



WBG Pakistan Country Partnership Strategy (CPS) 2015-19

Consultation Sessions: July 2013-January 2014



Objectives of the Session

- ▶ Introduction to the Country Partnership Strategy (CPS)
- ▶ Exchange views on **evolving challenges** for the country
- ▶ Obtain feedback on **key priorities** for Pakistan for the next **five years** that the WBG needs to support



Context

- ▶ Current Strategy implementation period **ending FY14**
- ▶ New Strategy to be prepared in parallel to avoid gap
 - Board presentation planned for **June 2014**
- ▶ Timing of the new CPS **aligns** with political transition
 - Elected Governments (fed/provincial) in place for determining development and financing priorities
- ▶ Implementation period of new CPS
 - **FY 2015–19 (5 yrs)**



The WBG Strategy Cycle



CPS Preparation Process Timeline

July 2013 – Jan 2014: Consultations Round I (Identify Priorities)

- Fed & prov govts
- Other stakeholders (private sector, civil society, academia, media)
- Client Survey
- CPS Completion Report

Jan – Feb
2014
CPS Draft 1

Feb/March 2014 Consultations Round II (Validate Draft Strategy)

- Fed & prov govts
- Other stakeholders

March 2014
Internal Bank
Decision
Review &
Clearances

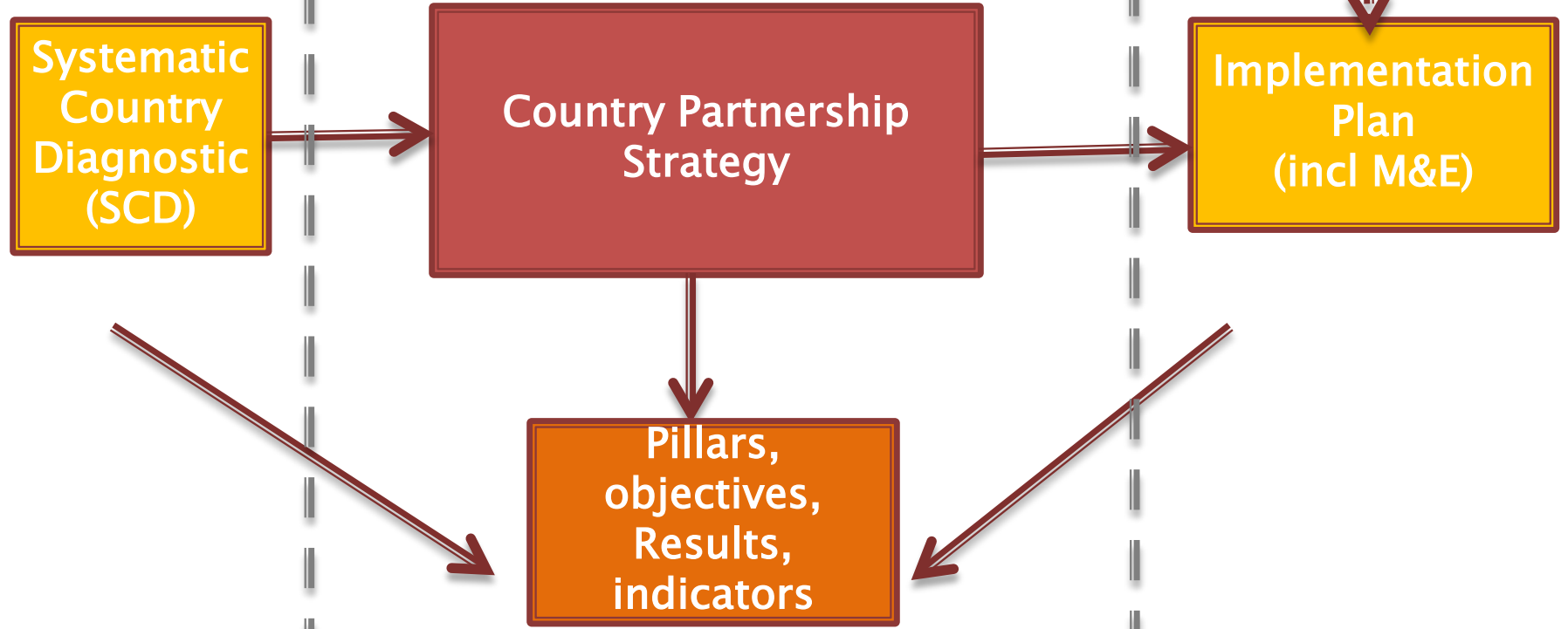
April 2014
EAD
clearance of
Final Draft

June 2014
Board
Discussion

WBG Country Partnership Strategy (CPS)

