

# **Presentation to the UN (OHRLLS) – 6-8<sup>th</sup> April 2021**

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**Developing Bankable Transport  
Infrastructure Projects: Case  
Studies, Experiences and Learning  
Materials for LLDCs and Transit  
Countries**

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# Role of Multi Lateral Development Banks

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“Analysis shows that the gap between what is invested in transport infrastructure in LLDCs and what is needed, could be as large as 2.3% of GDP. Closing this gap in the LLDCs will require not only enhanced resources from the public sector, private sector and international development partners as well as exploring new sources of financing, but also efforts to make better use of existing resources.” - **UN-OHRLLS (2018)**

**Overview:**

An international financial institution (IFI) refers to an institution providing finances that has been established (or chartered) by more than one country. These are generally inclusive of national governments, although other international institutions and other organizations occasionally figure as shareholders.

# Multi-lateral Development Banks

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**Multilateral Development Banks (MDBs):** There are eight large MDBs and several smaller ones. The larger MDBs are the World Bank (WB), the Islamic Development Bank (IsDB), the African Development Bank (AfDB), the Asian Development Bank (ADB), CAF–Development Bank of Latin America (CAF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Inter-American Development Bank (IADB).

## **World Bank:**

- Oldest and largest of the MDBs with three sub-institutions that make loans and grants to developing countries-the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC).
- IBRD-1954; 189 countries. Focus on Middle Income Countries
- IDA-1960. Focus on poorest countries
- IFC-1955. Gives loans and equity investments to private firms in developing countries.

# Multi-lateral Development Banks

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## Asian Development Bank:

- Established in 1966 and is headquartered Manila, Philippines.
- Admits the members of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, formerly the Economic Commission for Asia and the Far East or ECAFE) and non-regional developed countries.
- Now 68 member countries from 31
- The ADB's concessional lending facility, the Asian Development Fund (AsDF), was created in 1973. In 2017, concessional lending was transferred from the AsDF to the ADB, although the AsDF still provides grants to low-income countries.
- No separate fund specifically for financing private-sector projects, and makes loans to private-sector firms in the region through its non-concessional window.
- Bank provides loans, technical assistance, grants, guarantees and equity investments.

# Multi-lateral Development Banks

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## African Development Bank:

- Created in 1964 initially as an African countries only institution.
- In 1973 created a concessional lending window, the African Development Fund (ADF), to which non-regional countries could become members and contribute.
- 1982-membership in the ADB non-concessional lending window was officially opened to non-regional members.
- Makes loans to private-sector firms through its non-concessional window and does not have a separate fund specifically for financing private-sector projects with a development focus in the region.

# Multi-lateral Development Banks

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## European Bank for Reconstruction and Development (EBRD):

- Youngest MBD founded in 1991 to ease the transition of the former communist countries of Central and Eastern Europe (CEE) and the former Soviet Union from planned economies to free-market economies.
- EBRD differs from the other regional banks in two fundamental ways. First, the EBRD has an explicitly political mandate: to support democracy-building activities. Second, the EBRD does not have a concessional loan window.
- Its financial assistance is heavily targeted on the private sector, although the EBRD does also extend some loans to governments in CEE and the former Soviet Union.
- In 2014, 24% of EBRD loans, undrawn loan commitments and guarantees were to the public sector

# Multi-lateral Development Banks

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## East African Development Bank (EADB):

- Established 1967, the EADB is headquartered in Kampala, Uganda. Its mandate is to promote sustainable socio-economic development in East Africa by providing development finance, support and advisory services.
- **Eligibility criteria:** member states of the East African Community, or other institutions with similar objectives for purposes of strategic partnerships.

## Development Bank of Southern Africa (DBSA):

- Established in 1983.
- Wholly owned by the Government of South Africa that seeks to accelerate sustainable socio-economic development and improve the quality of life of the people of the Southern African Development Community (SADC) by driving financial and non-financial investments in the social and economic infrastructure sectors.
- Been funding transport infrastructure projects in South Africa, SADC and COMESA regions.



# Multi-lateral Development Banks

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## Others:

- European Investment Bank (EIB)
- Inter-American Development Bank (IDB)
- Islamic Development Bank (IsDB)
- Banque Ouest Africaine de Développement (BOAD)
- Central American Bank for Economic Integration (CABEI)
- Development Bank of Latin America (CAF)