



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

DC2026-0002
April 2, 2026

Creating the Enabling Environment for More and Better-Paid Jobs

Attached is the document entitled "Creating the Enabling Environment for More and Better-Paid Jobs," for the April 16, 2026 Development Committee Meeting.



For Discussion
Development Committee: April 16, 2026

Creating the Enabling Environment for More and Better-Paid Jobs

Update to Governors

Development Committee

April 16, 2026

Contents

I. Context – A Landscape Where Job Creation Can Thrive.....1

II. What is the Enabling Environment for Jobs?2

III. How the World Bank Group Supports Reforms at the Sector Level.....6

IV. From Knowledge to Action: Delivering Business Environment Reforms at Scale.....12

V. Conclusion.....15

Executive Summary

- i. **The world needs more jobs—and better ones.** In the next 10 to 15 years, more than one billion young people in developing countries will reach working age. They deserve the income, stability, and hope that only a job can provide.
- ii. **Unfortunately, too many people today can't find work in developing countries.** And most of the jobs that do exist don't pay enough to support a decent standard of living for a family. The choice is simple. Help create jobs and opportunity or risk locking a generation of ambitious youth into a future of low-pay jobs or no jobs—with serious consequences for global stability, migration, and shared prosperity. This challenge is exacerbated by ongoing conflicts—including recent events in the Middle East—which are damaging lives, creating uncertainty for investors, and making it even harder for people to find work. The World Bank Group is responding at scale to the current situation by combining immediate financial relief with policy expertise and private sector support, without losing sight of our focus on job creation.
- iii. **The World Bank Group's jobs strategy is centered around three mutually reinforcing drivers:** investing in human, physical, and natural infrastructure; creating business-enabling regulatory environments; and helping the private sector to scale. This paper to the Development Committee focuses on the second pillar—the policy and regulatory environment for businesses.
- iv. **What is a business-enabling regulatory environment?** The rules and institutions that make it easy and predictable for businesses to start, operate, expand—and hire. A business-enabling regulatory environment is also about fairness. It levels the playing field, allowing a wide variety of firms to enter and thrive. It is not always about less regulation—but better, proportionate and predictable regulation. The right balance will depend on each country's priorities. Evidence shows that regulatory uncertainty is one of the most binding constraints to private investment in emerging markets. It's a deal breaker—not just a drag on growth.
- v. **Establishing a strong enabling environment means getting the basics right and tailoring regulatory frameworks to support firms at every stage of growth.** Without the basics—macroeconomic stability, regulatory predictability, and a well-functioning financial market that channels capital to productive uses—firms stay small and unprofitable, and investors remain on the sidelines.
- vi. **The policies underpinning a strong regulatory environment differ across the business landscape—from microentrepreneurs seeking their first loan to large firms integrating into value chains.** For microenterprises, the regulatory environment needs to allow firms to move from survival to productivity and growth through simplified registration, less red tape, and access to flexible means of finance. For small and early-growth enterprises, streamlined permits and licenses, predictable taxation, clear land rights, and access to working and investment capital are critical to growth. For medium and growth-oriented larger firms, competition frameworks, open procurement, customs facilitation, sound standards, and access to more sophisticated supply chain financing allow companies to invest for the long-term, leverage regional trade for scale, and support large-scale job creation.
- vii. **The World Bank Group prioritizes five job-rich sectors where the right set of policies can unlock jobs at scale: infrastructure and energy, smallholder agriculture and agribusiness, health, tourism, and value-added manufacturing.** Across these sectors, common priorities include transparent land and licensing rules, modern trade and logistics systems, and clear frameworks for public-private partnerships (PPPs). Reforms to enable cross-cutting digital and financial innovations—such as modern payment systems and data governance—amplify impact by lowering transaction costs and expanding access to markets and finance.

- viii. **Knowing what to reform is critical, delivery at scale is the challenge.** The World Bank Group is bringing decades of global public and private sector expertise to bear through a new, unified Knowledge Bank that mobilizes the knowledge of our staff in all our locations around the world—a community with immense capacity to support our clients. To translate policy reforms into actual investment, the World Bank Group goes beyond diagnostics to deliver extensive advisory services and technical assistance. We also draw knowledge from our clients—public and private. We will convene country-level private sector advisory councils for firms of all sizes in all our client countries so they can share their practical insights and we can translate them into concrete regulatory reforms.
- ix. **Building capacity and strengthening institutions are critical links between policy and investment.** Because policy changes alone fall short if public institutions lack the capacity to implement them, or if private firms are not ready to absorb capital. By pairing public-sector capacity building with business advisory, the World Bank Group ensures that when regulatory barriers are removed, domestic businesses are equipped to secure financing, scale, and hire.
- x. **We have revamped Country Partnership Frameworks, and are using sector compacts to link diagnostics, policy reforms, and financing to support job creation.** We are also producing global data tools and analytics to identify constraints that limit business dynamism and people’s economic participation. A streamlined World Bank Group Scorecard, including a dedicated jobs indicator, strengthens our accountability, showing how we help translate enabling-environment reforms into measurable jobs impact.
- xi. **Creating a predictable, inclusive, and fair enabling environment is not a side agenda.** It is central to mobilizing private capital, raising income, delivering urgently needed jobs—and achieving the World Bank Group’s vision of a world free of poverty on a livable planet.

