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**Foundations for Growth and Jobs**

Attached is the document entitled "Foundations for Growth and Jobs," for the October 16, 2025 Development Committee Meeting.

For Discussion

Development Committee: October 16, 2025

Official Use Only

# Foundations for Growth and Jobs

**Update to Governors**

**Development Committee**

**October 16, 2025**

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## Abbreviations

| | |
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| AI | Artificial Intelligence |
| CPF | Country Partnership Framework |
| DRC | Democratic Republic of the Congo |
| EDs | Boards of Executive Directors |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| IBRD | International Bank for Reconstruction and Development |
| ICSID | International Centre for Settlement of Investment Disputes |
| IDA | International Development Association |
| IFC | International Finance Corporation |
| IMF | International Monetary Fund |
| MDB | Multilateral Development Bank |
| MIGA | Multilateral Investment Guarantee Agency |
| MSME | Micro, Small, and Medium Enterprises |
| OECD | Organisation for Economic Co-operation and Development |
| PCM | Private Capital Mobilization |
| UN | United Nations |
| WBG | World Bank Group |

## Executive Summary

i. **Developing economies are brimming with potential.** Their populations are young, increasingly educated, and growing fast. They are blessed with bountiful natural resources. Fertile land to drive a thriving agribusiness sector. Minerals to power smart phones and everyday infrastructure. Abundant sun, wind, and water to meet local energy needs.

ii. **To seize on that promise, the 1.2 billion young people set to enter the labor market in the next decade will need jobs.** Creating those jobs could lift generations out of poverty, unlock an engine of global economic growth, ease inequality, and define the next century. That's the opportunity. How can it become a reality? By matching the dynamism of developing countries with the right investments, so young men and women can climb the ladder of aspiration—and achieve the dignity, stability, and income that a job can provide.

iii. **The World Bank Group has made job creation the central focus of our work toward a world free of poverty on a livable planet, changing the way we do things to ensure that all our operations have a clear line of sight to employment.** It's a different approach, one that works to systematically connect our initiatives with sustainable private-sector employment and entrepreneurship. Using jobs as an organizing principle, we evaluate every financing operation, transaction and program through its impact on employment. Does a project connect producers to markets, help entrepreneurs bring new businesses to life, or empower youth with skills that companies actually need?

iv. **The strategy is built on three pillars.** First, our public sector arms, IBRD and IDA, work with governments and the private sector to invest in the foundational infrastructure critical to private-sector job creation and ensure the resources are used effectively. Second, we help countries establish a business-friendly environment—clear land laws, predictable tax systems, and transparent institutions, supported by our knowledge and policy-based financing. Third, we work—primarily through IFC and MIGA—to mobilize private investment at scale and reward risk taking by providing capital, equity, guarantees, and political risk insurance. When needed, ICSID provides a forum to resolve investment disputes. Choices under each pillar are made with the others in mind. Across that strategy, we're focused on five job-rich sectors that have potential to create direct and indirect local jobs—infrastructure, agribusiness, healthcare, tourism, and value-added manufacturing.

v. **This paper to the Development Committee examines the first pillar of our approach to job creation: establishing foundational infrastructure.** That means helping countries nurture a healthy and skilled labor force, build reliable transport, energy, and digital infrastructure, and ensure safe water, clean air, and fertile land. When countries are equipped with these basics, the private sector can thrive and create job opportunities, and people will be better prepared for the demands of the 21st century labor market. Without them, companies struggle to get off the ground and economies can't fully unlock their potential for employment and growth. Foundational infrastructure only delivers jobs when paired with the right regulatory reforms and private investment—underscoring that the three pillars work as a whole.

vi. **To achieve our vision for jobs, we're calling on governments and the private sector to join forces in thinking differently, looking at investments as building blocks of a jobs ecosystem.** To boost investment in the foundations of jobs—without accumulating excessive debt—governments will need to prioritize efficient spending towards job creation, attract more private investment, and boost their domestic resources. The private sector will need to take more risks. The World Bank Group can help on each of those fronts.

vii. **Our Evolution process is enabling us to move faster on new ideas—and to be a better partner for our clients.** Launched two years ago, this process is helping us become simpler, more efficient, and more effective. That means reworking how we design, deliver, and measure our own support—aligning the entire World Bank Group behind one agenda. We're listening to our clients and putting jobs at the center of our country strategies, modernizing our financial instruments to mobilize more private capital for foundational infrastructure, expanding our Knowledge Bank, and using a single Scorecard to sharpen our accountability.

viii. **The global landscape is changing rapidly; there is no time for delay.** If we fail to act, a generation's optimism could turn to despair—and deepen instability, displacement, and poverty. The choices we make today will determine whether the next generation will find hope or face an uncertain future. Investing in human, physical, and natural infrastructure, our first pillar, is a crucial step to ensuring that opportunity prevails.

