Media Coverage



September 22-23, 2023

Web Coverage

Dawn

https://www.dawn.com/news/1777422/pakistans-economy-on-edge-of-precipice-warns-world-bank

The News

https://e.thenews.com.pk/detail?id=240372

Geo News

https://www.geo.tv/latest/511201-world-bank-urges-consensus-on-economic-reforms-to-pakistans-ailing-economy

Tribune Express

https://tribune.com.pk/story/2437352/95m-pakistanis-live-in-poverty-world-bank

Business Recorder

https://www.brecorder.com/news/40264658

 $\frac{\text{https://www.brecorder.com/news/40264690/economic-model-flops-poverty-hits-394pc-mark-say-world-bank-officials}{}$

The Nation

https://www.nation.com.pk/23-Sep-2023/world-bank-launches-new-programme-to-foster-debate-on-development-policy-issues

Pakistan Observer

https://pakobserver.net/world-bank-launches-reforms-for-a-brighter-future/

Pakistan Today

https://www.pakistantoday.com.pk/2023/09/23/pakistans-economic-model-no-longer-sustainable-wb-regional-director/

https://profit.pakistantoday.com.pk/2023/09/22/wb-launches-reforms-for-a-brighter-future-time-to-decide-to-contribute-to-the-public-debate-on-development-policy-priorities/

APP Pakistan

https://www.app.com.pk/business/wb-launches-new-programme-to-foster-debate-on-pakistans-development-policy-issues/

Independent News Pakistan

https://www.inp.net.pk/news-detail/pakistan/world-bank-launched-new-program-to-foster-debate-on-policy-issues-facing-pakistan

Daily Pakistan

https://en.dailypakistan.com.pk/22-Sep-2023/world-bank-launches-reforms-for-a-brighter-future-in-pakistan

Pro Pakistani

https://propakistani.pk/2023/09/22/world-bank-launches-program-to-tackle-development-policyissues-in-pakistan/

ARAB News

https://www.arabnews.com/node/2379211/pakistan

The Current

https://thecurrent.pk/world-bank-pakistan-warning/

National Herald

https://www.nationalheraldindia.com/international/pakistans-economy-on-edge-of-precipice-warns-world-bank

Dunya News

https://dunya.com.pk/index.php/pakistan/2023-09-23/2240554

Umat News

https://ummat.net/845422/

DAWN News

https://www.dawnnews.tv/news/1205496

Urdu Point

https://www.urdupoint.com/daily/livenews/2023-09-22/news-3739282.html

24 Urdu

https://www.24urdu.com/10-Sep-2023/83911

Express News

https://www.express.pk/story/2541538/6

Print Edition



Pakistan's economy on edge of precipice, warns World Bank

Says current model can't reduce poverty as Pakistan has lowest per capita income in South Asia and highest out-of-school kids in the world

By Khaleeg Kiani

ISLAMABAD: Pakistan is in its tipping point crisis where it should decide to remain a laggard with 40 per cent population living below the poverty line under elite capture and policy decisions driven by strong vested interests of military, political and business leaders or change course to take off for a brighter future.

This candid warning came from the World Bank ahead of the new election cycle for the upcoming government to make early choices while making it clear that international lenders and development partners could only advise with international experiences of successes and some financing but hard choices and course correcting decisions could only be taken within the

The good sign, however, is that the countries with higher sustainable economic growth like India, Indonesia and Vietnam also made the be Pakistan's moment in making policy shifts,"

said Najy Benhassine, Country Director for the while releasing a set of policy notes for debate and discussions for finalisation before the new elected government comes in.

He said Pakistan was in the middle of a human resource capital and economic crisis. "Policy decisions are heavily influenced by strong vested interests, including those of military, political and business leaders," reads an overview of the Reforms For a Brighter Future: Time to Decide" that Mr Benhassine released. He said Pakistan had been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation - when the country was among the most vulnerable to climate change impacts.

"It is also facing a 'silent' human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality," Mr Najy said, adding that Pakistan's economic model no longer reducing poverty and it was very concerning that poverty reduction successes until 2018 had been reversed since.

Another World Bank official said Pakistan's per day had declined to 34.3pc by 2018 from 73.5pc two decades earlier but had since increased to 39.4pc according to the bank estiright decisions at the time of crisis and were mates, Also, over 12.5 million people had addiable to overcome similar challenges. "This may tionally fallen below the poverty line measures by \$3.65 per day income.

The bank said Pakistan's average real per World Bank in Pakistan, at a news briefing capita growth rate was just 1.7pc between 2000 and 2020 - less than half the average per capita growth rate (4pc) for South Asian countries over the period and well below the average of comparator countries with similar economic structures. As a result, Pakistan's per capita incomes have fallen behind, "While Pakistan's per capita income was among the highest in South Asia during the 1980s, it is now among the lowest in the region.'