I. Context – A Landscape Where Job Creation Can Thrive

1. **The world needs more jobs.** But the world also needs better jobs. Jobs that pay decently, raise incomes, and move people out of poverty and into the security of the middle class and beyond. Creating those jobs is the best way to help a generation get a foothold on—and begin to climb—the ladder of opportunity, reducing the risk of a future marked by instability, conflict, and irregular migration. It’s also essential to the World Bank Group’s mission—ending extreme poverty and boosting shared prosperity on a livable planet.
2. **The urgency is hard to overstate.** Because the demographic forces are already in motion, and there’s no pause button. Over the next 10 to 15 years, more than a billion young people in developing economies will reach working age—roughly half of them women. Ensuring that young people find work—and climb up the jobs ladder into more productive, better-paid, and more secure work—will only be achieved if firms can invest, expand, and hire, if workers can acquire the skills they need, and if markets can connect people to opportunity. The challenge is exacerbated by an uncertain global landscape, with ongoing conflicts, including recent events in the Middle East, damaging lives and threatening hard-won economic progress.
3. **The World Bank Group’s strategy responds to the world’s urgent need for jobs by focusing on three interlinked drivers of more and better-paid work.** First, infrastructure—human, physical, and natural capital. Private investment and jobs won’t materialize without investments in energy, transport, water, fertile land, digital connectivity, health, and education. Second, a business-enabling regulatory environment. Because clear rules and predictable and consistent policies and regulations reduce uncertainty for entrepreneurs and private businesses, which account for 90 percent of job creation. Third, helping the private sector thrive—by mobilizing private capital at scale across job-rich sectors, including through equity investments, enhanced support for Micro, Small and Medium Enterprises (MSMEs), de-risking tools, and guarantees. Our approach prioritizes five sectors that consistently generate employment at scale: infrastructure and energy, smallholder agriculture and agribusiness, health, tourism, and value-added manufacturing.
4. **Each pillar of the strategy reinforces the others.** Foundations like resilient infrastructure and skills training, for example, only deliver results when companies operate under clear, enforceable rules and are confident enough to hire workers. Private investment, meanwhile, leads to job creation when rules are transparent, contracts are protected, and collateral is secure. When combined with the other two pillars, a strong enabling environment can be a force multiplier, turning inputs into outcomes across the jobs ecosystem.
5. **This paper to the Development Committee is focused on the second pillar of our jobs strategy: creating a business-enabling regulatory environment.** On its own, an enabling environment will not create jobs. But without it, the strategy can’t be scaled or deliver results alongside the other pillars. When the enabling environment is weak, nontransparent, or unpredictable, companies hire less, productivity and wages stay low, and investors remain on the sidelines. In today’s fiscally constrained global landscape, a business-enabling regulatory environment is also an effective way to de-risk capital and crowd in the scarce financing needed to unlock the potential of the other two pillars.
6. **So how does a business-enabling environment translate into jobs in the real world?** By confronting the everyday barriers that too often stifle entrepreneurs and businesses before they can become job creators. Consider land and titling laws. When they’re clear, banks unlock credit and companies can invest in equipment, expand their operations, and hire workers. Predictable tax systems allow businesses to look beyond the next quarter to make long-term investment plans—and bring new employees on board. These aren’t new insights. The Mesopotamians knew it 4,000 years ago when they standardized contracts so traders would lend, farmers would plant, and builders would build. The ancient Greeks knew it when they created protections for private property and specialized commercial courts for merchants.

7. **The lessons of history haven't changed—investment and jobs still follow predictability.** What has changed is the speed, scale, and selectivity of capital and the pace of technological change—including AI—in today's world. The stakes are higher and the margin for error is thinner. Uncertainty is no longer just a drag on growth. It's a deal breaker.

8. **Country context is critical in drawing a reform blueprint, yet evidence points to a core set of regulatory reforms essential to unlocking private investment and job creation at scale.** Every country has its own political constraints, institutional capacity, and labor-market realities. What works in a middle-income country—where priorities may center on improving competition policy or developing capital markets—will not translate to a fragile context, where constraints are more fundamental and reforms must consider security conditions or basic property registration frameworks. This also means recognizing that the state can have varying roles, from investing in foundations like health, to providing fair rules of the game, to supporting innovations that require long horizons. But evidence from experience and research suggests that there are specific sets of regulatory reforms that consistently deliver the greatest impact. Real solutions need to combine global best practice with country specificity, scaling what works while adapting to realities on the ground.

9. **Even where reform priorities are clear, implementing them is more than a technical exercise.** It requires sustained country ownership, capable institutions, and leadership that can navigate trade-offs and build social consensus for reforms. Weak capacity and coordination in regulatory bodies, local administration, or the judiciary can stall progress. Moreover, reforms that lack social and political buy-in are unlikely to endure. Delivering results depends not only on sound design, but also on convening broad-based coalitions, building institutional capacity, and deploying evidence and transparent communication to sustain public confidence in the reform process.

10. **The World Bank Group plays an important role here.** Decades of frontline experience provide valuable insight into the reforms that have helped companies thrive, and the ones that have failed—and why. Our global data tools—including Business Ready (B-READY) and Women Business and the Law—identify gaps not only in the law but also in what businesses experience in practice. Our new country engagement model builds on expertise across the institution by grounding interventions in country-led priorities, diagnostics, and partnerships. That moves us away from one-off reforms and toward an integrated path of high-impact reforms focused on jobs.

11. **Creating an environment where businesses can thrive, with regulatory and policy certainty and confidence in the rules of the road, isn't a side project.** It's a necessity for creating what the world desperately needs: more jobs, better jobs, at scale.

II. [What is the Enabling Environment for Jobs?](#)

Start with the basics

12. **A business-enabling enabling environment begins with sound and consistent macroeconomic management, predictable regulations, the rule of law, and functioning payment systems.** These are the basics. When they are in place, targeted reforms can deliver significant gains for firms of all sizes: economies are better positioned to set up entrepreneurs for success, leverage the dynamics of early growth small and medium enterprises, and enable growth-oriented firms to drive scale, technology, and jobs. This should be accompanied by appropriate worker protections and responsible management of natural resources.

13. **Sound macroeconomic management is the bedrock for the entire enabling environment.** It requires a policy framework that includes price stability, credible exchange rate regimes, and appropriate fiscal and debt management. When macro policy is sound and predictable, investors and entrepreneurs can plan beyond the next quarter and commit to long-term projects. When fiscal balances are healthy because of strong

domestic revenue mobilization and expenditure management, governments can invest in public goods like infrastructure and skills—and unlock the conditions for private enterprise to thrive. Weak macro fundamentals hit smaller firms hardest because they lack the buffers and financing options to absorb volatility.

14. **Rule of law, predictable regulations for the entire private sector, and absence of corruption are equally important.** Whether it is a street vendor paying a bribe to avoid an arbitrary inspection or a large firm facing demands in a non-transparent public procurement, corruption is a direct tax on business. It undermines the rule of law and creates unpredictability. The World Bank Group’s Private Sector Investment Lab—a group of 15 CEOs and executives from major firms—identified regulatory uncertainty as one of the most critical barriers to private investment in emerging markets. When regulations are excessive and overlapping, they are difficult to follow and create opacity and opportunities for rent-seeking, eroding the predictability businesses need. Under-regulation, meanwhile, can leave consumers unprotected and investors without legal certainty. The right balance is a judgment that governments must continuously get right.

15. **Payment systems regulation, anchored by a sound financial sector framework helps firms transact efficiently.** In many economies, firms are shut out of markets because payment systems don’t talk to each other, settlement systems are poorly supervised, and payment service providers face overly restrictive licensing rules. Regulations that support open, interoperable domestic payment systems, licensing non-bank payment providers, and transparent pricing can lower transaction costs, help firms build credit histories, and connect microenterprises to suppliers and customers.

16. **A business-enabling environment also requires functioning labor markets and institutions underpinned by well-designed regulations that protect workers without discouraging hiring.** Similarly, regulations must safeguard the natural resources that economies and jobs depend on, without deterring investment. By balancing the flexibility firms need to hire and grow with appropriate protections and support for workers during transitions, governments can build more dynamic markets. Equitable dispute resolution, decent working conditions, and the removal of legal barriers to women’s access to jobs bring fairness and inclusion to workers, while providing businesses with a level playing field, regulatory certainty and a larger, more productive talent pool. Our Gender Strategy ties it all together—making sure that helping women access capital and work opportunities are woven into everything the World Bank Group does on jobs.

