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Updated Project Information Document (PID)

Technical Design Stage | Date Prepared/Updated: 13-Jul-2026 | Report No: PIDIA01794

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Egypt, Arab Republic of	MID EAST,NORTH AFRICA,AFG,PAK	P517139	Infrastructure Financing Guarantee Facility of Egypt
Financing Instrument		Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)		21-Dec-2026	Financial Services Sector 1
Borrower(s)	Implementing Agency		
Arab Republic of Egypt	Minister of Planning and Economic Development		

Is this an Urgent Need / Capacity Constraint situation?

No

Proposed Development Objective(s)

To mobilize private capital for strategic infrastructure investments in Egypt through the establishment of a sustainable multisector infrastructure guarantee entity and the development of a pipeline of bankable infrastructure projects.

Sector & Institutional context / Problem Statement

Egypt faces growing infrastructure financing needs amid tightening fiscal constraints, elevated public debt, and increasing pressure to contain sovereign guarantees and contingent liabilities. While the Government has advanced reforms to expand private sector participation in infrastructure, financing remains heavily reliant on public financing and government-backed guarantees. Significant investment is needed in renewable energy, transmission, desalination, wastewater, and waste-to-energy infrastructure. Structural constraints continue to limit private investment, including limited availability of long-term local currency financing, elevated financing costs, and perceived off-taker risks. In the absence of market-based credit enhancement instruments, many projects require sovereign guarantees to reach financial close. IFGFE aims to help mobilize private capital for sustainable infrastructure financing in Egypt.

Summary Description

The proposed Infrastructure Financing Guarantee Facility (IFGF) of Egypt (IFGFE) operation will support the establishment and capitalization of a dedicated infrastructure guarantee platform aimed at mobilizing private capital for strategic infrastructure investments in Egypt. Building on international experience and adapted to the Egyptian context, the IFGFE will operate as a commercially managed non-bank financial special purpose vehicle providing payment guarantees, termination guarantees, and debt service guarantees to mitigate off-taker payment and debt servicing risks for infrastructure projects.

The operation seeks to address structural constraints in Egypt’s infrastructure financing market, including limited availability of long-term local currency financing, elevated financing costs, and growing constraints on sovereign guarantees and contingent liabilities. The facility will initially focus on sectors with significant investment pipelines and private participation potential, including renewable energy, transmission infrastructure, water desalination, wastewater treatment, waste-to-energy, and private-to-private renewable energy projects.

The operation will finance the capitalization and operationalization of the IFGFE, support the development of a pipeline of bankable infrastructure projects, and provide technical assistance for sector reforms, institutional strengthening, and market development. The facility is expected to mobilize domestic and international private capital, including commercial banks, institutional investors, Development Finance Institutions, and GCC investors, while reducing reliance on sovereign guarantees and supporting fiscal sustainability.

Components

Component 1: Capitalization and operationalization of IFGF
Component 2: Project Pipeline Development
Component 3: Project Coordination and Implementation

Environmental And Social Risk Classification

Substantial

Decision

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PROJECT FINANCING DATA (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? Yes

Is this project Private Capital Enabling (PCE)? Yes

SUMMARY

Total Operation Cost	**520.38**
Total Financing	**520.38**
of which IBRD/IDA	**150.00**
Financing Gap	**0.00**

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	150.00

Non-World Bank Group Financing

Commercial Financing	370.00
Unguaranteed Commercial Financing	370.00
Counterpart Funding	0.38
Borrower/Recipient	0.38

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Environmental And Social Risk Classification

Substantial

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Decision

B. Proposed Development Objective(s)

Development Objective(s)

The project development objective (PDO) is to mobilize private capital for strategic infrastructure investments in Egypt through the establishment of a sustainable multisector infrastructure guarantee entity and the development of a pipeline of bankable infrastructure projects.

Key Results

The project will have two PDO-level indicators: a) the amount of private capital mobilized for resilient infrastructure finance; and b) the number of direct and indirect jobs created within the scope of the resilient infrastructure (related) projects

C. Project Description

The proposed IFGFE operation will support the establishment and operationalization of the IFGF as a dedicated market-based infrastructure guarantee platform aimed at mobilizing private capital for strategic infrastructure investments. The IFGF is envisaged as a commercially managed entity, rated AAA in the local scale and low investment grade in the international scale, providing off-taker payment guarantees, termination guarantees, and debt service guarantees to mitigate these risks for eligible infrastructure projects.

The IFGFE operation will support the capitalization and operationalization of the IFGF through financing the Government minority equity share (e.g. 20-25 percent) alongside contributions from DFIs in the first phase, and private sector stakeholders in a second phase. The GoE participation, though as minority shareholder, would provide credibility, convening power among public and private stakeholders, and facilitate policy coordination. The platform is expected to mobilize domestic financiers in local currency, and potentially international investors benefiting from complementary financing in local currency. The IFGF is expected to guarantee investments in strategic sectors including renewable energy, battery storage, desalination, wastewater treatment, waste-to-energy, logistics, and private-to-private renewable energy and water projects.

