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Development assistance landscape: Pakistan

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Executive summary

Pakistan's development assistance landscape is undergoing a major structural shift: Western bilateral aid is declining, multilateral development bank (MDB) financing is increasing to compensate, and non-Western bilateral and philanthropic flows are growing steadily. Pakistan should treat this not as a crisis but as an opportunity to restructure how it receives and governs development assistance.

The sharpest disruption came in January 2025, when the United States suspended most foreign assistance. Amid a broader contraction, total bilateral flows from Western donors fell from roughly \$1 to \$1.2 billion annually (2022–2024) to about \$550 million in 2025. US and United Kingdom (UK) assistance are likely to remain structurally constrained by policy shifts and fiscal pressure, even if partial recovery of funding occurs.

Meanwhile, non-Western donors—particularly Japan and the Gulf states—are assuming a larger role. Japan's infrastructure lending and Gulf financing (largely concessional loans) are expanding or holding steady, making them the dominant sources of bilateral assistance in a durable geopolitical realignment rather than a temporary swing.

MDBs are now the central pillar of financing architecture. Total MDB financing reached roughly \$5.3 billion in 2025 and could rise to \$7 billion by 2027, with the World Bank and Asian Development Bank each committing \$1.5 to \$2 billion annually under long-term frameworks. But this financing is overwhelmingly concessional loans, not grants—raising debt-sustainability concerns—and is concentrated in infrastructure (energy, transportation, water) while underweighting health and education.

The United Nations (UN) system and related global funds add roughly \$2.9 to \$4 billion annually for humanitarian assistance, health, food security, and resilience. Vertical funds—such as the Global Alliance for Vaccines and Immunization (GAVI), the Global Fund, and the Green Climate Fund—are critical to scaling disease control and climate adaptation, filling gaps left by MDBs and bilateral donors.

Western private philanthropy remains modest but strategically important—about \$440 to \$690 million in 2025 and growing—led by the Aga Khan Development Network and the Gates

Foundation, which pair community development with large-scale health work in immunization and disease control. Islamic foundations and funds are growing faster still, reaching nearly \$1 billion in 2025 and potentially exceeding \$2 billion by 2027.

The model is thus shifting decisively from grant-based Western aid toward loan-based multilateral and non-Western financing. Total development finance could reach \$17.2 billion by 2027, but a compositional challenge remains: the concessional-loan pool does not reach the “soft,” non-revenue sectors—girls' education, maternal and child health, humanitarian support—in which needs are most acute. Pakistan should treat the end of USAID programming not as a crisis but as the catalyst for ending the grant-dependency era, reconceptualizing foreign assistance as the strategic “stacking of capital” across three tiers.

- **Tier 1: Macro levers (MDBs):** The World Bank's \$20 billion Country Partnership Framework (2026–2035) and the Asian Development Bank's (ADB) \$10 billion Country Partner Strategy (2026–2030) serve as anchor engines—designed less as budgetary backstops and more as mechanisms to mobilize private capital and create a bankable environment for investors in energy, minerals, and infrastructure.
- **Tier 2: Emerging bilaterals (Japan, Korea, and the Gulf states):** Rising non-Western flows are shifting focus toward productivity-led growth—digital transformation, vocational and information technology (IT) training, and China–Pakistan Economic Corridor (CPEC) Phase II (agriculture and special economic zones (SEZs))—with Gulf support increasingly taking the form of revolving credit and central bank deposits that supply critical macroeconomic liquidity.
- **Tier 3: The new social safety net (nontraditional grants):** To meet the compositional challenge, Pakistan must cultivate domestic and specialized grant engines: corporate social responsibility (CSR) (more than \$200 million annually under the 2017 Companies Act), formalized Islamic philanthropy (zakat and waqf), private foundations, and Global Health Security grants—including a possible US health-sector compact framing disease control as a regional security imperative.

Capturing this architecture's value requires deliberate coordination. The government of Pakistan should designate or create a central donor coordination entity to: map the donor landscape on an ongoing basis; map donor contributions against Pakistan's sectoral priorities; and oversee not only traditional donors—bilaterals, MDBs, and UN agencies—but all sources identified in this report, including Western and Islamic foundations and CSR. These nontraditional sources now occupy a growing share of the landscape and should be engaged with the same rigor as traditional donors so that private and sovereign capital flows into high-growth sectors and the overall portfolio advance Pakistan Vision 2025 and its successors.

As official development assistance (ODA) is increasingly shifting to loans rather than bilateral grant funding, Pakistan cannot increasingly burden itself in debt without generating income and increasing its foreign currency inflow. Hence, Pakistan needs to identify and invest in sectors with a higher rate of return. Infrastructure alone does not create prosperity; rather, productive, healthy, and skilled people transform infrastructure into economic output.

As an early priority, Pakistan should convene a conference of potential funding sources—traditional donors and UN agencies alongside Western foundations, Islamic foundations,

and CSR-providing corporations. Its objectives should be to assess each donor's contribution to Pakistan's long-term goals, flag underfunded "soft" sectors such as girls' education and maternal health, eliminate duplication, and ensure the overall portfolio reflects Pakistan's priorities rather than those of donors.

Finally, Pakistan should learn deliberately from its past. The Kerry–Lugar–Berman era¹—when more than half of the \$7.5 billion authorized was never provided or needed to be returned because the US and Pakistani governments could not find ways to spend it—stands as a painful case of opportunity lost. More broadly, Organisation for Economic Co-operation and Development (OECD) data put cumulative official development assistance to Pakistan since 1960 at roughly \$80 billion, or some \$150 to \$165 billion in today's dollars—yet development challenges persist. Understanding why should be a priority and should draw on the many Pakistani and expatriate professionals who designed and delivered these programs. Ultimately, Pakistan does not lack for funding. Its 2026–2027 trajectory will be defined not by the volume of assistance available but by how efficiently it manages—on its own terms—a multichannel portfolio balancing hard-infrastructure loans with domestic-led social grants.

1. The Enhanced Partnership with Pakistan Act of 2009 came to be known informally as the Kerry-Lugar-Berman Act, so named after its three principal sponsors: Senator John Kerry (D-MA), Senator Richard Lugar (R-IN), and Representative Howard Berman (D-CA).

1. Bilateral development assistance

1.1. The USAID shock

On January 20, 2025, President Donald Trump issued an executive order suspending all US foreign assistance for ninety days (as of September 2026, the suspension had not been lifted). In Pakistan, thirty-nine major USAID-funded projects worth more than \$845 million were immediately halted—spanning the energy, economic development, agriculture, democracy, governance, education, health, and humanitarian sectors.²

Among the most significant suspended projects were the \$150 million Mangla Dam Rehabilitation Project and the \$380 million portfolio of projects in Khyber Pakhtunkhwa (KP) province—including the KP Reconstruction Project (\$100.6 million), the Integrated Health System Strengthening Project (\$64 million), and the Municipal Service Delivery Project (\$43.9 million).³ Education programs halted include the Improving Girls' Education Activity in KP—a province where the female net

literacy rate stands at only 15 to 35 percent—and the Higher Education System Strengthening Activity. Health suspensions included the tuberculosis control program in Sindh's Shikarpur district where more than one hundred workers were made redundant.⁴ According to the United Nations, approximately 1.7 million people in Pakistan—including 1.2 million Afghan refugees—were directly affected by the suspension of USAID programs.⁵

1.2. Bilateral donor estimates

Western bilateral ODA to Pakistan has declined from approximately \$1–\$1.2 billion per year (2022–2024) to an estimated \$542 to \$575 million in 2025. Non-Western bilateral flows—from Japan, China, and the Gulf—now constitute a majority of Pakistan's bilateral assistance envelope. This shift is structural rather than cyclical. More detail on the funding outlook for each donor follows.

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2. Azaz Syed, "Washington Suspends \$845m USAID Projects in Pakistan," *News International*, February 4, 2025, <https://www.the-news.com.pk/latest/1279385-washington-suspends-845m-in-usaid-projects-in-pakistan>.
 3. Aziz Beneri, "\$380 Million USAID-Funded Projects Stalled in Khyber Pakhtunkhwa," *Profit*, February 14, 2025, <https://profit.pakistanoday.com.pk/2025/02/14/380-million-usaid-funded-projects-stalled-in-khyber-pakhtunkhwa>.
 4. Fizza Abbas, "What the US Aid Suspension Means for Pakistan," *Diplomat*, February 13, 2025, <https://thedi diplomat.com/2025/02/what-the-us-aid-suspension-means-for-pakistan>.
 5. "US Funding Pause Leaves Millions 'in Jeopardy,' Insist UN Humanitarians," UN News, February 4, 2025, <https://news.un.org/en/story/2025/02/1159746>.