## I. Context – A Rapidly Changing World

1. **Three decades from now, the world will look vastly different.** More than 80 percent of the world's population will live in countries that are considered developing today. The same countries will have more young people than anywhere else, and the fastest-growing cities. These changes—at a time when new technologies and AI are shaping tomorrow's jobs—bring exciting opportunities and will define the future for billions. They also pose serious challenges. The most prominent: generating jobs for the globe's ballooning youth population, who have strong aspirations for upward mobility.

2. **In just the next 10 years, 1.2 billion young people will reach working age, and if we don't act now, there won't be enough jobs for them all.** Millions of young men and women, especially in Africa, the Middle East, and South Asia, may be left without a clear path to employment—especially to the kind of work that can meet the rising aspirations of a generation that is more educated and connected than any other. From countries with fast-growing young populations to aging ones, the goal is the same—lifting workers up the jobs ladder.

3. **Yet there are reasons to be optimistic: amid all their challenges, developing countries are full of potential and resources that—if managed with intention—can drive prosperity and create the jobs of the future.** Minerals are one such resource. Critical mineral demand is expected to quadruple by 2040, driven by the transition to cleaner energy, urbanization, and the digital economy. This will require a large increase in manufacturing capacity along the value chains for electric vehicles, solar panels, and other equipment—an opportunity for developing countries to advance their economic development and create private sector jobs. Fertile land and a growing demand for food, meanwhile, can turn agribusiness into a powerhouse of food security and job creation that feeds and employs millions. Consider that Africa alone contains 60 percent of the world's uncultivated arable land. Perhaps the greatest resource of all is people, a demographic dividend that, harnessed well, can fuel innovation, drive productivity, and power growth for decades to come.

4. **How we manage these opportunities and address a generation's need to climb onto and up the jobs ladder will define the century.** The consequences of inaction could be costly. The energy and optimism of today's youth could turn into frustration that fuels instability, poverty, and large-scale displacement. Because when young people can't find rewarding work, they are more likely to feel left behind—and lose faith in their communities and governments. The result: a deepening of social tensions that makes it harder for countries to grow and prosper. That fragility can spread beyond borders, threatening neighbors and even the global economy. This is not a distant problem. It's unfolding now, with widespread implications.

## II. An Ecosystem Approach to Jobs

5. **That's why the World Bank Group has shifted its focus to jobs—the surest path to dignity and stability, and the only way to end poverty and tackle inequality.** We're making job creation an explicit aim of everything we do, not simply a byproduct of our projects. Jobs are about much more than money. They provide a sense of purpose, pride, and belonging. When someone has a job, they can support their family, contribute to their community, and build a better future. Local businesses grow and communities bloom when people work. Governments can boost revenues that support schools, hospitals, and public services.

6. **Nearly all jobs—90 percent—are generated by the private sector, which is at the center of our jobs strategy.** When the environment is right for businesses to grow and entrepreneurs to thrive, more jobs are created, and people have opportunities to learn new skills, advance, earn more, and build stable careers. Even in fragile settings, where public works may be a pragmatic short-term solution to restore livelihoods, successful interventions help small businesses and entrepreneurs generate jobs. But the private sector can't succeed on its own. It needs the right conditions. That doesn't happen by chance. The World Bank Group's new strategy for

job creation is designed to strengthen an enabling environment for private enterprise to grow and generate better-paid jobs.

7. **Our approach to job creation combines public financing, deep expertise, and private sector support to build an ecosystem for jobs.** It identifies key bottlenecks and works backward to remove them, with public and private investment aligned through an enabling regulatory environment. The private sector needs to be at the table, so solutions reflect real market needs. Crucially, jobs have to be deliberate, built into projects and policies from the start—not treated as an afterthought. They only emerge where complete ecosystems support them. The World Bank Group's experience underscores that job creation is not an accident but the outcome of deliberate choices, grounded in data and delivered through integrated approaches. When countries put jobs at the center of their strategies, progress is tangible. In Jordan, pairing skills training and entrepreneurship support with regulatory reforms expanded formal employment for youth, women, and refugees. These results highlight a core lesson: investments in people, infrastructure, and the business climate deliver the greatest impact when they move together.

8. **The insights underpinning our approach have been informed by the High-Level Advisory Council on Jobs.** Co-chaired by the President of the Republic of Singapore Tharman Shanmugaratnam and former President of the Republic of Chile Michelle Bachelet, the Council brings together CEOs and leaders from government and academia to tackle what it takes to create employment at scale. In the year since it was launched, the Council has discussed practical solutions in a range of sectors that have high potential for job creation and advised on the methodology of our new jobs indicator.

**The World Bank Group's jobs strategy is built on three pillars:**

9. **First, we are investing in critical infrastructure to establish the foundations for growth and preconditions for private-sector jobs.** That includes physical infrastructure like roads, ports, electricity, and urban infrastructure, which is crucial for businesses to operate and connect to markets. And it includes human infrastructure like health care, nutrition, education and skilling, which create a thriving workforce. Investing in resilient resources—including clean air and safe water—is also vital to increasing living standards, reducing poverty, and creating jobs. Governments must invest in these foundations and mobilize private sector and domestic resources to fund them. The World Bank Group's public sector arms—IBRD and IDA—can help finance these efforts and ensure that resources are used effectively.

