

Country Partnership Framework for the Philippines

July 2025 – June 2031





Toward a **More Prosperous, Inclusive, and Resilient Philippines**

The Philippines is on the cusp of transitioning into an upper-middle-income country. Fifteen years of strong, job-rich growth resulted in a significant reduction in poverty. Now, with a young population, a dynamic services sector, and a positive economic outlook, the country is well-positioned to achieve its long-term vision in the **AmBisyon Natin 2040** of a middle-class society where no one is poor.

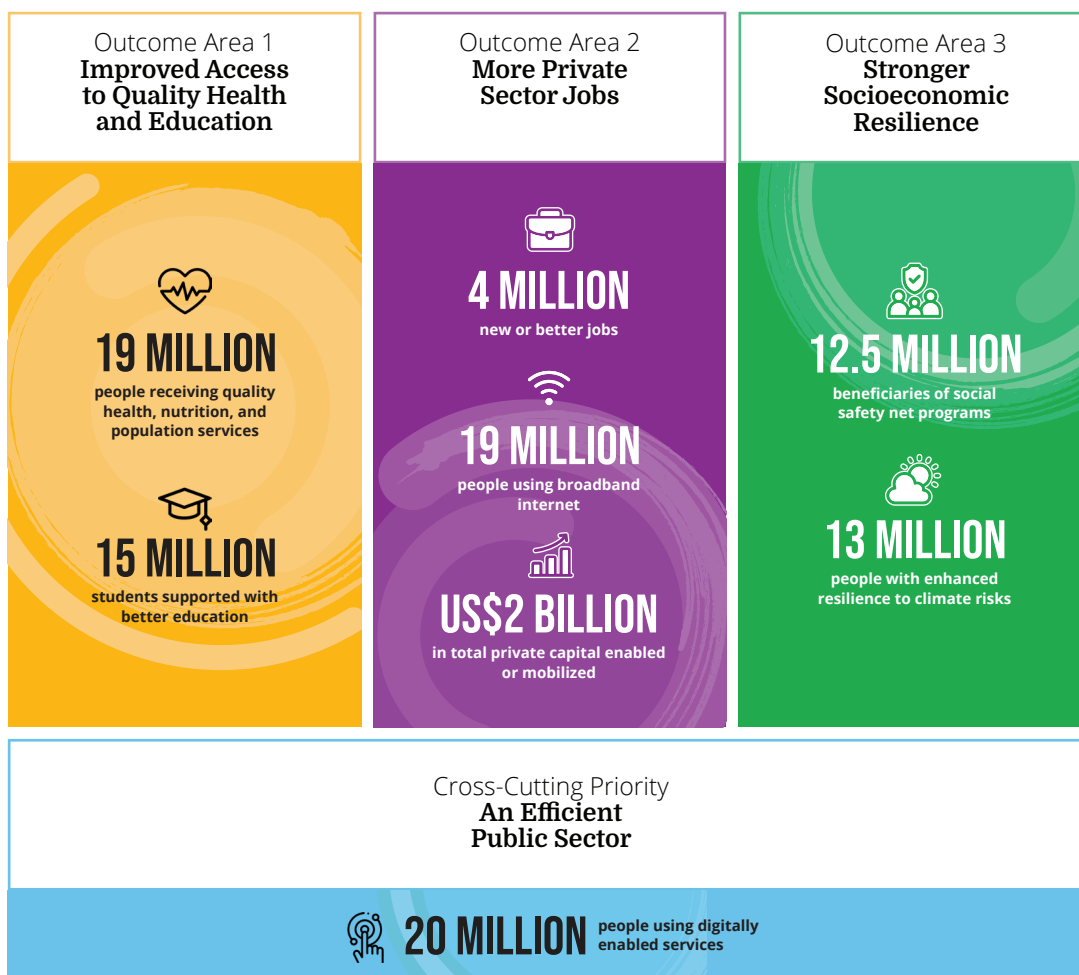
To stay on this path, the Philippines must create more and better jobs through inclusive and resilient economic growth. But several persistent challenges stand in the way—including low human capital outcomes, limited competitiveness, weak public sector capacity, and high exposure to natural hazards and climate change. Addressing these barriers is essential to unlocking the country's full potential and ensuring that sustained growth translates into widespread opportunities and improved well-being **for all Filipinos**.



This **Country Partnership Framework (CPF)** lays out how the World Bank Group (WBG) will support the Philippines in sustaining growth, reducing poverty and inequality, and building resilience. Aligned with the **Philippine Development Plan (PDP) 2023–2028** and supporting the country's broader reform agenda, the CPF targets areas where the WBG can have the greatest impact through knowledge, financing, and partnerships.