Table 1: Major bilateral donor aid to Pakistan (2025–2027)

Donor	2025 (USD, estimated)	2026 (USD, estimated)	2027 (USD, projected)	Trend
United States (USAID and State Department)	\$169 million	\$150–\$200 million	\$200–\$250 million	Sharp decline in 2025; partial recovery possible
United Kingdom (Foreign, Commonwealth and Development Office)	\$176 million	\$110–\$130 million	\$110–\$130 million	Declining; UK budget pressures
European Union	\$52–\$70 million	\$52–\$70 million	\$52–\$70 million	Stable; EU–Pakistan Strategic Partnership
Germany (Federal Ministry for Economic Cooperation and Development and German, or BMZ, and Society/Corporation for International Cooperation, or GIZ)	\$130 million	\$130 million	\$100–\$120 million	Slight decline
Japan (Japan International Cooperation Agency and Official Development Assistance)	\$300–\$350 million	\$320–\$370 million	\$340–\$400 million	Increasing; Indo-Pacific strategy
South Korea (Korea International Cooperation Agency)	\$35–\$40 million	\$45–\$50 million	\$50–\$55 million	Increasing; vocational training, IT
Saudi Arabia (Saudi Fund for Development and King Salman Humanitarian Aid and Relief Centre)	\$180 million	\$180–\$210 million	\$180–\$220 million	Stable to rising
United Arab Emirates	\$80–\$120 million	\$90–\$130 million	\$100–\$140 million	Rising; commercial bilateral ties deepening
Kuwait Fund (Kuwait Fund for Arab Economic Development)	\$60–\$80 million	\$60–\$80 million	\$60–\$80 million	Episodic infrastructure loans; possible increase
China	\$15–\$40 million	\$15–\$40 million	\$15–\$45 million	Stable to rising; figures reflect bilateral grant assistance only
Canada (Global Affairs Canada)	\$15–\$30 million	\$15–\$25 million	\$15–\$25 million	Slight decline
Turkey (Turkish Cooperation and Coordination Agency)	\$30–\$50 million	\$30–\$50 million	\$35–\$55 million	Stable to rising
Total, major bilateral donors	\$1.242–\$1.435 billion	\$1.197–\$1.485 billion	\$1.257–\$1.590 billion	Stable to rising

Note: Funding estimates in Tables 1–7 of this paper are the authors' projections based on approved country programs, replenishment cycles, active project pipelines, historical disbursement trends, and announced commitments. They do not represent official forecasts issued by the respective organizations.

- **United States:** As a consequence of the Trump administration's executive order, overall US assistance to Pakistan, which had peaked at \$2.67 billion in 2010, declined to just \$169 million in 2025.⁶ Future year funding is difficult to predict as, in contrast to previous years, the administration's fiscal year (FY) 2026 budget request did not include country-specific allocations. However, it is all but certain that US assistance will come nowhere close to pre-2025 levels, at least for the next several years. Indeed, the Trump administration's foreign assistance request for FY2027, contained in the so-called "skinny budget" released on April 3, 2026, proposed a 30 percent reduction from the FY 2026 enacted level in discretionary budget authority for the State Department and other international programs.⁷ Going forward, Pakistan's best opportunity to secure significant US assistance might lie in the negotiation of an "America First" bilateral health agreement similar to those the United States has signed with (to date) thirty-one countries in sub-Saharan Africa, Latin America, Asia, and Oceania.⁸
- **United Kingdom:** Like the United States, the UK no longer provides country-level allocations for its assistance budget. It has shifted to short-term (often one-year) allocation processes and is undergoing major ODA cuts, so forward-looking country figures are largely not published or only indicative. In 2024, the most recent year for which a Pakistan-specific figure is available, UK assistance totaled £133 million (\$176 million), all in the form of grants.⁹ Given that the UK plans to reduce its ODA from 0.5 percent to 0.3 percent of gross national income (GNI) between 2025 and 2027, it is reasonable to expect that its assistance to Pakistan will decline at least proportionately.¹⁰
- **European Union:** The EU–Pakistan Strategic Engagement Plan signed in June 2019 remains the governing framework for EU–Pakistan relations.¹¹ Under the aegis of

that framework, the EU provided Pakistan with a multiyear envelope (known as a Multiannual Indicative Programme) of estimated development assistance funding of €135 million from 2025 through 2027, or approximately €45 million (\$52 million) per year. This funding is to be focused on green inclusive growth (climate and economic resilience), human capital (education and skills), and governance and rule of law.¹² The health sector occupies only a small part of the EU development assistance portfolio. The EU is also expected to provide between €10 million and €15 million (\$11.5 and \$17.2 million) in humanitarian assistance, an amount that will vary depending on need. Note that all funding from the EU comes as grants; loan funding, if any, would come from the European Investment Bank, a separate entity.

- **Germany:** Like the EU, Germany reports bilateral development cooperation in multiyear negotiation packages. In 2025 negotiations, Germany committed €114 million in financial and technical cooperation for Pakistan, or €57 million (\$65.6 million) per year for 2025 and 2026. The intended principal areas of focus were climate and energy, economic development and vocational training, and social protection. In addition to Federal Ministry of Economic Cooperation and Development (BMZ) resources, the Gesellschaft für Internationale Zusammenarbeit (GIZ)—Germany's delivery arm for development cooperation—is expected to contribute at least an additional €60 million (\$69 million) per year over the same period. However, Germany's BMZ budget is declining (about €9.9 billion in 2026, down from 2025), which suggests there will be no major expansion of BMZ funding for Pakistan; spending will likely remain flat or be reduced slightly. Note that all GIZ funding comes in the form of grants. Overall German funding for Pakistan appears to be between 60 and 75 percent grant based.

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6. "Foreign Assistance," US Department of State, last updated July 31, 2026, <https://foreignassistance.gov>; and "How Much Foreign Aid Does the US Provide to Pakistan," USA Facts, last visited August 10, 2026, <https://usafacts.org/answers/how-much-foreign-aid-does-the-us-provide/countries/pakistan>.
 7. Megan Norris "Trump FY2027 Budget Proposes Record Homeland Security Boost, \$1.5T Defense Spending Surge," Homeland Security Today, April 5, 2026, <https://www.hstoday.us/budget/trump-fy2027-budget-proposes-record-homeland-security-boost-1-5t-defense-spending-surge>.
 8. Anya Hirschfeld, et al., "Tracking the America First Bilateral Health Agreements," Think Global Health, July 6, 2026, <https://www.thinkglobalhealth.org/article/tracking-the-america-first-bilateral-health-agreements>.
 9. "US–Pakistan Development Partnership Summary," Government of the United Kingdom Foreign, Commonwealth and Development Office, July 17, 2023, <https://www.gov.uk/government/publications/uk-pakistan-development-partnership-summary/uk-pakistan-development-partnership-summary>.
 10. "Equality Impact Assessment of ODA Program Allocations for 2025 to 2026," Government of the United Kingdom Foreign, Commonwealth and Development Office, last updated September 2, 2025, <https://www.gov.uk/government/publications/fcd-official-development-assistance-programme-allocations-2025-to-2026-equality-impact-assessment/equality-impact-assessment-of-official-development-assistance-oda-programme-allocations-for-2025-to-2026>.
 11. "Pakistan President Reaffirms Commitment to EU Strategic Plan, Says Ties Vital for Global Peace," Arab News, August 5, 2025, <https://www.arabnews.com/node/2610697/pakistan>.
 12. "15th Meeting of the EU–Pakistan Joint Commission," Permanent Mission of Pakistan to the United Nations, December 20, 2025, <https://pakungeneva.pk/15th-meeting-of-the-eu-pakistan-joint-commission>.

- **Japan:** Country-level totals for Japanese development assistance to Pakistan are typically not published. Unlike EU multiyear country allocations, Japan commits funding project by project through the Japan International Cooperation Agency (JICA). This means annual totals fluctuate depending on when large infrastructure or loan projects are signed. Japan's assistance includes grant aid (e.g., for hospitals, schools, and equipment), technical cooperation (training and advisory support), and loans for infrastructure (which are historically significant but episodic). As noted above, current annual Japanese funding is estimated to exceed \$300 million per year—a level that could increase given Japan's vision for a "Free and Open Indo-Pacific." However, Japan will likely be cautious about making major increases in its level of assistance to Pakistan given concerns about debt sustainability (loans are the largest single component of the Japanese assistance program) and its reluctance to duplicate large-scale, high-risk infrastructure loans such as those supported by China through CPEC.
- **South Korea:** As with Japan, country-level estimates for South Korean aid to Pakistan are not published in a consolidated way. South Korean assistance is fragmented across Korea International Cooperation Agency (KOICA) grants, concessional loans from the Economic Development Cooperation Fund (EDCF)—South Korea's primary instrument for providing concessional loans to developing countries—and multiyear project pipelines. Overall South Korean ODA to Pakistan is estimated to have exceeded \$35 million in 2025 and might rise to some \$55 million by 2027 as (unlike many other bilateral donors) South Korea is expanding its ODA envelope.¹³ South Korean assistance, some two-thirds of which is grant funded, focuses on water systems, nutrition, flood management, women's digital empowerment, and rural development, particularly in Sindh province.¹⁴
- **Saudi Arabia:** Saudi Arabia's development institutions—the Saudi Fund for Development (SFD) and King Salman Humanitarian Aid and Relief Centre (KSRelief)—provide

Pakistan with concessional loans and occasional grants for infrastructure (such as energy, transportation, and water) from SFD and humanitarian and social-sector grants (such as for health, food security, and disaster relief) from KSRelief. The total value of this assistance in 2025 was approximately \$180 million, two-thirds of which came in the form of loans from the SFD and the balance in the form of grants from KSRelief. Geopolitical factors—not least the role Pakistan is playing, in coordination with the Saudis, in trying to negotiate an end to the US war with Iran—suggest this assistance could increase in the coming years.