10. **Second, we are working to secure a business-friendly environment that features regulatory and policy certainty.** Most jobs are created by businesses, not governments. But to invest, expand, and grow their workforces, companies need clear rules and a predictable business environment. That means well-defined land laws, adequate tax systems, price stability, easy entry and exit, and an absence of corruption. Without these elements, it's hard for big businesses to complete projects or for small entrepreneurs to take root and flourish. The World Bank Group supports regulatory and policy reforms with our knowledge and policy-based financing. This work helps countries identify the sectors with the greatest potential and design targeted reform and investment strategies to unlock them.

11. **Third, we are helping the private sector invest at scale by rewarding risk-taking that drives growth and innovation.** Governments don't have the resources necessary to confront the jobs challenge on their own. More private capital is needed. Through IFC and MIGA as well as IBRD and IDA, we provide credit, capital, equity, guarantees, and political risk insurance to help businesses—from small entrepreneurs to large firms—grow and create jobs. We also support workforce development, so businesses can hire local talent. ICSID provides mechanisms for the effective resolution of investment disputes, helping to mitigate investment-related risks and giving confidence to investors and countries. But we know that investors don't fund good intentions. They fund opportunity—and the probability of a return. Through the Private Sector Investment Lab,

we have identified the biggest barriers to investment, developed tools to overcome them, including solutions for political risk, foreign-exchange risk, and securitization, and are implementing these solutions at scale.

12. **This isn't a one-size-fits all approach.** It recognizes that every country faces a unique set of circumstances, and it strives to tailor approaches to their unique needs. In less developed markets, governments may need to take on a bigger role—driving investment and building state capacity—but always anchored in good governance, effective public administration, and revenue mobilization. In more developed markets, we will focus on innovation and value-chain linkages but also reskilling and support for those who have fallen behind. In FCV contexts, community-driven approaches and local government strengthening can foster job creation and improve market access for small businesses. Small states need solutions that turn their market size and connectivity constraints into strengths—and build resilience against economic and climate shocks.

13. **Not everyone who needs a job will be able to find one—our strategy recognizes that.** Initiatives that improve lives, protect the most vulnerable, and lessen inequality may not directly generate jobs, but remain an essential component of our work. Investing in health, education, and urban infrastructure, for example, is about improving people's quality of life as much as jobs. Our goal of scaling up social protection programs that combine cash payments and skills training, alongside partners, to reach 500 million poor and vulnerable people by 2030 also reflects this philosophy. Done right, these interventions can also have a positive impact on employment.

14. **Building on the Spring Meetings 2025 Development Committee paper, this paper focuses on the first pillar of our strategy and how we're changing the way we support infrastructure investments: from building in silos to building for jobs.** The development community and governments can't afford to view investments in infrastructure, people, and natural capital through separate sectoral lenses—a clinic here, a bridge there, a skills center somewhere else—without systematically connecting these investments to sustainable employment. We're making sure that every World Bank Group operation has a clear line of sight to jobs—by asking critical questions. Does a bridge connect producers to markets? Does an energy project help small businesses expand? Do skills programs match what the private sector actually needs? Using jobs as the filter for foundational investments changes everything. We prioritize the roads, training, and infrastructure that will create real employment opportunities, taking into account lessons from what has—and hasn't—worked in the past. That means investments are designed together with actions in the second and third pillars of our strategy, which will be examined in future papers.

## III. Pillar One: The Foundations

15. **The foundations of a jobs ecosystem are clear: reliable physical infrastructure, healthy people with the right skills, and resilient natural resources that sustain production.** Without energy, transport, and digital links, firms cannot reach markets. Without skilled and healthy workers, businesses cannot expand. And without water, fertile land, and clean air, agriculture and industry cannot thrive. This is why Pillar One focuses on building these foundations as the first step to creating jobs at scale.

### *Physical Infrastructure*

16. **Reliable, affordable, and resilient electricity, roads, ports, water, sanitation, and digital infrastructure are key enablers of job creation.** Building all-weather roads helps companies get goods to market and access inputs more efficiently, cutting costs and improving competitiveness. Reliable electricity is indispensable, powering businesses and enabling firms to use newer technologies. Digital infrastructure is just as crucial. It allows firms and governments to adopt and leverage AI, connect with the world, and reach broader markets. When these investments are integrated into a jobs ecosystem with supportive policies and private investments, businesses flourish and hire. Electricity is generated and delivered to producers, who source inputs and transport goods on reliable roads, reaching more customers through digital platforms and broadband.

