Overview of GIF Support

Working through its Technical Partners from multilateral development banks, the GIF supports governments in bringing well-structured infrastructure projects to market in a way that expands the infrastructure finance space. GIF's project support covers the full spectrum of project preparation activities necessary to attract private investors and financiers.

HOW THE GIF WORKS

The GIF has a straightforward application and approval process. Prospective governments or Technical Partners can propose projects or infrastructure investment programs directly to the GIF. Applications are promptly reviewed on a continuous rolling basis against the facility’s eligibility criteria to determine the support that can be provided.

The comprehensive project support provided by the GIF draws on the expertise of its advisory partners. This group, which includes commercial banks and institutional investors, ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.

One of the key features of GIF support is the flexibility in terms of the type of support available. Funding can be provided both for specific projects and at program level potentially with “model” project and program design. Support can go from door-to-door support—from early-stage prefeasibility study all the way through financial closing—as well as filling critical gaps in existing work as needed to advance a transaction.

The GIF is a partnership of governments, multilateral development banks and private sector financiers that facilitates private sector investments in complex infrastructure projects in emerging economies.

We serve as a platform through which governments collaborate with international financial institutions and private sector investors to design, structure and implement these complex projects.

The comprehensive project support provided by the GIF draws on the expertise of its advisory partners. This group, which includes commercial banks and institutional investors, ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.
HOW THE GIF WORKS

In terms of the amount of funding available, the GIF provides two main products.

- Firstly, the GIF Project Definition Activity (PDA) is a non-reimbursable grant of up to thousands of dollars to support early stage project scoping and definition to prepare for PPSA (see below).

- Secondly, the GIF Project Preparation & Structuring Activity (PPSA) provides up to several million dollars to fund full project preparation and structuring support.

Although most PPSAs are reimbursable upon successful project close, the GIF takes project failure risk for all its support activities. The GIF mitigates this risk by providing access to its own technical team to support the implementation of its funding, bringing global best practice and hands on project experience. In addition, the GIF enjoys access to an Advisory Council of over 45 leading infrastructure investors and lenders. This allows the GIF to convey the latest trends in private sector financing capabilities and requirements to its beneficiary governments.

GIF PORTFOLIO

The GIF’s portfolio has grown significantly this year, with 32 approved activities and support opportunities worldwide. As of October 2017, the GIF has a portfolio of nine PPSAs and 23 PDAs in diverse sectors, at varying stages, from regions across the world. If all 32 GIF-supported projects reach financial close, up to $19 billion in additional financing could be mobilized, with about $10 billion from the private sector.

The 23 approved PDAs are providing first stage support to assist the respective governments in carrying out pre-feasibility analysis of proposed projects, assessing project preparation work completed to date and the gaps to be filled, and, where relevant, mapping out potential applications to GIF’s second stage—PPSA.

The GIF is supporting nine PPSAs throughout the latter stages of project preparation and structuring, including public transport in Senegal, an airport in the Philippines, a hydropower project in the Solomon Islands, a LNG terminal in Myanmar, a power transmission line in Panama and a gas fired power project in Indonesia.

Box 1 showcases the breadth of GIF activities spread across different regions, sectors and country income levels. The GIF has a strong focus in the energy and transport sectors and has awarded financing to projects in Low Income, Upper Middle Income and Lower Middle Income Countries. Further, the regional distribution of GIF awards is wide, with projects in all regions. As the GIF continues to build its pipeline it expects to see an increased engagement with more Technical Partners and deeper involvement in the different regions through projects and program-level support.

The GIF is currently in discussion on nearly 40 potential applications for support, further broadening the sectors, regions and countries benefitting from available resources. Through support for these kinds of activities, the GIF contributes to the creation of a global infrastructure pipeline.
As part of a national drive to improve the efficiency of Brazil’s energy sector, municipalities plan to modernize their public street lighting services using energy efficient technology, such as LED bulbs. The GIF is supporting World Bank efforts to engage the private sector to expand, install and maintain street lighting infrastructure through public-private partnerships.

**BACKGROUND**

A recent World Bank analysis of energy efficiency opportunities in Brazilian cities identified LED-based street lighting modernization as a promising option for attracting private sector investment into municipal level infrastructure. On the back of support to street lighting public-private partnership (PPP) projects in Rio de Janeiro (approaching transaction) and Belo Horizonte (in implementation), the World Bank is looking to apply the principles learned to de-risk projects for private sponsors and commercial lenders.