- **United Arab Emirates (UAE):** Data on UAE development assistance to Pakistan is significantly less transparent and systematically reported than data from OECD Development Assistance Committee (DAC) donors. UAE flows combine grants, humanitarian aid, deposits, rollovers, and quasi-concessional financing, which often are not separated cleanly in public budgets. Based on the most credible available reporting and recent bilateral financing patterns, the estimated annual value of UAE assistance to Pakistan exceeded \$100 million in 2025—a total that could increase given the two governments' recent commitment to expanding economic cooperation, trade, and investment across key sectors.¹⁵
- **Kuwait:** Kuwaiti assistance to Pakistan, largely channeled through the Kuwait Fund for Arab Economic Development (KFAED), is modest, highly project based, and dominated by concessional loans (primarily for infrastructure, especially water and energy). No consolidated forward budget has been released publicly, so projections for 2026–2027 must be based on pipeline commitments and typical disbursement patterns. These suggest that current annual funding from Kuwait is in the \$60 to \$80 million per year range, but it must be emphasized that KFAED assistance is not annual programmatic aid but episodic loan agreements tied to major infrastructure projects (the Mohmand Dam project alone represents a pipeline of roughly \$100 million disbursed in tranches over multiple years).¹⁶ This funding might increase given that Kuwait has

13. "South Korea Submits US\$3.2 Billion for 2025 Budget Plan," Donor Tracker, SEEK Development, August 29, 2024, https://donor-tracker.org/policy_updates?policy=south-korean-mofa-submits-us-3-2-billion-for-2025-budget-2024. South Korea presents ODA as part of its effort to act as a "global pivotal state," expand its international role, and align development cooperation with foreign-policy priorities in the Asia-Pacific, Africa, the Indo-Pacific Strategy, and the Korea–ASEAN Solidarity Initiative. "Submission of the 2025 Ministry of Foreign Affairs Budget Proposal to the National Assembly," Ministry of Foreign Affairs of Korea, August 29, 2024, https://www.mofa.go.kr/www/brd/m_4080/view.do?page=1&pitem=10&seq=375327.

14. "KOICA: Pioneering Sustainable Development in Pakistan," *Nation*, March 24, 2025, <https://www.nation.com.pk/24-Mar-2025/koi-ca-pioneering-sustainable-development-in-pakistan>.

15. "Pakistan, UAE Agree to Expand Trade, Investment Cooperation," *Mettis Global*, December 23, 2025, <https://mettisglobal.news/Pakistan-UAE-agree-to-expand-trade-investment-cooperation-57450>.

16. Usama Iqbal Khawaja, "Kuwait to Provide \$25 Million Loan Tranche to Pakistan for Mohmand Dam Project," *Arab News*, November 1, 2025, <https://www.arabnews.com/node/2621073/amp>.

signaled interest in expanding economic cooperation and investment in Pakistan.¹⁷

- **China:** Although only a small share of China's investment in Pakistan through the CPEC takes the form of development grants, the value of those grants is not negligible. Across China's development finance portfolio in Pakistan, grants and highly concessional aid have historically accounted for only a small fraction of the total—AidData estimates that roughly 8 percent of some \$70 billion committed between 2000 and 2021 qualified as ODA, with outright grants making up only about 2 percent.¹⁸ The largest of these grant-funded efforts—the New Gwadar International Airport, which entered commercial service in January 2025—was financed by a Chinese government grant of roughly \$224 million (RMB 1.54 billion), described by China's Ministry of Commerce as its largest development assistance project in Pakistan.¹⁹ Such grants tend to concentrate on highly visible, politically salient infrastructure, including the airport and the China–Pakistan Friendship Hospital in Gwadar, a roughly \$39 million grant project completed in 2023.²⁰ These projects do not represent system-wide development aid; rather, they are targeted, strategic, and symbolic. They are also episodic, which makes it difficult to estimate annual totals reliably.²¹ A reasonable estimate consistent with historic patterns would be grant disbursements likely in the range of \$15 to \$40 million for 2025, depending on flood-reconstruction activity; a similar range of roughly \$15 to \$40 million in 2026, absent a new flagship grant; and \$15 to \$45 million in 2027, with a modest upside if a CPEC 2.0 grant project is committed and begins disbursing.

- **Canada:** Compared to that of major bilateral donors, Canadian development assistance to Pakistan is modest and highly fragmented. It is delivered primarily through humanitarian assistance (e.g., flood response via multilateral partners), small grant programming (notably through the Canada Fund for Local Initiatives), and limited project-based development cooperation (often regional or thematic rather than Pakistan specific). As Pakistan is not a priority country for Canada, there is no publicly available forward country envelope for it. The value of this assistance is modest and varies sharply year to year with humanitarian need. In the major flood response year of 2022, it reached roughly \$25 to \$35 million (largely humanitarian), while in noncrisis years the recurring baseline is lower, on the order of \$15 to \$30 million, delivered almost entirely as grants. Given Canada's overall ODA contraction and Pakistan's nonpriority status, this level is unlikely to increase and might decline in the coming years.
- **Turkey:** Turkey's development assistance to Pakistan is modest, project based, and largely grant funded, delivered primarily through the Turkish Cooperation and Coordination Agency, alongside periodic humanitarian surges (e.g., flood relief). Turkey does not publish country-specific forward budgets. The current annual value of Turkish assistance is estimated at between \$30 and \$50 million; any future growth in that figure will likely be incremental and not transformational, unless it is tied to a major bilateral initiative, a natural disaster, or worldwide geopolitical developments.

17. "Kuwait Keen to Boost Investments in Pakistan," *Business Recorder*, December 17, 2025, <https://www.brecorder.com/news/40397916/kuwait-keen-to-boost-investments-in-pakistan>.

18. AidData has found that approximately 8 percent of China's \$70.3 billion development-finance portfolio to Pakistan (2000–2021) was ODA and only about 2 percent took the form of grants. See "98% of China's Aid to Pak Is in Form of Less-Than-Generous Loans: Report," *Business Standard*, November 7, 2023, https://www.business-standard.com/world-news/98-of-china-s-aid-to-pak-is-in-form-of-less-than-generous-loans-report-123110700538_1.html.

19. "Chinese Government Provides RMB 1.54 Billion Grant for New Gwadar International Airport Construction Project," AidData, last visited August 10, 2026, <https://china.aiddata.org/projects/52424>. The airport commenced operations on January 20, 2025.

20. "Chinese Government Provides RMB 240 Million Grant for China–Pakistan Friendship Hospital Construction Project in Gwadar" AidData, last visited August 10, 2026, <https://china.aiddata.org/projects/52542>.

21. The Economic Affairs Division of Pakistan's Ministry of Economic Affairs does not publish an annual total of Chinese grant funding.

2. Multilateral development banks

2.1. World Bank Group

In January 2025, the World Bank's board of directors approved a landmark ten-year Country Partnership Framework (CPF) for Pakistan, pledging \$20 billion from 2026–2035. World Bank Country Director Najy Benhassine described it as “a long-term anchor for our joint commitment with the government to address some of the most acute development challenges facing the country.”²² Annual lending commitments are “expected to remain in the \$1.5 billion to \$2 billion range” from 2026 onward.²³ The CPF focuses on six outcomes: improving education quality, tackling child stunting, boosting climate resilience, enhancing energy efficiency, fostering inclusive development, and increasing private investment.²⁴

Approximately half of the \$20 billion is expected to come from private-sector operations led by the International Finance Corporation (IFC).²⁵

2.2. Asian Development Bank

On March 18, 2026, ADB launched its Pakistan Country Partnership Strategy (CPS) **2026–2030**, committing approximately \$10 billion over five years (\$2 billion per year).²⁶ The strategy focuses on three pathways: enabling private-sector development; advancing inclusion and empowerment; and enhancing resilience and sustainability. Crosscutting themes include good governance, gender equality, digital transformation, and regional integration.²⁷ ADB Country

Director Emma Fan stated the CPS “is tailored to address Pakistan's structural challenges and promote robust and lasting growth.”²⁸

