ENHANCING CONNECTIVITY THROUGH
TRANSPORT INFRASTRUCTURE

The Role of Official Development Finance and Private Investment

G20 GICA Meeting, January 26 2018

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Connectivity Transport Action Plans

Connectivity Transport Infrastructure – International airports and ports as well as railways and roads that are cross-border or connect major cities.

Examples of Action Plan:

- PIDA
- ASEAN Connectivity
- Greater Mekong
- TEN-T
- The Belt and Road Initiative (See Map)

Source: Mercator Institute for China Studies, 2017
Strategies and Activities of Development Partners

STRATEGIES
• Enhance trade and integration
• Uphold social, safety, and environmental standards
• Specific regional focus

ACTIVITIES
• Finance construction, rehabilitation and maintenance
• Support soft projects, such as One Stop Border Post, harmonisation of aviation safety standards, and national transport data management

COLLECTIVE MECHANISMS
• Sustainable Mobility for All (SuM4All), GICA
• Pacific Region Infrastructure Facility (PRIF), Africa 50, TradeMark East Africa
• International Civil Aviation Organisation (ICAO)
• International Maritime Organisation (IMO)
• Intergovernmental Organisation for International Carriage by Rail (OTIF)
• World Road Association (PIARC)
Current Spending and Financing Gap in Connectivity Transport

USD Billion
2014-2015 annual average

Projected investment gap
440

PSI
5% of total ODF

Mobilisation:
2% of total private investment

ODF 15 (5%)
Private investment
52 (15%)

Developing countries
80% (estimate)

Current spending
315

Annual investment need for connectivity transport

Source: Calculations based on Brookings et al (2015) estimates
Sectoral Breakdown of ODF and Private Investment

Breakdown by Sector
2014-2015 annual average

ODF

- Road: 61%
- Railway: 16%
- Port: 15%
- Airport: 8%

Private investment

- Road: 44%
- Railway: 5%
- Port: 50%
Breakdown of ODF and Private Investment

Breakdown by Region
2014-2015 annual average

- **ODF**
  - Asia: 46%
  - Africa: 36%
  - Europe: 10%
  - America: 8%

- **Private Investment**
  - Asia: 11%
  - Africa: 39%
  - Europe: 50%
Breakdown of ODF and Private Investment

Breakdown by Income-Level Group
2014-2015 annual average, USD billion

UMICs: 6% ODF, 94% Private Investment
LMICs: 70% Private Investment
LICs: 94% Private Investment
Top 10 Development Partners
2014-2015 annual average, USD Billion

- World Bank Group (WBG)
- Asian Development Bank (AsDB)
- Japan
- Islamic Development Bank (IsDB)
- European Bank for Reconstruction and Development (EBRD)
- African Development Bank (AfDB)
- EU Institutions
- Inter-American Development Bank (IADB)
- Korea
- Arab Fund

ODA
OOF
Top Recipients for Connectivity Transport

Top 10 ODF Recipient Countries
2014-2015 annual average, USD billion

<table>
<thead>
<tr>
<th>Country (Category)</th>
<th>ODA</th>
<th>OOF</th>
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<tbody>
<tr>
<td>India (LMIC)</td>
<td>2.0</td>
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<tr>
<td>Viet Nam (LMIC)</td>
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<td>Kenya (LIC)</td>
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<td>Egypt (LMIC)</td>
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<td>Ukraine (LMIC)</td>
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<td>Morocco (LMIC)</td>
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<td>Ethiopia (LIC)</td>
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<tr>
<td>Bangladesh (LIC)</td>
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<tr>
<td>Bolivia (LMIC)</td>
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Top 10 Countries with Most Private Investment
2014-2015 annual average, USD billion

<table>
<thead>
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<th>Country (Category)</th>
<th>Value</th>
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<td>Turkey (UMIC)</td>
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<td>Chile (UMIC)</td>
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<td>Mexico (UMIC)</td>
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<tr>
<td>Costa Rica (UMIC)</td>
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<tr>
<td>China (UMIC)</td>
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<tr>
<td>India (LMIC)</td>
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</tr>
</tbody>
</table>
Issues around Connectivity Transport

1. Project selection and planning
2. Co-ordination and harmonisation
3. Debt sustainability
4. Trade and investment policies
5. The future of transport
Main Sources

Full report for the presentation (forthcoming):

The Belt and Road Map:

ODF data:

Private investment data:
Compilation based on *World Bank Private Participation in Infrastructure database and Dealogic Projectware*

Estimates on the financing gap:
THANK YOU