At the request of the Brazilian government, the World Bank is supporting the Financing Brazilian Energy Efficient Cities Project as part of a new Facility that will attract private sector financing for the municipal street lighting sector through standardized PPP contracts. This is part of a broader government effort to attract $6.5 billion in private investments to develop its energy sector, including energy efficiency. In this context, the World Bank is seeking technical advice and financial resources from the GIF to support the entire development cycle of the public street lighting infrastructure projects in Brazil.
WHY GIF

PPPs are a new business model in Brazil for municipal street lighting programs. To enable scaling up, a systematic model needs to be developed based on an initial pipeline of projects structured in line with international best practices. The GIF can play a vital role by introducing standardized project preparation methodologies and build the capacity of municipalities, financial institutions, and other stakeholders. The GIF is well-placed to apply tools and lessons learned, ensure that the new facility is structured in a way to mobilize private capital, and lay the groundwork for future expansions to be led by private sector financing. The GIF will draw from its experience on a similar analysis of privately capitalized aggregating structures in its support to the Colombian government in small-scale, renewable energy generation.

PROJECT FEATURES

Support from the GIF envisions technical assistance to assess an infrastructure project or program intended for private investment, and planning for detailed project preparation work. This is expected to include:

- Identification and selection of a set of short-listed cities
- Support for program-level pre-feasibility technical, economic, financial, social, and environmental studies to enable the selected municipalities to make informed decisions about PPPs
- Structure the guarantee mechanism required to attract private-sector financing
- Conduct legal, regulatory, and institutional assessments to foster wider and long-term participation of the private sector in Brazilian street lighting programs

EXPECTED RESULTS

Under the Financing Brazilian Energy Efficient Cities Project, the World Bank aims to finance energy efficiency investments in Brazilian cities, including street-lighting modernizing projects delivered by the private sector. The potential benefits are substantial:

- Development of an energy efficiency model for municipalities in the initial 3-7 pilot cities that can be scaled up and replicated across the country, ultimately reaching up to 60 percent of the national population
- Modernization of municipal street lighting in Brazil, bringing improved security, reduced service interruption, and availability of public spaces for use at night
- Greater savings to government through better use of fiscal resources, which could potentially lead to tax reductions to citizens or increases in spending in other areas, and
- Supporting Brazil’s ability to comply with the target set under the Paris Agreement of achieving a 10 percent energy efficiency gain in the electricity sector by 2030

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Definition Grant (Technical Partner, WB): ..... $500,000
Anticipated GIF Project Structuring Support: ........................................... $2 million
Potential Private Investment Mobilized: ............................................ $315 million
Colombia is embarking on an ambitious credit enhancement project to mobilize investment for renewable energy and energy efficiency projects. The GIF is providing support for technical assistance for designing the program, building a pipeline of projects, and strengthening the country’s capital markets. The initiative is expected to support $1 billion in private investment.

BACKGROUND
The World Bank is preparing a credit enhancement project to assist the government of Colombia and Financiera de Desarrollo Nacional S.A. (FDN), a financial development institution that works with the private sector to develop infrastructure, in mobilizing private sector investments to support a renewable energy and energy efficiency development program. The program will provide a $81 million credit enhancement to support $1 billion in private investment.
**WHY GIF**

Colombia's Minister of Energy and FDN requested support from the GIF to provide programmatic support for the development of the credit enhancement program. The GIF is providing a grant of $400,000 to:

- Support FDN in the selection, design and implementation of a pipeline of large and small-scale wind and solar projects as well as energy efficiency initiatives
- Develop a financing vehicle by aggregating small-scale projects and identifying investment vehicles
- Conduct legal, financial and economic analyses to support FDN's due diligence of financing
- Design standard power purchase agreements for utility-scale renewable energy projects

GIF's involvement will help to kick-start the market for renewable energy and energy efficiency in Colombia. The GIF support provides investors and lenders greater confidence with new financial products, thereby diversifying potential sources of long-term debt financing for clean energy projects in Colombia. The GIF support will also help to coordinate and reduce institutional complexity and helps integrate donor support.