The CPS identifies transformative opportunities in critical minerals, railways and multimodal connectivity, energy security and clean energy, agricultural value chains, integrated water resource management, and skills development.²⁹ ADB has been supporting Pakistan since it became a founding member in 1966, with cumulative commitments of 764 public-sector loans, grants, and technical assistance totaling \$58.6 billion.³⁰

2.3. Other MDBs

- **Islamic Development Bank (IsDB):** The IsDB is active across health, education, infrastructure, and agriculture and has contributed \$160 million to Pakistan's polio eradication campaign through the Lives and Livelihoods Fund. In January, the IsDB signed an agreement with Pakistan to provide \$603.4 million to enhance infrastructure, poverty alleviation, and education, including construction of a portion of the M-6 motorway.³¹ In 2025, the estimated annual value of this assistance was approximately \$600 million; that figure is likely to range from \$300 to \$800 million per year in 2026 and 2027 depending on the pace of project implementation.
- **Asian Infrastructure Investment Bank (AIIB):** Funding from the AIIB focuses heavily on climate resilience in the aftermath of the 2022 floods, urban infrastructure, and

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22. “Country Partnership Framework for Pakistan (FY2026 Up to FY 2035),” World Bank Group, February 14, 2025, <https://www.worldbank.org/en/country/pakistan/brief/country-partnership-framework-for-pakistan-fy-2026-up-to-fy-2035>.
 23. “Pakistan—Country Partnership Framework for the Period FY26 Up to FY35 (English),” World Bank Group, December 16, 2024, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099121324161568318>.
 24. “World Bank Group Announces New 10-Year Country Partnership Framework for Pakistan,” World Bank, press release, January 14, 2025, <https://reliefweb.int/report/pakistan/world-bank-group-announces-new-10-year-country-partnership-framework-pakistan>.
 25. “Pakistan Seeks Operationalization of World Bank's \$20 Billion Framework,” Arab News, February 25, 2026, <https://www.arab-news.pk/node/2634363/pakistan>.
 26. “Pakistan 2026–2030—Pathway to Sustainable and Inclusive Growth,” Asian Development Bank, February 2026, <https://www.adb.org/sites/default/files/institutional-document/1133846/cps-pak-2026-2030.pdf>.
 27. “ADB Launches Pakistan Strategy for 2026-2030 Focused on Inclusive Growth,” Pakistan Economy, March 18, 2026, <https://pakeconomy.com/adb-launches-pakistan-strategy-for-2026-2030-focused-on-inclusive-growth>.
 28. Ismail Dilawar, “ADB Unveils Five-Year Pakistan Strategy to Drive Sustainable, Inclusive Growth,” Arab News, March 18, 2026, <https://www.arabnews.com/node/2636827/amp>.
 29. “ADB Unveils Pakistan Strategy for 2026–2030,” *Business Recorder*, March 18, 2026, <https://www.brecorder.com/news/40412191/adb-unveils-pakistan-strategy-for-2026-2030>.
 30. “ADB Launches New Country Partnership Strategy for Pakistan to Promote Sustainable and Inclusive Growth,” Asian Development Bank, March 18, 2026, <https://www.adb.org/news/adb-launches-new-country-partnership-strategy-pakistan-promote-sustainable-and-inclusive>.
 31. “Pakistan Signs \$603.4 Million Agreements with Islamic Development Bank to Enhance Infrastructure, Poverty Alleviation, and Education,” *Profit*, January 20, 2026, <https://profit.pakistantoday.com.pk/2026/01/20/pakistan-signs-603-4-million-agreements-w-ith-islamic-development-bank-to-enhance-infrastructure-poverty-alleviation-and-education>.

energy transmission and connectivity.³² Many AIIB projects are co-financed with the World Bank (e.g., the Karachi Water and Sewerage Services Improvement Project and the Tarbela 5th Hydropower Extension Project) and the ADB (e.g., Balakot Hydropower Development and Karachi Bus Rapid Transit). Current AIIB funding is estimated at \$250 to \$350 million annually, a level expected to grow to more than \$500 million by 2027.

- **Organization of the Petroleum Exporting Countries (OPEC) Fund:** The OPEC Fund, formerly known as the OPEC Fund for International Development (OFID), has a Pakistan portfolio valued at some \$122 million, with annual disbursements ranging from \$50 to \$100 million. Funding comes in the form of concessional or semiconcessional

loans; areas of emphasis include energy, transportation, and water. These funds tend to be bundled into projects led by larger MDBs. Disbursements are expected to remain stable or rise slightly over the next two years.

It should be noted that while this report, consistent with OECD guidelines, does not treat the International Monetary Fund (IMF) as a source of ODA, approval of and Pakistan's continued adherence to the IMF's \$7 billion Extended Fund Facility program is the gating condition for MDB access and macroeconomic stabilization.³³ The IMF program disburses approximately \$1.5 to \$2 billion annually. Table 2A below summarizes actual and projected MDB funding for Pakistan by institution, excluding IMF funding.

Table 2A: Pakistan MDB funding by institution

Institution	2025 (estimated)	2026 (projected)	2027 (projected)	Key focus
World Bank	\$1.77 billion	\$1.5–\$2.5 billion	\$1.5–\$2.5 billion	Lead financier across governance, water, human capital
Asian Development Bank (ADB)	\$2.62 billion	\$1.8–\$2.8 billion	\$1.8–\$2.8 billion	Largest infrastructure and policy lender
Asian Infrastructure Investment Bank (AIIB)	\$250–\$300 million	\$200–\$500 million	\$200–\$600 million	Targeted infrastructure and co-financing
Islamic Development Bank (IsDB)	\$600 million	\$300–\$700 million	\$300–\$800 million	Infrastructure and selective social sectors
OPEC Fund	\$50–\$100 million	\$100–\$300 million	\$100–\$300 million	Co-financing infrastructure and energy
Total (all MDBs)	\$5.29–\$5.39 billion	\$3.9–\$6.8 billion	\$3.9–\$7 billion	

32. "AIIB to Support Pakistan in Meeting Development Goals," Associated Press of Pakistan, November 5, 2024, <https://www.app.com.pk/business/aiib-to-support-pakistan-in-meeting-development-goals>.

33. "Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire," Organisation for Economic Co-operation and Development, May 29, 2026, [https://one.oecd.org/document/DCD/DAC\(2026\)14/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC(2026)14/FINAL/en/pdf).

Table 2B below summarizes Pakistan MDB funding by sector, excluding IMF funding.³⁴

Table 2B: Pakistan MDB funding by sector

Sector	2025 (estimated)	2026 (projected)	2027 (projected)	Key focus
Energy (power, transmission, renewables)	\$1–\$1.3 billion	\$900 million–\$1.7 billion	\$900 million–\$1.8 billion	Grid modernization, renewable integration, energy security
Transportation (roads, rail, logistics)	\$1.3–\$1.6 billion	\$1.1–\$1.9 billion	\$1.1–2 billion	Corridor rehabilitation, flood damage recovery, trade connectivity
Water (urban water, irrigation, wastewater)	\$900 million–\$1.2 billion	\$1–\$1.6 billion	\$1.1–\$1.7 billion	Urban service gaps, irrigation needs, flood resilience
Climate and disaster resilience (cross-sector)	\$1–\$1.4 billion	\$1.2–\$2.2 billion	\$1.3–\$2.4 billion	Post-flood recovery, adaptation investments, climate mainstreaming
Governance, public finance, reform of state-owned enterprises (SOEs)	\$1–\$1.4 billion	\$900 million–\$1.5 billion	\$900 million–\$1.5 billion	Fiscal stabilization, IMF-linked reforms, SOE restructuring
Health	\$200–\$400 million	\$200–\$500 million	\$300–\$600 million	Primary care strengthening, pandemic preparedness
Education	\$200–\$400 million	\$200–\$500 million	\$300–\$600 million	Foundational learning, provincial service delivery
Agriculture and rural development	\$200–\$300 million	\$300–\$500 million	\$300–\$600 million	Smallholder productivity, rural livelihoods, climate adaptation
Total (all sectors)	\$5.9–\$6.2 billion	\$4.2–\$7.4 billion	\$4.3–\$7.8 billion	

The key takeaway is that total MDB financing to Pakistan was estimated at approximately \$5.3 billion in 2025, rising to more than \$7 billion by 2027 as planned projects reach the implementation stage and disbursements ramp up commensurately. This substantially offsets—in volume terms—the decline in Western bilateral grants. However, MDB financing is

almost entirely concessional loans, raising important questions about debt sustainability. Moreover, the bulk of MDB funding is focused on energy, transportation, and water infrastructure—important needs to be sure, but the MDBs place comparatively little emphasis on health and education.

34. The bottom line totals in the two tables don't match exactly because the sector table redistributes funding analytically across sectors using ranges, while the institutional table aggregates by institution.