Priority Setting

Planning and Executing



Pakistan Development Landscape is Changing

Global trends contributing to change

Private capital dwarfs ODA

Technology Innovation

Global Market

Citizens voices

Climate change

Challenges/Constraints

Resource scarcity
(low revenues, credit, investments)

Demographics
Urbanization

Low Human Development
(low skills labor force)

Energy Supply

Water Scarcity

Recurring Natural Disasters

Weak GOVERNANCE

INSECURITY, Country Risk

Opportunities/Positives

Democratic political transition

Geographic location,
Regional Cooperation

Devolution

Natural resource base

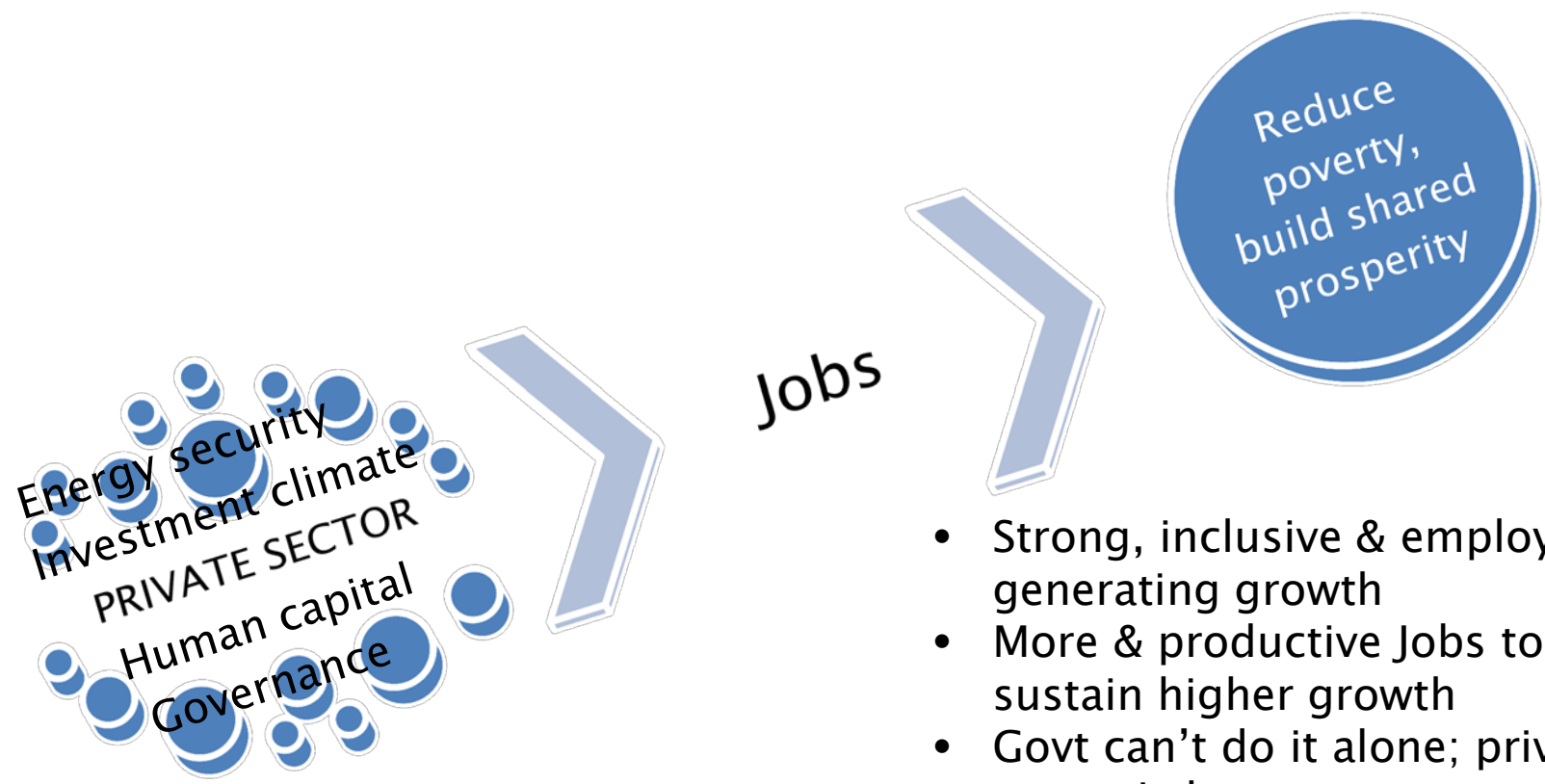
Rising working-age
Youth & Women

Philanthropy
Active Diaspora
Remittances

Inclusive,
sustained high
Growth, and
More and
Better Jobs

End Extreme Poverty, Promote Equity/Shared Prosperity

What we have heard so far-- Pakistan needs to create jobs



- Strong, inclusive & employment generating growth
- More & productive Jobs to sustain higher growth
- Govt can't do it alone; private sector is key



