results	IEG Comments
<p>the Bank-supported projects as measured by:</p> <p><u>Indicator:</u> Annual energy amount of renewable fuel used</p> <p>Baseline: 23,350 MWh/year (2012, PCR/P)</p> <p>Target: 200,000 (55,000 + 145,000 MWh/year (2017, PCR/P and BDHP))</p>	<p>15,800 MWh/year of electricity were saved per year, between FY06 and FY13.</p> <p>In addition, according to the January 2018 ISR: S of the Biomass District Heating Project (P146194, FY14), 339,834 MWh of lifetime energy savings as of October 2017.</p> <p>Achieved.</p>	
<p>5. CPS Objective: Improved standards in the agriculture and forestry sectors</p>		
<p><u>Outcome 1: Forestry sector reform roadmap developed as evidenced by:</u></p> <p><u>Indicator:</u> Forest sector reform strategy developed and adopted (Y/N)</p> <p>Baseline: No (2014)</p> <p>Target: Yes (2017)</p>	<p>The Forest Law Enforcement and Governance (FLEG) Programs I and II – which included Belarus among other ECA countries – provided analytical background for the new National Forestry Sector Strategic Plan 2015-2030 (see WBG project page) that was endorsed by the Government (see Management: MS for the ENPI East Countries FLEG II Program, P131138, FY14).</p> <p>The CLR reports that this plan was approved and is under implementation, with support from the Forestry Development Project (P147760, FY15) - the last ISR: S (October 2017) reports progress on the intermediate result indicator “reforms in forest policy, legislation or other regulations supported”, and mentions that since 2017 a new Forest Code came into force. Achieved.</p>	<p>In addition, as reported in the ISR: S of project P147760, Belarus approved in 2017 a new Forest Code that was supposed to enter into force in 2017 as well as the State Program Belarussian Forest 2016-2020 (see the December 2016 country presentation of the ENPI-FLEG).</p>
<p><u>Outcome 2: The cost of compliance for agri-business reduced as evidenced by:</u></p> <p><u>Indicator 1:</u> The system of food safety control is aligned with EU practice as confirmed by IFC expert and EU missions (Y/N)</p>	<p>The WBG supported the agriculture sector through the Strengthening Institutional Capacity for M&E of agricultural policy instrument TA (P120720, FY11-15) and the IFC Belarus Food Safety Project (00599215, delivered in FY14, completion report rating: Successful). Mostly Achieved.</p> <p><u>Indicator 1:</u> the completion report of the IFC Belarus Food Safety Project indicates that this indicator has been achieved since the country has adopted EU Hazard</p>	