3. UN groups and related agencies

Across Pakistan, UN agencies—particularly the United Nations Children’s Fund (UNICEF), World Health Organization (WHO), World Food Programme (WFP), United Nations High Commissioner for Refugees (UNHCR), United Nations Population Fund (UNFPA), United Nations Development Programme (UNDP), and Food and Agriculture Organization (FAO)—focus on delivering humanitarian assistance while strengthening national systems for long-term resilience. Their work spans food security and nutrition, primary health care and disease surveillance, maternal and reproductive health, education and child protection, refugee support, governance reform, climate adaptation, and sustainable agriculture, with a strong emphasis on supporting provincial service delivery and

helping communities recover from recurrent shocks such as floods and economic instability.

Complementing this, Gavi, the Vaccine Alliance, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and the Green Climate Fund provide large-scale, targeted financing that reinforces these priorities—funding immunization systems, disease control programs (especially for tuberculosis), and climate adaptation investments. This enables UN agencies and the government of Pakistan to scale impact in health and resilience beyond what core UN resources alone can support, while filling vital gaps that MDB programs are not designed to address.

Table 3: Pakistan—UN system and related agencies financing outlook

Agency	2025 (actual)	2026 (planned)	2027 (planned)	What drives this
UNICEF	\$450–\$550 million	\$400–\$600 million	\$400–\$650 million	Child-focused programming (health, nutrition, education, water, sanitation, and hygiene (WASH))
WHO	\$120–\$180 million	\$120–\$200 million	\$130–\$220 million	Health systems, pandemic preparedness
WFP	\$800 million–\$1.1 billion	\$700 million–\$1.2 billion	\$700 million–\$1.3 billion	Food insecurity, humanitarian response
UNHCR	\$180–\$250 million	\$180–\$280 million	\$200–\$300 million	Refugee support, protection
UNFPA	\$80–\$120 million	\$80–\$130 million	\$90–\$140 million	Maternal health, gender-based violence services
UNDP	\$200–\$300 million	\$220–\$350 million	\$250–\$400 million	Governance, resilience, climate
FAO	\$150–\$220 million	\$180–\$280 million	\$200–\$320 million	Agriculture resilience, food systems
IFAD	\$180–\$280 million	\$220–\$350 million	\$250–\$400 million	Rural livelihoods, smallholder productivity, climate adaptation
Gavi	\$200–\$300 million	\$250–\$350 million	\$250–\$400 million	Immunization scale-up
Global Fund	\$350–\$450 million	\$400–\$550 million	\$450–\$600 million	Tuberculosis and malaria programs
Green Climate Fund	\$150–\$250 million	\$250–\$450 million	\$300–\$550 million	Climate adaptation financing
Total	\$2.86–\$4 billion	\$3–\$4.74 billion	\$3.22–\$5.28 billion	

Following are summaries of the programs of each of these organizations.

- **United Nations Children’s Fund:** UNICEF focuses on child health, nutrition, education, WASH (water, sanitation, and hygiene), and protection, with a strong role in flood response and climate resilience programming. Funding will likely remain stable or be constrained slightly due to persistent humanitarian needs but large funding gaps and broader donor pressure on UN agencies.³⁵
- **World Health Organization:** The WHO leads on health systems strengthening, disease surveillance, and pandemic preparedness, with programs typically implemented through government partnerships. This is particularly important given that Pakistan is one of only two polio-endemic countries globally and has one of the world’s highest tuberculosis burdens (more than 674,000 new cases annually).³⁶ Funding is expected to remain relatively stable given essential health mandates, but growth will likely be limited due to constrained core contributions.
- **World Food Programme:** The WFP provides large-scale food assistance and nutrition support, especially in response to climate shocks and economic stress. Funding faces downward pressure and volatility due to major donor cuts globally even as needs continue to rise sharply.³⁷
- **United Nations High Commissioner for Refugees:** The UNHCR supports Afghan refugees and host communities through protection, shelter, and basic services. Although Pakistan hosts one of the world’s largest refugee populations, including 1.35 million Afghan refugees, funding will likely remain constrained due to system-wide humanitarian funding cuts and reprioritization across crises.³⁸
- **United Nations Population Fund:** UNFPA focuses on reproductive health, maternal services, and preventing gender-based violence.³⁹ Funding is expected to remain stable but modest, reflecting steady but not expanding donor prioritization of population and health services.
- **United Nations Development Programme:** UNDP leads on governance, resilience, climate adaptation, and livelihoods recovery, often linked to post-flood reconstruction.⁴⁰ Funding is likely to increase moderately as donors shift toward resilience, climate adaptation, and systems strengthening.
- **Food and Agriculture Organization:** FAO works on agriculture productivity, food systems, and climate resilient rural livelihoods.⁴¹ Funding is likely to increase modestly due to growing emphasis on food security and climate-linked agriculture recovery.
- **International Fund for Agricultural Development:** IFAD focuses on reducing rural poverty by investing in smallholder farmers, agricultural productivity, market access, and climate resilient livelihoods in underserved regions. In Pakistan, its programs support rural incomes and resilience—particularly in flood-affected and

35. “What We Do,” United Nations Children’s Fund, last visited August 10, 2026, <https://www.unicef.org/what-we-do>; “Pakistan Floods 2025 Update,” United Nations Children’s Fund, last visited August 10, 2026, <https://www.unicef.org/pakistan/documents/pakistan-floods-2025-update>; and “Global Annual Results Report 2025: Humanitarian Action,” United Nations Children’s Fund, June 2026, <https://www.unicef.org/reports/global-annual-results-2025-humanitarian-action>.

36. “WHO Pakistan’s Work with Partners,” World Health Organization, last visited August 10, 2026, <https://www.emro.who.int/pak/programmes/who-pakistans-work-with-partners.html>; “Health System Strengthening,” World Health Organization, last visited August 10, 2026, <https://www.who.int/data/gho/data/themes/topics/health-systems-strengthening>; “Statement of the Forty-Fourth Meeting of the Polio IHR Emergency Committee,” World Health Organization, March 4, 2026, <https://www.who.int/news/item/04-03-2026-statement-of-the-forty-fourth-meeting-of-the-polio-ih-er-emergency-committee>; and “Tuberculosis,” World Health Organization, March 24, 2026, <https://www.who.int/news-room/fact-sheets/detail/tuberculosis>.

37. “Pakistan Country Strategic Plan (2023–2027),” World Food Programme, November 2022, <https://www.wfp.org/operations/pk02-pakistan-country-strategic-plan-2023-2027>; “Food Security Impact of Reduction in WFP Funding,” World Food Programme, July 22, 2025, <https://www.wfp.org/publications/food-security-impact-reduction-wfp-funding>.

38. “Country—Pakistan,” United Nations High Commissioner for Refugees, last visited August 10, 2026, <https://www.unhcr.org/us/where-we-work/countries/pakistan>; “One Million Afghans Returned from Pakistan in 2025,” United Nations High Commissioner for Refugees, press release, November 27, 2025, <https://www.unhcr.org/pk/news/press-releases/one-million-afghans-returned-pakistan-2025-unhcr>; “The Government of Japan Provides Assistance to Afghan Refugees and Host Communities in Pakistan,” United Nations High Commissioner for Refugees, press release, April 18, 2025, <https://www.unhcr.org/pk/news/press-releases/government-japan-provides-assistance-afghan-refugees-and-host-communities>.

39. “UNFPA Country Programme Document for Pakistan, 2023–2027,” United Nations Population Fund in Pakistan, January 19, 2023, <https://pakistan.unfpa.org/en/publications/unfpa-country-programme-document-pakistan-2023-2027>.

40. “Flood Recovery Programme,” United Nations Development Programme, last visited August 10, 2026, <https://www.undp.org/pakistan/projects/flood-recovery-programme>; “Climate Resilience Programme,” United Nations Development Programme, last visited August 10, 2026, <https://www.undp.org/pakistan/projects/climate-resilience-programme>.

41. “Country Programming Framework for Pakistan, 2023–2027,” Food and Agriculture Organization of the United Nations, 2024, <https://openknowledge.fao.org/server/api/core/bitstreams/4f0be3cc-bce6-41af-8f82-4964ad6bad74/content>.

vulnerable areas.⁴² Funding is expected to increase modestly as donors prioritize food security and climate adaptation.

- **Gavi, the Vaccine Alliance:** Gavi finances immunization programs and vaccine system strengthening in partnership with governments and UNICEF.⁴³ Funding is expected to increase due to replenishment cycles and continued emphasis on immunization coverage in lower-middle-income countries.

- **The Global Fund to Fight AIDS, Tuberculosis, and Malaria:** The fund supports large-scale disease control programs, including Pakistan as a country with a major tuberculosis burden.⁴⁴ Funding will likely increase under ongoing grant cycles and because of global prioritization of eliminating tuberculosis and malaria.
- **Green Climate Fund:** The fund finances climate adaptation and mitigation projects, especially for flood recovery and resilience.⁴⁵ Funding is expected to increase significantly as Pakistan is a top global recipient for climate adaptation financing.



