

New Project announced to Improve Urban Services and Resilience in Punjab

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The World Bank's Board of Executive Directors has approved \$400 million in financing for a new initiative designed to expand access to safely managed water, sanitation and hygiene services while strengthening the institutional and financial performance of urban local governments across Pakistan's Punjab province.

The **Punjab Inclusive Cities Program (PICP)** will support the rehabilitation and upgrading of water supply networks, sewerage systems and wastewater treatment plants, alongside investments in stormwater drainage infrastructure. The program will also help improve solid waste management systems, including the sanitary disposal of waste, and enhance the capacity of local governments to sustainably deliver services and increase revenues in **16 secondary cities** across Punjab.

"Reducing child stunting is essential for Pakistan's future. Through the Punjab Inclusive Cities Program, we are investing in safe water, sanitation, and hygiene services to break the cycle of malnutrition and disease that holds back so many children from reaching their full potential," said Bolormaa Amgaabazar, World Bank Country Director for Pakistan.

"In collaboration with the Punjab Government, the program represents a significant step forward in improving urban infrastructure and strengthening local institutions, thereby laying the foundation for healthier communities and a more prosperous Pakistan."

The program is expected to deliver improved water, sanitation, hygiene and drainage services to **around 4.5 million people**, while an additional **2 million people** will benefit from improved solid waste management. By reducing exposure to waterborne disease, the initiative aims to lower healthcare costs, reduce child stunting rates and improve overall quality of life. At the same time, it seeks to strengthen the long-term service delivery capacity of urban local governments.

“The program complements infrastructure investments with capacity building and revenue generation, helping to ensure that service delivery is well sustained,” said Amena Raja, Senior Urban Specialist for the World Bank.

“It will also help Punjab’s cities better withstand floods and droughts, ensuring urban development is both environmentally responsible and resilient to climate change.”

Gender inclusion is a core feature of the program. PICP will prioritise the recruitment of women, particularly in decision-making roles, establish gender complaint desks, and provide targeted capacity-building initiatives to support women in developing new skills and advancing professionally. Community-level campaigns will also promote improved hygiene practices at household level, reinforcing positive public health outcomes.

In addition, the program aims to mobilise private capital to support water and sanitation services in Punjab’s secondary cities, strengthening financial sustainability and encouraging innovation in service delivery.

The Punjab Inclusive Cities Program aligns with Pakistan’s national development priorities and supports existing provincial initiatives, including the **Punjab Development Program** and the **Suthra Punjab Program**. It represents the second phase of the World Bank-supported **Pakistan Urban Water, Sanitation and Hygiene Services Multiphase Programmatic Approach**, reinforcing long-term commitments to inclusive, resilient and sustainable urban development.