Need to focus on indigenous drivers for growth & jobs

- ▶ Tax reforms for raising resources
- ▶ Improve investment climate for private investment
- ▶ Value chains for Industry and Agri products
- ▶ Exploiting strength of location--regional links

- Energy security
 - Infrastructure upgrade
 - Building social capital
- remain the overarching priorities to support growth



Building human capital requires action at multiple fronts



---Without Prioritizing Governance & Transparency, development gains will be limited

Devolution

- Inter-Govt relations
- Local Govt Systems

Quality of public Service delivery

- Increasing resources
- Expenditure efficiency
- Strengthening capacity to deliver (systems, Institutions)

Transparency

- Right to Information (RTI)
- Social accountability
- Anti-corruption



WBG Positioning itself to respond to evolving country context & priorities

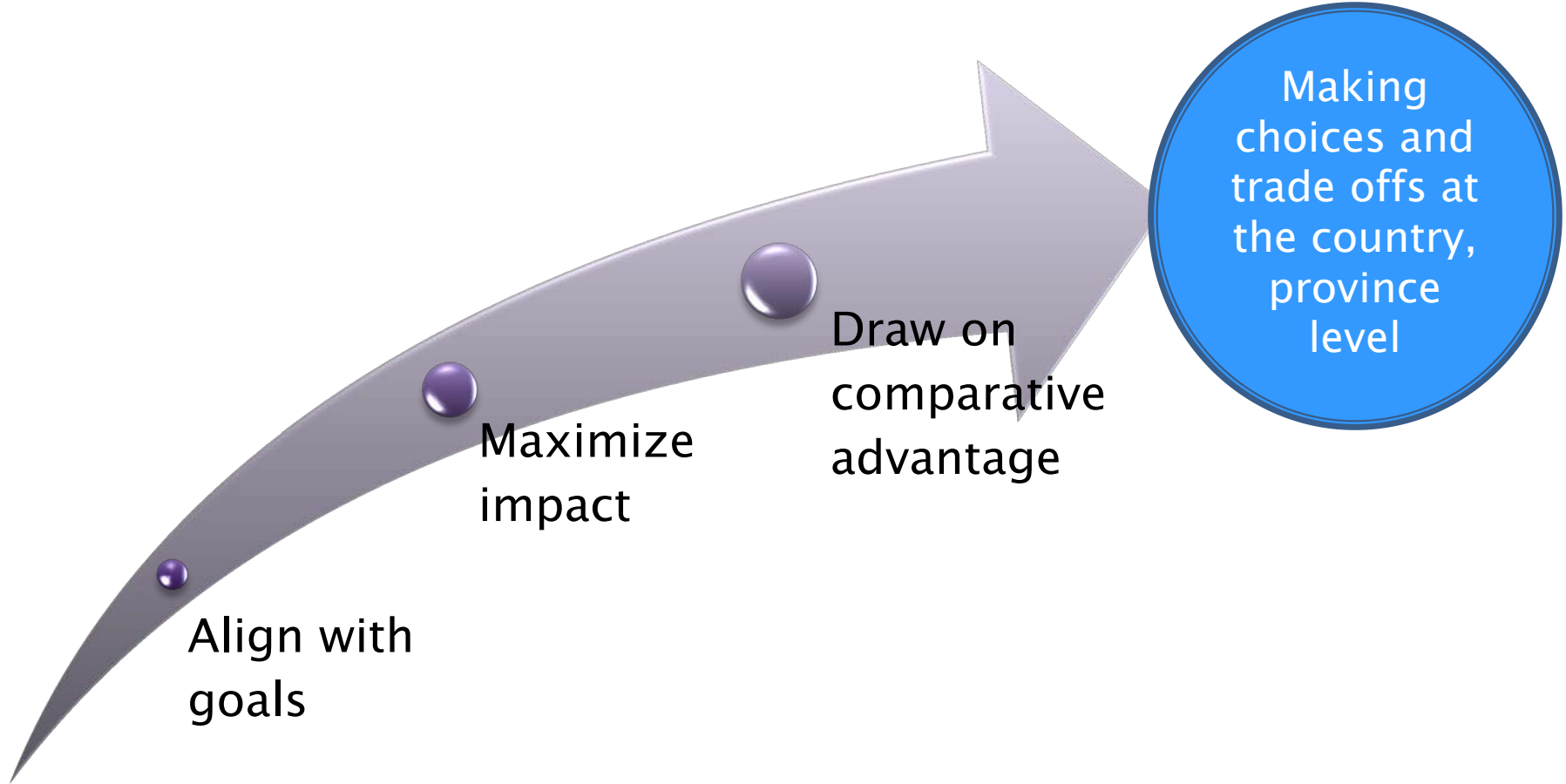
Building Blocks of our strategy

- Think ‘BIG’ – marginal changes won’t work
- Focus on Impact, Results
- Crowd-in private capital
- Development Solutions, Knowledge, Finance
- Be Selective

Differentiation at Provincial level --- to respond to local needs, priorities, regional inequity concerns



We will exercise Selectivity



Questions for Discussions

1. Do you share similar diagnosis of the challenges, opportunities & priorities for Pakistan?
