

Arab Republic of Egypt**Inclusive Housing Finance Program-for-Results****Chair Summary*****May 5, 2015**

The Executive Directors approved a loan in the amount of US\$ 500 million to the Arab Republic of Egypt for the Inclusive Housing Finance Program-for-Results (PforR) (R2015-0078) on the payment terms and conditions set out in the President's Memorandum.

Directors expressed their support for the operation, the first PforR in Egypt. The operation is closely aligned with the World Bank Group's strategic goals and regional priorities that emphasize governance, job creation, inclusion and sustainable growth as key pillars. Directors appreciated the PforR's objective to improve the affordability of formal housing for low-income households in Egypt and to strengthen the Social Housing Fund's (SHF) capacity to design policies and coordinate programs in the social housing sector. They strongly supported the PforR focus on reaching a significant number of people living below the poverty line and in underserved areas and creating employment for skilled and unskilled youth and women.

Directors welcomed the key areas of the Government's Social Housing Program supported by the PforR: (i) institutional consolidation and capacity building; (ii) development of housing policy, and the design of regulations and program guidelines; (iii) measures to improve the effectiveness, transparency, and accountability of housing programs; and (iv) demand-side housing programs, including financial support to low-income households to help them access housing or housing finance. They welcomed efforts to strengthen the capacity of the SHF over the lifetime of the program and to ensure effective coordination among development partners and Arab Funds in supporting the housing sector. Directors noted that Bank support and technical assistance for further policy reforms and capacity building would be critical during implementation.

Directors noted the importance of addressing supply-side constraints through urban planning, private provision of housing, and improving the participation of private contractors in the SHF programs, which they considered essential for long-term success of the program. They encouraged IFC to complement the World Bank-funded operation with investments that support the supply side, including the expansion of long-term mortgage finance and housing microfinance.

Directors noted that risks and challenges remain, including the overall economic and political environment. They emphasized features that foster successful outcomes, such as the inclusion of a results framework with specific targets, independent verification mechanism, effective targeting of subsidies, good governance and accountability, citizen engagement, and ensuring responsiveness to the needs of vulnerable populations. Directors stressed the importance of reliable data and monitoring to ensure that subsidy programs benefit the targeted groups. They looked forward to lessons learned from the project and its potential replicability.

* This summary is not an approved record.