WB-P514501

Generating Resilience Opportunities and Welfare for a Thriving Egypt (GROWTH) 2

Quick Facts

Countries	Egypt
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2026-05-07
Borrower	Government of Egypt - Ministry of Finance; Ministry of Foreign Affairs; and other
Sectors	Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 1,000.00 million
Project Cost (USD)	$ 1,000.00 million

Project Description

According to the Bank’s website, the program development objectives are to: (1) enhance competitiveness and improve the business climate for greater private sector participation; (ii) build macro-fiscal resilience; and (iii) advance the green transition.

This 1-billion-dollar operation is the second in a programmatic series of three single-tranche development policy financing (DPF) operations. Its objective is to support the Government of Egypt (GoE) in:
(i) enhancing competitiveness and improving the business climate for greater private sector participation;
(ii) building macro-fiscal resilience; and
(iii) advancing the green transition.

These are key steps toward sustainably reducing poverty and increasing shared prosperity. The United Kingdom (UK) has confirmed a 200 million dollar guarantee to IBRD, which will expand the initially planned 800 million dollar IBRD loan to 1 billion dollar. Additionally, the Asian Infrastructure Investment Bank (AIIB) plans to provide 300 million dollar in parallel finance linked to the same reform matrix. AIIB's approval is expected in CY2026 within a few months of this DPF, bringing total financing to 1.3 billion dollar. This operation, together with support from other partners and complementary initiatives such as the International Finance Corporation's (IFC) work on asset monetization, is expected to create the conditions necessary for robust job creation and improved livelihoods for all Egyptians.

By advancing key reforms and mobilizing resources, these efforts aim to unlock private-sector growth, expand economic opportunities, and support a more inclusive and sustainable future. While recent reforms and investments have restored market functioning and improved sentiment, sustained implementation will be essential to translate stabilization into broad-based, job-rich growth. Ensuring durable macroeconomic stability is critical to sustain growth and job creation while meeting human development needs. After two years of acute stress from successive external shocks, Egypt has entered a stabilization phase, underpinned by decisive reforms and financing from partners. Key steps, exchange-rate realignment and unification, stronger fiscal discipline, and transformative tax facilitation and administration reforms, have helped rebuild external buffers, moderate inflation, improve market sentiment, and gradually revive growth. While these gains are encouraging, they remain delicate, and the escalating conflict in the Middle East since late February 2026 adds a significant layer of risk to Egypt's nascent recovery.

Early Warning System Project Analysis

The overall risk rating of this DPF is **substantial**. Reform progress is encouraging but remains fragile. The program's design—structured as a series and supported by partner financing—aims to mitigate slippage risks and sustain momentum on the reform trajectory. The major risks to the operation include (a) macroeconomic challenges stemming from global uncertainty alongside domestic pressures; (b) political and governance risks stemming from institutional challenges and vested interests posing obstacles to the sustained implementation of structural reforms and the enforcement of legislation; and (c) a shift in sector strategies, challenges in technical design or in stakeholders' commitment/ownership. Risks, if materialized, could affect the Government's ability to implement the reforms or make development outcomes less successful.

Investment Description

- World Bank (WB)

World Bank Lending : US$ 1000.00 million

Total Project Cost: US$ 1000.00 million

Contact Information

World Bank

Yasmine Osman - Economist

Borrower/Client/Recipient

Ministry of Finance

Implementing Agencies

Ministry of Foreign Affairs, International Cooperation and Egyptian Expatriates

ACCESS TO INFORMATION

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Bank Documents

- Appraisal Program Information Document (PID)
- Arab Republic of Egypt - Second Generating Resilience, Opportunities, and Welfare for a Thriving Egy
- Arab Republic of Egypt - Second Generating Resilience, Opportunities, and Welfare for a Thriving Egy
- Climate Finance Assessment (P514501)
- Concept Program Information Document (PID)
- Minutes of a Meeting of the Executive Directors of IBRD held on May 7, 2026
- Official Documents- Guarantee Agreement between the United Kingdom of Great Britain and Northern Ire

Media

- New US$1 Billion World Bank Group Development Financing to Support Egypt’s Private Sector–Led Job Cr