

Egypt

Inclusive Growth for Sustainable Recovery Development Policy Financing

Chair Summary*

October 26, 2021

The Executive Directors approved the Inclusive Growth for Sustainable Recovery Development Policy Financing for Egypt in the amount of US\$360 million on the terms and conditions set out in the President's Memorandum.

Directors welcomed the focus on enhancing macro-fiscal sustainability, enabling private sector development, and fostering women's economic inclusion to help the Egyptian authorities in the restructuring and recovery phases of the COVID-19 pandemic while addressing some of the long-term structural challenges impacting Egypt's growth model.

Directors appreciated that the focus of the operation builds on reforms supported by the previous operations to lay the basis for a green and climate-friendly recovery. They particularly welcomed that the new operation is the first in MENA to include a gender-focused pillar dedicated to the advancement of the socio-economic conditions of women.

Directors noted Egypt's ambitious reform program that allowed the country to weather the COVID-19 pandemic relatively well and to maintain positive annual growth during the crisis. Directors encouraged the authorities to keep up the pace of reforms on revisiting the role of the state as an enabler of private sector development, strengthening the governance framework for SOEs, and enhancing inclusion and reducing gender and geographical inequalities. They also stressed the need to maintain a commitment to debt management reforms and the implementation of solid waste management.

Directors appreciated the efforts of the World Bank Group in responding swiftly to client needs and encouraged closer collaboration between the Bank, the AIIB, and the IMF, as well as other development partners. They also appreciated that the World Bank Group's engagement with Egypt extends to the medium term, including by providing implementation support through analytical and technical assistance to the reforms beyond the timeframe of the standalone operation.

*This Summary is not an approved record.