Business & Co-financing Opportunities in the Transport Sector
Outline

1. Overview of IDB structure, lending & products
2. The transport sector in LAC
Overview of IDB structure & lending

- Oldest and largest multilateral financial source in the region
- 48 member countries: 26 borrowing and 22 non-borrowing
- 1961-2009: US$183.2 billion in loans and guarantees
  - 2009: US$15.5 billion in loans (US$8 billion in Infrastructure and Competitiveness)
Overview of IDB structure & lending

Loans and disbursements, 2000-2009
(US$ millions)

- 2009 Approvals
  Total: US$15.5 billion

- Infrastructure and Environment Sector 41%
- [41% by 2006]
- Other 5%
- SCF/Infrastructure 5%

Lending
Disbursements

Years

Amounts

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009
Overview of IDB structure & lending

- Board of Governors
  - Board of Executive Directors
    - President
      - Executive Vice-president
      - Vice-president for countries
      - Vice-president for sectors and knowledge
      - Vice-president for finance and administration
      - Vice-president for private sector and non-sovereign guaranteed operations

IDB
Overview of IDB structure & lending

- Vice-president for sectors and knowledge
  - Infrastructure and environment Sector
    - Energy Division
    - Transport Division
    - Water and Sanitation Division
    - Environment and Rural Development Division
    - Sustainable Energy and Climate Change Division
  - Social Sector
    - Education Division
    - Social Protection and Health Division
    - Science and Technology Division
  - Institutional Capacity and Finance Sector
    - Institutional Capacity of the State Division
    - Fiscal and Municipal Management Division
    - Capital Markets and Financial Institutions Division
  - Knowledge and Learning Sector
    - Knowledge Management Division
  - Integration and Trade Sector
    - Department of Research and Chief Economist

- INE/TSP: the Bank’s realignment in 2007
- A team of over 40 specialists working on transport issues in LAC (11 in HQ)
Overview of IDB structure & lending

- Infrastructure lending: US$54 billion in loans (since 1961)
  - 32% of all IDB lending

2007-2009 INE vs. IDB Financing

2007-09 loan approvals & 2010 Pipeline
Total 2007-2009: US$16.8 billion
Overview of IDB structure & lending

- Transport lending: US$19 billion in loans (since 1961)
  - 37% of all infrastructure lending
  - 12% of all IDB lending

- 2009 Approvals (infrastructure)
  Total: US$7.1 billion

- TC approvals (transport):
  US$14 million (2008)
  US$15 million (2009)
Overview of IDB structure & lending

- Historically, 87% of transport loans in the road sector
- Initial focus: primary road network
- Recently, shift to secondary and tertiary road networks & performance-based contracts (maintenance)
The Transport Sector in LAC

- Still a gap in road infrastructure development and quality
The Transport Sector in LAC

- Low level of investment in the sector (public and private)
- 90s experience: private sector did not fill out the gap
The Transport Sector in LAC

- The “road bias” is changing... by demand
- LAC: the most urbanized region in the world (77% of pop.)
  -> 85% by 2030

Urban population

The Transport Sector in LAC

- 15%-20% annual increase in private vehicles (cars and motorcycles)... before 2008

Motorization rates

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAC (6)</td>
<td>91</td>
<td>128</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>756</td>
<td>837</td>
</tr>
<tr>
<td>OECD (14)</td>
<td>455</td>
<td>563</td>
</tr>
<tr>
<td>High income (4)</td>
<td>303</td>
<td>423</td>
</tr>
</tbody>
</table>

LAC: Chile, Colombia, Ecuador, México, República Dominicana and Uruguay

OECD: Germany, Austria, Denmark, Finland, France, Greece, Island, Italy, Korea, New Zealand, Norway, Sweden, Switzerland and UK
The Transport Sector in LAC

- Still high proportion of trips on transit and non-motorized modes (60-80%)

### Travel mode share in selected LAC cities

<table>
<thead>
<tr>
<th>City</th>
<th>Private Vehicle</th>
<th>Public Transit</th>
<th>Walking &amp; Cycling</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>São Paulo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santiago</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San José</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Porto Alegre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montevideo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lima</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>León</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guadalajara</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curitiba</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ciudad de México</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caracas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buenos Aires</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bogotá</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belo Horizonte</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CAF
The Transport Sector in LAC

- LAC: the most urbanized region in the planet, yet many cities have not developed the appropriate public transport systems
- Congestion, pollution and road safety are pressing issues in LAC -> growing demand for urban transport operations
- Logistics costs in LAC = double those of OECD countries
- Intra-country freight movement (80%-90% on trucks)
IDB Support in the Transport Sector

- The “road bias”: 68% (2008) and 98% (2009) of the Transport Division’s loan approvals... 37% (pipeline 2010)
- Diversification: urban transport, port infrastructure...

