

World Bank Group  
Country Partnership Framework (CPF)  
FY26 up to FY35

***Focus, leverage and scale:  
A ten-year engagement strategy for Pakistan***

January 2025



# Key Challenges constraining growth and long-term development

- A (silent) Human Capital crisis—learning outcomes, health outcomes (stunting, child mortality, fertility) remain low and stagnant. Dramatic poverty decline trend is reversing.
- Recurrent fiscal mismanagement cycles and structural imbalances - volatile, consumption-driven growth. Limited prospects for growing fiscal space without major structural reforms, on revenues and expenditures.
- Significant climate and disaster vulnerability—extreme climate-related events + environmental degradation + air pollution projected to reduce GDP by ~20% by 2050. Prioritize agri-food-water nexus + water management.
- Large infrastructure gaps persist. Fossil fuel-dependent and structurally inefficient Energy sector, large T&D losses. Large gaps in investment in municipal/rural service delivery (WASH, transport) and digital connectivity.
- Governance and institutions as a foundation: incomplete decentralization—low local government capacity and powers; insufficient transparency, accountability and e-governance.
- Large gender gaps and low (but growing) female labor force participation in the economy.
- Constrained private sector due to a cumbersome regulatory environment, large State/SOE presence, limited financial markets depth, distortions in pricing and tax incentives, high government borrowing that crowds out private credit, and an anti-export bias in trade policies.

# An up to ten-year focused CPF to ...

... **provide an anchor and stability of engagement.** The CPF aims to provide a clear, focused, *medium-term vision* of WBG engagement

... **ensure a coordinated approach among development partners,** to allow for co-programming and *leverage* around stable decade-long thematic country platforms (such as on energy, WASH, education or stunting)

... **increase WBG accountability and focus** around a limited set of indicators we can actually impact

... **with “constrained flexibility”**, with annual joint reviews with Government and the ability course-correct mid-way

FY26

2030  
(PLR)

FY35

*Annual business planning to course correct, and a mid term review (PLR) in 2030 to confirm priorities and decide on final term*

# What's different? what's new?... First “new generation” CPF

1. **Selectivity and focus:** 6 CPF outcomes, 10 targets (8 from Scorecard); exiting from 10+ areas (WB)
2. **Clearly defined one WBG approach:** clarity on **joint** areas; IFC-only areas and WB-only areas
3. **Long-term ambition – ten-year targets in sight:** mid-term progress review (Performance and Learning Review - PLR) after 5 years to course-correct/decide on final term and annual updates (two-year rolling business planning).
4. **“Constrained flexibility”:** clarifying circumstances justifying a change of focus (e.g. “IF-THEN” approach where engagement is conditional on policy shifts; shocks; major changes in priorities)
5. **A “*Programming-Tracking-Updating*” live strategy:** annual reviews to take stock and course-correct; with client government, to inform pipeline programming
6. **Ambition in leverage—“strategic bets”:** co-/parallel- financing with other partners; Gov. budget
7. **Significant expansion of the data-measurement-evaluation agenda:** rigorous tracking of Corporate Scorecard Indicators and other outcomes; Impact Evaluation agenda (e.g. *Pakistan Data and M&E Lab*)

# Proposed CPF: six outcomes, ten targets and two cross-cutting areas.

## 1. Reduced child stunting

- 1.1 50** Million people receiving quality health, nutrition and population services  **WBG SCORECARD**
- 1.2 30** million women using modern contraceptives
- 1.3 60** million people provided with water, sanitation and/or hygiene, o/w (%) is safely managed  **WBG SCORECARD**

## 2. Reduced learning poverty

- 2.1 12** million students supported with better education  **WBG SCORECARD** *with focus on foundational learning of primary and secondary school students*

## 3. Increased resilience to climate change

- 3.1 30** million people with strengthened food and nutrition security  **WBG SCORECARD**
- 3.2 75** million people with enhanced resilience to climate risks  **WBG SCORECARD** *with focus on resilience to floods and other climate-related disasters*