17. **Once the basics are in place, a subset of reforms stands out for its outsized impact.** Drawing on decades of evidence, this paper identifies reforms—selected from a larger universe of possible interventions—that consistently show the greatest effects on business growth and job creation. The most impactful depend on the types of firms being targeted: a microenterprise trying to hire its first employee, a small business seeking to open its first factory, or a medium-sized firm looking to scale.

Set up microenterprises and entrepreneurs for success

18. **Microenterprises and small entrepreneurs provide livelihoods to millions, yet too many are stuck earning too little.** They’re unable to invest and expand. Overwhelmingly informal, their immediate goal may be survival, but these entrepreneurs aspire to higher incomes. Women-owned micro and small enterprises are particularly constrained by legal and institutional barriers. Policies that make it easier to start, operate, and expand businesses can raise productivity, foster innovation, and create better jobs.

19. **Simpler, clearer rules for registering and running a business—enabled by digital technologies—cut red tape, reduce costs, and help firms thrive.** Registration needs to be easy—and lead to benefits, from being able to open bank accounts to accessing government programs and procurement under clear and predictable rules. When reforms are designed well, they don’t encourage businesses to stay small to qualify for incentives. Yet today, in two out of three economies, business registration still requires interacting with multiple agencies and resubmitting identical information—rather than using an integrated, digital one-stop system. In

the Kyrgyz Republic, the government reviewed more than 500 business licenses and removed 90 rules that added cost but not safety. The next step is to digitize more than 200 administrative procedures, reducing steps and speeding approvals. Risk-based regulations and streamlined procedures mean entrepreneurs spend less time on compliance and more time on expansion and innovation.

20. **Governments can equip entrepreneurs to act strategically through targeted policies.** Financial literacy programs and digital skills training can be integrated into education and skilling policies, while structured mentorship programs connect new entrepreneurs with experienced business owners. Training and guidance help business owners adopt better recordkeeping, pricing, and planning. Digital tools, meanwhile, connect firms to mobile payments, suppliers, and customers—a vital lifeline for microentrepreneurs in creative industries like crafts and music seeking to reach broader markets. The World Bank Group has tested this integrated model in an entrepreneurial center in the Democratic Republic of Congo, where a combination of business training, matching grants, business development services, shared workspaces, and regulatory reforms including streamlined business registration led to the creation of over 6,000 firms and revenue growth of more than 50 percent. A similar model was implemented in Saudi Arabia and is now being scaled across Africa.

21. **Flexible credit solutions for microenterprises and enablers like digital ID bring more entrepreneurs into the financial system and unlock their potential as job creators.** Realizing this potential requires regulations that enable access to alternative credit scoring, flexible repayment terms, larger loans than are typically available through microfinance, revenue-based finance, and equity-like instruments. These reforms allow even microenterprises to invest in productive equipment, expand inventory, and hire their first employees. When combined with financial literacy, these tools improve cash-flow management, reduce default risk, and enable firms to plan beyond day-to-day.

Leverage the dynamics of early growth small enterprises

22. **Small enterprises are the backbone of economies.** Their potential to invest, innovate, and hire needs to be unlocked through continued reforms in the regulatory environment. Clear regulation and easy entry give small enterprises the confidence to start, expand, and scale.

23. **Making it easy for firms to get started and follow the rules across levels of government helps small and early-growth enterprises thrive.** Data from the B-READY report show that barriers to entry remain formidable in many regions. Evidence on the operational efficiency of business entry in Sub-Saharan Africa, for example, points to major delays in licensing and permitting. While national laws matter, often the binding constraints for smaller firms are found at the subnational level, where local licensing, municipal permitting, and opaque land administration create costly bottlenecks. Streamlined digital registration, clear approval processes for licenses and permits, and predictable rules at all levels of government reduce delays and administrative burdens. Effective tax administration with clear rules, digital interfaces, and predictable interactions has a similar impact. Nationally, digital tools like the Philippines' SEC ZERO platform are cutting registration times by eliminating duplicative approvals. At the subnational level, Nigeria's State Action on Business Enabling Reforms (SABER) program financially rewards states for streamlining local tax administration, accelerating land registration, and simplifying business licensing.

24. **Policies that help lower or share fixed costs accelerate growth and create scale.** Facilitating the operation of cooperatives, pooled service providers, and shared infrastructure allows small businesses to lower overhead, access bulk inputs, and improve efficiency. In more than 20 countries across Africa and more recently in parts of Asia and Latin America, Hello Tractor's tractor-sharing platform illustrates how regulations enabling digital payments, equipment leasing, and private-sector service delivery can unlock shared mechanization at scale. This logic extends to innovation: shared research facilities and technology platforms allow entrepreneurs in smaller firms to innovate without bearing the full cost of R&D infrastructure.

25. **Clear land rights are another critical element of the enabling environment for small enterprises.** Secure tenure transforms dormant assets into active capital. It unlocks access to credit, encourages long-term investment, and spurs entrepreneurship. Our evidence shows that secure property rights are associated with agricultural productivity gains of up to 40 percent on average. Yet in many developing countries, unclear or unregistered land rights prevent smallholder farmers and rural Small and Medium Enterprises (SMEs) from using land as collateral. That discourages investment in productivity-enhancing assets like equipment and irrigation and traps smallholders and entrepreneurs in low-pay jobs.

26. **A regulatory environment that enables broader access to finance—including through fintechs—is critical for the growth of small enterprises.** World Bank Group Enterprise Survey data show that more than 20 percent of firms in Sub-Saharan Africa are fully credit-constrained. Women entrepreneurs face persistent barriers to accessing capital in many economies where laws do not guarantee women the same rights as men to own land, hold assets, and access credit. Financial sector regulations that enable flexible credit, strengthened credit information systems, movable collateral frameworks, and support for non-bank and digital lenders reduce risk and expand opportunities.

Enable medium and growth-oriented firms to drive scale, technology, and jobs

27. **Growth-oriented medium and larger firms drive innovation, technology transfer, and regional integration.** As with smaller firms, policy and regulatory certainty is essential. Mid-market and larger firms also benefit from policies to facilitate backward linkages and supply chain development, policies that lower trade costs, strong competition frameworks, and broader access to finance across the capital structure.

28. **Lowering the costs of integration in cross-border value chains through harmonized standards and efficient customs helps larger firms leverage regional trade, grow and create jobs.** Standards now underpin 90 percent of world commerce, so when governments invest in export and phytosanitary standards, larger firms can access larger markets and bring smaller suppliers with them. That boosts the productivity of entire value chains. Foreign direct investment (FDI) further amplifies these gains by bringing new technologies and practices that spill over into local enterprises. This potential can be fully unlocked with more efficient logistics. The World Bank Group's Logistics Performance Index shows that customs and border processes remain a major constraint in Sub-Saharan Africa, slowing integration. Streamlined procedures and transparent quality standards can dramatically cut lead times—helping more firms respond to market demand with speed.