2. What should be the top three reform priorities for WBG to support? In order to be selective, what should the Bank do more of and less of?
3. What could be some of the success indicators / Results? e.g. number of jobs created, level of resources mobilized etc?
4. What are the risks we need to mitigate in the strategy?
5. How can we improve implementation?





Background Slides





The World Bank Group

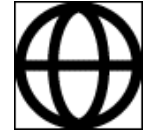
- ▶ International Bank for Reconstruction and Development established July 1944, Bretton Woods, New Hampshire.
- ▶ Its mission? To rebuild Europe after World War II.
- ▶ France was the first borrower for \$250 million to finance post-war reconstruction in 1946.
- ▶ Many developed nations who are now donors, were also borrowers, such as Austria, Australia, Denmark, Japan, Italy, Slovenia, and Greece





Today's World Bank Group

World Bank Group



The WBG Goals

Goal	Indicator	Global Target
End extreme poverty and	% of people living with less than US\$1.25 a day	3 % by 2030
Promote shared prosperity	Income growth of bottom 40% population	

In an environmentally, economically and socially sustainable manner



WBG Support: Program Size (as of August 2013)

IDA/IBRD

- Net commitments \$4.92 billion
- Active Projects – 26

MDTF

- \$159 million
- \$ 130 committed
- 10 Projects approved

IFC

- Net commitments \$926 million
- Number of projects – 41

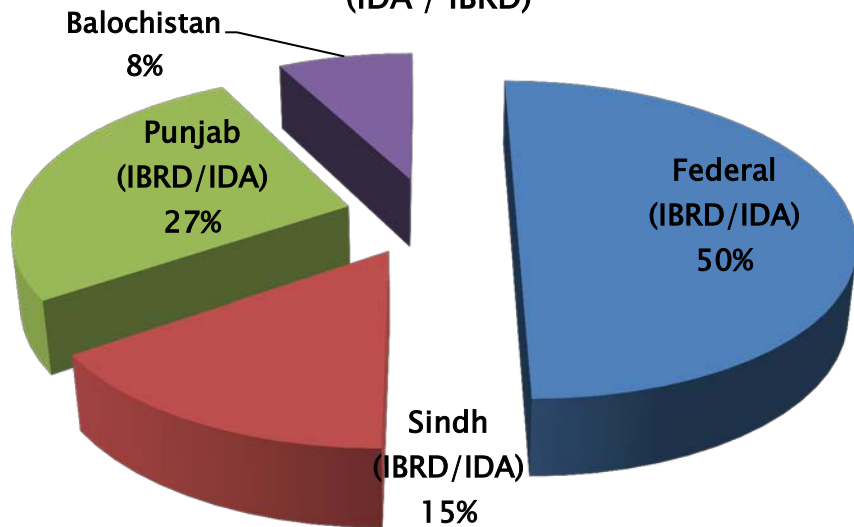
+ MIGA – three operations for \$315 million