Aerial view of Islamabad with the Faisal Mosque in the background. Unsplash/jessica_anderson

42. “Islamic Republic of Pakistan: Country Strategic Opportunities Programme, 2023–2027,” International Fund for Agricultural Development, December 15, 2022, <https://www.ifad.org/en/w/corporate-documents/regions-countries/pakistan-country-strategic-opportunities-programme-2023-2027>.
43. “Pakistan,” Gavi, the Vaccine Alliance, last visited August 10, 2026, <https://www.gavi.org/partner-countries/eastern-mediterranean/pakistan>; “How Community-Led Solutions Are Strengthening Immunisation in Pakistan,” Gavi, the Vaccine Alliance, April 17, 2025, <https://www.gavi.org/vaccineswork/how-community-led-solutions-are-strengthening-immunisation-pakistan>; and “Gavi 6.0 Funding Guidelines,” Gavi, the Vaccine Alliance, last visited August 10, 2026, <https://www.gavi.org/country-support/guidelines>.
44. “Pakistan: Results,” Global Fund, last visited August 10, 2026, <https://data.theglobalfund.org/location/PAK/results>; “How We Fund Our Grants,” Global Fund, September 28, 2023, <https://www.theglobalfund.org/en/how-we-fund-our-grants>; and “Grant Cycle 7 Grant Reprioritization: Updated Timelines,” Global Fund, June 6, 2025, <https://resources.theglobalfund.org/en/updates/2025-06-06-gc7-grant-reprioritization/>.
45. “Recharge Pakistan: Building Pakistan’s Resilience to Climate Change through Ecosystem-Based Adaptation and Green Infrastructure for Integrated Flood Risk Management,” Green Climate Fund, July 13, 2023, <https://www.greenclimate.fund/portfolio/projects/fp207>; and “Integrated Climate Risk Management for Strengthened Resilience to Climate Change in Buner and Shangla Districts of Khyber Pakhtunkhwa Province, Pakistan,” Green Climate Fund, July 18, 2024, <https://www.greenclimate.fund/portfolio/projects/sap039>.

4. Western private foundation funding

Pakistan is not a primary focus country for most Western private foundations and has typically not treated these foundations as development partners along the same lines as bilateral and multilateral donors and UN agencies. The important exceptions are the Aga Khan Development Network (AKDN)—the most Pakistan-focused major foundation globally—and Gates Foundation’s engagement through polio eradication and the Lives and Livelihoods Fund.

Gates Foundation and AKDN play complementary but distinct roles in Pakistan’s development landscape. Gates Foundation focuses on large-scale, high-impact health interventions—notably polio eradication, immunization systems strengthening, maternal and child health, and digital health platforms—often working closely with federal and provincial governments to improve service delivery and data systems.⁴⁶ In contrast, AKDN operates as an integrated development network with a strong on-the-ground presence, delivering health, education, rural development, and infrastructure programs, particularly in underserved regions such as Gilgit-Baltistan and parts of Sindh. Its approach emphasizes community-based service delivery, institutional capacity building, and long-term investments in human development through entities such as hospitals, schools, and rural support programs.⁴⁷

Together, these two organizations contribute to Pakistan’s development objectives by combining scalable national-level health interventions (Gates Foundation) with deeply embedded, community-driven development models (AKDN). This dual approach strengthens both system-wide outcomes—

such as disease control and health system performance—and localized resilience, advancing progress toward improved human capital, reduced regional disparities, and more inclusive, sustainable development.

Other, smaller foundations make important but more limited contributions.

- **Wellcome Trust:** The trust supports climate-health research in Pakistan, including studies of extreme-heat adaptation and the effects of heat on maternal, newborn, and vulnerable populations, as well as regional climate-health data and preparedness initiatives in South Asia.⁴⁸ Funding is likely to increase modestly through scaling global climate-health portfolios and regional partnerships.
- **Children’s Investment Fund Foundation (CIFF):** CIFF supports maternal and child nutrition in Pakistan through the UNICEF-led Child Nutrition Fund, including micronutrient supplementation for women and expanded treatment and prevention services for childhood wasting.⁴⁹ Funding might increase given CIFF’s prioritization of high-impact child outcomes and expanded climate-nutrition nexus funding.
- **Rockefeller Foundation:** The foundation supports regional South Asian climate-health and extreme-heat initiatives relevant to Pakistan, emphasizing early warning, climate information, and stronger health system preparedness.⁵⁰ Funding is likely to increase slightly as

46. “World Health Organization Pakistan Country Office,” Gates Foundation, August 2025, <https://www.gatesfoundation.org/about/committed-grants/2025/09/inv-094928>; “PPHI Sindh,” Gates Foundation, November 2025, <https://www.gatesfoundation.org/about/committed-grants/2025/12/inv-086133>; “VITAL Pakistan Trust,” Gates Foundation, October 2021, <https://www.gatesfoundation.org/about/committed-grants/2021/10/inv033081>; and “Health Information Systems Program (Private) Limited,” Gates Foundation, April 2024, <https://www.gatesfoundation.org/about/committed-grants/2024/05/inv-072446>.

47. “Pakistan—Health and Nutrition,” Aga Khan Development Network, last visited August 10, 2026, <https://the.akdn/en/where-we-work/south-asia/pakistan/health-pakistan>; “Pakistan—Education,” Aga Khan Development Network, last visited August 10, 2026, <https://the.akdn/en/where-we-work/south-asia/pakistan/education-pakistan>; “Pakistan—Agriculture and Food Security,” Aga Khan Development Network, last visited August 10, 2026, <https://the.akdn/en/how-we-work/our-agencies/aga-khan-foundation/agriculture-and-food-security>; and “Pakistan—Habitat,” Aga Khan Development Network, last visited August 10, 2026, <https://the.akdn/en/where-we-work/south-asia/pakistan/habitat-pakistan>.

48. Christopher Burman et al., “Assessing the Effectiveness of Heat Adaptation and Heat Reduction Interventions for Vulnerable Populations in Urban and Rural Settings of a Low- and Middle-Income Country,” Wellcome, 2023, <https://wellcome.org/research-funding/funding-portfolio/funded-grants/assessing-effectiveness-heat-adaptation-heat>; and Jai Das et al., “Assessment of Biological Vulnerability and Effects of Extreme Heat on Maternal, Fetal and Newborn Health: Implications for Policy and Action,” Wellcome, 2023, <https://wellcome.org/research-funding/funding-portfolio/funded-grants/assessment-biological-vulnerability-and-effects>.

49. “Nutrition,” Children’s Investment Fund Foundation, last visited August 10, 2026, <https://ciff.org/programmes/nutrition/>; “Frequently Asked Questions,” Child Nutrition Fund, last visited August 10, 2026, <https://www.childnutritionfund.org/frequently-asked-questions>.

50. “Indian, Regional, and Global Partners Launch Initiatives to Address Extreme Heat in South Asia,” Rockefeller Foundation, press release, February 19, 2026, <https://www.rockefellerfoundation.org/news/indian-regional-and-global-partners-launch-initiatives-to-address-extreme-heat-in-south-asia>; and “Climate Services for Health,” Rockefeller Foundation, last visited August 10, 2026, <https://www.rockefellerfoundation.org/initiatives/climate-services-for-health>.

the foundation makes a major push on climate-health systems and South Asia resilience programming.

- **Pathfinder International:** Pathfinder supports reproductive health, maternal services, and community health delivery. Its projects train health providers and Lady Health Workers, work with federal and provincial authorities to institutionalize postpartum family planning and strengthen health facilities and women-led community resilience in areas exposed to climate emergencies.⁵¹ Funding was affected by the closure of USAID but might increase slightly in coming years given incremental growth in climate-health integration.

Table 4: Pakistan—Western private philanthropic financing outlook

Organization	2025 (actual)	2026 (planned)	2027 (planned)	What drives this
Gates Foundation	\$180–\$250 million	\$200–\$300 million	\$220–\$350 million	Polio eradication, immunization, digital health systems
Aga Khan Development Network (AKDN)	\$120–\$180 million	\$130–\$200 million	\$150–\$220 million	Health, education, rural development
Wellcome Trust	\$20–\$50 million	\$30–\$60 million	\$30–\$70 million	Health research, climate health data and preparedness
Children’s Investment Fund Foundation (CIFF)	\$50–\$80 million	\$60–\$100 million	\$70–\$120 million	Nutrition, climate resilience
Rockefeller Foundation	\$30–\$60 million	\$40–\$80 million	\$50–\$100 million	Energy access, climate adaptation
Pathfinder International	\$40–\$70 million	\$50–\$80 million	\$50–\$90 million	Reproductive and maternal health
Total	\$440–\$690 million	\$510–\$820 million	\$570–\$950 million	

Note: Total Western private foundation funding relevant to Pakistan was estimated at \$440 to \$690 million annually in 2025. Gates Foundation and AKDN’s direct Pakistan operations account for the largest share. This level is expected to grow to \$570 to \$950 million by 2027 driven by Gates Foundation health commitments and AKDN’s ongoing programming.