Pakistan's human development outcomes lag well behind the rest of South Asia and are roughly equivalent to those in many Su-Saharan African countries with the costs disproportionately borne by girls and women while close to 40pc of children under five years of age were stunted and had the largest number (20.3m) of out-of-school children in the world. Its growth model has resulted in periodic balance of payments crises driven by unsustainable fiscal and current account deficits that necessitated subsequent painful contractionary adjustments, slowing growth, reducing certainty and undermining investments.

The bank proposed enhancing revenue mobilisation potential at 22pc of GDP against the poverty rate for the middle-income line of \$3.20 existing rate of 9-10pc and said about 3pc of GDP could be immediately recovered by properly taxing properties and agriculture which could contribute 2pc and 1pc of GDP respectively. Simultaneously, expenditures could be reduced through reforms by 1.3pc immediately and about 2.1pc over the medium term and the

funds so generated should be utilised in health, education and sanitisation outcomes.

Mr Najy said the heavy government reliance on bank borrowing at high interest rates for deficit financing was also one of the key factors behind high inflation and should be arrested by reducing the government footprint in public sector entities that account for over 45pc of GDP, most of them loss-making and needing public money to stay afloat.

The World Bank proposed shifting policies from underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulnerable - in particular, to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls.

It also advised a shift from wasteful and rigid public expenditures benefiting a few, towards tightly prioritised spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in

Mr Najy responding to a question on a common charter of economy among the political parties said while such a way forward could be welcome there was reasonable consensus on priorities and challenges among all stakeholders. These policy shifts with wider stakeholder support should be implemented by the new government in the first year in office for a base to build upon in subsequent years.



WB says 95m Pakistanis live in poverty

Urges govt to tax agriculture, real estate, cut wasteful expenditure

SHAHBAZ RANA ISLAMABAD

wasteful expenditures in an ef- back on a prudent fiscal path. fort to achieve economic stability However, the measures sug- WB Economist Tobias Haque

The lender on Friday also re- "sacred cows". vealed that poverty in Pakistan year with 12.5 million more peo- tion of today," Tobias Hague, the rector for Pakistan at WB, said, ple falling into the trap due to WB's lead country economist, said. poor economic conditions.

live in poverty.

unveiled the draft policy notes he added.

government.

and energy sectors as the prior- agriculture sectors. ity areas for reforms for the next government.

of economy, the World Bank has ately increase the tax-to-GDP ratio deeply concerned about urged Pakistan to take urgent by 5% and cut expenditures by steps to tax its sacred cows - ag- about 2.7% of GDP - aimed at putriculture and real estate – and cut ting the unsustainable economy of today

through steep fiscal adjustment of gested were mostly in areas over 7% of the size of the economy, that had been considered as

of all stakeholders for the next ing government revenues showed those who count,"

Deeply concerned over the state It proposed measures - immedi- 17 The World Bank is the economic situation

"This may be Pakistan's mo-"The World Bank is deeply con-ment for significant policy shift," shot up to 39.4% as of last fiscal cerned about the economic situa- Najy Benhassine, the country di-

To a question, he said: "We hope Pakistan is facing serious eco- there is a realisation of the cur- ate taxes equal to 2% of the CDP. About 95 million Pakistanis now nomic and human development rent economic situation but the It wanted an increase in taxes on tax exemptions on machinery crises and it is at a point where question is whether the realisa- land and property to collect an- import for power generation and The Washington-based lender major policy shifts are required, tion for the change in policies other 2% of GDP in revenues and transmission, and withdrawal of is across all the political parties, generate another 1% of the GDP that it prepared with the help The bank's note on strengthen- businesses, civil society and all from the agriculture sector.

The lender identified low the revenue-to-CDP ratio by 5% creased within one year from particularly of assets.

It added that the increase in pov-vestment trusts. erty was consistent with ground realities.

no longer reducing poverty and ers' salaries," it added. the living standards have fallen be-

Revenues

lect taxes equal to 22% of the GDP but its current ratio is only 10.2% showing a gap of more than half, duties on cigarettes by applying a according to the WB note.

The lender proposed reducing distortive exemptions to gener- increase in these rates every year.

The lender proposed a manda-

a host of measures to improve The poverty in Pakistan in- tory use of CNIC for transactions,

human development, unsustain- through withdrawal of tax ex- 34.2% to 39.4% with 12.5 million The WB recommended withable fiscal situation, over-regu- emptions and increasing burden more people falling below the drawing income tax exemption lated private sector, agriculture of taxes on the real estate and the poverty line of \$3.65 per day in- available to the power generation come level, according to the WB. projects and to the real estate in-

> "The revenues generated by withdrawing these exemptions "Pakistan's economic model is are enough to fund 35,000 teach-

The WB recommended further hind peer countries," Haque said, tightening the noose around salaried individuals by reducing the numbers of tax slabs and further Pakistan has the capacity to col- reducing the income threshold for the top marginal tax brackets.

> It proposed increasing excise uniform rate across all brands and an automatic inflation adjusted

> It also wanted withdrawal of exemptions for pharmaceutical and energy sectors.