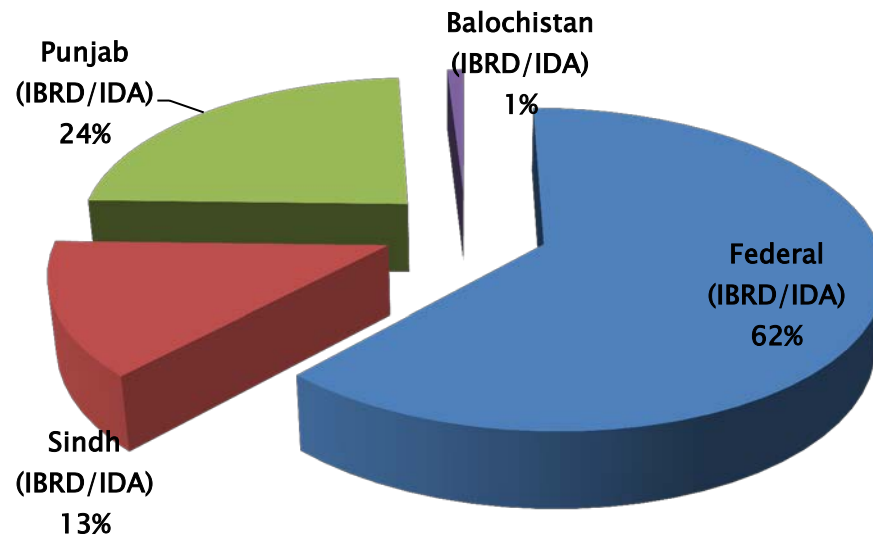
WBG Support: IDA/IBRD Active Portfolio

By Federal / Provinces:

Provincial Distribution by Number of Projects (IDA / IBRD)



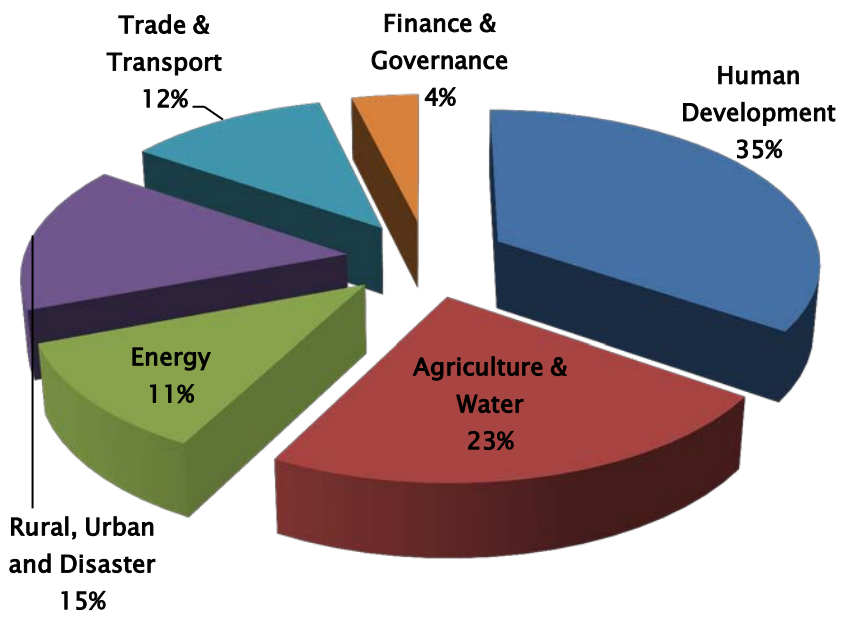
Provincial Distribution by Commitment Amount (US\$ m) (IDA/IBRD)



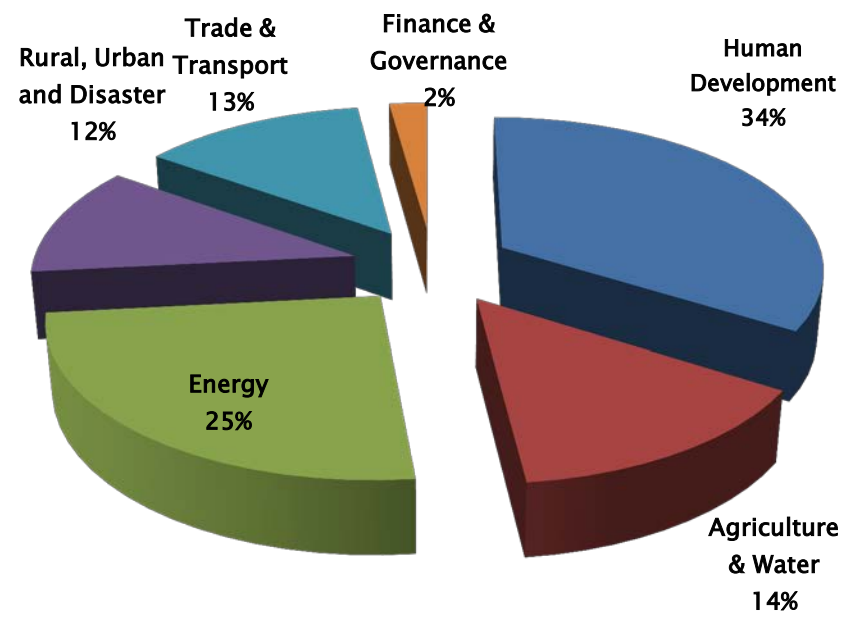
WBG Support: IDA/IBRD Active Portfolio

By Sector:

Sector Wise Distribution by Number of Projects (IDA/IBRD)



Sector Wise Distribution by Commitment Amount (US\$ m)(IDA/IBRD)

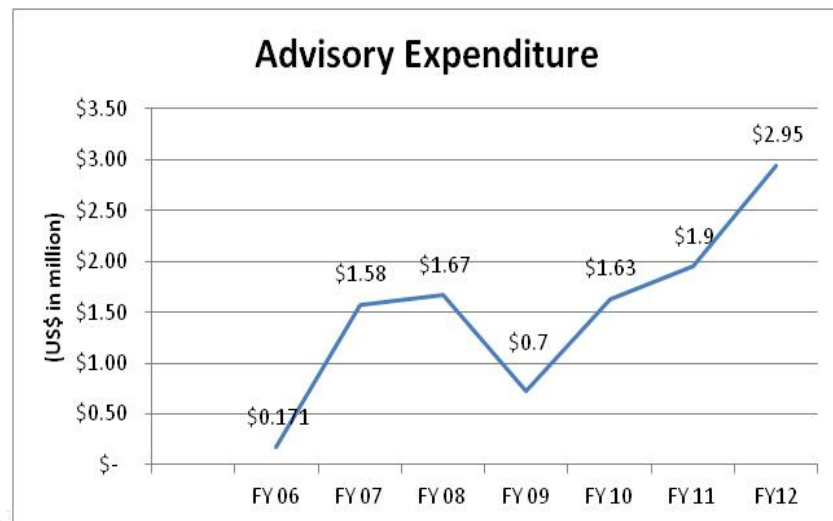
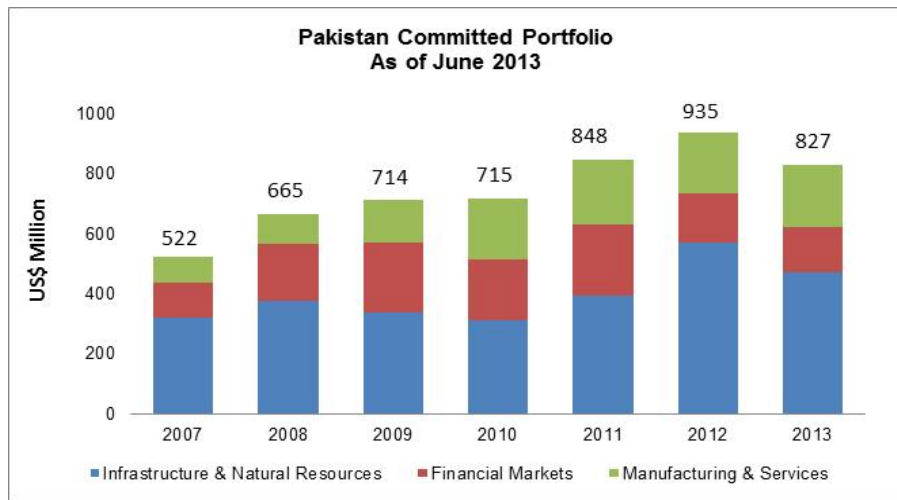