29. **Stronger competition frameworks and open public procurement create a level playing field and maximize the impact of private investment.** Indonesia's Country Growth and Jobs Report stresses that faster progress on market deregulation reforms—such as easing market entry, reducing restrictive regulations, and opening sectors to trade and investment—would allow more resources to flow to high-value activities and encourage dynamic firms to expand. In middle-income countries, policymakers often face entrenched incumbents, limited fiscal space to compensate those displaced by transitions, and greater exposure to global volatility. Robust competition laws and empowered competition authorities can detect, deter, and sanction cartels and abuses of market power. That's essential to preventing incumbents from blocking entry and to keeping markets open. Transparent public procurement and timely payments to government suppliers create stable demand opportunities. Conversely, in low-income countries and those affected by Fragility, Conflict, and Violence (FCV), enabling larger firms often centers on establishing basic market entry frameworks, ensuring physical security, and strengthening foundational institutions to attract pioneer investors.

30. **Regulation that enables broader access to finance, including supply chain finance, is essential for medium and growth-oriented firms.** When firms can access short-term working capital and longer-term financing for capital expenditure—including equity—they scale faster, adopt new technologies, and hire more workers. Flexible financial solutions enable firms to smooth cash flow, respond to market fluctuations, and take on higher-value projects. Supply chain finance instruments—such as reverse factoring and receivables

financing—are particularly powerful. They help smaller suppliers unlock liquidity against confirmed purchase orders, reducing working capital constraints across the entire value chain without requiring additional collateral. For countries seeking to attract FDI, regulations and policies that enable hedging solutions and facilitate transfer and convertibility of local currency income can play an important role.

III. How the World Bank Group Supports Reforms at the Sector Level

31. **The World Bank Group is prioritizing investments and regulatory reforms where the potential for job creation is greatest.** The World Bank Group’s Jobs Council has identified five sectors best suited to create local jobs at scale: smallholder agriculture and agribusiness, infrastructure and energy, health, value-added manufacturing, and tourism. Countries with a greater share of employment in these areas tend to have significantly higher value added per worker. Our approach combines support for reforms with financing and hands-on implementation, working as One World Bank Group to deliver results. The sections below outline how the enabling environment can be strengthened in each sector, with examples of scalable reforms.

Smallholder Agriculture and Agribusiness

32. **Fostering private investment in farming and agribusiness demands a coherent reform agenda, based on five reinforcing policy paths.** These include: (i) trade facilitation through modernized standards and certification; (ii) secure land tenure and strong regulatory institutions; (iii) repurposed subsidies towards resilience and innovation; (iv) enabling and predictable trade and competition policies; and (v) systematic de-risking. When pursued together, these pathways turn fragmented agricultural activities into integrated value chains capable of attracting capital at scale. Peru demonstrates how it can work. Over two decades, the country moved from a net food importer to a global exporter—becoming the world’s second-largest avocado exporter and a leader in blueberries and grapes. It did so by combining predictable land and water rights, export-ready phytosanitary systems, targeted public goods, and deliberate policies that reduced risk across the value chain—from smallholders to exporters. Rather than tackling bottlenecks piecemeal, the World Bank Group aims to strengthen the institutional ecosystem that allows production, aggregation, storage, processing, finance, and distribution to function as one connected system.

33. **For microenterprises and smallholder farmers, the priority is to repurpose subsidies and enable cooperatives and other mechanisms to provide the benefits of scale.** Redirecting public spending from generalized input subsidies toward producing and disseminating agricultural innovations, infrastructure, biosecurity, and land resilience creates the conditions for commercial growth. Targeted instruments such as e-vouchers—combined with insurance, risk sharing, and access to finance—improve incentives and unlock working capital, allowing smallholders to invest in inputs and storage without traditional land collateral. Cooperatives and producer organizations help disseminate new technologies and allow farmers to share costs and jointly invest in production, storage, and marketing. As a result, they can achieve scale that would be impossible individually. The World Bank Group’s AgriConnect reflects this approach, channeling public resources toward public goods, innovation systems and pioneering de-risking instruments that crowd in private investment and shift production from subsistence to market-oriented activity.

34. **For small but growing agribusiness firms, long-term investment depends on secure land rights, transparent water allocation, and predictable policies.** That means improving land administration and contracting frameworks to support commercial transactions, and reinforcing regulatory systems for storage, quality certification, and warehouse receipts. Modernizing land administration and digitizing registries reduces transaction costs, formalizes tenure, and allows land to serve as collateral. For women, whose access to land strongly influences productivity, the impact can be transformative. In Malawi, the prioritization of land registration for women alongside matching grants allowed 28,000 female farmers to gain tenure security and increase their incomes. In many economies, gaps in property and inheritance regimes, along with weak registration systems, continue to constrain women’s control over assets and their ability to use land as

collateral. Secure and transferable land rights—along with transparent water allocation—enable long-term investments in irrigation and perennial crops, and the adoption of technology requiring multi-year planning horizons. Simplified licensing and predictable enforcement reduce entry barriers, while eliminating anti-competitive tariff exemptions ensures that efficiency—not preferential access—drives firm growth.

35. For large, growth-oriented firms, accessing bigger markets and leveraging regional trade depends on modern sanitary and phytosanitary standards and streamlined trade procedures. Strengthened sanitary and phytosanitary systems, internationally recognized certification, and digital traceability allow exporters to meet global standards and access premium markets. Streamlining export procedures and reducing non-tariff barriers cuts time and cost to market—yet only 20 percent of economies have integrated streamlined clearance systems beyond customs. In Africa, encouraging regional trade through the African Continental Free Trade Area (AfCFTA) can bring fragmented smallholders together and spread productivity gains across value chains, linking suppliers to larger exporters and regional markets. To unlock AfCFTA’s full potential, the World Bank Group is supporting regional standard-setting bodies, and working to address non-tariff barriers, regulatory transparency, and cross-border digital and services regulation.

36. AgriConnect is designed to translate the five reform pathways into action—crowding in private investment by making agribusiness a predictable, competitive, and investable sector. It moves beyond isolated interventions to shape a coherent policy and investment environment in which private capital can flow with confidence across the entire agribusiness value chain. By aligning public spending with productivity-enhancing public goods, strengthening the institutions that underpin secure transactions, modernizing standards and trade systems, and reducing the real and perceived risks that deter investors, AgriConnect creates the conditions for firms of all sizes to invest, scale, and compete. Projects address both upstream and downstream activities, from input supply, soil health, and on-farm productivity to aggregation, processing, logistics, and market access. Supporting upstream activities ensures that smallholders and cooperatives can produce competitively, while downstream interventions create the demand needed to absorb production and add value. The end result: AgriConnect connects farmers to markets, finance to viable enterprises, and innovation to on-the-ground production.

Energy and Infrastructure

37. The enabling environment is critical for the private sector to deliver reliable, affordable infrastructure—and jobs. The World Bank Group supports smart development that is fiscally sound, resilient, and manages emissions responsibly, while fully respecting each country’s right to determine its own energy mix. Stable regulatory frameworks that ensure infrastructure can withstand climate shocks give investors the predictability they need for long-lived assets—in power systems, transport, water, and digital connectivity. Transparent rules, competitive market structures, and sound governance determine whether infrastructure becomes a job catalyst or bottleneck.

