Early Warning System

WB-P516354

Argentina Enabling Private Sector Investment and Growth for Job Creation

Quick Facts

Countries	Argentina
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	U
Voting Date	2026-06-16
Borrower	Government of Argentina
Sectors	Climate and Environment, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 2,000.00 million
Loan Amount (USD)	$ 2,000.00 million
Project Cost (USD)	$ 2,000.00 million

Project Description

According to the WB, the objective is to support the Government of Argentina to enhance the business environment and promote private investment, trade, and job creation. The operation is part of a coordinated package of international support, reflecting a shared commitment to helping Argentina restore access to international capital markets. The macroeconomic framework underpinning this operation is anchored by the IMF's EFF program. The operation is aligned with the second review of the EFF, completed in May 2026. In parallel, the Inter-American Development Bank (IDB) is preparing a similar PBG operation. This collective effort supports Argentina's capacity to meet short-term external financing needs while advancing the structural reforms needed to continue reducing macroeconomic vulnerabilities and restore investor confidence. The risks surrounding this operation are high, with macroeconomic and political risks being the most pressing. Failure to regain access to international capital markets in the second half of 2026 or early 2027 will jeopardize Argentina's ability to meet its external debt service obligations, potentially triggering a renewed confidence crisis and reversing the hard-won gains of the stabilization program. Argentina's longstanding history of political volatility could narrow the space for building cross-party consensus to sustain long-term structural macro-fiscal policies, while also giving rise to episodes of financial volatility that could, in turn, test macroeconomic stability. External shocks, including a protracted conflict in the Middle East disrupting global energy and commodity markets, or a severe drought affecting agricultural output and export revenues, could impact inflation, compress fiscal space, and weaken the external position at a moment when reserve accumulation remains critical. These risks are partially offset by Argentina's credible and sustained fiscal consolidation, the shift in structural export potential of the energy sector, particularly Vaca Muerta, which provides a durable source of foreign exchange earnings largely independent of domestic policy cycles, sound progress in the implementation of job enhancing structural reforms, and Argentina's commitment to sound performance under the IMF program.

Investment Description

- World Bank (WB)

Contact Information

No contacts available at the time of disclosure

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Bank Documents

- Appraisal Program Information Document (PID)
- Argentina - Enabling Private Sector Investment and Growth for Job Creation Development Policy Financ
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- Climate Finance Assessment (P516354)
- Concept Program Information Document (PID)
- Minutes of a Meeting of the Executive Directors of the IBRD and the Boards of Directors of MIGA held