17. **Access to electricity is a fundamental human right—and one of the most powerful ways to unlock jobs and opportunity.** Electricity demand in developing countries is expected to more than double by 2035—even before accounting for the high energy demands of AI. Meeting it in ways that are practical and responsible will require annual investment in generation, grids, and storage to rise from $280 billion today to roughly $630 billion. These investments can be transformative because jobs require electricity—as do health systems, education, clean water, public safety, and so much more.

18. **Our strategy prioritizes accessibility, affordability, and responsible emissions—rooted in each country's context and nationally determined contributions.** The goal is to help countries deliver the energy their people need, while giving them the flexibility to choose the path that best fits their development ambitions. We're focused on three areas: grid performance, supply, and managing emissions. First, grids. Improving grid performance is one of the fastest and most cost-effective ways to deliver results. We will deploy digital tools—including AI—to improve operations, reduce losses, and manage demand more efficiently. We'll also support regional power trade and cross-border connections. Second, supply. Our approach puts countries in the driver's seat, so each country can chart a path that fits its context, resources, and aspirations. Some may choose to invest in solar, wind, geothermal, or hydro where those make the most sense. In others, the best path forward may include natural gas—or, over time, nuclear. Third, emissions. We will continue advising on and financing the retirement or repurposing of coal plants, supporting carbon capture, and helping countries and companies reduce the gas that otherwise would escape into the atmosphere. This work is intended to help countries reduce emissions in ways that align with their development goals.

19. **We are demonstrating how accelerating investments in electricity can help create growth and jobs at scale.** More than 600 million men and women across Africa still live without power. That's why we launched Mission 300 with the African Development Bank—to connect 300 million more people to electricity by 2030, both through the grid and with off-grid solutions. Progress is underway—30 million households have received electricity so far, with a solid pipeline to reach many more—though much remains to be done. The impact of reliable electricity goes far beyond household lighting. It powers the private sector, drives its growth, and helps create jobs. Unreliable electricity is one of the biggest obstacles for businesses, increasing their costs, disrupting production, and raising uncertainty—ultimately threatening jobs. Building the infrastructure needed to deliver reliable electricity generates direct jobs—in the construction, maintenance, and operation of the electricity system. In Bhutan, Cameroon, Nepal, and Pakistan, for example, hydropower investments are set to deliver reliable electricity to millions and create thousands of jobs during construction and operation.

20. **We are prioritizing investment in transportation that connects firms to markets and workers to jobs.** Better roads, ports, and transit systems lower the cost of moving goods and people, making it easier for small firms to grow, entrepreneurs to start new businesses and workers to get to jobs. In some of the most urbanized regions such as in Latin America, jobs and employment access are closely tied to efficient, affordable, and connected cities. Our transport approach emphasizes comprehensive investment packages that integrate roads, bridges, airports, and logistics systems to enhance connectivity and economic development, with multimodal transport corridors serving as a key example of this holistic approach.

21. **Major corridor projects can cut transport costs, facilitate investments in energy and digital access, and catalyze clusters of industrial parks, service hubs, and suppliers.** These projects spur construction jobs, followed by broader employment gains as improved trade flows stimulate private investment and national and regional integration. In Morocco, the expansion of the Tanger Med port—jointly supported by IBRD, IFC, and MIGA and integrated into a broader regional infrastructure strategy—is expected to create tens of thousands of jobs and double truck-handling capacity, helping businesses move products faster and more reliably. Investments in the Middle Corridor in Central Asia and the Caucasus will triple trade volumes, halve travel time, and support trade diversification by 2030. We are also investing in projects that can

strengthen the economic benefit of the Lobito transport corridor in Africa. These efforts show how we are bringing the full force of the World Bank Group together so that infrastructure delivers opportunity.

22. **Digital technologies can be a powerful job creator—but only if we close the digital divide.** Nearly 3 billion people worldwide remain offline. Broadband reaches only a third of Africa's population. And in the best-performing low-income countries just 8 percent of people have basic digital skills compared with one-third in high-income countries. These gaps have real consequences: firms struggle to trade, farmers cannot reach markets, health providers cannot scale services, and manufacturers risk being left behind. Our goal is to close these gaps, making digital tools accessible and creating opportunities. Digital technologies help modernize customs systems and speed trade, while e-commerce and digital finance connect small firms to broader markets. As artificial intelligence reshapes work, we are helping countries harness it in job-rich sectors like agribusiness, logistics, health, and manufacturing while equipping workers with adaptive skills. For example, Hello Tractor is using "small AI" to help farmers across 15 African countries book equipment through simple mobile apps, doubling harvests and creating new jobs in scheduling, maintenance, and transport. We are also focused on closing opportunity gaps between men and women. By 2030, we aim to connect 300 million more women to broadband, opening new pathways for entrepreneurs, workers, and families.