## 4. Cleaner energy and better air quality

- 4.1 10** GW of renewable energy capacity enabled  **WBG SCORECARD** *sustainably, including via grid strengthening and gradual replacement of thermal generation capacity*
- 4.2 35%** reduction of the population-weighted PM<sub>2.5</sub> average annual exposure (from 55 to 35 µg/m<sup>3</sup>)

## 5. More public resources for inclusive development

- 5.1** Tax revenues-to-GDP ratio above **15%**, with increased collections  **WBG SCORECARD**

## 6. Increased productive private investment

- 6.1** Private investment as a percentage of GDP [contribution]  **CLIENT CONTEXT INDICATOR**

### CONNECTING COMMUNITIES

*Digital Connectivity and Services* and *Transport Infrastructure and Services* for households and firms, ensuring inclusion of *Persons with Disabilities*.

### PROTECTING THE POOREST

*Social Safety Nets* and *Financial Inclusion* to support and protect the bottom 50%, particularly women, and incentivize human capital investments.

# Annex

# PAKISTAN RESULTS FRAMEWORK: CPF OUTCOMES, TARGETS AND THE WBG CORPORATE SCORECARD

| SCORECARD OUTCOMES |                                                       | 1 Reduced child stunting                                                                                       | 2 Reduced learning poverty                                 | 3 Increased resilience to climate change                               | 4 Cleaner energy and better air quality                             | 5 More Public Resources for Inclusive Development | 6 Increased productive private Investment       |
|--------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| 2                  | No learning Poverty                                   |                                                                                                                | ❑ 2.1 Millions of students supported with better education |                                                                        |                                                                     |                                                   |                                                 |
| 3                  | Healthier lives                                       | ❑ 1.1 Millions of people receiving quality HNP services<br>○ 1.2 Millions of women using modern contraceptives |                                                            |                                                                        |                                                                     |                                                   |                                                 |
| 4                  | Effective macro economic & fiscal management          |                                                                                                                |                                                            |                                                                        |                                                                     | ❑ 5.1 Tax revenues-to GDP at or above 15%         |                                                 |
| 5                  | Green and Blue Planet & Resilient Populations         |                                                                                                                |                                                            | ❑ 3.2 Millions of people with enhanced resilience to climate risks     | ○ 4.2 Population-weighted PM <sub>2.5</sub> average annual exposure |                                                   |                                                 |
| 6                  | Inclusive and equitable water and sanitation services | ❑ 1.3 Millions of people provided with water, sanitation, and/or hygiene, of which (%) is safely managed       |                                                            |                                                                        |                                                                     |                                                   |                                                 |
| 7                  | Sustainable Food Systems                              |                                                                                                                |                                                            | ❑ 3.1 Millions of people with strengthened food and nutrition security |                                                                     |                                                   |                                                 |
| 9                  | Affordable, Reliable and Sustainable Energy for All   |                                                                                                                |                                                            |                                                                        | ❑ 4.1 GW of Renewable Energy capacity enabled                       |                                                   |                                                 |
| 15                 | More Private Investment                               |                                                                                                                |                                                            |                                                                        |                                                                     |                                                   | ❖ 6.1 Private investment as a percentage of GDP |

❑ WBG Scorecard indicator

○ Non-Scorecard indicator

❖ Client context indicator

# Proposed CPF: six outcomes and ten targets.

## CPF OUTCOMES

1. Reduced child stunting

2. Reduced learning poverty

3. Increased resilience to climate change

4. Cleaner energy and better air quality

5. More public resources for inclusive development

6. Increased productive private investment

## CPF THEORY OF CHANGE AND CONTRIBUTING AREAS TO THE SIX OUTCOMES

**1.1** Improved access to basic **health** services and diversified **nutrition**  
**1.2** Improved access to **family planning** services  
**1.3** Improved access to safe **water, sanitation** services, and **hygiene**

**2.1** Increased access and attendance to quality schools and improved **foundational learning** for primary and secondary school students

**3.1** A more **diversified agriculture**, resilient to water scarcity, droughts and changing rain patterns  
**3.2** Increased **resilience to floods** and other climate-related disasters