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>IDB Loan (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BR-L1227</td>
<td>São Paulo Metro Line 5 (Purple Line) Extension Project</td>
<td>481.0</td>
</tr>
<tr>
<td>BR-L1260</td>
<td>Minas Gerais Development Partnership Program III</td>
<td>137.0</td>
</tr>
<tr>
<td>CH-L1047</td>
<td>Program to Support Public Transport Reform</td>
<td>10.0</td>
</tr>
<tr>
<td>PR-L1056</td>
<td>DPEF - CBD Redevelopment, Public Tsp Modernization and Government Offices</td>
<td>4.9</td>
</tr>
<tr>
<td>ES-L1045</td>
<td>Sustainable Roads for Development</td>
<td>35.0</td>
</tr>
<tr>
<td>HO-L1037</td>
<td>Expansion and Modernization of Puerto Cortes</td>
<td>90.0</td>
</tr>
<tr>
<td>BR-L1263</td>
<td>Espirito Santo Highways III Program</td>
<td>175.0</td>
</tr>
<tr>
<td>HA-L1027</td>
<td>Rehabilitation of Road Infrastructure IV</td>
<td>25.0</td>
</tr>
<tr>
<td>HA-L1046</td>
<td>Support for Transport Development In Haiti</td>
<td>29.0</td>
</tr>
<tr>
<td>III-L1049</td>
<td>Support to Transportation Sector I</td>
<td>20.2</td>
</tr>
<tr>
<td>PH-L1047</td>
<td>Programa de Infraestructura Vial</td>
<td>70.0</td>
</tr>
<tr>
<td>PH-L1057</td>
<td>Urban Transportation Program</td>
<td>50.0</td>
</tr>
<tr>
<td>BH-L1027</td>
<td>Air Transport Reform Program</td>
<td>50.0</td>
</tr>
<tr>
<td>PR-L1044</td>
<td>CBD Redevelopment, Public Transport Modernization and Government Offices</td>
<td>120.0</td>
</tr>
<tr>
<td>GY-L1030</td>
<td>Transport II</td>
<td>20.0</td>
</tr>
<tr>
<td>HO-L1061</td>
<td>Public Transportation Program for Tegucigalpa</td>
<td>30.0</td>
</tr>
<tr>
<td>BO-L1056</td>
<td>Pre-investment Fund for Strategic Transport Projects</td>
<td>15.8</td>
</tr>
</tbody>
</table>
### IDB Support in the Transport Sector

+20 urban transport operations (BRTs and Metros): ↑50% (2012)
rail, airports, ports, logistics: ↑30% (2012-15)

#### GUATEMALA
- Expansion TransMetro system

#### COLOMBIA
- Cali SITM (Mio)
- Bogota SITP
- Bogota First Subway Line
- SETP (intermediate cities)

#### PERU
- Lima Metropolitana
- Arequipa

#### CHILE
- Transantiago
- Reform of the public transit systems

#### URUGUAY
- Sistema Metropolitano de Transporte (SMT) de Montevideo

#### MEXICO
- Mérida, Yucatán
- Sinaloa Red Plus y BRT Zapata-Obregón de Cullacán

#### DOMINICANA
- Metro-Bus integration system north terminal Line 1

#### BRASIL
- BRT Brasilia (DF)
- CPTM and METRO of Sao Paulo (Line 5 and C)
- BRT Expresso Metropolitano of Rio de Janeiro and Rio Bicicleta
- Portais da Cidade of Porto Alegre
- RIT Curitiba
- Fortaleza y San Bernardo do Campo BRTs

#### ARGENTINA
- Expansion Subte Buenos Aires and ciclo-rutas
- Public transit system of San Miguel de Tucumán

---

**Curitiba**

**PANAMÁ**
- Panama City Metro Line 1
Estrategia REST del BID
Transporte Regional Ambientalmente Sostenible
(Regional Environmentally Sustainable Transport)
Plan de Acción REST

1. Desarrollar conocimiento aplicado
2. Fortalecer el marco institucional y regulatorio y desarrollar capacidades en países y ciudades
3. Preparar guías y manuales para desarrollar proyectos de transporte sostenible y cambio climático (TSyCC)
4. Apoyar a países y ciudades en su acceso al financiamiento vinculado a cambio climático
5. Participación en organismos que promueven el transporte bajo en carbono (SLoCaT)
Estrategia de Transporte Sostenible del BID
Sinergias de un paquete de medidas

Planificación uso del suelo

Vehículos y combustible limpio

Gestión de demanda

Transporte no motorizado

Transporte masivo
Para apoyar la ejecución de estas actividades, el BID pone a disposición de los países y ciudades de América Latina y el Caribe recursos técnicos y financieros reembolsables y no reembolsables

- Fondo de Preparación de Proyectos de Infraestructura (InfraFondo)
- Fondo de Iniciativa de Energía Sostenible y Cambio Climático (SECCI)
- Acceso a *Climate Investment Funds (CIF)*: CTF y SCF. Planes de inversión en preparación: México, Colombia, Chile
- Otros fondos de donación
- Préstamos
Muchas Gracias

Fernando Orduz
Especialista Senior en Transporte
fernandoo@iadb.org
Banco Interamericano de Desarrollo
Buenos Aires, Argentina