World Bank Proposed Country Partnership Framework Consultations

June 27-28, 2024 | Peshawar, Khyber Pakhtunkhwa

GOVERNMENT

THEMATIC AREA	DISCUSSION POINTS
REDUCING STUNTING	- ***Sharing knowledge and Lessons:*** The Khyber Pakhtunkhwa government is working on several stunting-related ventures, however, there is a need for support on preventive measures. - ***Supplements for Mothers:*** Reducing stunting by providing mothers with nutritional supplements, instead of cash, to make up for malnutrition. - ***Water, Sanitation and Hygiene:*** The government has undertaken several initiatives for Water, Sanitation and Hygiene (WASH) and any support from the World Bank would be welcome. The province has a strong local government system that could also help with WASH.
REDUCING LEARNING POVERTY	- ***Taleem Cards****:* Like the "Sehat Card" introduced in the health sector, the provincial government is planning to introduce "Taleem Card" for the youth to enable access to education facilities such as books and commute.
RESILIENCE TO CLIMATE CHANGE	- ***Community Ownership:*** The government is interested in investing in climate change resilience projects that the community can own up to and sustain. It requires support from the World Bank. - ***Prioritizing Agri-development:*** The government is keen on developing agriculture in the province, given its huge potential in revenue generation, food security and employment. - ***Social Protection:*** The Benazir Income Support Program (BISP) has the potential to significantly improve social protection in response to natural disasters, and the ongoing economic distress due to inflation. It needs to be supported by donors.
DECARBONICATION OF THE ECONOMY	- ***Prioritizing green energy*** by solarizing mosques, schools, and households. - ***Focus on Hydropower:*** Khyber Pakhtunkhwa's significant hydro-power potential and its expansion call for increased focus and investment in the sector. - ***Natural Gas Compression Capability:*** Despite Khyber Pakhtunkhwa's contribution to national natural gas production, the province lacks the resources to establish a compression plant and requires support to build one. - ***Reforestation and Billion Trees +:*** The Billion Trees project is now moving into "Billion Trees +" which has the potential to attract decarbonization/carbon credits. Timber holds promise as a key resource to generate funds, and the World Bank's advisory support on forestation would be well-received. - ***Carbon Credits:*** The government is looking at resource mobilization/revenue maximization through carbon credits for its forest/tree cover. World Bank's support is needed to facilitate registration so as to have access to carbon credits.

	- ***Support for Climate Change Initiatives and Clean Energy**:* There is a need to connect climate and environment initiatives to industry, the youth sector, and the private sector through soft loans. - ***Clean Tech for Brick Kilns:*** The Khyber Pakhtunkhwa government needs help to integrate green technologies in the industrial sector for sustainable economic growth. There are nearly 1500 brick kilns in the province employing traditional methods of production that are high on carbon emission. They need to be introduced and equipped with the "zigzag technology", a method of firing bricks in a kiln that uses a unique design to reduce emissions of pollutants and increase efficiency.
WATER CONSERVATION	- ***Agriculture and Livestock:*** In the case of agriculture and livestock, the province requires support for building value chains and cold storage facilities. Private sector can help facilitate in this area. - ***Water Conservation and Hydropower:*** In southern Khyber Pakhtunkhwa, water conservation initiatives such as the Chashma and Gomal Zam need to be strengthened. - ***Hydropower Generation:*** The province is focusing on micro-hydel power generation projects and the government is looking for support in this area.
CONNECTIVITY	- ***Building Trade Corridor*** to access Central Asian countries is needed to strengthen commerce and galvanize the economy. Safe road access to other countries needs to be improved to help realize this. - ***Special Economic Zones:*** The government is also planning to set up economic zones along the motorways that have significantly reduced distances. Any assistance in this regard would be welcome.
OTHER PRIORITIES	- ***Infrastructure Projects:*** The provincial government is investing in several infrastructure projects that could bring substantial returns through a partnership with the World Bank and the private sector. - ***Interest Free Loans and Vocational Training:*** There are plans to disburse interest free loans to the youth to create employment opportunities. In this regard, the provincial government needs support to help with vocational training. - ***Power Distribution:*** Khyber Pakhtunkhwa is building small dams for power generation and is interested in exploring investment from the private sector to help with electricity distribution. - ***Mines and Minerals:*** Investment is essential to explore the untapped potential of Khyber Pakhtunkhwa's mines and minerals. The government needs a state-of-the-art lab for mining exploration and to minimize waste. - ***Support for Higher Education:*** Higher education is transitioning to become a provincial matter and given that it will no longer receive support from the World Bank, necessitates sustainable assistance, especially if federal support is withdrawn. - ***Tourism:*** Given the significant revenue-generating potential of the tourism sector, the government is open to private-public partnership in this sector.