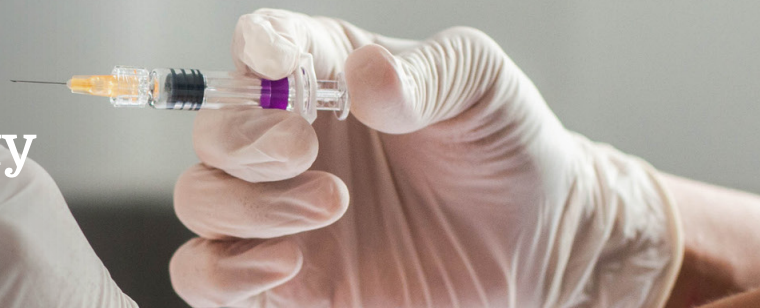
The CPF focuses on achieving three critical outcomes that address the Philippines' most pressing challenges and create the greatest opportunities for the future: **(i) improved access to quality health and education** – to close human capital gaps and empower Filipinos; **(ii) more private sector jobs** – to raise productivity and incomes, and sustain inclusive growth; and **(iii) stronger socioeconomic resilience** – to protect lives and livelihoods from natural hazards and climate change. Across all areas, the CPF also emphasizes improving public sector efficiency to improve implementation, deliver results, and achieve lasting impact.

WBG Country Partnership Framework Outcomes and Targets by 2031



Outcome Area 1

Improved Access to Quality Health and Education



Despite economic progress, the Philippines continues to struggle with low health and education outcomes, holding back the potential of the country. A child born in 2020 will only reach 52 percent of their potential productivity by age 18 due to gaps in education and healthcare. Nearly one-third of children under the age of five are

at the center of its development strategy.

The World Bank supports the government in strengthening public health service delivery and improving implementation of the Universal Health Care (UHC) Act. This includes initiatives to increase the number of qualified primary care workers,

prepare young people for the workforce, the CPF supports efforts to improve education and training outcomes. Key initiatives focus on enhancing teacher qualifications and professional development, improving curricula, and enhancing learning assessments. Support also includes advancing a national digitalization strategy for education, with



stunted, largely due to inadequate maternal nutrition and poor infant health. Access to healthcare remains limited – only half of the rural population can reach a health unit within 30 minutes, and these facilities often lack adequate equipment, medicines, and personnel. Education quality is also a challenge, despite increases in basic education school enrolment. Learning poverty remains high: 90 percent of 10-year-olds cannot read and understand a simple text. Filipino students score significantly below the global average in reading, mathematics, and science. To support its young and growing population, the Philippines is placing human capital

expand health infrastructure, improve health emergency capabilities, and enhance the performance of decentralized local health systems. Digital health solutions – such as telemedicine and electronic medical records – are also being leveraged to improve access and efficiency. A multisectoral approach is being promoted to address childhood stunting and improve the nutritional status of both children and mothers. The International Finance Corporation (IFC) is helping to expand access to affordable private healthcare and strengthening ASEAN's vaccine supply chain.

To address learning gaps and better

innovations such as an online teaching and learning hub. Education service delivery will be strengthened through regional and local-level capacity-building programs and accountability measures. The World Bank focuses on improving learning outcomes at the primary and secondary levels, while IFC complements these efforts by investing in private education providers at the tertiary level.

CPF Targets by 2031



19 MILLION

people receiving quality health, nutrition, and population services



15 MILLION

students supported with better education

Outcome Area 2

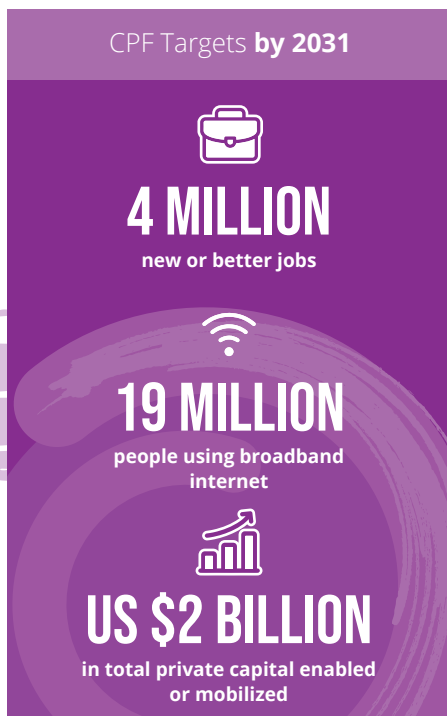
More Private Sector Jobs



The Philippines has created millions of jobs over the past decade, shifting workers into nonfarm and wage employment. However, many remain in low-productivity sectors such as agriculture, which employs 22 percent of the workforce but contributes less than 9 percent of GDP. Informal employment is widespread and labor force participation