23. **In the digital space, we are focusing on access, affordability, institutions, and AI foundations – with due consideration for cybersecurity and privacy.** This calls for expanding access through backbone infrastructure integrated with roads and power systems; improving affordability through competitive markets; enabling safe transactions through secure digital IDs and payment systems; and building foundations for artificial intelligence through targeted skills development. These principles are at the core of World Bank Group investments in 15 African countries, starting in Angola, DRC, and Malawi. Loans to local network providers and support for the expansion of rural network infrastructure are bringing digital connections to five million unique users in DRC alone. In the Caribbean, we expanded high-speed internet coverage across nine islands from 30 percent to over 75 percent. These investments are connecting communities to e-commerce, health, and financial services. Expanding digital infrastructure also creates jobs directly—the technicians, software developers, and network engineers who build and maintain these systems.

### *Human Infrastructure*

24. **A healthy and skilled workforce is a country's most important asset.** A jobs ecosystem is made of concrete and steel, but also of people. Power, transport, and digital networks need to go hand-in-hand with investments in education and health. Healthy and skilled workers are more likely to find work, earn enough to support their families, and move up the jobs ladder, reducing their odds of falling into poverty. So we are investing in education, skills, and health to boost productivity, ensure opportunities for all, and help the private sector expand employment.

25. **Working as one World Bank Group, we are fast-tracking interventions to build the foundations of a skilled workforce: healthy children who go to quality schools.** First, children need to get off to the right start with adequate nutrition and healthcare. Early nutrition programs, for example, help boys and girls grow stronger, stay in school, and improve their job prospects. Second, students need to stay in school—and learn. That's why we are focused on raising education quality with more technology in schools and better-trained teachers. Our Gender Strategy prioritizes equal opportunities by supporting scholarships, safe schools, and targeted programs for girls and young women as well as boys and young men to benefit from quality education and acquire skills for better jobs. We also support cash transfer programs that boost educational achievement and health outcomes—and prepare future generations for better employment opportunities.

26. **Our skilling strategy is to work with employers so training aligns with actual labor market needs, combining classroom learning with hands-on experience through apprenticeships and internships**. The approach emphasizes digital and flexible formats to reach more people, updates courses regularly based on

feedback and job trends, and ensures that certifications are widely recognized so workers can move easily across jobs and sectors. In Chile, for example, IFC's support to a leading university group reformed career services and strengthened links with employers, improving graduation and job outcomes for over 90,000 underserved learners. In Kenya, the World Bank Group has supported over 310,000 youth with skills training, internships, grants, and business development programs. As a result, 86 percent are now employed and their earnings have increased by at least 20 percent.

27. **We set a target of providing 1.5 billion people with quality, affordable health services by 2030—boosting productivity and creating healthcare jobs along the way.** Strong primary healthcare systems ensure men and women are healthy enough to be fully engaged in the workforce. We support country efforts to achieve universal healthcare, ensuring that job creation remains a core consideration in health investments. In Mozambique, the World Bank Group revitalized health services across 63 districts, training and recruiting thousands of health workers to improve maternal and childcare, strengthen primary healthcare, and expand access to essential services for 4.6 million vulnerable people. In South Africa, a partnership with Aspen Pharmacare is boosting vaccine and pharmaceutical production, creating manufacturing roles and building a skilled pipeline of biopharma workers. Our support so far has helped expand access to health services for 260 million people—important progress, but still only a start.

### *Natural Infrastructure*

28. **We are prioritizing investments that restore and sustain nature as an engine of job creation and resilience because natural capital—forests, air, water and land—is also foundational infrastructure.** The evidence is stark: over 80 percent of people in low-income countries face simultaneous exposure to unsafe air, water stress, and degraded land, undermining health, productivity, and employment prospects. To create jobs and feed the planet, agriculture needs clean water—and so do the data centers powering AI systems that rely on vast amounts of freshwater for cooling. Air and water pollution reduce labor productivity and wages, drive skilled workers away, and weaken firm competitiveness. Droughts, floods, and land degradation disrupt labor markets and household incomes.

29. **The focus is on the three areas where natural capital investments create the most jobs.** First, restoring and managing ecosystems through labor-intensive interventions. Second, building nature-friendly value chains in agrifood, the blue economy, and ecotourism, where billions depend on primary production for livelihoods. And third, integrating natural capital into the broader jobs ecosystem to ensure interventions create employment and protect assets for the long term. We are mapping pathways for better jobs across value chains. That means using less land to grow more food in Africa and South Asia, or linking social protection with sustainable fisheries in Kenya and Viet Nam. Well-managed, aquaculture can generate millions of jobs while securing long-term food supplies. Improving the use of fertilizer can also bring significant impacts for soil quality and jobs: training programs in China and Bangladesh have reduced fertilizer use while maintaining yields, helping thousands of farmers earn more and move up the opportunity ladder. These actions—combined with nature-based tourism that provides opportunities across hospitality and conservation—establish a development path that is jobs rich and sustainable.