38. In energy, mobilizing private investments depends on two mutually reinforcing priorities: establishing policy and regulatory clarity, and restoring the financial and operational strength of utilities. The first priority is about predictability. Energy infrastructure is capital intensive with a long-term horizon. Investors must be confident that the rules governing tariffs, subsidies, procurement, infrastructure sharing and market access will remain transparent and stable over time. Cost-efficient generation depends on careful analysis of cost and deploying a mix of technologies that allow for energy access, affordability, and reliability. Competitive and rules-based procurement—through auctions, wholesale markets, or power purchase agreements—allows firms to compete on price and reliability. Yet in half of economies, there are no legally binding timeframes for all agencies involved in approving new electricity infrastructure, leaving investors unable to reliably estimate project timelines and costs, undermining the predictability that long-term investment requires.

39. **Governments increasingly recognize that a stable and transparent regulatory framework gives investors confidence to commit long-term capital.** In Nigeria, the Distributed Access through Renewable Energy Scale-up (DARES) program, supported by World Bank operations, established transparent rules for mini-grid licensing, standardized power purchase agreements, and competitive allocation of result-based financing. In India, early solar development faced complex permitting and limited investor confidence. World Bank Group support helped structure competitive auctions, strengthen institutional capacity, and improve transmission access, culminating in the 750 MW Rewa Solar Park. Transparent bidding attracted strong international participation and delivered solar power below average grid costs. In both cases, private developers deployed solar hybrid systems and standalone solutions, bringing electricity to thousands of micro, small, and medium enterprises while creating jobs across installation, operations, maintenance, and local supply chains.

40. **Strengthening the financial and operational health of utilities—the backbone of the energy sector—is equally important for investor confidence.** In many developing countries, utilities do not fully recover their costs. That makes it harder to meet payment obligations and elevates sector-wide risk. Bolstering utilities—through better planning and procurement, reduced technical and commercial losses, stronger governance and financial management, and greater transparency—improves efficiency and credibility. When pricing frameworks allow for cost recovery and provide targeted support for vulnerable consumers, the sector sends a clear signal that it is financially sustainable and well positioned to invest in network expansion.

41. **Regulatory reforms are at the core of Mission 300, the World Bank Group initiative in partnership with the African Development Bank and the Rockefeller Foundation to scale up energy access and jobs across countries.** The effort aims to provide electricity access to 300 million Africans by 2030 by pairing policy reforms with financing and guarantees and linking access expansion to productive uses of electricity. Mission 300 moves energy reform beyond access targets toward a sustained growth and jobs agenda, with packages combining PPP frameworks, financial sustainability principles for utilities, and open grid access rules to de-risk investment and crowd in private capital.

42. **Across infrastructure sectors, pro-competition reforms unlock efficiency and lower costs for firms of all sizes.** In transport, regulatory reforms that open road and rail freight markets to competition reduce barriers to entry for logistics providers and ensure non-discriminatory access to ports and terminals. In water and sanitation, identifying opportunities to bring in private sector participation and innovation along the value chain and strengthening regulation can improve service and reduce costs. These approaches are aligned with the World Bank Group’s Water Strategy Implementation Plan, which aims to advance water security for 400 million people by 2030 through scalable solutions and increased private sector engagement. Across sectors, digitalization—including automated cargo processing and electronic documentation in ports, smart metering in water utilities, and digital platforms for service delivery—cuts processing times, reduces discretionary delays, and improves transparency.

43. **Investment packages that integrate regulatory reforms with physical infrastructure enhance economic development across sectors.** Transport corridors that combine road, rail, and port investments with open access frameworks and transparent concession rules create competitive markets. Similarly, integrated urban infrastructure programs that link water supply, sanitation, digital, and transport investments with institutional reforms—such as autonomous utility management, cost-recovery tariffs, and transparent procurement—enable sustainable service delivery and attract private capital. In Morocco’s Tanger Med port, World Bank-supported reforms that liberalized port services and road freight, alongside IFC and MIGA financing and guarantees, allowed the port to expand truck and passenger terminals while cutting clearance times and reducing costs. These improvements demonstrate how integrated infrastructure and regulatory reforms help firms respond to market opportunities and create better-paid jobs across transport, logistics, manufacturing, and urban services.

Health

44. **Health is one of the world’s largest and fastest-growing sectors, creating jobs across service delivery, supply chains, manufacturing, and logistics.** By helping people stay healthy, it also builds the human capital that underpins job creation. The sector spans clinical services, pharmaceuticals, and medical technology. The World Bank Group is prioritizing investment in health to provide quality, affordable services to an additional 1.5 billion people by 2030. Yet regulatory barriers remain a constraint: fragmented pharmaceutical approval processes, weak health data systems, and rigid professional licensing rules limit entry, raise costs, and prevent providers from scaling.

45. **Regulatory reforms can lower the cost of entry and operation for micro and small enterprises, including smaller clinics, pharmacies, and health technology startups.** Streamlining pharmaceutical approvals and harmonizing regional standards cuts delays and costs for smaller distributors, helping affordable medicines reach patients faster. Health data privacy, interoperability, and digital identity frameworks enable entry through digital patient records, as well as telemedicine and digital health services, creating opportunities for SMEs to reach underserved populations. Professional licensing and scope-of-practice reforms enable task-shifting, multidisciplinary teams, and the formalization of community health workers, expanding employment opportunities while addressing health worker shortages. IFC’s TechEmerge program illustrates the potential: small-AI health-tech firms like Tricog—whose AI-enabled Electrocardiogram (ECG) tool allows remotely based cardiologists to diagnose patients in underserved communities across India—have to operate and scale where health data, interoperability, and digital identity frameworks are in place.

46. **For mid-market and larger providers, strategic purchasing frameworks and public-private partnerships are key to growth and job creation.** The World Bank Group strengthens the policy and regulatory foundations that allow health systems to expand sustainably by aligning financing and service delivery rules, and modernizing how providers are licensed, paid, and supervised. Strategic purchasing frameworks, including accreditation-linked contracting and performance-based payments to public and private providers, ensure quality while expanding access. When public payers use strategic purchasing—contracting private providers under predictable payment systems and quality standards—they create stable demand. In Morocco, World Bank-supported reforms unified fragmented insurance plans under a single managing body and established a new regulatory authority to oversee quality standards and accreditation. These reforms clarified the system for purchasing services, expanded effective coverage to 75 percent of the population, and supported the development of the health workforce. Reliable health financing creates conditions for more hiring and expanded services, while clear payment systems encourage private providers and service platforms to invest and create jobs alongside the public sector.

