World Bank Group Country Partnership Framework for Ethiopia
Summary of Consultations with Development Partners
March 18, 2026
World Bank Office

Consultations with development partners operating in Ethiopia on the World Bank Group's proposed Country Partnership Framework (CPF) brought together 30 representatives from across the Development Partners Group. Participants offered feedback and recommendations on CPF priorities, strategic focus areas, and coordination needs, helping to shape a partnership aligned with Ethiopia's key development challenges.

Key Points Discussed:

CPF Strategic Design, Coordination, and Selectivity

Partners were briefed on the CPF's redesigned 10-year framework, which emphasizes a unified "One World Bank" approach and a condensed focus on key indicators. Partners welcomed the shift but questioned how strategic selectivity would be applied, particularly regarding which activities the Bank would stop doing. Amid shrinking ODA envelopes, partners called for rigorous prioritization, complementarity, and stronger ground-level coordination to avoid duplication and ensure alignment.

Human Capital: Education, Health, and Social Protection

Human capital was viewed as a foundational priority. Partners expressed significant concern over Ethiopia's "learning poverty crisis" and rising malnutrition rates, supporting a strategic shift toward foundational skills, early childhood education, and primary health and nutrition. There was strong endorsement for prioritizing recurrent spending (e.g., medicines, textbooks, teacher training) over new capital-intensive infrastructure. The Productive Safety Net Program (PSNP) was affirmed as a critical pillar for social protection.

Private Sector Development, Jobs, and Macro-Fiscal Reform

Partners reinforced that private sector-led growth is the only viable path to absorbing the two million young people entering the labor market annually. A persistent "trust deficit" between the government and the private sector was identified as a major structural barrier. Key constraints highlighted included hidden regulatory hurdles, customs complexities, and supply chain inefficiencies. On the macro-fiscal front, partners supported reforms in currency liberalization and

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revenue mobilization, urging a continued shift in public spending from capital investment toward service delivery.

Conflict, Fragility, and the Peace Dividend

Conflict sensitivity emerged as a key consideration in discussions on the new CPF. Partners emphasized the importance of stability and predictability as enabling conditions for private sector engagement and investment. Some participants pointed to experiences in parts of the country, where improvements in security and stability have coincided with increased economic activity and investment interest. There were calls for differentiated approaches tailored to varying levels of fragility and risk, including for more stable and conflict affected contexts. Partners also welcomed the use of tools such as geospatial monitoring and third-party monitoring (TPM) to support implementation and oversight in more fragile areas.

Climate Resilience and Regional Integration

Partners urged that climate adaptation and mitigation be explicitly embedded in the CPF, not just treated as a cross-cutting theme, given Ethiopia's acute vulnerability to drought, flooding, and land degradation. Ethiopia's untapped potential in forest carbon markets was noted as a possible revenue source. Alongside climate action, partners underscored the importance of deepening Ethiopia's integration into regional markets (Somalia, South Sudan, Kenya) and accelerating progress on WTO accession.

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Annex:

Number of Participants	Organizations attending:
30 participants	• United Nations Development Program • KFW Germany (Credit Institute for Reconstruction) • Sweden Embassy • United States Embassy • European Union Delegation • Norwegian Embassy • Japan Embassy • United Kingdom Embassy • United States Center for Disease Control • Canada • Sweden Embassy • French Development Agency) • Netherlands Embassy • French Embassy • International Monetary Fund

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