CPS FY14-FY17: Focus Area II: <i>Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry resources and increased global public good benefits</i>	Actual Results	IEG Comments
<p>Baseline: No (2014) Target: Yes (2017)</p> <p><u>Indicator 2:</u> Belarus dairy and poultry sectors get approved by EU for exports (Y/N) Baseline: No (2014) Target: Yes (2017)</p>	<p>Analysis and Control Critical Control point (HACCP) compliant guidelines for the dairy and poultry sectors. Achieved.</p> <p><u>Indicator 2:</u> the CLR reports that this indicator has been partially achieved for the dairy sector and not achieved for the poultry sector since only the dairy sector has been certified for export to the EU with the DG SANCO. The completion report of the IFC Belarus Food Safety Project indicates that four dairy companies were approved for exporting importing products to the European market and does not report on approval for the poultry sector. Partially Achieved.</p>	
<p>Outcome 3: Increased efficiency of food sector</p> <p><u>Indicator:</u> US\$30 ml in increased sales for client companies of Food Safety Project (Y/N) Baseline: No (2014) Target: Yes (2017)</p>	<p>The CLR reports that this outcome has been achieved since there has been a USD 34 million increase in sales for client companies of IFC Food Safety Project thanks to advisory services provided to about 400 companies. The completion report of the IFC Belarus Food Safety Project confirms that beneficiaries had an increase in sales revenues over USD 34.2 million. Achieved.</p>	
<p>6. CPS Objective: Improved public infrastructure and municipal public utility services</p>		
<p>Outcome 1: Improved quality of supplied water as measured by:</p> <p><u>Indicator:</u> Population provided with access to drinking water compliant with national quality standards Baseline: 0 (2013) Target: 277,000 (2017)</p>	<p>Through the Water Supply and Sanitation System project (P101190, FY09 and additional financing, P146493, FY14), 322,751 people were provided access to improved water, as of August 2017, as per the ISR: MS of September 2017. Achieved.</p>	<p>The project supports compliance with national quality standards through the removal of pollution loads in the drinking water systems by investing in wastewater treatment plants.</p>
<p>Outcome 2: Improved performance of wastewater treatment systems as measured by:</p> <p><u>Indicator:</u> % of regulatory treated wastewater samples complying</p>	<p>The CLR reports that the share of regulatory treated wastewater samples complying with the national standards for BOD, nitrogen and phosphor levels reached 100% on April 2017 in all target communities.</p>	<p>At PLR stage the following cities were removed from Indicator 1: "Rogachev, Glubokoye, Verkhnedvinsk: Baseline: 90% (2013) Target: >95% (2017) Berezino:</p>



<p>CPS FY14-FY17: Focus Area II: <i>Improved efficiency and quality of public infrastructure services, enhanced and sustainable use of agricultural and forestry resources and increased global public good benefits</i></p>	<p>Actual Results</p>	<p>IEG Comments</p>
<p>with national standards for BOD, nitrogen and phosphor levels <i>Dubrovno:</i> Baseline: 0% (2013) Target: >95% (2017) <i>Baranovitchi, Pinsk:</i> Baseline: 90% (2013) Target: >95% (2017) <i>Gantsevichy:</i> Baseline: 80% (2013) Target: >95% (2017) <i>Gorodok:</i> Baseline: 71% (2013) Target: >95% (2017)</p>	<p>As per the ISR: MS of September 2017 of the Water Supply and Sanitation System project (P101190, FY09 and additional financing, P146493, FY14), all targets were achieved, in Baranovitchi (actual was 99%). Data was not reported for the other cities. The ISR also reported that the wastewater treatment plants were not all completed. Partially Achieved.</p>	<p><i>Baseline: 83% (2013)</i> <i>Target: >95% (2017) »</i></p>
<p>Outcome 3: Reduced amount of waste disposed at landfill and higher rates of material recovery from solid waste as measured by:</p> <p><u>Indicator:</u> Tons of waste that will not be buried in the landfill due to the new facility Baseline: 0 (2013) Target: 20,000 (2017)</p>	<p>According to the last ISR: MS (June 2017) of the Integrated Solid Waste Management Project (P114515, FY10), 4,735 tons of waste will not be buried in the landfill due to the new facility, as of June 2017. The ISR also indicates that the separate collection system will start operating in full on July, 1st 2017 and will need 8-12 months to mature. Partially Achieved.</p>	<p>At PLR stage, the target date was changed from 2015 to 2017.</p>
<p>Outcome 4: Transport costs for road users on the upgraded sections of the M5 road reduced as measured by:</p> <p><u>Indicator:</u> Reduced Vehicle Operating Cost, % Baseline: 100% (2013) Target: 94% (2014)</p>	<p>The Road Upgrading and Modernization Project (P118375, FY11) supported this Outcome. According to IEG: S, vehicle operating costs (VOC) were reduced by 14% by June 2015, reaching 86%. Achieved.</p>	<p>The CLR also reports that the VOC were reduced to 79% in 2016 – this data was not reported in the ICRR that reports data until 2015.</p>
<p>Outcome 5: Road safety improved on the upgraded sections of the M5 road as measured by:</p> <p><u>Indicator:</u> Reduction in number of traffic fatalities Baseline: 12 (2010) Target: 5 (2014)</p>	<p>Project P118375 also supported this Outcome. According to IEG: S, the number of fatalities dropped from 9 to 5 between 2011 and 2015 and the number of injured people decreased from 16 to 9 during the same period. Additional information provided by the Ministry of Transport and Communications reports that the number of fatalities dropped to 2 in 2016, in the project M5 road sections. Achieved.</p>	