IFC – A Steadily Growing Engagement

SNAPSHOT

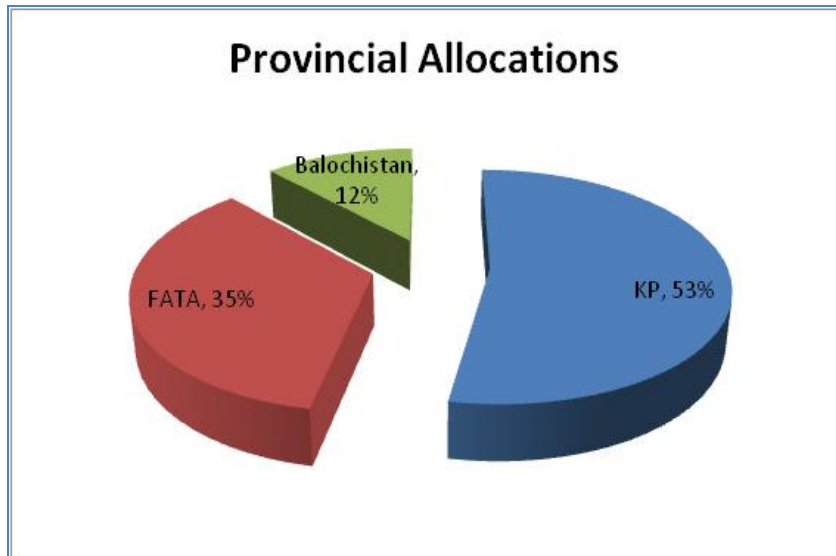
- **2nd** largest portfolio in MENA Region
- IFC’s Cumulative commitments in Pakistan amount to~ **US\$4.5 billion**
- **As of end June 2013**, IFC’s committed exposure in Pakistan stood at **US\$830 million in 41 companies**:
 - Infrastructure represents **56%**, Manufacturing and Services **24%**, and Financial Markets **20%**
- IFC’s Advisory Services has undertaken over 40 projects to date with funding commitment of over **US\$10 m**. At present, IFC has **11** active mandates in the financial sector supporting MSMEs, business environment, corporate governance, and SME capacity building



Multi Donor Trust Fund (MDTF): A New Approach to Supporting Conflict Areas

Donor Flag	Donor	Amount Pledged (m)	Currency	USD	Signed	Paid in
	Australia	23.3	AUD	22.3	22.3	20.1
	Denmark	40.0	DKK	7.1	7.1	7.1
	European Union	15.0	EUR	19.7	19.7	19.7
	Finland	5.6	EUR	7.6	7.6	7.6
	Germany	8.0	EUR	11.2	11.2	11.2
	Italy	4.0	EUR	5.4	5.4	5.4
	Netherlands	5.0	USD	5.0	5.0	0.0
	Sweden	5.0	USD	5.0	5.0	5.0
	Turkey	5.0	USD	5.0	5.0	5.0
	UK	30.0	GBP	45.8	45.8	30.7
	USA	25.0	USD	25.0	25.0	25.0
Total				159	159	136.7

- Operational since October 2010
- Total commitments : \$130 million
- Approved projects: 10
- Analytic work: KP/FATA Public Expenditure Review; Balochistan Need Assessment completed



* IDB is part of the MDTF Steering Committee as Observer



MDTF Financing Strategy and Program

ROUND ONE FINANCING HAS BEEN DISTRIBUTED ACROSS ALL FOUR PILLARS OF THE 2010 FINANCING STRATEGY

Pillar 1: Restoration of Damaged Infrastructure and Disrupted Services

17%

- **KP Roads Project** (US\$ 8 million, Project Signed - AF for US \$ 9 million is under preparation)
- **FATA Rural Roads** (US\$ 12 million, Project Signed and Effective)

- **FATA Urban Centers (TARUCCI) Program** (US\$ 7 million; Project Signed)

- **Promoting Girls Education in Balochistan** (US\$ 10 million; project signed)

- **Strengthening Health Services in Crisis affected Districts of KP** (US \$ 16 million; Project signed)

- **Support to Balochistan PDMA** (US \$ 5 million; project signed)

Pillar 2: Improving Local and Provincial Service Delivery

30%

- **Economic Revitalization of KP and FATA** (US\$ 20 million; Project Signed)

- **FATA Rural Livelihood and Community Infrastructure Project** (US\$ 12 million; Project Signed)

- **KP South Area Development Project** (US\$ 18 m; Signed and Effective)

- **KP Competitive Industries Project** (US\$9 m); Project Signed

Pillar 3: Supporting Livelihoods and Creating Employment Opportunities

38%

- Allocated directly or embedded in projects

- **KP, FATA, Balochistan Governance Support Project** (Establishment of the PCNA units in KP and FATA, PPP Support and Analytical sectoral work) (US\$ 8.75 mln; Project Signed)

Pillar 4: Capacity Building and Institutional Strengthening

15%





Analytical and Advisory Activities (AAAs)