**4.1** Improved **affordability, reliability** and **sustainability of energy**  
**4.2** Reduced sources of **air pollution**, with focus on: *transport, industry, energy construction, agriculture and residential (cooking).*

**5.1** Increased **fiscal space** for more stable, efficient and inclusive public spending for development.

**6.1** More productive and inclusive **private investments**: to improve balance of payments and job creation, including for women

## 1. Contributors to *Reduced Child Stunting*

**Black:** World Bank **Red:** joint WB+IFC+MIGA **Blue:** IFC only (+ MIGA)

### 1. Reduced Child Stunting

**1.1** Improved access to basic **health** services and diversified **nutrition**

- *Quality delivery of essential health and nutrition services for women, adolescent girls, and children*
- *Equitable, efficient, and sustainable health financing*
- *Support diversified, nutritious, safe, sustainable **agri-food production***
- *PPPs/investments in tertiary healthcare, health-tech*
- *Investments in pharma manufacturing and food fortification*

**1.2** Improved access to **family planning** services

- *Family planning and population services to reduce fertility, age of first pregnancy and increase birth spacing*

**1.3** Improved access to safely managed **water and sanitation** services, and **hygiene** related information

- *Access to safely managed **water and sanitation** services, including the use of sustainable tariff schemes to ensure appropriate O&M costs are paid for*
- *Behavioral change and information campaigns to improve **household and community hygiene** practices*
- *PPPs/investments in **urban wastewater and solid waste management** including in industrial zones*

**CONNECT:** Improved *physical access to basic health units* at the community level, in *rural* areas, particularly for Persons with Disabilities; *Digitalization of public health* systems; **Digital infrastructure/broadband** to enable *health-tech*; *Direct and indirect investments in health-tech*.

**PROTECT:** *Conditional Cash Transfers incentivizing behavioral change/investments in health, family-planning and nutrition.*

## 2. Contributors to *Reduced Learning Poverty*

**Black:** World Bank **Red:** joint WB + IFC **Blue:** IFC only (+ MIGA)

### 2. Reduced learning poverty

**2.1** Increased access and attendance to quality schools and improved **foundational learning** for primary and secondary school students

- Strengthen **governance/decentralization** across national, provincial, and district education agencies
- Reform teacher recruitment, training, career management, and equitable allocation to schools
- Expand use of proven foundational learning practices through better prepared teachers and classroom environments; expand reach to out-of-school children
- Systematically expand quality early childhood education to support school readiness
- Leverage private sector for expanding access, enhance regulations/supervision to improve quality
- Expand access to WASH facilities in schools

**CONNECT:** Improved rural accessibility and safe transport to schools; access for Persons with Disabilities; Digital governance of education system; Investment in **digital infrastructure** to increase access and enable **ed-tech**; Direct/indirect investments in **ed-tech**.

**PROTECT:** Conditional cash transfers incentivizing school attendance, achievements, and transitions.

### 3. Contributors to *Increased Resilience to Climate Change*

**Black:** World Bank **Red:** joint WB + IFC **Blue:** IFC only (+ MIGA)

#### 3. Increased Resilience to Climate Change

**3.1** A more **diversified agriculture**, resilient to water scarcity, droughts and changing rain patterns

**3.2** Increased **resilience to floods** and climate disasters

• **Reduce distortions and subsidies to repurpose public spending to core public goods** (agriculture research and development and infrastructure) to **promote climate-resilient solutions** (especially against droughts, e.g., heat-resistant varieties and breeds) and the **adoption of climate-resilient farming practices** (water use efficiency, sustainable soil fertility management, fertilizer-use efficiency, post-harvest loss reduction, etc.)

• **Develop high-potential agri. value chains** (smallholder livestock, horticulture, aquaculture, agri-processing) and address challenges of smallholder farmers to **increase productivity and inclusion into agri-food value chains**

• **Invest in climate-smart agri-food companies** (animal protein, dairy, aquaculture, livestock); and in **agri-logistics sector** (including via Public Private Partnerships)

• **Flood-resilient infrastructure** and nature-based solutions (e.g., reducing deforestation), and improved early warning systems and disaster risk information and management systems

• **Mobilizing blended climate finance and green financing instruments to support climate-resilient urban infrastructure and adaptive real sector investments**; strengthening Environmental Social and Governance regime and capacities

**CONNECT:** Rural roads and Transport infrastructure that is more resilient to floods; Investment in cold chain agricultural storage and transport Direct/indirect investments in agri-tech; Investment in Digital Infrastructure to enable ag-tech/digital use cases in agriculture.