ACADEMIA

THEMATIC AREA	DISCUSSION POINTS

REDUCING STUNTING	***- Checking Population Growth*****:** Participants proposed that population growth be addressed as a national emergency to reduce stunting, alleviate resource restraint and support CPF objectives.
REDUCING LEARNING POVERTY	***- Shared Vision for Education***: Given the crises afflicting the education sector, there needs to be more collaboration between provinces to overcome regional and social gaps.
RESILIENCE TO CLIMATE CHANGE	***- Better Regimes for Corporate Farming****:* The idea that the agriculture sector needs corporate farming to improve productivity is important, but it requires timely and consistent policies. - ***Climate Resilient Cities****:* Urban development is a growing concern given climate change-related challenges and objectives. Cities need to be made climate resilient. - ***Deforestation:*** Climate change-related natural disasters, especially the floods of 2010 and 2022 and the destruction they wrought, have a direct relation with the scale of deforestation, more so in the province of Khyber Pakhtunkhwa. There is a need to stop and rectify the losses through afforestation. - ***Small Dams and Micro-Hydels***: Building small dams is the need of the hour and Khyber Pakhtunkhwa has huge potential to build these to potentially attenuate floods and alleviate impacts of droughts. There is a need to further explore the potential for micro-hydel solutions in Khyber Pakhtunkhwa as they have demonstrated social impact in the province.
DECARBONIZATION OF THE ECONOMY	- ***Incentivizing Eco-Ventures:*** Participants suggested that eco-businesses be made attractive for private investors. For example, the cost of recycling plastic is higher than the value of by-products developed, discouraging investment in that area. Likewise, there needs to be monetary incentives for climate change and environment-related action. - ***Realizing Carbon Credits:*** There is a need for realizing carbon credits for the forest cover to encourage communities to grow and maintain forests.
MORE INCLUSIVE JOB OPPORTUNITIES	***- Formalizing the Informal Economy:*** Participants pointed out that Pakistan had a large informal economy that hinders growth of Small and Medium Enterprises (SMEs). ***- Opening Power Transmission and Distribution to Private Investment:*** Given that power distribution is dominated by the public sector, there should be an opportunity for the private sector to contribute to the reduction of Transmission and Distribution (T&D) losses. It would also help free up resources from circular debt to invest in other sectors. - ***Taxes and the Private Sector:*** High and varied taxes remain a disincentive to private sector investment. - ***Ease of Doing Business:*** The government should do more to ensure the ease of doing business through reducing the burden of regulations and taxes.
OTHER PRIORITIES	***- A Less Centralized Approach****:* There was concern that the CPF takes a "centralized" view of challenges whereas poverty and development gaps make certain regions in the peripheries more vulnerable to shocks like climate change. - ***Erratic Government Policies:*** This challenge grows bigger with inconsistent government policies, making implementation of development initiatives a huge

	problem. Unless efficient systems for better governance and implementation are instituted, this strategy risks failing like others in the past. ***- Lack of Political Stability and Good Governance**:* The lack of political stability and security continues to frustrate the country's development agenda, including the private sector. - Citing the situation of the rule of law, participants shared that delayed dispute resolution over several years serves as a deterrent to investors, especially foreign. - Close to this was the concern for governance, corruption and mismanagement of funds whereby allocated funds are rarely utilized for the purpose intended. - ***Support for Local Government***: Given the local focus of the proposed CPF, strengthening of local government will enable extension of the development agenda to the grassroots. - The presence of local governments on the ground should increase, and so should its capacity and political support.