***Box I. The Sectors Shaping Tomorrow's Jobs***

**Five sectors stand out as especially powerful engines for creating jobs.** They tend to be resilient to global headwinds and contribute to building the foundational infrastructure for jobs. Jobs in these sectors also stand to gain—not be displaced—by digital technologies, and they provide local employment that anchors stronger communities, rather than outsourcing jobs from advanced economies.

- *Infrastructure and energy* provide the backbone of economic activity while creating construction, engineering, and maintenance jobs, and stimulating indirect job creation in sectors that supply building materials and enabling services for construction projects.
- *Agribusiness* can drive food security and create millions of better-paid jobs in farming, processing, and food distribution for the 40 percent of the global workforce it currently employs. To do so, it needs resilient and fertile land, clean water, and connectivity to markets.
- *Healthcare* is central to building the human infrastructure for jobs. It also relies on education and skills to meet the demand for millions of new doctors, nurses, technicians, and support staff expected in the coming years.
- *Tourism* has a strong multiplier effect. It generates employment in hospitality, travel, and cultural services—but also in transport, food, and commerce. Roads, ports, and airports enable tourists to reach new destinations and enjoy their natural assets.
- *Value-added manufacturing* needs reliable electricity and transport—and a skilled workforce—to create local jobs that pay well and transform minerals into critical components of modern transport and energy infrastructure.

Taken together, these five sectors not only create jobs at scale but also strengthen the foundations for dynamic, inclusive, and resilient economies. Their impact extends well beyond the immediate employment they generate, shaping the systems, skills, and opportunities that allow societies to thrive.

## IV. Financing Foundational Investments at Scale

30. **Investing in the foundations of jobs is costly—countries need to prioritize measures that boost employment and mobilize resources to scale them up.** Meeting needs for physical infrastructure alone demands around 4.5 percent of GDP, or $1.5 trillion each year in developing countries. For many countries, this is a major hurdle. Clearing it, while managing the risks of debt and financial distress, calls for a broad strategy—one that brings together public and private capital. While development assistance can help and has been leveraged in recent years, it will not be enough. Countries will need to rely more on domestic resources and the private sector in a coordinated approach that brings together three key elements.

31. **First, expenditures need to be reprioritized through a jobs lens, while improving efficiency.** Emerging markets and developing economies spend more than $2 trillion on subsidies, or 6.7 percent of GDP every year. That's more than they spend on health and education combined. Redirecting inefficient subsidies toward more productive investments would allow governments to free up resources for foundational infrastructure for jobs—delivering bigger returns for society over the long run. Similarly, ensuring access to services like electricity and water requires revenue models that are financially sustainable, so countries can expand coverage and maintain quality without adding undue strain to public budgets, especially where debt vulnerabilities are high. This is why we help countries reassess public spending to support growth and jobs. With our Public Finance Reviews, for example, we identify spending inefficiencies and find areas ripe for reprioritization. Redirecting expenditures is possible. Countries like the Philippines and Rwanda have successfully targeted investments in high-impact sectors—like agribusiness, energy and digital connectivity—backed by transparent budgeting and evidence-based adjustments.

32. **Second, countries need to boost their domestic resources.** In many developing countries, especially in sub-Saharan Africa and South Asia, high fiscal deficits and low tax-to-GDP ratios make stronger domestic resource mobilization a top priority. If countries can boost revenues to at least 15 percent of GDP, they could unlock an estimated $400 billion in additional development finance. Yet, 40 IDA and 16 IBRD countries fell below that benchmark last year. Our policy agenda is focused on widening the domestic tax base, improving

tax administration, strengthening compliance, and ensuring transparency and fairness—all while building the institutional capacity needed for effective revenue management. India is streamlining its Goods and Services Tax system, broadening its domestic tax base, reducing rates, and enhancing transparency. Bolstering domestic resources also means empowering subnational governments through fiscal decentralization. We have seen this work. Kenya, Pakistan, and Rwanda have given local governments the tools and responsibility for taxation and spending, leading to more targeted and effective infrastructure investment, aligned with national priorities.

33. **Finally, the gap in foundational infrastructure cannot be closed without private sector investment.** Public resources will not be enough—governments need to channel private investments to build the foundations for growth and jobs. The private sector needs to be engaged at even earlier levels of development than in the past. Our strategy supports governments in mobilizing private financing. This involves helping countries build more predictable regulatory frameworks, strengthen institutional capacity, and deploy blended finance solutions that lower investment risks and make markets more attractive. By focusing on these areas, our work translates reforms and capacity building into tangible flows of private investment—such as when improved energy regulations allow private investors to finance new power plants. Progress is reflected in the billions of dollars in private capital mobilized through World Bank operations, as tracked by the Scorecard. In fiscal 2025, the World Bank Group's private capital mobilization totaled $67 billion, up from $47 billion two years earlier.