WORLD BANK, PAGE 6

WB asks parties, policymakers to evolve consensus on economic reforms

Recommends taxing real estate, agriculture income, raising excise duty on tobacco, removing sales tax exemptions, introducing environmental taxes, expanding personal income tax base

By Mehtab Haider

evolve a broader consensus at WB Office on Friday. on the economic reform

just labelling it as a Charter points over the short term. of Economy. There was a lot of stop-and-go as well as pol- long term, the icy reversals in the past so there is a need for a broader economic reforms agenda

with full implementation mechanism," WB's Country ISLAMABAD: Amid the polit- Director Najy Benhassine ical transition around the stated on the occasion of the comer, the World Bank (WB) launch of a new programme has asked Pakistan's political titled "Reforms for a Brighter parties and policymakers to Future: Time to Decide' here

The WB has come up agenda by focusing on five with a prescription of idenmajor areas to fix the ailing tifying five major areas and recommended bringing the "The broad-based policy real estate and agriculture shift is required for strik- income into the tax net in ing consensus on minimum order to jack up the tax-toreform agenda instead of GDP ratio by 3 percentage

Over the process





WB launches new programme to foster debate on Pak development-policy issues

to Decide" aimed at foster- the stakeholders. the critical development on international experience for girls." policy issues being faced by as well as a large body of Pakistan.

what 'fundamental policy development status quo.

towards stronger, more cli- 'From underfunded, ineffi- need. mate-resilient and sustain- cient, and fragmented serv-

ing a productive debate on The Notes, which draw for all children, especially

Besides, it asked for movevidence on Pakistan, pro- ing "From wasteful and The programme is pose fundamental policy rigid public expenditures intended to engage in dis- shifts that are needed to benefiting a few, towards cussions with a broad move away from the cur- tightly prioritized spending range of stakeholders that rent low-growth, anti- on public services, infrastructure, and investments shifts' are most needed to In the draft notes, the WB in climate adaptation, bendurably steer the economy suggested a policy shift efiting populations most in

The international lender able growth and develop- ice delivery and social pro- emphasized switching over tection systems towards to a system that is broad-This consultation pro- coordinated, efficient and based, efficient, progressive

ISLAMABAD, (NNI): The gramme includes the publi- adequately financed service and equitable-generating narrow, distortive and with a large state presence policies that locked farmers World Bank on Friday cation of a series of draft delivery targeting the most sufficient revenues to signif-inequitable tax system. launched a new pro- discussion notes that would vulnerable, particularly to icantly increase public. The WB also proposed a economy driven by private ductivity. farming: and gramme titled "Reforms be progressively enriched reduce abnormally high investment in human devel-policy shift "From a pro-investment and exports." for a Brighter Future: Time by feedback received from child stunting rates and opment, infrastructure, and tected, stagmant, and It suggested shunning driven, productive agricul-

increase learning outcomes climate adaptation from a unproductive economy such agriculture sector tural system, including val-

towards a dynamic open into low-value, low-proadopting a more marketue chains that were resilient to climate change impacts and water scarcity.

The WB asked for shifting From energy sector policies that drive high energy environmental harms, and unsustainable accumulation of debt. towards efficient, sustainable, and resilient generation and distribution. based on accurate price signals, increased competition and private participation, and a cleaner energy mix."





WB launches 'Reforms for a Brighter Future: Time to Decide' to Contribute to the Public Debate on Development Policy Priorities

MT REPORT

PESHAWAR:

climate- ommendations put Pakistan back on tion

steer the economy try to seek inputs and understanding of today and tomor- to move away from impacts, It is also fac- opment potential, towards stronger, feedback on the rec- what it would take to row, This consulta- the current low- ing a "silent" human There is reasonable program growth, anti-develop- capital crisis: abnor- consensus on priori-World Bank has resilient and sustain- included in the draft a path towards sus- includes the publica- ment launched a new pro- able growth and D i s c u s s i o n tainable, climate- tion, today, of a series quo; "Pakistan has stunting rates, low lenges, Determining gram to foster debate development. A press Notes. These have resilient, and inclu- of draft Discussion been facing numer- learning outcomes, specific solutions on the critical devel- release issued here on included discussions sive growth. The Notes These will be our economic hard- and high child moropment policy issues Friday stated that as with students across 'Reforms for a progressively ships including inflatality.", said Najy on concrete, funda-Pakistan. part of the 'Reforms 21 universities and Brighter Future' pro- enriched by feedback tion, rising electricity Benhassine, Country 'Reforms for a for a Brighter Future' provincial roundta- gram will continue received from a broad prices, severe climate Director for the World pro- bles with thinkers over the following range of stakehold- shocks, and insuffi- Bank to Decide' is intended gram, the World Bank from academia, and months both online ers. The Notes, which cient public resources Pakistan. "These dis-program of discusto engage in discus- together with the the public and private and at in-person draw on international to finance develop- cussion notes con- sions will help build a sions with a broad Pakistan Institute of sectors, Participants events across the experience as well as a ment and climate tribute to debates on consensus around a range of stakeholders D e v e l o p m e n t in all four provinces country, including large body of evidence adaptation—when long standing policy path towards incluon what fundamental Economics, conduct- have shared insights the national conver- on Pakistan, propose the country is among issues that are mut- sive, sustainable, and policy shifts are most edextensive consulta- and perspectives that sation that will take fundamental policy the most vulnerable ing Pakistan's high climate-resilient needed to durably tions across the coun- have helped shape the place in Islamabad shifts that are needed to climate change economic and devel-development".

status mally high child ties and chal-

mental policy decisions. We hope this



WB launches 'Reforms for a Brighter Future' engagement program

■ OUR CORRESPONDENT PESHAWAR

The World Bank has launched a new program to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development.