CIVIL SOCIETY ORGANISATIONS & MEDIA

THEMATIC AREA	DISCUSSION POINTS
REDUCING STUNTING	- ***Need for Action:*** There was consensus on the need for action to immediately address child stunting. - ***Population Boom:*** Participants frequently voiced concerns about population growth, saying it would frustrate all efforts at development, including those aimed at reducing stunting.
RESILIENCE TO CLIMATE CHANGE	- ***Little Funding for Climate Resilience:*** The province has little funding and resources to build effective resilience mechanisms to address climate change. - ***Rampant Deforestation:*** The alarming rate of deforestation in the province must be tackled as a priority. - ***Recharging the Aquifers:*** An area of focus that receives little attention at the government and policy level is that flash floods and rain bursts do not allow for the recharging of aquifers. With heavy rains comes a heavy inflow of water but owing to the absence of check dams and aquifer recharge structures, the outflow is equally huge, thereby water is unable to trickle down underground. Despite the prevalence of rains and floods, water scarcity continues to become acute, causing migrations.
DECARBONIZATION OF THE ECONOMY	- ***Tech Availability for Decarbonization**:* The lack of technology needed to switch to a decarbonized economy is an ongoing problem. - ***Supporting Hydro-power Generation:*** Participants suggested the World Bank look into micro-hydel projects to meet local power generation needs.
MORE INCLUSIVE JOB OPPORTUNITIES	- ***Reaching out to the Underserved:*** While participants appreciated the CPF's focus on gender, the need to integrate neglected and underserved communities (e.g. transgender, people with disabilities etc.) in interventions was strongly voiced. - ***Support for Women-led Businesses:*** The World Bank's focus on inclusive financing is commendable but women businesses, like any other, are asked

	for guarantees. Loans are given against mortgages. Women should be given access to financial assets without mortgages, and government securities should go. - Loans should be inflation adjusted given the stagflation witnessed in recent years.
ACCESSIBILITY	- ***Greater Focus on Merged Areas:*** Accessibility to and from remote areas, often mountainous, is a big developmental impediment. It is hoped that the newly merged areas of former Federally Administered Tribal Areas (FATA) will receive proper attention, having been impacted by conflict and political neglect. - ***Building Communication Infrastructure:*** While the province can benefit from local roads like Peshawar to the Torkhum border with Afghanistan, more important is the highway connection between Peshawar and Karachi, a hub of all commercial activities.
GOVERNANCE	- ***Improving Governance:*** The CPF is focused on strengthening the role of the private sector but an emphasis on public sector governance must also be incorporated. - ***Building Implementation Capacity:*** When it comes to the implementation of projects, there is a need to build capacity and systems at the government level, a sort of "procedural re-engineering", to change policy and procedural approaches to pre-empt failures often repeated.
OTHER PRIORITES	- ***Developing Tourism:*** While there is huge potential for tourism in Khyber Pakhtunkhwa, investment in the sector is difficult to come by. The donor agencies and private sector should support this sector. - ***Protecting Consumers:*** In recent years, Pakistan's economy has become more manufacturer/producer-centered, with little protection for consumers built into the market agenda. This equation needs to be balanced by establishing consumer platforms that aim at checking exploitation at the hands of market forces. - ***Civil Society's Role within the CPF****:* Participants wanted to know how civil society and non-governmental organizations could contribute to the World Bank's CPF. Given its localized focus, and its presence at the local/rural level, there is great potential for partnership.