Value-Added Manufacturing

47. **Manufacturing is a key source of productive jobs, particularly as firms upgrade to produce higher value goods.** This includes processed minerals and components for transport, energy and other industrial sectors. Yet regulatory complexity, uncertain land allocation, and cumbersome construction permitting hinder investment, especially where SMEs struggle to navigate fragmented approval processes. Long delays and discretionary decisions raise costs and deter entry for smaller manufacturers. For larger firms seeking to establish integrated operations or connect to local suppliers, unclear FDI rules and inadequately serviced industrial land limit scale and competitiveness.

48. **In mining, the World Bank Group prioritizes linkages between mineral extraction and value-added manufacturing.** Country roadmaps—developed for the DRC, Malawi, Mauritania, Zambia, and others—identify key policy instruments, including local content regulations focused on domestic value addition rather than ownership; streamlined and digitalized permitting systems that reduce fragmentation,

delays, and opportunities for rent-seeking; and infrastructure investments. These roadmaps give governments frameworks to develop sustainable mineral value chains while meeting environmental and social standards.

49. **For micro, small and early-growth firms across the manufacturing sector, reducing the time and cost of entry and expanding financing options is critical.** Streamlined licensing, transparent land allocation, and single-window time-bound construction permits lower the cost of complying with rules, allowing smaller firms to invest in productivity-enhancing equipment. Simplifying tax administration and trade procedures further reduces overhead, enabling SMEs to competitively source inputs and reach new markets. Access to working capital is equally critical. IFC's supply chain finance programs show how targeted financial sector reforms can unlock financing for smaller firms along the value chain. In Pakistan, for example, IFC worked with the central bank to enable receivables-based lending for SME manufacturers in lieu of collateral.

50. **For mid-market and larger firms, reforms must focus on expanding financing, enabling de-risking instruments, and integration into value chains.** This includes streamlining customs facilitation and FDI rules, particularly those governing value-chain linkages. Robust competition policies, transparent public procurement, reliable allocation of serviced industrial land with dependable infrastructure, and predictable contract enforcement give investors the confidence to commit long-term capital. In Mexico, the World Bank Group is helping design a national policy for the pharmaceutical sector—streamlining regulatory approvals, reforming procurement, and upgrading manufacturing capacity—to build a domestic industry capable of generating high-value employment. Making the financial sector sound and efficient is equally critical. Strengthening banking supervision, building secured transactions and movable collateral registries, and ensuring efficient insolvency frameworks unlock access to working capital, and supply chain and long-term financing. The result: manufacturers can adopt new technologies, hire at scale, and drive productivity gains across the economy.

Tourism

51. **Tourism generates jobs across a long value chain—from micro-entrepreneurs in cultural services, to small enterprises in transport and hospitality, to large-scale hotel operators.** Beyond direct jobs, tourism stimulates demand in agriculture, construction, and commerce. However, its potential to create more and better-paid jobs is often stifled by fragmented policies, opaque land rights, and complex licensing regimes that disproportionately burden smaller firms while deterring large-scale investment. Unlocking the sector's potential requires a regulatory environment that balances ease of entry for small businesses with the certainty needed for large capital investors.

52. **A thriving tourism sector starts with sound governance and clear institutional roles.** Overlapping mandates between national ministries and local authorities often create confusion and delays. In Indonesia, weak institutional coordination had left the Gili Islands without functioning waste or wastewater management, threatening the natural assets which drew tourists. The World Bank supported regulatory reforms and infrastructure investments—upgrading water and sanitation systems and embedding standards for water quality, sanitation, and land use into a legally binding Master Plan. This helped unlock significant private investments. Institutional coordination and clear roles across government levels are essential not only to streamlining licensing and harmonizing PPP standards, but also for consistent and predictable application of regulations. Effective governance also means integrating tourism planning with broader infrastructure, resilience, and land-use strategies, ensuring that destinations are built to attract and sustain private investment.

53. **For micro and small enterprises and entrepreneurs—most tourism businesses—streamlining licensing and permits is the key to growth and job creation.** Small guesthouses, tour operators, and craft producers often face a maze of duplicate inspections and burdensome licensing and permitting requirements at local and subnational levels that keep them small, informal and vulnerable to harassment. Reforms that streamline business registration, digitize licensing procedures, and simplify tax administration reduce costs

and help firms grow and hire. In Samoa, World Bank Group support helped the government overhaul its Tourism Development Act, simplifying licensing for accommodation providers and introducing minimum standards that enabled smaller operators to access marketing support, boosting local participation in the sector.

54. **For medium and growth-oriented firms, including cross-border investors, the priority is regulatory certainty and ease of operation.** Large-scale tourism projects require secure land tenure, transparent rules for foreign direct investment, and efficient visa regimes. Reforms that clarify land-use rights, liberalize air services to lower travel costs, and streamline construction permits enable major investments in hotels and resort infrastructure. In Viet Nam, an IFC investment in BIM Land supported the development of sustainable tourism infrastructure in what were then emerging destinations like Phu Quoc and Ha Long Bay. This investment was made possible in part by Viet Nam’s World Bank Group-supported reforms, which clarified land-use rights for private and foreign investors, simplified the foreign investment framework, and streamlined construction permitting. It is helping create thousands of jobs, strengthen local supply chains, and set new standards for green building in the hospitality sector.

Cross-cutting enablers: digital and finance

55. **Digital technologies are reshaping job creation across all five priority sectors.** They require complementary enabling policies to maximize their impact. For microenterprises, digital platforms provide an essential connection to customers, suppliers, and financial services, reducing transaction costs and enabling growth. For small and early-growth enterprises, digital tools improve inventory management, payment processing, and market access. Larger firms that embrace digital infrastructure are better positioned to participate in value chains, adopt advanced technologies, and integrate smaller suppliers. Yet progress is constrained: digital infrastructure deployment is expensive, competition is weak, and internet services and devices are still unaffordable for millions.

56. **To drive investment in the digital economy and broaden access to AI-enabled tools, regulatory reform needs to focus on lowering adoption costs and making connectivity more affordable through greater competition.** Key reforms include aligning licensing, spectrum policy, and sector taxation with universal access goals, promoting infrastructure sharing and open-access networks, and shifting the state from a market player to an enabler of private investment. In Uzbekistan, an independent telecom regulator simplified network permitting, shortened deployment timelines, and opened international internet access to all operators—strengthening competition and, over time, reducing internet prices for households and firms.

57. **Modern data privacy, data security and e-transaction laws that are harmonized with global frameworks build trust and enable digital commerce.** These regulatory foundations are critical for firms to optimize operations through data analytics and AI. Digital transformation projects in the Eastern Caribbean illustrate how policy reforms combined with infrastructure can transform the digital landscape. By expanding high-speed broadband coverage from 30 percent in 2012 to over 75 percent across the region—backed by telecommunications competition reforms, data protection legislation, and an updated regulatory framework for digital financial services—the World Bank Group is powering the fintech and startup ecosystem through innovation centers and business incubation, while creating jobs in installation, operations, and digital services.