A press release issued here on Friday stated that as part of the 'Reforms for a Brighter Future' en-

gagement program, the World Bank together with the Pakistan Institute of Development Economics, conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes.

These have included discussions with students across 21 universities and provincial roundtables with thinkers from academia, and the public and private sectors. Participants in all four provinces have shared insights and perspectives that have helped shape the understanding of what it would take to

put Pakistan back on a path towards sustainable, climate-resilient, and in- body of evidence on Pakistan, proclusive growth.

The 'Reforms for a Brighter Future' program will continue over the following months both online and at in-person events across the country. including the national conversation that will take place in Islamabad today and tomorrow.

This consultation program includes the publication, today, of a series of draft Discussion Notes These will be progressively enriched by feedback received from a broad range of stakeholders.

The Notes, which draw on interna-

tional experience as well as a large pose fundamental policy shifts that are needed to move away from the current low-growth, anti-development status quo:

"Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation-when the country is among the most vulnerable to climate change impacts.

It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said Najy Benhassine, Country Director for the World Bank in Pakistan.

"These discussion notes contribute to debates on long standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges.

Determining specific solutions requires open debates on concrete, fundamental policy decisions. We hope this program of discussions will help build a consensus around a path towards inclusive, sustainable, and climate-resilient development".



World Bank launches reforms for a brighter future of Pak

Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation: World Bank

MAHNOOR ANSAR

ISLAMABAD: The World Bank has launched a new program to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development. This consultation program includes the publication, today, of a series of draft Discussion Notes. These will be progressively enriched by feedback received from a broad range of stakeholders. The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policy shifts that are needed to move away from the current low-growth, anti-development status quo: From underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulnerable-in

particular to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls. From wasteful and rigid public expenditures benefiting a few, towards tightly prioritized spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in need.

From a narrow, distortive, and inequitable tax system towards one that is broad-based, efficient, progressive, and equitable-generating sufficient revenues to significantly increase public investment in human development, infrastructure, and climate adaptation. From a protected, stagnant, and unproductive economy with a large state presence towards a dynamic open economy driven by private investment and exports. From agriculture sector policies that lock farmers into a low-value, low-productivity farming towards a more market-driven, productive agricultural system, including value chains that are resilient to climate change impacts and water scarcity. From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation of debt, towards efficient, sustainable, and resilient generation and distribution, based on accurate price signals, increased competition and private participation, and a cleaner energy mix. From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested interests towards accountable, efficient, and transparent government, including at the local level. "Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation-when the country is among the most vulnerable to climate change impacts. It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said Najy Benhassine, Country Director for the World Bank in Pakistan. "These discussion notes contribute to debates on long standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges. Determining specific solutions requires open debates on concrete, fundamental

policy decisions. We hope this program of discussions will help build a consensus around a path towards inclusive, sustainable, and climate-resilient development". As part of the 'Reforms for a Brighter Future' engagement program, the World Bank together with the Pakistan Institute of Development Economics, conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes. These have included discussions with students across 21 universities and provincial roundtables with thinkers from academia, and the public and private sectors.

Participants in all four provinces have shared insights and perspectives that have helped shaped the understanding of what it would take to put Pakistan back on a path towards sustainable, climate-resilient, and inclusive growth. The 'Reforms for a Brighter Future' program will continue over the following months both online and at in-person events across the country, including the national conversation that will take place in Islamabad today and tomorrow.

The Frontier Post

WB launches program for critical Pakistan uplift

F.P. Report

Bank has launched a new tions included in the draft gram includes the publicaprogram to foster debate on Discussion Notes. the critical development Decide' is intended to thinkers from academia, range of stakeholders. engage in discussions with and the public and private a broad range of stakehold- sectors. Participants in all on international experience ers on what fundamental four provinces have shared as well as a large body of contribute to debates on long policy shifts are most need- insights and perspectives evidence on Pakistan, proed to durably steer the that have helped shape the pose fundamental policy economy towards stronger, understanding of what it shifts that are needed to more climate-resilient and would take to put Pakistan move away from the cursustainable growth and back on a path towards sus- rent low-growth, antidevelopment.