	CPS FY14-FY17: Focus Area III: <i>Improved human development outcomes through better delivery of education, health and social services</i>	Actual Results	IEG Comments
<p>Major Outcome Measures</p>	<p>7. CPS Objective: Laying the ground for increased efficiency of health and education services delivery</p> <p>Outcome 1: Continued reforms in the area of school network reorganization as measured by:</p> <p>Indicator 1: Rollout of per-student financing started by 2017 (Y/N) Baseline: No (2014) Target: Yes (2017)</p> <p>Indicator 2: Increased school autonomy and improved efficiency indicators (class-size, student-teacher ratio) in pilots by 2016 –</p> <p>Baselines and targets to be established under Education Sector TA (Y/N)</p>	<p>The Bank supported this Outcome through the Programmatic Education Sector TA (projects P144996; P152006 and P152007); that included analytical work and capacity-building activities delivered between FY13 and FY15, and through the Strengthening Evidence-Based Policymaking for Education Sector Reforms TA (P148814, FY15). Mostly Achieved.</p> <p>Indicator 1: the completion Summary Note of the activities undertaken under the Programmatic Education Sector TA indicates that the roll-out activity for per-student financing (PSF) was initiated in April 2013 and that a small-scale pilot was launched on January 1, 2015, in 34 urban secondary schools throughout Belarus. The November 2016 ISR: S of project P148814 indicates that the pilot was scaled up to 188 schools in 2016 and that, by 2017, the PSF was expected to increase to around 350-400 schools. However, available information does not permit to verify that, as of January 2017, the pilot was implemented in 642 schools, as reported in the CLR. Achieved.</p> <p>Indicator 2: the completion Summary Note of the activities undertaken under the Programmatic Education Sector TA indicates that technical workshops on PSF were developed, covering principles of autonomy and accountability mechanisms as well as on teacher remuneration. No specific baselines or targets are reported in the Summary Note. In addition, no publicly available information permits to verify that, as reported in the CLR, average class size in participating schools increased by 0.5 students and that the ratio of the number of students and teachers of institutions of general secondary education in Baranovich participating in the pilot project stood at 9.2 in 2015 and at 9.47 in 2017. Not Verified.</p>	<p>Before the PLR, Focus Area III had two original Objectives: « <i>Improved social protection and greater labor market efficiency</i> » and « <i>Increased efficiency of health and education services delivery</i> ».</p> <p>At PLR, the following Outcomes and indicators were taken out: « <i>Long-term care services reforms roadmap developed as evidenced by:</i></p> <ul style="list-style-type: none"> - <i>Plan for developing and reforming long-term care services finalized (Y/N);</i> - <i>Enhanced capacity of the national employment service to use labor market data for policy design sustained as evidenced by:</i> <p><i>Continuous use of the Labor Force Survey(Y/N) ».</i></p> <p>The Education Modernization Project (P148484, FY16) does not present indicators related to Indicators 1 and 2 (see last ISR: S of October 2017).</p>