58. **A sound and efficient financial sector fuels growth and job creation across all industries.** Access to finance remains a binding constraint for firms of all sizes. A lack of collateral and credit history locks microenterprises out of finance. For small and medium enterprises, inadequate credit information systems, weak movable collateral frameworks, and limited non-bank lending restrict growth capital. For mid-market and large firms, shallow capital markets and inefficient insolvency frameworks constrain long-term investment and risk-taking. Regulatory reforms should focus on unlocking these constraints.

59. **Regulatory reforms that modernize payment systems, expand credit infrastructure, and support alternative financing remove barriers for microenterprises and small early-growth firms.** Fast payment systems that talk to each other and open-access frameworks lower transaction costs, connect micro-merchants to digital commerce, and build credit histories that enable formal borrowing. Yet firms in low-income economies receive only 24 percent of their sales through e-payments, compared to 80 percent in high-income economies. Building secured transactions and movable collateral registries allows smaller firms to use inventory, equipment, and receivables as collateral, dramatically expanding their access to working capital. Support for non-bank and digital lenders can bring flexible credit to underserved populations. In Ghana, the establishment of a modern collateral registry enabled billions in loans secured by movable assets for thousands of micro and small enterprises. In the Western Balkans, six economies are aligning payment systems with European Union standards and integrating into the Single Euro Payments Area, cutting cross-border payment costs for small businesses by up to 15 times.

60. **Regulatory reforms that facilitate deepening capital markets and strengthen financial stability frameworks enable mid-market and larger firms to access long-term financing and manage risk.** Efficient insolvency frameworks that enable orderly restructuring reduce lender risk and unlock credit for businesses to expand and adopt technology. Developing capital-market rules and expanding credit bureau coverage improve information flows, reduce borrowing costs, and support the growth of corporate bond and equity markets. Robust banking supervision ensures stability, builds investor confidence, and prevents crises.

IV. From Knowledge to Action: Delivering Business Environment Reforms at Scale

61. **Knowing which reforms matter is only the beginning.** The harder task is implementing the reforms, country by country, sector by sector—and doing it at the speed and scale that the jobs challenge demands. Success depends on scaling what works and embedding those reforms in institutions and markets. The World Bank Group is closing the gap between knowledge and action. Several shifts are underway to ensure that reforms move beyond diagnostics and translate into measurable investment, firm growth, and jobs.

One WBG Knowledge Bank Organized for Impact

62. **The World Bank Group is transforming to deliver scalable solutions for clients.** The Knowledge Bank embodies the global and local knowledge of our staff and clients around the world—an extensive community with the capacity to support our public and private sector clients. Drawing on knowledge at the country level, global public and private sector expertise is now integrated across five verticals—People, Prosperity, Planet, Infrastructure, and Digital—where clients benefit from policy, institutional, legal, capacity-building, and investment perspectives in a single engagement. This concentration of deep sectoral expertise enables countries to draw on cutting-edge global knowledge to design and implement impactful reforms tailored to their needs. This expertise is complemented by global delivery teams (e.g. equity, PPP, upstream, and advisory), as well as regional hubs, which have been reinforced through the co-location of IBRD/IDA, IFC, and MIGA. Together, they focus on designing and implementing more transformative, replicable, and scalable development solutions. Regional hubs facilitate a two-way flow of knowledge—grounded in country experiences and feeding into a global knowledge base—ensuring the World Bank Group captures and amplifies innovations generated by our clients and supports their transfer across borders in ways that reflect local contexts. Progress in deploying these knowledge solutions will be tracked—helping countries translate knowledge into effective reforms and complementing the strengthened results architecture of the Scorecard.

63. **This shift is bringing knowledge closer to clients.** Shorter, more focused diagnostics help governments identify the most impactful reforms and inform country strategies and address operational challenges. Core analytical tools—including Country Growth and Jobs Reports, Country Private Sector Diagnostics, Public Finance Reviews, Poverty and Equity Assessments, and Country Climate and Development Reports—have been sharpened to provide a framework for identifying the most impactful fiscal,

regulatory, and sectoral reforms that attract private investment and expand employment. These diagnostics inform practical reform roadmaps tailored to each country's constraints and opportunities.

64. **Drawing on the real-world experience of entrepreneurs, the WBG convenes public and private sector players to translate business realities into concrete regulatory reform.** Country-level private sector advisory councils can provide regular forums where firms of all sizes share practical insights to translate their business experience into concrete regulatory reforms, become partners in implementation, and unlock their ability to grow and create jobs. We will establish such councils in all client countries.

65. **Translating this knowledge into results requires the right tools, deployed in the right sequence.** Once the critical regulatory reforms and high-potential sectors for private operators have been identified, clients can draw on the World Bank Group's full suite of instruments—financing, advisory services, and capacity-building. IFC, MIGA and IBRD/IDA are building coordinated, medium- to long-term engagements that combine advisory services with public and private loans, equity and guarantees, behind a shared objective. One way this is taking hold is through increased use of results-based instruments by regional and country-facing teams. Development Policy Financing supports the adoption of enabling environment reforms while additional instruments link the delivery of specific outcomes to financing and provide implementation support. All while helping build capacity—a common theme across all World Bank Group financing.

66. **Small island nations and fragile and conflict-affected situations require specific considerations.** Understanding what works and why helps adapt proven approaches to each country's specific constraints, institutions, and political economy. Small island nations face a distinct set of challenges—remoteness, disaster exposure, and thin institutional capacity. Clear risk-sharing arrangements protect jobs and shield investment from the disruption that follows major disasters. In FCVs, the World Bank Group's Strategy tailors support across four distinct contexts—countries in crisis, in transition, conflict-affected, and at risk. Each requires different approaches that reflect on-the-ground realities and the potential for lasting impact. In many FCVs, micro and small firms are not just drivers of job creation; they are frequently the primary actors the World Bank Group can partner with to ensure essential service delivery.

67. **In advanced and upper middle-income economies, the World Bank offers Reimbursable Advisory Services (RAS)—a flexible fee-for-service to advance national reform priorities.** RAS combines global expertise with support for implementation, capacity building, and coordination across agencies. In Romania, it underpinned reforms for the Investment and Development Bank whose SME guarantee program was oversubscribed by 180 percent. In Saudi Arabia, RAS supported Vision 2030 reforms in economic policy, labor markets, and digital development, translating global practices into locally tailored solutions, and helps share Saudi Arabia's development expertise globally through the Knowledge Hub in Riyadh.

68. **Regulatory reforms deliver results only when countries have the institutional capacity and practical know-how to implement them.** We are strengthening this capacity through the World Bank Group Academy and a growing network of Knowledge Hubs that support policymakers and private sector leaders. The Academy is scaling up training programs that equip reform champions with tools for policymaking and implementation while helping them navigate the technical and political economy dimensions of enabling-environment reforms. Early results demonstrate impact: the Disaster Risk Insurance Program led four countries to commit to new insurance solutions, while the Accelerating Urban E-Mobility Program helped 11 countries develop national action plans. These efforts are complemented by Knowledge Hubs and Centers that capture and share practical development experience across countries. The Singapore Water Center, for example, leverages Singapore's expertise in urban water management to share practical lessons through exchanges and capacity-building programs.