A press release issued and inclusive growth. here on Friday stated that as Pakistan Institute Development Economics, ing the national conversa- development and climate tainable,

sultations across the coun- Islamabad try to seek inputs and feed-tomorrow. PESHAWAR: The World back on the recommenda-

facing cussions with students These will be progressively Pakistan, 'Reforms for a across 21 universities and enriched by feedback Brighter Future: Time to provincial roundtables with received from a broad tainable, climate-resilient, development status quo:

conducted extensive con- tion that will take place in adaptation-when

today

This consultation protion, today, of a series of These have included dis- draft Discussion Notes

The Notes, which draw

and country is among the most vulnerable to climate change impacts. It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said Najy Benhassine, Country Director for the World Bank in Pakistan.

"These discussion notes standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges. Determining "Pakistan has been fac- specific solutions requires The 'Reforms for a ing numerous economic open debates on concrete, part of the 'Reforms for a Brighter Future' program hardships including infla- fundamental policy deci-Brighter Future' engage- will continue over the fol- tion, rising electricity sions. We hope this program ment program, the World lowing months both online prices, severe climate of discussions will help Bank together with the and at in-person events shocks, and insufficient build a consensus around a of across the country, includ- public resources to finance path towards inclusive, sus-



WB launches 'Reforms for a Brighter Future: Time to Decide' to Contribute to the Public Debate on Development Policy Priorities

PESHAWAR: World Bank has

steer the economy try to seek inputs and understanding of today and tomor- to move away from impacts, It is also fac- opment potential. towards stronger, feedback on the rec- what it would take to row. This consulta- the current low- ing a "silent" human There is reasonable more climate- ommendations put Pakistan back on tion resilient and sustain- included in the draft a path towards sus- includes the publica- ment able growth and D i s c u s s i o n tainable, climate- tion, today, of a series quo; "Pakistan has stunting rates, low lenges. Determining gram to foster debate development. A press Notes, These have resilient, and inclu- of draft Discussion been facing numer- learning outcomes, specific on the critical devel- release issued here on included discussions sive growth. The Notes These will be ous economic hard- and high child moropment policy issues Friday stated that as with students across 'Reforms for a progressively ships including inflatality.", said Najy Pakistan. part of the 'Reforms 21 universities and Brighter Future' pro- enriched by feedback tion, rising electricity Benhassine, Country for a for a Brighter Future' provincial roundta- gram will continue received from a broad prices, severe climate Director for the World pro- bles with thinkers over the following range of stakehold- shocks, and insuffi- Bank to Decide' is intended gram, the World Bank from academia, and months both online ers. The Notes, which cient public resources Pakistan. "These disto engage in discus- together with the the public and private and at in-person draw on international to finance develop- cussion notes consions with a broad Pakistan Institute of sectors, Participants events across the experience as well as a ment and climate tribute to debates on consensus around a range of stakeholders Development in all four provinces country, including large body of evidence adaptation-when long standing policy path towards incluon what fundamental Economics, conduct- have shared insights the national conver- on Pakistan, propose the country is among issues that are mut- sive, sustainable, and policy shifts are most ed extensive consulta- and perspectives that sation that will take fundamental policy the most vulnerable ing Pakistan's high climate-resilient needed to durably tions across the coun-have helped shape the place in Islamabad shifts that are needed to climate change economic and devel-development".

program growth, anti-develop- capital crisis: abnor- consensus on prioristatus mally high child ties

requires open debates on concrete, fundamental policy decisions. We hope this program of discussions will help build a



WB Launches 'Reforms for a Brighter Future: Time to Decide' to Contribute to Public Debate on Development Policy Priorities in Pakistan

STAFF REPORTER

ISLAMABAD

The World Bank has launched a new program to foster debate coordinated, effion the critical devel- cient, and opment policy issues quately financed serfacing Future: Time Decide' is intended to reduce engage in discussions with a broad range of stakeholders on what learning outcomes for fundamental policy shifts are most needed for girls. to durably steer the economy stronger, more cli-tures benefiting a few, mate-resilient and towards tightly prior-

program includes the ments in climate publication, today, of adaptation, benefita series of draft ing populations most Notes. in need. Discussion These will be progressively enriched by feedback received ble tax system towards from a broad range of one that is broadstakeholders. Notes, which draw on gressive, and equita-international experi- ble—generating suffience as well as a cient revenues to siglarge body of evi- nificantly dence on Pakistan, public in propose fundamental policy shifts that are infrastructure, and clineeded to move mate adaptation. away from the current low-growth, development status ductive

inefficient, and fragmented service delivery and social protection systems towards adefacing Pakistan. vice delivery, target-Reforms for a Brighter ing the most vulnera-ductivity high child stunting rates and to increase all children, especially

From wasteful and water scarcity. towards rigid public expendisustainable growth itized spending on and development, public services, infraconsultation structure, and invest-

> From a narrow, distortive, and inequita-The based, efficient, proincrease public investment in human development,

From a protected, anti- stagnant, and unproeconomy

with a large state From underfunded, presence towards a dynamic open economy driven by private investment exports.