**PROTECT:** Unconditional Cash Transfers that protects the bottom 50%; Adaptable Social Protection that can respond to shocks and expand access for emergencies; Savings schemes for the poorest quintiles; Financial Inclusion solutions, including microfinance.

#### 4. Contributors to *Cleaner Energy and Better Air Quality*

**Black:** World Bank **Red:** joint WB + IFC **Blue:** IFC only (+ MIGA)

##### 4. Cleaner energy and better air quality

**4.1** Improved affordability, reliability and sustainability of **energy** with lower GHG emissions per unit of GDP

**4.2** Reduced sources of **air pollution**, with focus on: *transport, industry, energy, construction, agriculture and residential (cooking).*

• *Power and gas sector reforms*

• **Transition to clean energy**, including hydropower, solar, and other potentials (wind, geothermal, etc.)

• **Investment in power transmission and distribution** sectors, including via **private participation**

• **Decarbonization of key polluting sectors:** transport (EVs), industry, construction (brick kilns), residential cooking stoves and agriculture.

• **Reduce crop residue burning**, more low-emission fertilizer and manure use, less GHG intensity of livestock production

• **Enhance capacity to develop and invest in projects to promote a viable carbon credits market**

• **Energy/resource efficiency** and decarbonization advisory/investments in sectors (manufacturing, green buildings, etc.)

**CONNECT:** **Decarbonization of transport** (e-buses, railway freight, etc.); Investments to **decarbonize telecoms infrastructure**, solarization of towers.

**PROTECT:** **Social Safety Nets** that protect the poorest from price shocks, phasing out of energy subsidies or transitions to cleaner technologies.

## 5. Contributors to *More Public Resources for Inclusive Development*

**Black:** World Bank **Red:** joint WB + IFC **Blue:** IFC only (+ MIGA)

### 5. More public resources for inclusive development

**5.1 Increased fiscal space**  
more progressive and efficient taxation and expenditures, for increased, more stable and inclusive public spending on development

- *Increased tax and non-tax revenues* (including reducing tax exemptions); increased provincial and local governments' revenues, including from agriculture income, real estate, and retail
- *Rationalized expenditures and improved spending efficiency:* reduced regressive subsidies, inefficient expenditures and State-Owned Enterprises (SOE) losses (**advisory services to privatization/increased private sector participation in SOEs**); improved debt and public investment management; improved fiscal coordination; increased efficiency, progressivity, and inclusiveness of public spending

**CONNECT:** *Digitalization of transactions, tax administration, public investment, and financial management.*

**PROTECT:** *Improved targeting of Social Safety Nets to increase spending progressivity of social transfers.*

## 6. Contributors to Increased Productive Private Investment

**Black:** World Bank **Red:** joint WB + IFC **Blue:** IFC only (+ MIGA)

### 6. Increased productive private investment

**6.1** More productive and inclusive **private investments:** to improve balance of payments and job creation, including for women.

- *Open trade (reduced anti-export bias) and investment policies; improved business regulatory environment; reduced State presence in economy and improve competition environment*
- *Financial sector reforms for increased intermediation and stability*
- **Increased financial intermediation/inclusion**, incl. finance/MSME sector for agri, climate, gender
- **Capital markets development** (including pension sector reform, long term finance, DPRs, etc.)
- **Investments to improve the balance of payments, particularly in export-oriented sectors and via PPPs in technical/vocational training, to increase employability and productivity**

**PROTECT:** *Social Safety Nets* that protect the bottom 50% from economic shocks and transitions; **Financial Inclusion** for SMEs, agriculture and entrepreneurs.

**CONNECT:** **Transport infrastructure for competitiveness and access to (rural) markets;** **Digital Infrastructure**, Government-to-Business services digitalization.