To ensure a robust and bankable pipeline of transactions for the IFGF, the project will support the identification, preparation, and structuring of eligible infrastructure projects across priority sectors. This support will span the full project preparation cycle, including client engagement, preliminary screening and risk assessment, pre-feasibility and feasibility studies, environmental and social assessments, transaction advisory services and competitive solicitation procedures, and the legal, financial, technical, and operational structuring of projects. The component will also finance final due diligence activities required to bring projects to financial close and enable the issuance of guarantees. By strengthening project preparation and improving transaction quality, the component will help address one of the key constraints to infrastructure investment in Egypt, which is the limited availability of well-prepared, bankable projects capable of attracting private financing. Together with ongoing institutional and sector reforms, this support is expected to enhance the bankability of infrastructure PPP and P2P transactions and accelerate the delivery of sustainable infrastructure investments.

D. Environmental and Social Risks and Impacts

Summary of Assessment of Environmental and Social Risks and Impacts

The environmental and social (E&S) risk classification under OP 4.03 World Bank Performance Standards for Private Sector Activities is Substantial (FI-1). The risk rating reflects the anticipated downstream investments associated with infrastructure sub-projects in renewable energy, electricity transmission, water desalination, wastewater treatment, and waste-to-energy sectors, supported through guarantees provided by the IFGF, which may give rise to significant E&S risks and impacts typical of FI-1 operations, including risks that could be diverse, cumulative, and potentially irreversible if not adequately assessed and mitigated. The classification reflects the scale, complexity, and capital-intensive nature of the expected sub-projects, the uncertainty regarding their location and design at this stage, and the portfolio-based nature of the financial intermediary operation. Key environmental risks associated with downstream investments may include: (i) pollution from desalination brine discharge, wastewater effluents, and air emissions, including greenhouse gases from waste-to-energy operations; (ii) generation and management of hazardous and non-hazardous waste; (iii) loss of biodiversity and disturbance of natural habitats in coastal, marine, desert, and wetland environments; (iv) occupational health and safety hazards during construction and operation of large infrastructure investments; (v) community health and safety risks, including traffic-related incidents and exposure to dust, noise, and hazardous substances; and (vi) risks to cultural heritage arising from civil works and excavations given Egypt's rich archaeological landscape. Key social risks may include: (i) land acquisition and involuntary resettlement, particularly for transmission lines, renewable energy installations, and water infrastructure; (ii) economic displacement and livelihood disruption, including impacts on vulnerable groups and informal land users; (iii) labor and working conditions risks, including occupational health and safety concerns; (iv) labor influx and associated risks of sexual exploitation and abuse and sexual harassment (SEA/SH); (v) exclusion of vulnerable and marginalized groups from stakeholder engagement and decision-making processes; and (vi) challenges in ensuring accessible, transparent, and responsive grievance management mechanisms.

Institutional capacity to manage E&S risks under the operation will need to be established and strengthened from the outset, given that the IFGF will be a newly created financial intermediary and that experience in applying the World Bank Group Performance Standards is limited. Effective management of the identified E&S risks will therefore depend on the timely establishment of appropriate systems, staffing, and procedures. To support this process, the Ministry of Planning and Economic Development has prepared an E&S Commitment Plan (ESCP) for the project preparation grant and a draft Environmental and Social Action Plan (ESAP) for the operation. The ESAP sets out the key measures and actions required to establish the E&S risk management framework for the facility, including institutional arrangements, staffing, monitoring and reporting requirements, stakeholder engagement procedures, grievance management mechanisms, and the development of an Environmental and Social Management System (ESMS) aligned with the World Bank Group Performance Standards.

The ESMS will be proportionate to the nature and scale of the guarantee portfolio and will include procedures for screening and categorization of sub-projects, E&S due diligence, application of relevant Performance Standards, monitoring and reporting, incident management, and emergency preparedness and response. The project preparation grant will finance technical assistance activities to support the development and operationalization of the ESMS, preparation of related E&S instruments, and institutional capacity-building activities. The IFGF will be required to appoint qualified E&S specialists, supported by clear governance arrangements and internal procedures, and no guarantees will be issued until the ESMS has been established and found acceptable to the World Bank in accordance with the commitments set out in the ESAP.

Grievance Redress Services:

Grievance Redress. Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit https://accountability.worldbank.org

E. Implementation

The Ministry of Planning and Economic Development (MoPED) will serve as the implementing agency and will be responsible for overall Project coordination and technical implementation. A dedicated Project Management Unit (PMU) is expected to be established within the MoPED. The PMU will perform fiduciary, environmental, and social risk management and M&E functions throughout the life cycle of the project and will provide operational support to establish the IFGF, including the licensing process and operationalization.

CONTACT POINT

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Implementing Agencies

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

APPROVAL

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Co- Team Leader(s):	Catiana Garcia-Kilroy (ADM Responsible), Sameer Shukla

Approved By

Country/Division Director:		