Main Challenges	Key Analytic Work
Economy	Support to national growth strategy (CEM) Continued Energy and Tax Dialogue Agriculture Competitiveness Support to national debt management SOE Reform Punjab Social Sector PER
Floods	Review of Early Recovery Programs and Strategy Post Disaster Housing Review
Devolution	Impact of the devolution PEFA at provincial and federal levels Mining and Regional Integration
Human Development	Education Review Education Impact Evaluations (Sindh PPP Implementation and Sindh Stipend Programs) Safety Net Review and BISP Impact Evaluation Labor Supply and vulnerability Poverty Assessment Update Mainstreaming Gender issues Protecting Poor against health shocks
Conflict Areas	Operationalizing the PCNA Public Expenditure Review in KP/FATA Governance in KP/FATA/Balochistan Balochistan Needs Assessment

Despite Challenges Bank Programs are Achieving Results

Areas	Selected Results
Responding to disasters	<ul style="list-style-type: none"> • Earthquake response project built 600,000 houses to seismic resistant standards • Flood PCNA assessed 17 sectors covering 100,000 sq. km • Citizen's Damage Compensation Program (CDCP) to reach more than 1 million flood-affected households during second phase
Supporting water management	<ul style="list-style-type: none"> • Irrigation infrastructure rehabilitated in KP, serving 132,000 ha of irrigated land and improving the livelihoods of 2 million people
Improving social safety nets	<ul style="list-style-type: none"> • 93% of the Poverty Score Card (PSC) Survey completed covering 133 million people • Benazir Income Support Program has disbursed Rs. 85 billion (US\$ 1 billion) in income support since inception (FY 2008-09)
Improving access and quality of education in Punjab	<ul style="list-style-type: none"> • Net enrollment in middle schools increased from 20 to 22% since the project launch • An additional 79,000 school teachers hired on merit • Over 2,000 low-cost private schools supported under a public subsidy program, with large gains in enrollment
Supporting equitable access to schooling in Sindh	<ul style="list-style-type: none"> • Over 600,000 more children in school compared to project baseline of 2006/07 • Infrastructure in 1,326 schools fully rehabilitated over the last 18 months • 296 government-supported private schools set up in underserved rural communities in 2009 and 2010, leading to phenomenal gains in child participation rates, particularly for girls

Project Information



1. Country Assistance Strategy

The Bank prepares lending and advisory services, based on the selectivity framework and areas of comparative advantage, targeted to country poverty reduction efforts.

2. Identification

Projects are identified that support strategies and that are financially, economically, socially, and environmentally sound. Development strategies are analyzed.

3. Preparation

The Bank provides policy and project advice along with financial assistance. Clients conduct studies and prepare final project documentation.

Preparation

Appraisal

4. Appraisal

The Bank assesses the economic, technical, institutional, financial, environmental, and social aspects of the project. The project appraisal document and draft legal documents are prepared.

Appraisal

Negotiations and Board Approval

5. Negotiations and Board Approval

The Bank and borrower agree on loan or credit agreement and the project is presented to the Board for approval.

Implementation and Supervision

6. Implementation and Supervision

The Borrower implements the project. The Bank ensures that the loan proceeds are used for the loan purposes with due regard for economy, efficiency, and effectiveness.

Implementation and Completion

7. Implementation and Completion

The Implementation Completion Report is prepared to evaluate the performance of both the Bank and the borrower.

Evaluation

8. Evaluation

The Bank's independent Operations Evaluation Department prepares an audit report and evaluates the project. Analysis is used for future project design.

The Project Cycle

Public Disclosure

- ▶ **Some of the major documents available online**
 - Country Assistance Strategies
 - Analytical reports
 - Project Information Document and Environment and Social Assessments
 - Project Appraisal Document (after approval)
 - Implementation Completion Reports
 - OED evaluations, etc.
- ▶ The **Country Strategy (CAS)** provides an indication of the priorities that will be pursued by the country and whether this planned development will take place in sectors relevant to a company's operations.
- ▶ The **Projects Database** provides details of contracts that have been previously awarded as well as contracts currently available. All contracts subject to World Bank board approval since July 1, 2000 are listed.
- ▶ Monitor the **Monthly Operation Summary (MOS)** for new projects and projects that have been dropped.



Public Disclosure

- ▶ Examine the **Project Information Document** for key contacts involved with the bidding process and to best tailor your company's bid to the priorities and specifications of the project for which you are bidding.
- ▶ Monitor the **Development Gateway Market** which publishes more than 30,000 tender notices for projects funded by a range of development institutions.
- ▶ The **United Nations Development Business Site** also provides procurement notices for projects financed by a wide-range of development institutions.



For further information

- ▶ World Bank website
www.worldbank.org
- ▶ World Bank's Pakistan website
www.worldbank.org/pk
- ▶ World Bank Pakistan Facebook
www.facebook.com/worldbankpakistan

