

 Early Warning System

AFDB-P-EG-BG0-003

Egypt - Private Sector Development and Economic Diversification
Support Program - Phase II (PSD-EDSP II)



Quick Facts

Countries	Egypt
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-11-27
Borrower	Arab Republic of Egypt
Sectors	Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 170.00 million
Loan Amount (USD)	\$ 164.70 million



Project Description

According to bank provided information, management submits the following report and recommendation on a proposed ADB Loan of USD 170 million to the Arab Republic of Egypt to finance the second phase of the Private Sector Development and Economic Diversification Support Program (PSD-EDSP II). The PSD-EDSP is designed as a programmatic series of two consecutive General Budget Support (GBS) operations covering the fiscal years (FY) 2023/24-2024/25. The proposed loan is the second of the two-year Program Based Operation (PBO) series, following the Board's approval of the first phase on 22 November 2023 for an amount of one hundred and thirty-one million USD (USD 131,000,000) and subsequent implementation of the related program measures. This multi-year framework provides a medium-term platform for dialogue with the Government of Egypt (GoE) on essential reforms.

The Program is a sectorial budget support operation, and the overarching development objective of the PSD-EDSP II is to facilitate increased private sector development by improving the business environment and diversifying sources of growth. Egypt's macroeconomic areas under improvement, exacerbated by the recent global shocks, highlight the importance of building a stronger and more resilient economy notably through: (i) increased private sector participation, (ii) the development of the industrial sector and (iii) an accelerated transition toward green energies.

The program's direct beneficiaries are the Egyptian State through the Ministry of Finance (MoF), as the program amount will be added to the State budget; the private sector, notably the private industrial and agri-business sectors, which will also benefit directly from this program through different reforms that will enhance investment conditions. By promoting private sector development, the program will have a direct impact on job creation which in turn is expected to improve the standard of living for citizens. SMEs, especially women-owned SMEs, are also indirect beneficiaries of the PSD-EDSP, as the identified measures should facilitate business access to minor claims procedures through the amended law on small claims. Additionally, the program will contribute to minimize the effect of climate change by promoting the green transition.



Investment Description

- African Development Bank (AFDB)



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>

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Bank Documents

- [Appraisal Report](#)