From agriculture sector policies that lock farmers into a low-value, low-profarming to ble—in particular to towards a more marabnormally ket-driven, productive agricultural system, including value chains that are resilient to climate change impacts and

From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation debt, towards sustainable, and resilient generation and distribution. based on accurate price signals, increased competition and private participation, and cleaner energy mix.

From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested towards accountable, efficient, and transparent government, including at the

local level.



Debt piling up

Borrowing reliance surging to finance twin deficits: WB

ZAHEER ARRASI

ISLAMABAD: World Bank on Friday said Pakistan's economic model is unsuitable because the country's borrowing reliance has been increasing to finance the twin deficits fiscal and current account and consequently, the debt level was piling up.

This was stated by Mathew Verghis, Regional Director South Asia, Equitable Growth, Finance and Institution, in his keynote address at the launch of "Reforms for a Brighter Future-Time to Decide" by the WH on

Verghis added that the country has been spending a lot more than its revenue and on external account it was importing more as opposed to its exports. As a result, its reliance on domestic and external borrowing has been increasing and consequently, its debt level reached 80 percent of the GDP, he comin-

He said that the good news is that Pakistan's bright future is possible by leveraging its youth. He added that natural resources and location make it vibrant to achieve 7-8 percent GDP

Verghis said that the crisis also provides an opportunity to bring about critical reform. Verghis further stated that political instability and uncertainty are the primary reasons for low investment in the country and added that there is a need for a committed credible and capable government. He also stated that there is a need for political consensus for diffi-

The WB regional director

further stated that Pakistan Pakistan the region in terms of GDP and per capita income and its average GDP growth was significantly low compared to other regional countries.

The Country Director for the World Bank in Pakistan, Najy Benhassine, said that Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation when the country is among the most vulnerable to climate change impacts.

He added that it is also facing a "silent" human capital crisis- abnormally high child stunting rates, low learning outcomes, and high child mortality. These desexession restes, he said would contribute to debates on long-standing policy issues that are muting Pakistan's high economic and development potential.

There is reasonable consensus on priorities and challenges, however, determinsolutions ing specifie requires open debates on concrete, fundamental policy decisions. He further stated that WB hopes this programme of discussions will help build a consensus pround a path towards inclusive, sustainable, and climate-resilient development. He said it is time for Pakistan to decide on fundamental policy shifts to durably steer the economy towards stronger, more climate-resilient and sustainable growth and develop-

WB together with the ulations most in need.

Institute of has been lagging behind in Development Economics (PIDE), conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes. These have included discussions with students across 21 universities and provincial roundtables with thinkers from academia, and the public and private sectors. Participants in all four provinces have shared insights and perspectives that have helped shape the understanding of what is would take to put Pakistan back on a path towards sustainable, climate-resilient, and inclusive growth, the event was further told.

According to the WB statement the notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policy shifts that are needed to move away from the current low-growth, anti-development status quo and from underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulnerable-in particular to reduce abnormally high child sturring rates and to increase learning outcomes for all children, especially for girls. From wasteful and rigid public expenditures benefiting a few. towards tightly prioritised spending on public services, infrastructure, and investments in climate The speaker said that the adaptation, benefiting pop-



WB launches 'Reforms for a brighter future

T.M. Report

PESHAWAR: The World Bank has launched a new program to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development.

A press release issued here on Friday stated that as part of the 'Reforms for a Brighter Future' engagement program, the World Bank together with the Pakistan Institute of Development Economics, conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes.

These have included discussions with students across 21 universities and provincial roundtables with thinkers from academia, and the public and private sectors. Participants in all four provinces have shared insights and perspectives that have helped shape the understanding of what it would take to put Pakistan back on a path towards sustainable, climate-resilient, and inclusive growth.

The 'Reforms for a Brighter Future' program will continue over the following months both online and at in-person events across the country, including the national conversation that will

take place in Islamabad today and tomorrow. This consultation program includes the publication, today, of a series of draft Discussion Notes These will be progressively enriched by feedback received from a broad range of stakeholders.

The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policy shifts that are needed to move away from the current low-growth, anti-development status quo: "Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation-when the country is among the most vulnerable to climate change impacts.

It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said Najy Benhassine, Country Director for the World Bank in Pakistan. "These discussion notes contribute to debates on long standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges. Determining specific solutions requires open debates on concrete, fundamental policy decisions. We hope this program of discussions will help build a consensus around a path towards inclusive, sustainable, and climate-resilient development".



World Bank launches new programme to foster debate on development policy issues

IMRAN ALI KUNDI ISLAMABAD

The World Bank has launched a new programme to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development.

consultation program includes the publication, today, of a series of draft Discussion Notes. These will be progressively enriched by feedback received from a broad range of stakeholders. The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policy shifts that are needed to move away from the current low-growth, anti-development quo: from underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulnerable in particular to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls.

From wasteful and rigid public expenditures benefiting a few, towards tightly prioritized spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in need. From a narrow, distortive, and inequitable tax system towards one that is broad-based, efficient, progressive, and equitable—generating sufficient revenues to significantly increase public investment in human development, infrastructure, and climate adaptation.