The WBG prioritizes job creation through a three-part approach. First, it establishes the preconditions for jobs by investing in infrastructure, health, and education as well as advancing reforms for better tax systems to boost domestic resource mobilization. Second, as the Knowledge Bank, it provides analysis to help create a predictable

opportunities. The World Bank supports this by promoting the adoption of advanced technologies, building strong market linkages for urban and rural small and medium enterprises (SMEs), and encouraging sustainable production, especially in agriculture. IFC complements these efforts by investing in productivity-enhancing sectors,



—particularly among women—lags behind that of neighboring countries. Incomes also remain relatively low: in 2023, the median total household per capita income (adjusted by spatial deflator) was only 90 percent higher than the national poverty line. To unlock the economy's full potential, reforms are needed to streamline regulations, minimize market distortions, and attract more investment in key sectors.

regulatory environment through strengthened governance, transparency, anti-corruption, and business-enabling policies. Third, it supports businesses with financing, equity, guarantees, and political risk insurance to attract investors. Mobilizing private capital is crucial to catalyze entrepreneurship, competition, and demand for labor.

Job-rich growth in the Philippines depends on boosting productivity and helping firms and farms scale up. Achieving this requires a combination of pro-competition reforms, stronger domestic and international integration, and targeted support to ensure businesses can seize new

such as fintech and digital financial services, which improve efficiency and unlock new opportunities. Foreign direct investment (FDI) can facilitate the adoption of new technologies and the WBG Guarantee Platform, housed in the Multilateral Investment Guarantee Agency (MIGA), aims to mobilize investment by offering risk-mitigation solutions across priority sectors.

The WBG is also helping the Philippines close infrastructure gaps that constrain growth and inclusion. Policy reforms are needed to lower broadband costs, expand access in underserved areas, and promote digital inclusion. Investments in



data centers, telecommunications infrastructure, and digital public services will help bridge the digital divide and unlock new economic opportunities. Support also focuses on boosting access to affordable, sustainable energy, accelerating the transition to renewables, and improving rural electrification. By combining public investments and private sector mobilization, the WBG is helping to modernize trans-

port systems and improve water supply – especially in underserved areas. The CPF further supports the development of a stronger financial sector by deepening capital markets, enhancing financial resilience, and driving innovation. IFC backs startups and venture capital to fuel entrepreneurship and job creation, while also promoting green and social bonds to expand sustainable finance. The WBG helps

improve regulations, manage risks, and introduce new financing tools such as embedded finance and supply chain greening. These efforts aim to increase access to capital, empower businesses, and align the financial system with global sustainability goals.

Outcome Area 3

Stronger Socioeconomic Resilience

The Philippines is the country in the world most exposed to natural hazards and at risk of natural disaster. Extreme weather and seismic events – including typhoons, floods, earthquakes, and volcanic eruptions – regularly disrupt the country and take a heavy toll on lives, livelihoods, and economic stability. Each year, around one million Filipinos

economic and social shocks, the CPF supports the building of a strong, modern, and comprehensive social safety net system. A more systematic approach to disaster risk management includes real-time beneficiary data updates, targeted assistance for affected households, and timely delivery of financial tools such as insurance and emergency cash

The WBG is strengthening the Philippines' capacity to manage disaster and climate risks while making public infrastructure more resilient. Efforts focus on improving emergency preparedness, climate-informed planning, and the resilience of schools and health facilities. Leveraging strong community-driven development platforms,



are pushed into poverty due to disasters. 61 percent of Filipinos are at high risk of suffering from climate-related hazards due to the combination of high prevalence of exposure to multiple hazards across the country and low access to key coping mechanisms - notably low coverage of social protection systems and limited financial inclusion. Climate change is intensifying these risks, with potential losses reaching up to 13.6 percent of GDP by 2040. Strengthening the resilience of people, communities, and key sectors is essential to cope with disasters and climate risks.

To protect the most vulnerable from

transfers – ensuring rapid and accurate support for vulnerable populations during crises. The World Bank continues to support the Pantawid Pamilyang Pilipino Program (4Ps), enhancing its targeting and delivery systems, and adopting digital solutions to improve business processes and beneficiary communication. Every dollar invested in adaptive social protection can yield up to three dollars in reduced disaster response costs and economic losses—potentially saving the Philippines over US\$1 billion annually, given its average yearly disaster-related losses of US\$3.5 billion.

the World Bank supports communities to engage in risk and vulnerability assessments, use the findings to prepare risk-informed local plans, and deliver resilient local infrastructure like flood controls and retrofitting structures. It also helps local governments build and maintain these systems. On the private sector side, IFC is expanding the Building Resilience Index (BRI), a tool to assess and improve project resilience for construction developers,

CPF Targets by 2031



12.5 MILLION

beneficiaries of social safety net programs



13 MILLION

people with enhanced resilience to climate risks



banks, insurers, and governments. MIGA will explore risk-mitigation solutions to support disaster-resilient investments. A joint WBG program will promote resilient, affordable, and green housing.