	CPS FY14-FY17: Focus Area III: <i>Improved human development outcomes through better delivery of education, health and social services</i>	Actual Results	IEG Comments
	<p>Outcome 2: Policy framework for health sector reforms improved as evidenced by:</p> <p>Indicator: Health sector reforms strategy developed by 2017 with design reflecting international experiences (Y/N) Baseline: No (2014) Target: Yes (2017)</p>	<p>As reported in the CLR, the Government of Belarus adopted in February 2017 <i>The Health of the Nation and Demographic Safety of Belarus for 2016-2020</i> program (see Government's press release). The WBG supported the health sector through the Improving Quality of Health Care Programmatic TA (P14761, FY15, see the overview of activities and results) which supported the dissemination of best international practices in the country and the design and implementation of health reforms in the following priority areas: primary care sector and rationalization of the hospital network; reform to the payment system for health providers; reforms to step up prevention activities and reduction of risk factors for cardiovascular diseases; and Reforms to develop Health Management Information System. Finally, the Health Sector Modernization Project (P156778, FY17), under implementation, supports the implementation of these reforms (although the last ISR: S of January 2018 does not yet report progress). Achieved.</p>	<p>Before the PLR, the original outcome and indicator were: "<i>Roadmap for health sector reform developed as evidenced by: Health sector reforms strategy developed by 2016 with design reflecting international experiences (Y/N)</i>".</p>



Annex Table 2: Belarus Planned and Actual Lending, FY14-FY17

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount	Outcome Rating
Project Planned Under CPS/PLR FY14-17					CPS	PLR		
P146194	Biomass-based District Heating	FY14	2014	2020	90		90	LIR: S
P146493	Water Supply/Sanitation AF	FY14	2014		60		90	
P147760	Forest Management Improvement	FY15	2015	2021	40		40.7	LIR: S
	PFM Modernization	FY15			100			
P149697	Transit Corridor Improvement Project	FY15	2015	2020		250	250	LIR: S
P146997	Public Financial Management Modernization Project***	FY16	2016	2021		10	10	LIR: S
P148181	Belarus Education Modernization Project	FY16	2016	2021		50	50	LIR: S
Moved by FY18	Belarus Competitiveness Enhancement Project	FY17				120		
DROPPED	Development Policy Operation	FY17				200		
P156778	Belarus Health System Modernization Project	FY17	2017	2022		125	125	LIR: S
	Total Planned				290	755	655.7	
Unplanned Projects during the CPS Period								
	None							
	Total Unplanned				0		0	
On-going Projects during the CPS/PLR Period			Approval FY	Closing FY			Approved IBRD Amount	
P095115	POST-CHERNOBYL RECOVERY		2006	2014			50	
P118376	POST-CHERNOBYL RECOVERY - ADDL FINANCING		2011	2014			30	IEG: S
P101190	WATER SUPPLY AND SANITATION		2009	2019			60	LIR: MS
P108023	Energy Efficiency Project		2009	2018			125	LIR: S
P114515	INTG SOLID WASTE MGT		2010	2017			43	LIR: MS
P118375	ROAD UPGRADE & MODERN		2011	2016			150	IEG: S
P133442	Energy Efficiency AF**		2013	2018	90		90	
	Total On-going						548	

Source: CPS and PLR, WB Business Intelligence Table 2a.1, 2a.4 and 2a.7 as of 3/5/17