69. **Capacity building is also embedded directly in the World Bank Group's operational engagement with governments and firms.** Through technical assistance embedded in IDA and IBRD operations, the World

Bank supports public sector institutions in implementing reforms to the enabling environment, strengthening institutions and regulatory frameworks, and building the capabilities needed to translate policy commitments into results. At the firm level, IFC advisory services ensure that reforms can translate into investments. Through tailored support to strengthen governance, improve financial management, and meet market standards, IFC is helping MSMEs become more competitive and investment-ready.

New Outcomes-focused Country Engagement Model and Revamped CPF

70. **The World Bank Group redesigned its country engagement model to place jobs at the center of its country strategies and programs.** The revised Country Partnership Framework (CPF) is selective, outcome-oriented, and adaptable to changes in country context and needs. The new CPF prioritizes three to five development outcomes that reflect each country’s most critical priorities. This focused approach allows for deeper engagement in fewer priority areas, concentrating WBG resources and country ownership on the reforms and investments most critical for job creation and transformational impact. The new CPF also allows for a longer planning and implementation period of up to 10 years, based on country context and the outcome areas being prioritized. This extended timeframe recognizes that meaningful regulatory and institutional changes often require countries to stay the course through sustained reform efforts and investments and allows for sequenced reform programs to tackle deeper constraints over time.

Leveraging the Scorecard for Impact

71. **Across the World Bank Group, the Scorecard is being used as a strategic tool to track progress toward ambitious outcome targets for 2030—and to align partners around achieving them.** These include, among others, Mission 300 to deliver electricity access to 300 million people in Africa; our drive to support quality health services for 1.5 billion people globally; our goal of enabling 300 million more women to use broadband and providing capital to 80 million more women and women-led businesses by 2030; and in water, where we aim to advance water security for 400 million people by 2030. The targets help concentrate efforts across governments, development partners, and the private sector, recognizing that the scale of demand far exceeds what any single institution can deliver alone. Indicators are reviewed regularly to see where delivery is advancing—and where it is falling short. The upcoming public release of the Target Map platform will allow anyone to follow this progress, reinforcing transparency and accountability. When gaps appear, we act quickly to redirect efforts, remove bottlenecks, and accelerate progress. The goal: more disciplined, outcome-focused delivery.

72. **To translate these targets into faster results on the ground, we are launching sector compacts with client countries.** These compacts bring together World Bank Group solutions—targeted investments, policy reforms, and private capital mobilization—around a single reform roadmap with clear deliverables and accountability. National Energy Compacts under Mission 300, for example, set time-bound targets for electricity access and private investment, alongside regulatory reforms like tariff adjustments, independent regulation, and competitive procurement frameworks. AgriConnect compacts combine policy reforms with private sector investment to remove barriers across agricultural value chains, including reforms related to land titling and export facilitation. Similar approaches are being adopted in the water, digital and health sectors, where compacts focus on strengthening regulatory frameworks—from data governance and digital payments to health system delivery. Health compacts have been signed in 15 countries and many more are underway.

73. **The Scorecard is introducing a new jobs indicator to track how World Bank Group interventions—including support for enabling-environment reforms—move people onto and up the jobs ladder.** It measures how World Bank Group operations contribute to increasing people’s income from work, capturing both new employment and transitions to better-paid work. The World Bank Group is working closely with the International Labour Organization and multilateral development banks to build a common understanding of how to measure jobs impacts—emphasizing transparency, replicability, and comparability

across institutions. The more and better-paid jobs indicator will launch at the 2026 Spring Meetings, linking our accountability directly to the WBG’s mission: creating pathways to prosperity for millions. Complementing this, the recently finalized Private Capital Enabling indicator shows how policy and institutional reforms—through IDA/IBRD’s development policy financing and IFC’s upstream advisory engagement—create the conditions for private investment, strengthen markets, and crowd in capital at scale. Together, the scorecard serves as a strategic compass, demonstrating how reforms and investments combine to create more and better jobs. The scorecard’s upcoming mid-term review will engage with a diverse group of external partners to help capture early lessons and further enhance the WBG’s accountability.

V. Conclusion

74. **Creating more and better-paid jobs is the foundation of durable growth, stability, prosperity, and hope—particularly for a rising generation of more than a billion young people in developing countries.** As demographic pressures intensify and global capital becomes more selective, countries that fail to provide a predictable, business-ready environment risk falling further behind, trapping firms and workers in low-productivity employment. Sound macroeconomic management, regulatory predictability, the rule of law, and fair competition are needed to translate public investment and private capital into sustained job creation.

75. **There is no cookie-cutter approach, but specific sets of regulatory reforms can deliver large impacts and be scaled up.** When the right policies and regulations are in place, microenterprises can move beyond survival, small enterprises can grow, and medium and large firms can make long-term investments, adopt new technology, and create jobs at scale. Without a business-enabling regulatory environment, uncertainty becomes a binding constraint—raising costs, discouraging investment, and locking workers into low-quality jobs. Scaling up success—whether addressing fragility in conflict-affected states, building resilient infrastructure in small island nations, or unlocking private investment in low-income countries—depends on combining global expertise with country-specific context and knowledge.

76. **The World Bank Group is responding, alongside partners, by implementing the three pillars of our jobs strategy and putting jobs at the center of our country engagement, knowledge, and financing.** By grounding ourselves as a Knowledge Bank, we can deliver global benchmarking tools, sharpen diagnostics, deploy integrated knowledge and operational teams, and link policy reforms to financing through sectoral compacts. This helps close the gap between what is known to work and what we deliver on the ground. The enhanced metrics in the scorecard for more and better-paid jobs and for private capital enabling reinforce accountability for results, ensuring that reforms to the enabling environment are judged not by process, but by their impact on employment and incomes.

77. **The call to action is clear.** Countries commit to sustained reforms that strengthen macroeconomic credibility, regulatory predictability, and fair entry into markets. The G7 and G20 can play an important role in catalyzing this commitment. Development partners align financing, policy support, and technical assistance behind these reform priorities and resist fragmentation. Realizing the World Bank Group’s ambition on jobs requires deep partnerships with the IMF, UN agencies, other multilateral development banks, and private sector coalitions, recognizing that the scale of the jobs challenge far exceeds any single institution’s capacity. The World Bank Group continues to deploy its knowledge, convening power, and financial instruments to de-risk reform and crowd in private investment where jobs can be created at scale.

78. **The jobs challenge will not wait.** The choices made now will determine whether the next generation enters a future defined by hope or by constraint—and whether the World Bank Group can achieve its mission of ending extreme poverty and boosting shared prosperity on a livable planet. An enabling environment for more and better-paid jobs is not optional. It is urgent, it is achievable, and it must be delivered at scale.