The CPF also focuses on building resil-

ience in key sectors that are exposed to climate risks. In agriculture, the WBG promotes secure land tenure, crop diversification, post-harvest modernization, and climate-smart agricultural practices. The World Bank and IFC deliver complementary

solutions to enhance access to drought and crop insurance for smallholder farmers. IFC is also supporting the housing sector to expand the availability of more affordable, greener, and more resilient housing.



Cross-Cutting Priority

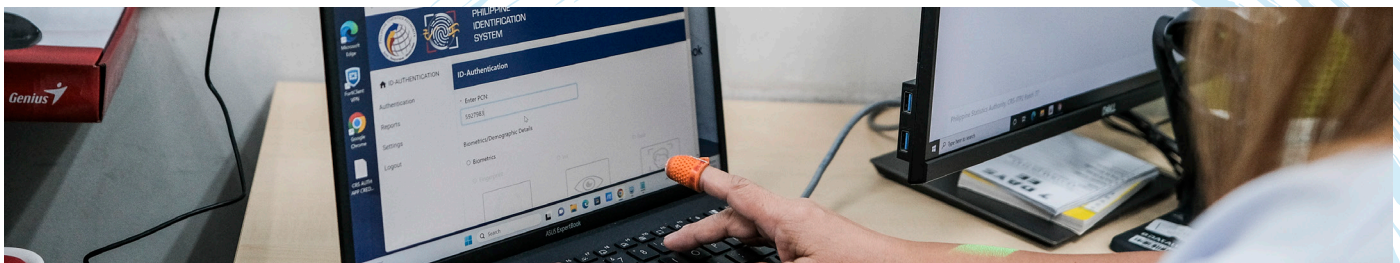
An Efficient Public Sector

Addressing the Philippines' key development challenges will require highly capable national agencies and local government units (LGUs) to deliver quality public services. National agencies often struggle with poor coordination and limited innovation, while LGUs face unequal resources and weak accountability, undermining effective service delivery and reform implementation. Although LGUs play a central role in health, education, disaster risk management, and local economic development, limited capacity continues to hinder their ability to reduce spatial inequalities and promote sustainable growth.

Strengthening public sector efficiency is a key priority of the CPF and critical to delivering results across all outcome areas. World Bank analysis and consultations highlight the need to improve public institutions to enhance development outcomes. Support will continue for domestic revenue mobilization, including the Comprehensive Tax Reform Program (CTRP), to boost revenue and improve spending efficiency. The World Bank will also scale up assistance for digital transformation—streamlining government systems, aligning e-government initiatives, and improving connectivity and cybersecurity. At the local



level, it will build on experience with local government unit (LGU) engagement in agriculture to strengthen the delivery of essential services such as health, education, water, sanitation, and community resilience, particularly in lagging areas.



CPF Targets **by 2031**



20 MILLION

people using digitally
enabled services





One WBG Approach

A Comprehensive Approach to the Country Partnership Framework Implementation

The CPF adopts a “One WBG” approach, bringing together the full range of World Bank Group tools to deliver both public and private sector solutions through the complementary efforts of the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). This approach will include developing joint upstream strategies on sectors where coordinated and complementary programs are needed.

The program supports the country through a mix of financing instruments that support policy reforms and priority development projects, complemented by private sector financing and guarantees. While IBRD and IFC plan to scale up support, actual volumes will depend on country demand, macroeconomic conditions, project readiness, and private sector interest. MIGA is exploring ways to expand its support for investments through the new WBG Guarantee Platform.

In addition to financing, the WBG program will maintain a strong analytical agenda to inform policy decisions, shape operations, and track progress. This will involve sharing global expertise and best practices through cutting edge analytics, just-in-time support, technical assistance, advisory services, and capacity building support. The knowledge agenda will align with government reform priorities and enhance the impact of WBG operations in the Philippines.

Partnerships are central to the CPF, which serves as a platform for aligning financing and support for the Philippines’ development agenda. This builds on the WBG’s strong track record of collaboration with development partners, including regular coordination across sectors. Under the Full Mutual Reliance Framework, the World Bank and the Asian Development Bank (ADB) will deepen collaboration in key sectors. Knowledge partnerships—supported by trust funds like Australia-World Bank Growth and Prosperity in the Philippines (AGaP) and Bangsamoro Normalization Trust Fund (BNTF)—enhance analytics and engagement.

This CPF reflects the WBG’s renewed commitment to partnering with the Government of the Philippines to achieve its development goals.

The WBG also collaborates closely with development partners, civil society, and the private sector – each playing a critical role.

Through targeted investments, policy engagement, and private sector mobilization, the WBG stands ready to support the country’s journey toward a more inclusive, resilient, and prosperous future.

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