HIGH-LEVEL MEETING ON SUSTAINABLE TRANSPORT OF LANDLOCKED DEVELOPING COUNTRIES

Santa Cruz, Bolivia
October 13-14, 2016

Thematic Session 4.
Mobilization of resources and other means of implementation for sustainable transport for LLDCs
The role of the World Bank Group

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The Role of the World Bank Group

Taxation, fees and levies
Multilaterals, Regionals ("old" and new), Bi-laterals and Non-traditional

- WBG (IBRD, IDA, IFC, ICSID, MIGA), IMF, IFAD, IDB, AfDB, ADB, CAF, FONPLATA, EIB, IsDB, BADEA, EBRD, BCIE; NDB (BRICS), AIIB; bi-lateral a-galore; Clinton Foundation; Melanie and Bill Gates Foundation, GIF, etc etc.... and then there is China alone.

WBG Transport portfolio of $42 billion and 217 projects realized in 78 countries

- For LLDCs specifically
  - $12.4 billion in 26 countries: 40% IDA grants; 32% IDA credits; 28% IBRD
  - 29 LLDCs will be receiving WBG assistance as of 2017 (from 26 in now).
  - $2 billion annually for investments and technical assistance in LLDCs
  - $1 billion annually through World Bank managed trust funds supporting LLDCs

- Assistance to LLDCs includes corridor projects, backbone internet connectivity, intermodal connections, especially at the interface between ports, rail, roads and inland waterways, asset preservation, expansion of broadband coverage and border crossing interventions.
The Role of the World Bank Group

| World Bank Group Transport and ICT portfolio in LLDCs: Projects and advisory services |
|---|---|---|
| **Ongoing lending project** | **Planned lending projects: 2017-2018** | **Advisory Services 2015-2016** |
| ▪ 47 active lending projects in 26 LLDCs (81% of all LLDCs) | ▪ 25 new lending projects in 19 LLDCs  
▪ 3 new LLDCs: Bhutan, Lesotho, Mali | ▪ 85 Advisory Services and Analytics (ASA) in 19 LLDCs |
| ▪ WBG financing: $US10 billion  
- $US 8.4 billion: 38 national projects  
- $US 1.6 billion: 9 regional projects (3 countries or more) | ▪ WBG financing: $US2.4 billion  
- $US 2.15 billion: 21 national projects  
- $US 250 million: 4 regional projects (3 countries or more) | ▪ WBG financing: $US28M  
- $US 5 million: 38 national ASA programs  
- $US 23 million: 47 regional programs (largest 15 LLDCs) |
| ▪ Support concentrated in 2 regions:  
- ECA (51%, 8 countries)  
- Africa (36%, 11 countries) | ▪ Support concentrated in 2 regions  
- ECA (52%, 6 countries)  
- Africa (24%, 6 countries) | ▪ Most of the support in Africa: (74%, 15 countries)  
▪ ECA is next: 10%, 5 countries |
| ▪ Main areas of support  
- Highways/roads (40%)  
- telecommunications (20%)  
- public administration (16%)  
- railways (10%) | ▪ Main areas of support  
- highways/roads (51%)  
- railways (16%)  
- telecommunications (14%) | ▪ Good balance between transport and ICT  
- 42 ASA in transport  
- 43 ASA in ICT |
The Role of the World Bank Group

- Transport and ICT Global Practice
  - Global Solutions Group for Development Corridors and Regional Integration
- Grants, Credits and Loans
- WBG Guarantee Products
  - IBRD/IDA
    - Credit Risk
    - Political Risk
  - IFC
    - Credit Risk
  - MIGA
    - Credit Risk
    - Political Risk
The Role of the World Bank Group

• Private Sector
  – Owning and Operating
  – Lending
  – Privatization
    • It’s not about orthodoxy
    • Creates fiscal space for budget-support to other areas of public attention
    • Structure of the deal has to benefit public interest

• PPP, when there is case for
  – Efficiency gains if operated by the private sector
  – Provision of public good or service – but private sector perceives high/premium risks in absence of public sector participation
  – Risk allocation and incentives/disincentives can be structured and priced
Thank you for your attention