*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

** Under the CPS planned but FY13 approval

*** Scaled down to \$10M in the PLR



Annex Table 3: Analytical and Advisory Work for Belarus, FY14-FY17

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P146249	Tariff Reform & Social Impact Mitigation	FY15	Sector or Thematic Study/Note
P148164	Regional Development Policy Notes	FY15	Sector or Thematic Study/Note
P152143	Scaling up EE in buildings	FY16	Sector or Thematic Study/Note
P157917	Belarus FSAP Update	FY17	Financial Sector Assessment Program (FSAP)
Proj ID	Technical Assistance	Fiscal year	Output Type
P125361	Belarus LFS	FY14	Technical Assistance
P144749	Belarus Technical Assistance on CPFL	FY14	Technical Assistance
P145222	Social Accountability Municipal Services	FY14	Technical Assistance
P122849	Belarus Privatization	FY15	Technical Assistance
P147612	Improving Quality of Health Care TA	FY15	Technical Assistance
P151570	Advice on Nat'l Quality Infrastructure	FY15	Technical Assistance
P151571	Advice on Minority Shareholders' Rights	FY15	Technical Assistance
P144996	Belarus Programmatic Education TA	FY15	Technical Assistance
P152006	Belarus Programmatic Education TA (FY13)	FY15	Technical Assistance
P152007	Belarus Programmatic Education TA (FY14)	FY15	Technical Assistance
P153172	Regulation/supervision of NBFIs	FY15	Technical Assistance
P155678	TA to Development Bank of Belarus	FY15	Technical Assistance
P147039	Programmatic FS Monitoring TA	FY16	Technical Assistance
P143074	Structural Reform TA	FY16	Technical Assistance
P143355	Fiscal Governance TA	FY16	Technical Assistance
P152000	Belarus Technical Assistance CPFL	FY16	Technical Assistance
P153870	Belarus Education PSIA	FY16	Technical Assistance
P157621	Strengthening Social Protection	FY17	Technical Assistance
P158105	Belarus Shared Prosperity	FY17	Technical Assistance
P160002	Property Valuation and Taxation Review	FY17	Technical Assistance

Source: WB Business Intelligence 3/5/18

*NO RAS

**P133676 WTO Accession TA mentioned in Annex 1 has been delivered in FY13



Annex Table 4: Belarus Trust Funds Active in FY14-17

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P152636	Forestry Development Project	TF A1173	2015	2021	2,739,726
P148814	Strengthening Evidence-Based Policymaking for Education Sector Reforms	TF 16518	2015	2018	340,000
P147073	Improving Efficiency and Transparency of Public Finance Management	TF 15275	2014	2017	1,200,000
P146335	Preparation of the Sixth National Communication for the Implementation of the United Nations Framework Convention on Climate Change	TF 15501	2014	2015	300,000
P130186	ECA 3a - Incubation & Innovation Systems - Belarus - Mogilev	TF 12046	2012	2014	75,000
P120720	Strengthening Institutional Capacity for Monitoring and Evaluation of Agricultural Policy Instruments - IDF	TF 98649	2012	2015	496,000
P125389	Belarus Privatization	TF 98603	2011	2019	4,600,000
P111110	Belarus POPs Stockpile Management Project (GEF)	TF 96993	2011	2014	5,500,000
Total					15,250,726

Source: Client Connection as of 10/2/17

** IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Belarus, FY14-17

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
2014	P095115	POST-CHERNOBYL RECOVERY	79.9	SATISFACTORY	MODERATE
2016	P118375	ROAD UPGRADE & MODERN	146.1	SATISFACTORY	MODERATE
Total			226.0		

Source: AO Key IEG Ratings as of 3/5/18

Annex Table 6: IEG Project Ratings for Belarus and Comparators, FY14-17

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Belarus	226.1	2	100.0	100.0	100.0	100.0
ECA	11,240.7	103	93.8	78.6	62.8	51.5
World	66,753.2	725	85.8	73.7	51.5	43.5

Source: WB AO as of 3/5/18



Annex Table 7: Portfolio Status for Belarus and Comparators, FY14-17

Fiscal year	2014	2015	2016	2017	Ave FY14-17
Belarus					
# Proj	5	7	8	8	7
# Proj At Risk	1	1			1
% Proj At Risk	20.0	14.3	-	-	14.3
Net Comm Amt	647.5	938.2	848.2	930.7	841
Comm At Risk	42.5	42.5			43
% Commit at Risk	6.6	4.5			5.1
ECA					
# Proj	202	207	197	202	202
# Proj At Risk	36	30	40	34	35
% Proj At Risk	17.8	14.5	20.3	16.8	17.3
Net Comm Amt	26,638.2	26,192.1	27,213.5	25,219.5	26,316
Comm At Risk	2,619.0	3,507.2	4,288.2	5,460.1	3,969
% Commit at Risk	9.8	13.4	15.8	21.7	15.1
World					
# Proj	1,386	1,402	1,398	1,460	1,412
# Proj At Risk	329	339	336	344	337
% Proj At Risk	23.7	24.2	24.0	23.6	23.9
Net Comm Amt	183,153.9	191,907.8	207,350.0	212,541.7	198,738
Comm At Risk	39,748.6	44,430.7	42,715.1	50,837.9	44,433
% Commit at Risk	21.7	23.2	20.6	23.9	22.4

