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# Country Partnership Strategy (CPS)

An Instrument of Selectivity under Strategy 2030



**19-23 August 2024 | ADB Headquarters, Philippines**





# Strategy 2030 on CPS

CPSs will further refine the priorities and selectivity of ADB operations based on the unique circumstances, challenges, and needs of individual DMCs; and the potential for value addition within ADB's capacity and resource envelope.

- The CPS will ... be the primary platform for defining ADB's operational focus in a country—with the DMC as the driver of its own development and ADB as a partner that provides customized solutions to development needs and challenges.
- ADB will exercise selectivity at the country level to ensure that its resources are not thinly spread, while maintaining scope for flexibility. ADB's involvement in specific themes or sectors in a country will be based on its comparative advantage vis-à-vis other development partners, specific country demands, and the potential for value addition within ADB's capacity and resource envelope.
- CPSs will further refine the priorities and selectivity of ADB operations based on the unique circumstances, challenges, and needs of individual DMCs; and the potential for value addition within ADB's capacity and resource envelope.



# CPS Preparation Process

The CPS should be prepared and updated in line with the DMC's development strategy cycle unless there is a clear justification for not needing to prepare a new CPS after the original date of the preceding CPS expires.

## **1. Diagnostic Work that Informs the CPS**

Inclusive and Sustainable Growth Assessment (consolidated country assessments and diagnostic work)

Country Assistance Program Review (for validation by ADB's Independent Evaluation Department)

- 2. Engaging in High-Level Strategic Discussions with the Developing Member Country**
- 3. Seeking Early Management Guidance through the Strategic Priorities Meeting**
- 4. Preparing the Draft CPS**
- 5. Conducting Further Consultation with Management**
- 6. Holding an Informal Board Session**
- 7. Requesting Government Clearance for CPS Disclosure**
- 8. Seeking ADB Board of Directors' Endorsement**



## Inclusive and Sustainable Growth Assessment

- The inclusive and sustainable growth assessment (ISGA) is the consolidated document that summarizes and synthesizes findings of in-depth sector and thematic assessments or other analytical work conducted in preparation for the CPS.
- It holistically addresses economic, governance, poverty, gender, private sector, fragility, climate change, disaster risk management, and other environment issues; identifies potentials for leveraging benefits as well as mitigating risks from its regional cooperation and integration; and sets out the rationale for selecting the strategic objectives and sector and thematic priorities in the CPS.
- The description of key challenges and constraints in the CPS could come directly from the analysis carried out in this assessment. Other individual assessments or analytical work are undertaken throughout the CPS cycle and are not required to be linked to the CPS.
- ISGA preparation entails a one ADB approach to ensure the crafting of a well-informed CPS.



## Country Assistance Program Review

- The country assistance program review (CAPR) is an evaluation of ADB's program over a particular time, including ongoing projects and technical assistance approved under previous CPSs and new projects approved under the current CPS.
- It evaluates the results achieved during the CPS period as identified in the CPS results framework, complemented by additional indicators relevant to the evaluation criteria.
- ADB's Country management Team (CMT) prepares the CAPR, and IED either validates the CAPR or prepares a country assistance program evaluation (CAPE). If IED prepares a CAPE, then a CAPR is not required.



## High-Level Strategic Discussions with the Developing Member Country

- ADB's CMT initiates high-level strategic or policy discussions with the main government counterparts in the DMC and other key stakeholders, which may include the private sector, civil society organizations, research institutions, and other development partners.
- Consultations should be carried out at various points of the CPS process through the strategy formulation mission, day-to-day interactions with the government by the resident mission, and with the country programming mission (CPM).
- A memorandum of understanding (MOU) may be concluded with the government, or an aide-mémoire may be confirmed summarizing the consultations with the DMC government, private sector, and civil society organizations.
- Knowledge of the DMC's development challenges obtained through regular dialogue with key stakeholders will provide the basis for CPS implementation and the design of the next CPS.



# Country Pipeline Management

- Each year, the CMT reviews the current pipeline of loans, grants, and TA, as well as the country knowledge plan; and conducts the annual CPM that is guided by the President's planning directions and the latest ADB-wide work program and budget framework (WPBF).
- The CPM is ideally conducted between February and April. The CPM concludes with an MOU with the DMC or an aide-mémoire. The MOU or aide-mémoire includes the following: (i) summary of issues and key discussion points with stakeholders, including private sector development activities and potential nonsovereign investments, and knowledge needs; (ii) indicative pipeline table for loans, grants, and TA covering the current year and the next 3 years (using standard format issued by SPD); (iii) midterm update of CPS results framework (if applicable); and (iv) updated country knowledge plan table.



# CPS for Pakistan, 2021–2025

## —Lifting Growth, Building Resilience, Increasing Competitiveness

- The CPS, 2021–2025 for Pakistan responds to the economic and social challenges thrown up by the pandemic and supports the country in addressing its persistent structural challenges.
- It fully aligns with the Government of Pakistan’s development strategy, ADB’s Strategy 2030, and the Sustainable Development Goals (SDGs). ADB’s assistance prioritizes support for three interlinked pillars:
  - (i) improving economic management to restore stability and growth,
  - (ii) building resilience through human capital development and social protection to enhance productivity and people’s well-being; and
  - (iii) boosting competitiveness and private sector development to create jobs and expand economic opportunities.
- Works on the CPS 2026-2030 is starting from Q3 2024, with ADB Board endorsement expected in 2025.





Thank you.

