PANEL SESSION V

FINANCING TRADE IN THE AFRICA REGION

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Regional Context

GDP Per Capita, 2011
MIC Status
- Already MIC
- Likely MIC by 2025
- Possibly MIC by 2025
- Unlikely MIC by 2025
- North Africa

Kilometers
The World Bank Group’s Goals

Two Goals:

• End extreme poverty: reduce percentage of people living on less than $1.24 a day to 3 percent by 2030

• Promote shared prosperity: foster income growth of the bottom 40 percent of the population in every country

Ensuring economic, social and environment sustainability
The World Bank Group

The World Bank:

• Lends directly to governments (IBRD and IDA), and also provides knowledge services (AAA, ESW, TA).
• Lent $15.83 billion IBRD and $16.3 billion for IDA operations in client countries plus millions in knowledge services in FY13.

The International Finance Corporation—the IFC:

• Largest global development institution focused exclusively on the private sector; finances investment, mobilizes capital in international financial markets, and provides advisory services to businesses and governments.
• Invested nearly $25 billion and provided an additional $232 million in advisory services in FY13.

The Multilateral Investment Guarantee Agency – MIGA:

• Devoted entirely to promoting investment in emerging markets by providing political risk insurance across sectors.
• Provided approx. $2.8 billion in investment coverage for investment in developing countries in FY13.
Top Constraints to African Private Sector

- **Electricity**: 26%
- **Finance**: 20%
- **Informal Practices**: 10%
- **Tax Rates**: 9%
- **Political Stability**: 6.5%
- **Corruption**: 6%
- **Crime**: 6%
- **Access to Land**: 5%
- **Transport**: 5%
- **Customs**: 4%

*Source: World Bank Enterprise Surveys, 2010*
The World Bank group PPP in Africa

As of 2011, the WBG has extended a total of around $3.8 billion to support the financial close of 50 PPP transactions in energy, transport, and water, of which:

14 independent power plants for more than US$1.3 billion of financial support

10 rail concessions—approximately US$1.1 billion

World Bank loans
US$ 2.4bil

IFC
investments in financing PPP projects
US$ 0.3bil

MIGA
guarantees to private investors
US$ 0.4bil

Partial Risk Guarantees
US$ 0.8bil
The World Bank total stock of commitment for Aid for Trade approx. US$10.8 billion as of end-FY12.

IFC: Commitment under Global Trade Finance Program and Global Trade Liquidity Program was $6.1 billion in FY12
**Doing Business with the Bank**

**During Project Preparation**

- Limited consulting services for the World Bank to help design the project—e.g., conduct feasibility studies, analytical papers etc.

- Opportunities vary in size but are usually below US$ 200,000.

- There are generally no opportunities for suppliers of goods and civil works when a project is in the pipeline.

**During Implementation**

- Borrowing country responsible for “procuring” goods and civil works and selection of consultants.

- Implementing Agency established during project preparation is main point of contact for companies on procurement matters.

- Contracts are generally for consulting services above US$ 200,000.

- Equipment and civil works contracts can be in the millions of dollars.

- All contracts require publication of a request for expression of interest in the UN Development Business and dgMarket websites.
Doing Business with the Bank

www.dgmarket.com

www.devbusiness.com
Thank You!!