Source: WB BI as of 9/28/17

Note: Only IBRD and IDA Agreement Type are included

Annex Table 8: Disbursement Ratio for Belarus, FY14-17

Fiscal Year	2014	2015	2016	2017	Overall Result
Belarus					
Disbursement Ratio	36.9	11.9	15.4	28.4	22.1
Inv Disb in FY	108.5	43.7	94.5	163.6	410.2
Inv Tot Undisb Begin FY	294.0	366.1	615.2	576.9	1,852.3
ECA					
Disbursement Ratio	22.8	23.5	17.5	20.7	21.0
Inv Disb in FY	2,612.0	2,664.4	2,275.6	2,857.1	10,409.1
Inv Tot Undisb Begin FY	11,467.5	11,342.1	13,028.9	13,776.0	49,614.4
World					
Disbursement Ratio	20.8	21.8	19.5	20.5	20.6
Inv Disb in FY	20,757.7	21,853.7	21,152.9	22,129.9	85,894.1
Inv Tot Undisb Begin FY	99,854.3	100,344.9	108,600.3	108,175.4	416,974.9

* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.

Source: AO disbursement ratio table as of 9/28/17



Annex Table 9: Net Disbursement and Charges for Belarus, FY14-17

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY14	107,499,583.3	11,111,224.8	96,388,358.5	3,217,878.7	225,000.0	92,945,479.8
FY15	43,555,609.3	14,725,698.9	28,829,910.5	3,268,653.7	1,075,000.0	24,486,256.8
FY16	93,836,706.2	33,789,310.0	60,047,396.3	4,669,468.0	1,003,766.3	54,374,162.0
FY17	162,962,490.9	62,156,415.3	100,806,075.6	9,930,295.7	1,203,591.1	89,672,188.8
Report Total	407,854,389.8	121,782,649.0	286,071,740.8	21,086,296.1	3,507,357.4	261,478,087.3

World Bank Client Connection 10/2/17

Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Belarus

Development Partners	2014	2015	2016
All Donors, Total	-4.8	-4.71	..
DAC Countries, Total	-3.68	-3.64	..
United Kingdom	-0.04
United States	-3.64	-3.64	..
Multilaterals, Total	356.58	352.13	..
Non-DAC Countries, Total	-1.12	-1.06	..
Kuwait (KFAED)	-1.12	-1.06	..

Source: OECD Stat. DAC2a as of 10/3/17

* Data only available up to FY16

Annex Table 11: Economic and Social Indicators for Belarus, 2014-2016**

Series Name				Belarus	ECA	World
	2014	2015	2016	Average 2014-2016		
Growth and Inflation						
GDP growth (annual %)	1.7	(3.8)	(2.6)	-1.6	1.8	2.7
GDP per capita growth (annual %)	1.6	(4.0)	(2.8)	-1.7	1.3	1.5
GNI per capita, PPP (current international \$)	18,320.0	17,550.0	17,210.0	17,693.3	30,313.4	15,666.8
GNI per capita, Atlas method (current US\$) (Millions)	7,600.0	6,720.0	5,600.0	6,640.0	24,457.4	10,598.2
Inflation, consumer prices (annual %)					0.5	2.0
Composition of GDP (%)						
Agriculture, value added (% of GDP)	8.3	7.2	7.9		2.2	3.8
Industry, value added (% of GDP)	40.1	37.7	36.1		25.6	27.5
Services, etc., value added (% of GDP)	51.7	55.1	56.0		72.2	68.7
Gross fixed capital formation (% of GDP)	33.2	28.7	23.9	28.6	20.1	23.5
Gross domestic savings (% of GDP)	34.1	29.1	25.2	29.5	23.7	24.9
External Accounts						
Exports of goods and services (% of GDP)	54.9	58.0	62.7	58.5	41.5	29.8
Imports of goods and services (% of GDP)	55.7	57.9	62.8	58.8	38.3	29.2