51. “Pakistan,” Pathfinder International, last visited August 10, 2026, <https://www.pathfinder.org/countries/south-asia-mena/pakistan/>; “Strengthening Health Systems to Increase Access to Post-Pregnancy Family Planning (Qadam-Ba-Qadam),” Pathfinder International, last visited August 10, 2026, <https://www.pathfinder.org/projects/strengthening-health-systems-to-increase-access-to-post-pregnancy-family-planning/>; and “Readying Health Facilities for Climate-Driven Emergencies,” Pathfinder International, February 2026, <https://www.pathfinder.org/wp-content/uploads/2026/02/Readying-Health-Facilities-for-Climate-Driven-Emergencies.pdf>.

5. Muslim and Islamic foundations and funds

As the world's second-largest Muslim-majority country by population (240.5 million), Pakistan occupies a central position in Islamic philanthropy. Given its emerging role as a security provider and Middle East peacemaker, Pakistan can further leverage itself in this community of Muslim donors. Gulf states—Saudi Arabia, UAE, Kuwait, Qatar—are among Pakistan's most significant non-Western bilateral and philanthropic partners.⁵² Muslim philanthropic and Gulf-backed institutions from these countries concentrate their work in Pakistan on a relatively consistent set of sectors: energy and transportation infrastructure (SFD, Abu Dhabi Fund for Development (ADFD), KFAED), macroeconomic stabilization and budget support (ADFD, SFD), health and nutrition, WASH, education, and livelihoods (Qatar Fund for Development (QFFD), Qatar Charity, Islamic Relief Worldwide), and humanitarian relief including food security and disaster response (KSRelief, UAE Red Crescent, Islamic Relief).⁵³ Taken together, their activities align closely with Pakistan's core development priorities—

closing infrastructure gaps, stabilizing the balance of payments, strengthening human capital, and building climate and disaster resilience—while also filling critical gaps in last-mile service delivery and emergency response that bilateral and multilateral donors do not fully cover.⁵⁴

In aggregate, the financing mix reflects a hybrid model of development finance plus humanitarian assistance: the authors estimate approximately 45 to 55 percent concessional lending (driven by Saudi, Emirati, and Kuwaiti sovereign funds for infrastructure and budget support), 25 to 35 percent grants (primarily from nongovernmental organizations (NGOs) and Qatar-linked development programs supporting social sectors), and 20 to 30 percent humanitarian flows (anchored by KSRelief, Islamic Relief, and the UAE Red Crescent).⁵⁵ This blended structure allows these actors to simultaneously support long-term economic growth, social development, and short-term crisis response, making them a uniquely flexible complement to MDB and UN system financing in Pakistan.

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52. “2024–25 Annual Report: Foreign Economic Assistance,” Government of Pakistan Ministry of Economic Affairs, 2026, 2, 12, <https://www.ead.gov.pk/SiteImage/Misc/files/2026/Revised%20draft%20Annual%20Report%20on%20FEA%20July-June%202024-25%2013-2-26.pdf>.
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55. Authors' estimates based on the instrument and sector classifications reported in the sources cited above, including sovereign fund loans and deposits, development grants, NGO programs, and humanitarian relief operations.

Funding from these sources is projected to increase over the next two years due to a convergence of geopolitical, economic, and humanitarian drivers. Gulf states (Saudi Arabia, UAE, Qatar, Kuwait) are deepening strategic engagement with Pakistan through economic diplomacy, balance-of-payments support, and infrastructure investment, particularly as Pakistan navigates IMF-linked reforms and seeks external financing. At the same time, climate vulnerability (e.g., recurrent flooding), food insecurity, and population pressures are increasing

humanitarian needs that Islamic NGOs and relief agencies are well positioned to address. Finally, these actors increasingly deploy blended financing models (loans plus grants plus humanitarian aid) to expand influence and impact, leading to a funding envelope that is structurally bigger and more diversified. Table 5 below summarizes the prospective funding outlook for each of these organizations.

Table 5: Pakistan—Muslim philanthropic and humanitarian financing outlook

Organization	2025 (actual)	2026 (planned)	2027 (planned)	Comments
Saudi Fund for Development (SFD)	\$300–\$500 million	\$400–\$700 million	\$500–\$800 million	Infrastructure financing, energy and reconstruction projects
King Salman Humanitarian Aid (KSRelief)	\$100–\$180 million	\$120–\$200 million	\$120–\$220 million	Humanitarian assistance, health and food security
Abu Dhabi Fund for Development (ADFD)	\$200–\$350 million	\$250–\$400 million	\$300–\$450 million	Budget support, energy investments
Kuwait Fund (KFAED)	\$80–\$150 million	\$100–\$180 million	\$120–\$200 million	Concessional loans for infrastructure
Qatar Fund for Development (QFFD)	\$70–\$120 million	\$80–\$150 million	\$100–\$180 million	Social-sector and humanitarian programs
Qatar Charity	\$50–\$90 million	\$60–\$100 million	\$60–\$110 million	Community-level service delivery
Islamic Relief Worldwide	\$60–\$100 million	\$60–\$110 million	\$70–\$120 million	Humanitarian programming
UAE Red Crescent Authority	\$60–\$110 million	\$70–\$120 million	\$80–\$130 million	Disaster response and relief
Total	\$920 million–\$1.6 billion	\$1.14–\$1.96 billion	\$1.35–\$2.21 billion	

Note: Current total formal Islamic and Muslim development and humanitarian finance directed to Pakistan is estimated at \$920 million to \$1.6 billion annually and is projected to grow to as much as \$2.2 billion in 2027 as Gulf states deepen bilateral ties. Informal zakat-linked remittance charity from the approximately four-million-strong Pakistani diaspora in the Gulf substantially exceeds these formal flows but is not captured in development statistics.

6. CSR funding

Corporate social responsibility and corporate philanthropy in Pakistan are undertaken by domestic public-listed, public-unlisted, and private companies; subsidiaries of foreign multinational corporations; and company- or sector-specific initiatives adapted to local social and environmental priorities.⁵⁶ Pakistan's corporate regulatory framework encourages CSR and sustainability reporting, but the Companies Act 2017 does

not require companies to allocate a fixed proportion of their profits to CSR.⁵⁷ Table 6 summarizes the contributions made by the major current sources of CSR funding and indicates Pakistan has a substantial domestically generated corporate philanthropy ecosystem based primarily on voluntary giving and disclosure rather than a mandatory CSR spending regime.

Table 6: Corporate CSR funding in Pakistan (2025)

Company or organization	Sector	Estimated Pakistan CSR	Focus
Engro Foundation (domestic)	Conglomerate	\$15–\$25 million	Education, health, community (Sindh)
Nestlé Pakistan	Fast moving consumer goods (FMCG) and agriculture	\$10–\$15 million	Dairy farmer development, water, nutrition
International apparel brands	Textiles	\$10–\$20 million (aggregate)	Worker welfare, supply chain
Standard Chartered Pakistan	Banking	\$5–\$10 million	Education, financial inclusion
Coca-Cola Pakistan	FMCG	\$5–\$8 million	Water replenishment, women's empowerment
Unilever Pakistan	FMCG	\$5–\$8 million	Hygiene, nutrition, livelihoods
Jazz/Veon (Telecom)	Telecom	\$5–\$8 million	Digital literacy, financial inclusion
Microsoft / Google (Pakistan)	Technology	\$5–\$10 million	Digital skills, education
Fauji Foundation (domestic)	Conglomerate and military	\$20–\$40 million	Education, health (military pension fund)
Other listed companies (CSR)	Various	\$30–\$60 million (aggregate)	Varies; mandated under Companies Act
Total		\$110–204 million	

Note: Total corporate CSR directed to development outcomes in Pakistan—combining international and domestic CSR—is estimated at \$110 to \$204 million annually. CSR flows are expected to remain broadly stable through 2027.

56. "Pakistan Centre for Philanthropy, "Corporate Giving Has Increased to PKR 16.45bn," PCP E-Letter, January–March 2021, <https://pcp.org.pk/ELetter/E-Letter-January-March2021/index.htm>; and Mohammad Sohail Yunis, Dima Jamali, and Hina Hashim, "Corporate Social Responsibility of Foreign Multinationals in a Developing Country Context: Insights from Pakistan," *Sustainability* 10, 10 (2018), 3511, <https://www.mdpi.com/2071-1050/10/10/3511>.

57. "Companies Act, 2017," Securities and Exchange Commission of Pakistan, last updated August 18, 2022, <https://www.secp.gov.pk/companies-act-2017>; "Voluntary Guidelines for Corporate Social Responsibility 2013," Securities and Exchange Commission of Pakistan, 2013, <https://www.secp.gov.pk/document/csr-guidelines>; "SECP Issues ESG Disclosure Guidelines and Strengthens the Code of Corporate Governance," Securities and Exchange Commission of Pakistan, press release, June 13, 2025, <https://esgsustain.secp.gov.pk/wp-content/uploads/2024/07/Press-Release-June-13-SECP-issues-ESG-Disclosure-Guidelines-and-strengthens-the-Code-of-Corporate-Governance.pdf>.