34. **IDA is central to financing the foundations for jobs, multiplying concessional resources.** For every dollar provided by donors, recipient countries receive about four dollars in financing, multiplying the impact of support. With its highly concessional resources and ability to crowd in private capital, IDA helps countries sustain investment in energy, transport, education, and health even when budgets are under strain. By offering low interest and interest-free loans and even grants, IDA contributes to reducing debt vulnerabilities. Its Private Sector Window (PSW) helps unlock private investment in the world's toughest markets—including in fragile states—by sharing risks. That is why IDA21 enjoys continued strong support from donors to provide affordable financing for the world's poorest and most vulnerable countries. Through its performance-based allocation system and targeted windows, IDA not only supports national priorities but also creates incentives for reforms that encourage debt transparency and sustainability, expand fiscal space, and unlock private investment. This leveraging ability makes IDA indispensable to scaling foundational infrastructure for jobs in the most vulnerable economies.

## V. One Jobs Agenda at the World Bank Group

35. **Creating jobs at scale depends not only on financing, but on how we deliver.** That's why we are reshaping how we design, implement, and measure our support—so that everything we do strengthens the foundations for jobs. We are aligning the full World Bank Group behind one agenda, putting knowledge to work, forging partnerships that deliver for clients, modernizing our tools, and holding ourselves accountable for results.

36. **Country strategies now put jobs at the center.** Responding to our clients' consistent demands for simplicity and focus, we have revamped our Country Partnership Frameworks (CPFs) to make jobs an organizing principle. We now apply a jobs lens from the outset—asking what holds jobs back, what changes will unlock them, and how public and private sector efforts can come together to drive results. In Liberia, our new CPF aligns with the government's National Plan and the jobs agenda, channeling resources toward reforms and investments that expand employment in key sectors. The World Bank Group has launched a 10-year partnership with Pakistan that tackles foundational challenges like child stunting and learning poverty, building resilience to extreme weather, and clean energy—while unlocking private sector development. This sharper, more selective focus reflects client priorities and ensures country programs target what matters most for jobs.

37. **One World Bank Group means one jobs agenda.** We are unifying our efforts so that every part of the institution strengthens the others—IBRD and IDA are building human capital, infrastructure, and institutions while also setting the foundations for predictable regulatory frameworks that attract investments; IFC and MIGA are mostly bringing in private capital and de-risking investments. Acting together as one partner for clients, we connect public and private solutions so that the foundations for growth translate into jobs.

38. **Jobs are embedded in our corporate targets.** These goals are ambitious by design, and we are intentional about creating jobs as we pursue them. Expanding health services requires more trained workers, which in turn produces healthier, more productive men and women. Connecting millions to electricity and broadband creates jobs in construction and services, while giving firms the power to grow and hire. Each target is an opportunity to put jobs front and center, creating work today while building the foundations for better jobs tomorrow.

39. **A single Scorecard is sharpening our accountability for results.** The Scorecard tracks a core set of 22 outcome indicators, providing a clear line of sight into how investments in infrastructure, human capital, and private sector development translate into measurable results. It highlights where progress is strong and where more effort is needed, keeping focus on what matters most for people. It also lays the foundation for deeper harmonization with other development banks, making it easier for countries to track progress across partners. The new jobs indicator is being designed to give us a consistent way to measure how our portfolio contributes to job creation—because what we measure we can scale. We aim to capture not only the direct jobs from projects, but also the broader effects through supply chains—suppliers expanding, new businesses opening, and new economic activity taking hold. Importantly, we also want to track how we help workers move up the jobs ladder. This is a new frontier for measuring impact, so we will consult key stakeholders. Once launched at the 2026 Spring Meetings, we would continue to improve it and ensure robustness. This indicator will help establish a baseline to show whether investments and reforms are delivering on jobs.

40. **We are also modernizing our financial instruments to mobilize more private capital for foundational infrastructure.** The World Bank Group-wide Guarantee Platform has made strong progress since its launch in 2024. In its first year, $12.3 billion in guarantees were issued across 77 projects, putting us on track to reach our goal of $20 billion annually by 2030. These guarantees are already expanding electricity access in the Democratic Republic of Congo and improving freight service reliability in India, for example. MIGA's Political Risk Insurance continues to back projects that might not otherwise move forward, such as hydropower in Nepal and solar in West Africa. In Côte d'Ivoire, a first-of-its-kind policy-based guarantee refinanced expensive debt, saved over $330 million, and freed up funds to build 30 new schools. And in 2025, we launched a Global Hub for Debt Swaps for Development to scale up this type of operation.