Series Name				Belarus	ECA	World
	2014	2015	2016	Average 2014-2016		
Current account balance (% of GDP)	(6.6)	(3.3)	(3.6)			
External debt stocks (% of GNI)	54.3	72.7	..			
Total debt service (% of GNI)	7.0	9.9	..			
Total reserves in months of imports	1.3	1.4	1.8		7.4	13.1
Fiscal Accounts*						
General government revenue (% of GDP)	38.9	41.3	42.7	41.0		
General government total expenditure (% of GDP)	38.8	43.5	46.1	42.8		
General government net lending/borrowing (% of GDP)	0.1	(2.2)	(3.4)	-1.8		
General government gross debt (% of GDP)	39.5	53.3	53.9	48.9		
Health						
Life expectancy at birth, total (years)	73.0	73.6	..	73.3	77.3	71.8
Immunization, DPT (% of children ages 12-23 months)	97.0	99.0	98.0	98.0	93.1	85.4
Improved sanitation facilities (% of population with access)	94.3	94.3	..	94.3	93.1	67.3
Improved water source (% of population with access)	99.1	99.1	..	99.1	96.0	84.2
Mortality rate, infant (per 1,000 live births)	3.5	3.4	..	3.5	9.9	32.2
Education						
School enrollment, preprimary (% gross)	105.0	103.2	..	104.1	74.6	48.1
School enrollment, primary (% gross)	99.0	101.3	..	100.2	103.3	104.2
School enrollment, secondary (% gross)	107.0	107.1	..	107.1	106.0	76.4
Population						
Population, total (Millions)	9,474,511	9,489,616	9,507,120	9,490,416	907,504,936	7,355,447,389
Population growth (annual %)	0.1	0.2	0.2	0.1	0.5	1.2
Urban population (% of total)	76.3	76.7	77.0	76.7	70.9	53.8
Poverty						
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	-			
Poverty headcount ratio at national poverty lines (% of pop)	4.8	5.1	..	5.0		
Rural poverty headcount ratio at national poverty lines (% of rural pop)	7.9	8.7	..	8.3		
Urban poverty headcount ratio at national poverty lines (% of urban pop)	3.7	3.7	..	3.7		
GINI index (World Bank estimate)	27.2	27.2		

Source: WB Development Data Platform as of 10/3/17

*International Monetary Fund, World Economic Outlook Database, October 2017

** Data only available up to FY16

Annex Table 12: List of IFC Investments in Belarus
Investments Committed in FY14-FY17

Project ID	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm	
39687	2017	Active	Finance & Insurance	E	1,000	1,000	-	1,000	-	-	1,000	-	1,000	
31993	2016	Active	Construction and Real Estate	E	66,823	16,506	-	16,506	-	-	16,506	-	16,506	
35223	2016	Active	Primary Metals	E	16,775	16,814	-	16,814	-	-	16,814	-	16,814	
37676	2016	Active	Wholesale and Retail Trade	E	30,000	10,000	-	10,000	-	-	10,000	-	10,000	
37722	2016	Active	Finance & Insurance	E	20,000	758	-	758	-	-	758	-	758	
35068	2015	Active	Construction and Real Estate	G	41,805	10,000	-	10,000	-	-	10,000	-	10,000	
36250	2015	Active	Finance & Insurance	E	6,000	-	-	-	-	-	-	-	-	
33917	2014	Closed	Nonmetallic Mineral Product Manufacturing	E	18,793	13,799	-	13,799	11,210	-	2,589	-	2,589	
34287	2014	Active	Finance & Insurance	E	7,000	7,000	-	7,000	-	-	7,000	-	7,000	
Sub-Total						208,197	75,877	-	75,877	11,210	-	64,667	-	64,667

