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## PM Approves Pakistan's First Skills Impact Bond to Boost Youth Employability

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On July 25, 2025, Prime Minister Shehbaz Sharif approved Pakistan's first Skills Impact Bond (SIB), a new initiative to attract private investment for equipping youth with market-driven skills.

Launched during a review meeting in Islamabad, the "Pay-for-Success" model is designed to improve employability, stimulate economic growth, and support targeted training programs for young Pakistanis.

The SIB is a collaboration involving the National Vocational and Technical Training Commission (NAVTTTC). It channels private funding into skill development programs, with payments linked to verified outcomes such as job placements or income levels. This

results-based financing model aims to ensure accountability and align vocational training with global market demand, particularly in sectors like information technology (IT) and manufacturing.

“Pakistan’s youth are our greatest asset,” said Prime Minister Sharif, as quoted by the Associated Press of Pakistan (APP), emphasizing the importance of skill development to unlock economic potential.

The program plans to train between 2.4 million and 6 million youth annually, creating opportunities for employment and entrepreneurship both within Pakistan and internationally.

A key element of the initiative is the Digital Youth Hub, which has already registered over 500,000 users and logged 1.7 million app downloads. The platform offers access to 47,000 local jobs, 100,000 international opportunities, and 2,000 scholarships. It is supported by more than 500 institutions, including Pakistani embassies and private companies.

On the social media platform X, @NAVTTCOfficial described the SIB as a “bold step toward results-based financing” for youth employment.

During the review meeting, Sharif directed authorities to prioritize foreign language training to increase overseas job prospects, highlighting the country’s potential to supply skilled labor globally.

This approach addresses ongoing economic challenges, particularly youth unemployment, while reducing reliance on public funding and encouraging fiscal responsibility.

Economist Ayesha Siddiqi told *The Express Tribune*, “This could transform Pakistan’s labor market if executed well,” noting the focus on high-demand, exportable skills. She also stressed the importance of transparency and improving access for rural populations.

The Skills Impact Bond introduces a performance-based approach to workforce development. With Sharif scheduled to monitor progress every two months, the initiative reflects the government’s commitment to improving youth employability and economic inclusion.