7. Synthesis and overall projections: The strategic transition

Table 7: Summary of funding sources (2025–2027)

Category	2025	2026 (estimated)	2027 (projections)	Key trend
Western bilateral ODA	\$542–\$575 million	\$457–\$555 million	\$477–\$595 million	Declining; partial stabilization
Rising bilateral (Japan, Korea, Gulf bilateral, Turkey)	\$685–\$820 million	\$725–\$890 million	\$765–\$950 million	Increasing
China	\$15–\$40 million	\$15–\$40 million	\$15–\$45 million	Increasing
Multilateral development banks	\$5.29–\$5.39 billion	\$3.9–\$6.8 billion	\$3.9–\$7 billion	Strongly increasing
UN group and global funds	\$2.86–\$4 billion	\$3–\$4.74 billion	\$3.22–\$5.28 billion	Stable; humanitarian declining
Western private foundations	\$440–\$690 million	\$510–\$820 million	\$570–\$950 million	Increasing
Muslim and Islamic funds and foundations	\$920 million–\$1.6 billion	\$1.14–\$1.96 billion	\$1.35–\$2.21 billion	Increasing
Corporate CSR (international and domestic)	\$110–\$200 million	\$110–\$200 million	\$110–\$200 million	Stable
Total	\$10.862–\$13.315 billion	\$9.857–\$16.005 billion	\$10.407–\$17.230 billion	Increasing (driven by MDB and Muslim foundations)

It is clear from the above that Pakistan has many sources of funding available to it—sources that collectively (and in many cases individually) dwarf the size of cancelled US assistance programs. Indeed, the headline trajectory for Pakistan is cautiously positive in volume terms, driven largely by unprecedented MDB commitments—the World Bank’s \$20 billion CPF and ADB’s \$10 billion CPS. The critical challenge is compositional: MDB lending is primarily for concessional infrastructure and reform loans, not for the grants needed for health service delivery, education access, or humanitarian support for millions of vulnerable people.

Recommendations

First, While Pakistan’s development finance landscape is undergoing its most significant structural evolution in decades, we recommend that Pakistan view the elimination of USAID programming not as a singular crisis but as the catalyst for the end of the grant dependency era. The worldwide toll of USAID’s destruction has indeed been catastrophic. One estimate is that the dismantling of USAID had already caused the deaths of six hundred thousand people, two-thirds of them children, by the end of 2025.⁵⁸ This is appalling and tragic. Yet the contraction of Western bilateral aid should serve as a structural trigger, forcing a transition toward a sophisticated, multichannel development portfolio. As the above analysis makes clear, Pakistan has multiple sources of external funding;

58. Karen Feldscher, “USAID Shutdown Has Led to Hundreds of Thousands of Deaths,” Harvard T. H. Chan School of Public Health, November 20, 2025, <https://hsph.harvard.edu/news/usaids-shutdown-has-led-to-hundreds-of-thousands-of-deaths>.

indeed, we project that the total volume of development finance available to Pakistan will rise to as much as \$17.2 billion by 2027. Pakistan should take advantage of the availability of these resources by defining the emerging landscape not as a search for replacement grants but as putting in place a new financing architecture characterized by the strategic stacking of capital across three distinct tiers.

- **Tier 1: Macro levers (MDBs):** Landmark commitments of \$20 billion from the World Bank (CPF 2026–2035) and \$10 billion from the ADB (CPS 2026–2030) serve as anchor engines. These are not mere budgetary backstops; they are designed to mobilize private-sector capital and create a bankable environment for global investors in energy, minerals, and infrastructure.
- **Tier 2: Existing and emerging bilaterals (Japan, South Korea, China, Gulf states):** Increasing flows from non-Western partners are shifting focus toward productivity-led growth, including digital transformation, vocational IT training, and CPEC Phase II (agriculture and SEZs). Gulf assistance is increasingly characterized by revolving credit and central bank deposits, providing critical macroeconomic liquidity.
- **Tier 3: The new social safety net (nontraditional grants):** To address the compositional challenge—in which rising loan volumes fail to fund nonrevenue sectors—Pakistan must pivot toward domestic and specialized grant engines. This includes taking full advantage of corporate CSR (more than \$200 million annually), formalizing Islamic philanthropy (zakat and waqf), and securing Global Health Security grants—including a possible health-sector compact with the United States—by framing disease control as a regional security imperative.

Second, to assure that this new financing architecture and the accompanying strategic stacking of capital is well managed and benefits Pakistan to the maximum possible extent, we recommend that the government of Pakistan create a central donor and development coordination entity that would have three core responsibilities:

- Conducting ongoing mapping of the donor landscape, building on the analysis contained in this report.
- Mapping the contributions of the various donors to Pakistan's sectoral priorities.
- Overseeing and guiding the work not just of the traditional donors—bilaterals, multilateral development banks, and the UN family and related agencies—but of all the sources of funding identified in this report, including, crucially, Western and Islamic foundation funding and corporate CSR funding.

Funds from these latter sources are growing and now occupy—and will continue to occupy—a much greater portion of Pakistan's development assistance landscape. The government of Pakistan should treat these institutions just as it treats more traditional donors and work with them to ensure that private and sovereign capital are absorbed into high-growth sectors and that the overall portfolio of donor assistance—from all sources—helps fulfill all the objectives of Pakistan Vision 2025 (a long-term national development strategy launched in 2013) and future long-term economic planning documents.⁵⁹

Third, as ODA increasingly shifts from grants to loans, Pakistan cannot continue to take on debt without a corresponding increase in income and foreign currency inflows. Pakistan therefore needs to identify and invest in sectors that generate a higher rate of return. Infrastructure alone does not create prosperity; rather, productive, healthy, and skilled people convert infrastructure into economic output.

Fourth, to ensure that Pakistan takes full advantage of the growing resources of these emerging donors and other nontraditional sources of funding, we recommend that this new central donor and development coordination entity convene, as soon as possible, a conference of all the sources of development assistance funding identified in this report. This conference should involve not just the traditional bilateral and multilateral donors and UN agencies but—crucially—Western foundations, Muslim and Islamic foundations, and multinational and domestic corporations providing CSR funding. This conference should assess how each of these donors' programs contribute to Pakistan's long-term development goals; identify gaps (i.e., "soft sectors" such as girls' education and maternal health that might be receiving little or no donor funding); identify areas in which there might be duplication of effort; and ultimately ensure that the overall composition of these resources, from all sources, reflects and contributes to Pakistan's priorities rather than merely to those of the donors.

Fifth and finally, Pakistan should undertake a focused effort to learn from the successes and failures of its experience with donor assistance. For example, more than half of the \$7.5 billion in development assistance from the United States authorized under the Kerry–Lugar–Berman legislation either was never provided or needed to be returned given the inability of Pakistan and the United States to find ways to spend the money. This is a particularly painful lost opportunity.

More broadly, OECD data suggest that official development assistance to Pakistan from all bilateral and multilateral donors since 1960 totals roughly \$80 billion in nominal dollars—equivalent to some \$150 to \$165 billion in today's dollars. That is a tremendous amount of money. Yet Pakistan's development challenges persist and are in some respects even more acute

59. "Pakistan 2025: One Nation, One Vision," Planning Commission, Government of Pakistan Ministry of Planning, Development & Reform, 2013, <https://www.pc.gov.pk/uploads/vision2025/Pakistan-Vision-2025.pdf>.

than they were six decades ago. It is entirely reasonable for the government of Pakistan, on behalf of its citizens, to ask why this is so and to study in detail the reasons why this massive amount of external assistance has not produced the desired results. To mount this inquiry, Pakistan should, among other things, call on the expertise of some of the many professionals who were involved in designing, delivering, and evaluating these programs. They represent a significant repository of knowledge and experience that could prove crucial to helping Pakistan avoid the mistakes of the past.

Conclusion

Ultimately, Pakistan does not lack for external sources of funding. The demise of USAID notwithstanding, the total volume of development finance available to Pakistan is rising. The challenge Pakistan faces is not resource availability but harnessing the many available resources. It must ensure

that those resources at its disposal contribute to Pakistan's goals and the needs of its people, rather than simply to the priorities of donors. Furthermore, it needs to ensure that these funds are devoted not only to hard sectors such as energy, transportation, and water infrastructure, but also to so-called soft sectors such as education, health, and humanitarian assistance.

Doing so will require a strategic mind shift of moving away from traditional aid seeking and toward portfolio management—with that portfolio management led by Pakistan, not by the donor community. Ultimately, Pakistan's development trajectory in 2026–2027 will be defined not by the growing volume of assistance provided but by the efficiency with which it manages a complex, multichannel portfolio that balances hard-infrastructure loans with innovative, domestic-led social grants.

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