Investments Committed pre-FY14 but active during FY14-17

Project ID	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
33389	2013	Active	Wholesale and Retail Trade	G	74,000	20,000	-	20,000	-	-	20,000	-	20,000
31500	2012	Active	Primary Metals	E	31,009	31,009	-	31,009	1,871	-	29,138	-	29,138
28222	2011	Active	Chemicals	G	25,000	5,000	-	5,000	5,000	-	-	-	-
28684	2011	Active	Primary Metals	E	78,931	30,031	-	30,031	-	-	30,031	-	30,031
27112	2010	Active	Finance & Insurance	E	30,000	171,091	-	171,091	-	-	171,091	-	171,091
28288	2010	Active	Finance & Insurance	E	30,000	146,088	-	146,088	-	-	146,088	-	146,088
28582	2010	Active	Finance & Insurance	E	13,337	5,000	8,337	13,337	-	0	13,337	8,337	13,337
29436	2010	Active	Finance & Insurance	E	2,250	19,692	-	19,692	-	-	19,692	-	19,692
26316	2009	Active	Finance & Insurance	E	10,000	6,196	-	6,196	-	-	6,196	-	6,196
27716	2009	Active	Finance & Insurance	E	5,000	25,805	-	25,805	-	-	25,805	-	25,805
25180	2008	Active	Wholesale and Retail Trade	E	110,400	26,000	-	26,000	-	-	26,000	-	26,000
Sub-Total					409,926	485,913	8,337	494,249	6,871	0	487,379	8,337	487,379
TOTAL					618,123	561,789	8,337	570,126	18,080	0	552,046	8,337	552,046

Source: IFC-MIS Extract as of 6/30/17



**Annex Table 13: List of IFC Advisory Services in Belarus
Advisory Services Approved in FY14-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
599846	Belarus: National Quality Infrastructure and Business Regulatory Reform Program 2014 - 2016	2015	2018	ACTIVE	TAC	3,431,041
599666	Belarus General & Administration	2014	2018	ACTIVE	CAS	17,605
	Sub-Total					3,448,646

Advisory Services Approved pre-FY14 but active during FY14-17

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
576147	Belarus: Regulatory Simplification and Investment Generation 2010 - 2013	2011	2014	CLOSED	TAC	3,037,454
574207	Belarus Food Safety Project	2010	2014	CLOSED	SBA	1,105,470
548425	Belarus Business Enabling Environment Phase 2	2007	2014	CLOSED	IC	3,087,700
	Sub-Total					7,230,624
	TOTAL					10,679,270

Source: IFC AS Data as of 6/30/17

Annex Table 14: IFC net commitment activity in Belarus, FY14 - FY17

		2014	2015	2016	2017	Total
Financial Markets		7,002,611	(61,161)	(2)	1,000,000	7,941,449
Trade Finance (TF)		136,788,257	11,249,226	1,886,391	4,851,178	154,775,052
Manufacturing	Construction Materials	13,747,667	(2,878,167)	3,458,583	-	14,328,083
Tourism, Retail, Construction & Real Estates (TRP)	Property (Construction & Real Estate)	-	10,000,000	15,861,750	-	25,861,750
	Retail	(7,000,000)	-	10,000,000	-	3,000,000
Total		150,538,535	18,309,898	31,206,722	5,851,178	205,906,334

Source: IFC MIS as of 10/3/17

Annex Table 15: List of MIGA Activities in Belarus, 2014-2017

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
12891	RBI Central Bank Mandatory Reserves Coverage	2016	Active	Banking	Austria	59
12891	RBI Central Bank Mandatory Reserves Coverage	2015	Active	Banking	Austria	56
Total						115

Source: MIGA 10/3/17