41. **Innovative financing is helping countries build financial resilience to better manage risk, build infrastructure, and sustain jobs.** Our catastrophe bonds are providing immediate liquidity after disasters, including a $420 million cat bond for Mexico in 2024, covering earthquakes and hurricanes. Local currency financing has been scaled to mitigate foreign exchange risk—crucial for long-term investments. IFC is leading this change, targeting 40 percent of commitments by 2030 to be in local currencies, and already issuing local-currency bonds in countries like Colombia, India, and Nigeria. This is enabling private sector borrowers to access long-term funding in their own currency, strengthening domestic financial systems, and mitigating currency risks. The World Bank Group is also actively supporting the development of domestic capital markets through engagements in over 40 countries. Through a blend of advisory work, support for reforms, and investment mobilization, we are helping countries build up the policies, the local institutional investors, and the bond and money markets needed for well-functioning domestic capital markets. In addition, as part of the work of the taskforce on "originate-to-distribute," we are working with global financial partners to standardize and package our loans portfolio, making it easier for large institutional investors to finance new investments in emerging markets. We recently closed our inaugural securitization transaction, packaging $510 million of IFC loans into rated securities. This marks the first step in our effort to build an originate-to-distribute model

and create a new asset class for emerging markets that meet institutional investment standards, while recycling our own capital to support more developing countries and projects.

42. **Impact starts with knowledge.** Over the past year we have built the Knowledge Bank to move from scattered efforts to a system that puts evidence to work as deliberately as financing. It focuses our work on what clients need most, ensuring operations draw on proven lessons and the latest innovations. We are looking at how the Knowledge Bank can identify—across sectors—solutions that bring together foundational investments, enabling policies, and private sector engagement within a common standardized framework. For example, our core diagnostics—such as the Country Growth and Jobs Report and Country Private Sector Diagnostic—identify economy-wide constraints and spotlight specific sector opportunities that guide the creation of a robust jobs ecosystem. Beyond cataloguing problems, they also map reforms, investments, and partnerships that can turn infrastructure into steady employment. Complementary tools such as B-READY strengthen this approach by assessing the business environment and regulatory reforms. We have also revamped our training offerings and launched the WBG Academy to enhance client capacity with relevant knowledge, best practices, and tested development solutions.

43. **We are joining forces with others to help countries build stronger foundations for growth.** Stronger partnerships extend our reach and scale. No single institution can tackle the jobs challenge alone. For example, we are working with the IMF, OECD, and UN to advance international tax reform, medium-term revenue strategies, and broader stakeholder engagement. A new full mutual reliance agreement with the Asian Development Bank enables us to deliver joint programs at scale, faster and more seamlessly. By aligning efforts and freeing up resources, these partnerships help countries move on the reforms and investments that unlock jobs.

44. **Today's ambitions are enabled by the Evolution agenda the World Bank Group launched two years ago and will drive future progress.** We are becoming faster, simpler, more efficient, and more effective—so we can be a better partner to our clients in the private sector and government. We cut our project approval times from 19 months to under 13 months, with some moving in less than 30 days. This was achieved even as commitments reached a record $81 billion. By accelerating delivery without sacrificing quality, we are turning commitments into real jobs sooner, helping countries meet urgent needs with greater speed and impact. We replaced a process-heavy 153-indicator scorecard with 22 outcome-focused metrics. To boost domestic job creation and skills development, our new procurement rules require companies bidding on international civil works contracts—such as the construction and maintenance of transportation and energy infrastructure—to ensure that 30 percent of the labor cost is local. We deepened collaboration across the system of multilateral development banks. And we are working more cohesively as one World Bank Group—to support countries and private sector partners across every stage of the development journey.

## VI. A Call to Action

45. **The urgency of the jobs challenge means we cannot afford delays—because every day matters when you're looking for work.** The choices we make today will determine whether rising generations will find opportunities or face an uncertain future. What's needed? A new level of ambition and action. The World Bank Group is acting now. Through our jobs strategy, we're putting job creation at the heart of every investment and reform. Incremental change is out. Bold efforts that match the scale of the challenge are in.

46. **But we can't do it alone—governments, the private sector, and the greater development community have a vital role to play in driving job creation that energizes economies and communities.** Governments can support growth and jobs by taking a whole-of-government approach to jobs, prioritizing spending that creates private sector jobs, attracting private investment, and boosting domestic resources. Working alongside governments and international finance institutions, businesses themselves should invest and take risks that serve their bottom line, while creating jobs and building broader prosperity.

47. **The path forward is clear.** The young men and women coming of age in the years ahead will be a powerful force shaping the world's future. Giving them the chance to find a job and climb the opportunity ladder demands a steadfast focus on the foundations for employment. We're making early progress in our jobs strategy, deepening partnerships, and holding ourselves accountable for results. We're streamlining processes, modernizing our financial instruments, and using knowledge to drive impact. And we're tracking jobs as the ultimate measure of success. Because every delay risks leaving millions behind and destabilizing the foundations. This is a work in progress. Future reports to the Development Committee will provide an update on where we stand, and detail the second and third pillars of our approach.

48. **The world will look very different three decades from now—and there is good reason to hope it will be a better one.** By acting boldly and decisively today, with a shared commitment to jobs for all, we can ensure that this transformation delivers opportunity, resilience, and inclusion. The choices we make today will determine whether future generations inherit despair or the dignity and stability that come with work.