From a protected, stagnant, and unproductive economy with a large state presence towards a dynamic open economy driven by private investment and exports. From agriculture sector policies that lock farmers into a low-value, low-productivity farming towards a more market-driven, productive agricultural system, including value chains that are resilient to climate change impacts and water scarcity.

From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation of debt, towards efficient, sustainable, and resilient generation and distribution, based on accurate price signals, increased competition and private participation, and a cleaner energy mix. From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested interests towards accountable, efficient, and transparent government, including at the local level.

"Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation—when the country is among the most vulnerable to climate change impacts. It is also facing a 'silent' human capital crisis: abnormally

high child stunting rates, low learning outcomes, and high child mortality," said Najy Benhassine, Country Director for the World Bank in Pakistan. "These discussion notes contribute to debates on long standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges. Determining specific solutions requires open debates on concrete, fundamental policy decisions. We hope this program of discussions will help build a consensus around a path towards inclusive, sustainable, and climate-resilient development."

As part of the "Reforms for a Brighter

Future' engagement program, the World Bank together with the Pakistan Institute of Development Economics, conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes. These have included discussions with students across universities and provincial roundtables with thinkers from academia, and the public and private sectors. Participants in all four provinces have shared insights and perspectives that have helped shape the understanding of what it would take to put Pakistan back on a path towards sustainable, climate-resilient, and inclusive growth. The 'Reforms for a Brighter Future program will continue over the following months both online and at in-person events across the country, including the national conversation that will take place in Islamabad today and tomorrow.

The Statesman

September 23, 2023

World Bank launches 'Reforms for a brighter future'

STAFF REPORTER

ISLAMABAD

The World Bank has launched a new program to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development. This consultation program includes the publication, today, of a series of draft Discussion Notes.

These will be progressively enriched by feedback received from a broad range of stakeholders. The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental

policy shifts that are needed to move away from the current lowgrowth, anti-development status quo:

From underfunded, inefficient, and fragmented service delivery, and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulner-



able—in particular to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls.

From wasteful and rigid public expenditures benefiting a few, towards tightly prioritized spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in need.

From a narrow, distortive, and inequitable tax system towards one that is broad-based, efficient, progressive, and equitable—generating sufficient revenues to significantly increase public investment in human development, infrastructure, and climate adaptation.

From a protected, stagnant, and unproductive economy with a large state presence towards a dynamic open economy driven by private investment and exports. From agriculture sector policies that lock farmers into a low-value, low-productivity farming towards a more market-driven, productive agricultural system, including value chains that are resilient to climate change impacts and water scarcity.

From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation of debt, towards efficient, sustainable, and resilient generation and distribution, based on accurate price signals, increased competition and private participation, and a cleaner energy mix.

From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested interests towards accountable, efficient, and transparent government, including at the local level.

"Pakistan has been facing numerous economic hardships cluding inflation, rising electricity prices. severe climate shocks. and insufficient public resources to finance development and climate adaptation-when the country is among the most vulnerable to climate change impacts. It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said NajyBenhassine, Country Director for the World Bank in Pakistan.



World Bank launches 'Reforms for a Brighter Future



ISLAMABAD: The World Bank has launched a new program to foster debate on the critical development policv issues facing Pakistan. Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient and sustainable growth and development. This consultation program includes the publication, today, of a series of draft Discussion Notes.

These will be progressively enriched by feedback received from a broad range of stakeholders. The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policv shifts that are needed to move away from the current low-growth, anti-development status quo:

From underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulnerable—in particular to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls.

From wasteful and rigid public expenditures benefiting a few, towards tightly prioritized spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in need.

From a narrow, distortive, and inequitable tax system towards one that is broad-based, efficient, progressive, and equitable-generating sufficient revenues to significantly increase public investment in human development, infrastructure, and climate adaptation.

From a protected, stagnant, and unproductive economy with a large state presence towards a dynamic open ous economic hardships includ-

economy driven by private investment and exports.

From agriculture sector policies that lock farmers into a low-value, low-productivity farming towards a more market-driven, productive agricultural system, including value chains that are resilient to climate change impacts and water scarcity.

From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation of debt, towards efficient, sustainable, and resilient generation and distribution, based on accurate price signals, increased competition and private participation, and a cleaner energy mix.

From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested interests towards accountable, efficient, and transparent government, including at the local level.

"Pakistan has been facing numer-

ing inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation—when the country is among the most vulnerable to climate change impacts. It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said Najy Benhassine, Country Director for the World Bank in Pakistan.

"These discussion notes contribute to debates on long standing policy issues that are muting Pakistan's high economic and development potential. There is reasonable consensus on priorities and challenges. Determining specific solutions requires open debates on concrete, fundamental policy decisions. We hope this program of discussions will help build a consensus around a path towards inclusive. sustainable, and climate-resilient devel-

As part of the 'Reforms for a Brighter Future' engagement program, the World Bank together with the Pakistan Institute of Development Economics, conducted extensive consultations across the country to seek inputs and feedback on the recommendations included in the draft Discussion Notes. These have included discussions with students across 21 universities and provincial roundtables with thinkers from academia, and the public and private sectors. Participants in all four provinces have shared insights and perspectives that have helped shaped the understanding of what it would take to put Pakistan back on a path towards sustainable, climate-resilient, and inclusive growth. The 'Reforms for a Brighter Future' program will continue over the following months both online and at in-person events across the country, including the national conversation that will take place in Islamabad today and tomorrow.



Pakistan's economic model no longer sustainable: WB regional director

ISLAMABAD

STAFF REPORT

World Bank's (WB) Regional Director for South Asia, Mathew Verghis, on Friday raised concern about Pakistan's economic model, saying that it was no longer sustainable and in dire need of urgent reforms.

Addressing a ceremony in Islamabad, the WB regional director said that the fiscal deficit and current account deficit caused by high expenditures were leading to unsustainable levels of debt.

He also highlighted the multifacoted challenges Pakistan faces - from economic struggles to a silent human capital crisis. "Pakistan's economic model is no longer sustainable and in need of urgent reforms," he noted. Verghis regrotted that the country was spending more than its income, pointing out that it is ranked lowest in the region in terms of gross domestic product (GDP) He also warned that the risks of environmental catastrophes were increasing for Pakistan, saying that people were directly affected by the floods.

The World Bank representative further said that all stakeholders – governmental, non-governmental and as well as foreign donors in Pakistan – need to coordinate for reform and bright future for Pakistan

The WB regional director also said that the country's economic recovery was only possible if it brought urgent reforms. The current economic policies cannot lead to stability", he said, adding that challenges for the country's economy continue to grow. "Pakistan can achieve growth and be on a growth trajectory but requires a modified and reformed system as its current economic system lacks stability," he concluded.

Recently, Asian Development Bank (ADB) issued an economic outlook report in Asia, predicting that Pakistan's gross domestic product (GDP) growth is projected to recover modestly to 1.9% in fiscal year 2023-24 from 0.3% in FY2023.

According to the report, inflation in Pakistan will decrease from 29 percent to 25 percent in the ongoing fiscal year as the country's economic confidence is expected to increase from the general elections in 2023-24. However, high inflationary pressure will continue due to an increase in energy prices and the falling value of the rupos, the report highlighted.

"Pakistan's economic prospects are closely tied to the steadfast and consistent implementation of policy reforms to stabilize the economy and rebuild fiscal and external buffers," said ADB Country Director for Pakistan Yong Ye. ADB Country Director said: "Increase in global prices and slow economic growth is also a threat to Pakistani economy along with economic stability depends on sustained policy reforms."

Pakistan OBSERVER

September 23, 2023

World Bank launches 'Reforms for a brighter future'

STAFF REPORTER

ISLAMABAD

The World Bank has launched a new program to foster debate on the critical development policy issues facing Pakistan. 'Reforms for a Brighter Future: Time to Decide' is intended to engage in discussions with a broad range of stakeholders on what fundamental policy shifts are most needed to durably steer the economy towards stronger, more climate-resilient sustainable growth and development. This consultation program includes the publication, today, of a series of draft Discussion Notes.

These will be progressively enriched by feedback received from a broad range of stakeholders. The Notes, which draw on international experience as well as a large body of evidence on Pakistan, propose fundamental policy shifts that are needed to move away from the current lowgrowth, anti-development status quo:

From underfunded, inefficient, and fragmented service delivery and social protection systems towards coordinated, efficient, and adequately financed service delivery, targeting the most vulner-



able—in particular to reduce abnormally high child stunting rates and to increase learning outcomes for all children, especially for girls.

From wasteful and rigid public expenditures benefiting a few, towards tightly prioritized spending on public services, infrastructure, and investments in climate adaptation, benefiting populations most in need.

From a narrow, distortive, and inequitable tax system towards one that is broad-based, efficient, progressive, and equitable—generating sufficient revenues to significantly increase public investment in human development, infrastructure, and climate adaptation.

From a protected, stagnant, and unproductive economy with a large state presence towards a dynamic open economy driven by private investment and exports. From agriculture sector policies that lock farmers into a low-value, low-productivity farming towards a more market-driven, productive agricultural system, including value chains that are resilient to climate change impacts and water scarcity.

From energy sector policies that drive high energy costs, environmental harms, and unsustainable accumulation of debt, towards efficient, sustainable,

and resilient generation and distribution, based on accurate price signals, increased competition and private participation, and a cleaner energy mix.

From a public sector that is inefficient, often ineffective, and vulnerable to capture by vested interests towards accountable, efficient, and transparent government, including at the local level.

"Pakistan has been facing numerous economic hardships including inflation, rising electricity prices, severe climate shocks, and insufficient public resources to finance development and climate adaptation-when the country is among the most vulnerable to climate change impacts. It is also facing a "silent" human capital crisis: abnormally high child stunting rates, low learning outcomes, and high child mortality.", said NajyBenhassine, Country Director for the World Bank in Pakistan.