**PROJECT FEATURES**

The GIF will provide $400,000 in funding for the technical assistance required to support the program. The GIF's contribution will support:

- Private investment in small-scale renewable energy projects, including self-generation and co-generation
- Energy efficiency investments for industrial and commercial businesses
- Utilizing Colombia's energy potential with utility-scale renewable energy, such as solar and wind

Technical assistance will be conducted in partnership with the World Bank's Public-Private Infrastructure Advisory Facility (PPIAF), the Clean Technology Fund, the NDC Partnership Support Facility, and Switzerland's State Secretariat for Economic Affairs (SECO).

**EXPECTED RESULTS**

This is the first initiative of its kind in Colombia. The project:

- Contributes to Colombia's energy security with renewable energy, particularly in regard to diversification and climate risk
- Transforms to the small-scale renewable energy and energy efficiency market by breaking down barriers for commercial financing
- Supports over $1 billion of investments in renewables and energy efficiency projects
- Provides a new financial instrument to facilitate long-term sources of capital in renewable energy and energy efficiency
- Provides a framework for a complex array of players in the sector, including multiple entities within government, private sector investors, multilateral development banks, and others
- Support Brazil's ability to comply with the target set under the Paris Agreement of achieving a 10 percent energy efficiency gain in the electricity sector by 2030

**POTENTIAL GIF LEVERAGE**

GIF funding may leverage private sector financing:

| GIF Approved Project Definition Grant (Technical Partner, WB) | ...... $400,000 |
| Anticipated GIF Project Structuring Support | ........................................... $2.5 million |
| Potential Private Investment Mobilized | ........................................... $1 billion |
Indonesia’s road system is vital for connecting people and business to employment, services, and markets. However, Indonesia has only expanded its toll road network to about 1000 km to date. The GIF is supporting the government’s long-term plan to attract private participation and commercial financing to deliver a toll road network of over 6000 km.

BACKGROUND

Indonesia’s extensive road network, spread across an archipelago of 17,508 islands, plays a vital role in connecting people and business to employment, services, and markets. Roads, however, suffer from poor quality and inadequate maintenance due to underinvestment. To address this issue, the government of Indonesia aims to build 6,115 km of toll road by 2025, beginning with the construction of 1,584 km by 2019. The Trans-Java (1,187 km) and the Trans-Sumatra (2,840 km) toll roads will serve as key land transport backbones for these two islands. The Indonesia Toll Road Authority (Badan Pengatur Jalan Tol, BPJT) requested support from the GIF and the World Bank’s Transport Global Practice to assist with the toll road program.
WHY GIF

The GIF is supporting the close coordination required between multiple parties in government, including the Ministry of Finance, Ministry of Public Works and Housing, the Toll Road Authority, state-owned enterprises, local authorities, and multilateral development banks, to structure, arrange and provide financial support to the country's existing and planned toll road network. Solutions are likely to be complex compared to previous structures used in Indonesia, requiring a blend of financial or risk mitigation instruments to attract private capital.

PROJECT FEATURES

The GIF’s support will provide the government with information necessary to alleviate the burden on public funds and mobilize commercial financing for the delivery of the toll road network. This includes conducting high-level prefeasibility of selected roads and ascertain their suitability for development as international-standard PPPs, with a focus on measures to be taken to enhance the level of competition and attract more private players from Indonesia and abroad. GIF will also provide recommendations to state-owned enterprises to improve current practice to ensure the delivery of road projects. Through appropriate structuring of program-level financing and structuring of individual roads/transactions, with both private and public finance options. Finally, the GIF activity will help strengthen the Indonesian Toll Road Authority’s capacity of preparing and managing toll road PPPs.

EXPECTED RESULTS

The GIF’s contribution will enable the Indonesian Toll Road Authority to plan and execute a long-term, complex toll road program. This includes:

◆ An assessment of the viability of road segments as toll road projects
◆ An assessment of public and private options for state-owned enterprises to develop the toll road program, and
◆ Greater capacity of the Toll Road Authority to attract private participation and commercial financing to deliver the toll road program

After the GIF project definition activity is completed, potential transactions that the GIF could support with full structuring and implementation will be identified. At such time, a GIF Preparation and Structuring Activity will be requested.

In the long term, this project will contribute to the modality shift of financing and funding toll road development in Indonesia. The development of 6,000-km toll road program will stimulate economic activity and create greater employment opportunities for Indonesian citizens.

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Definition Grant (Technical Partner, WB): ..... $450,000
Anticipated GIF Project Structuring Support: ........................................ $3.5 million
Potential Private Investment Mobilized: ................................................ $1.6 billion
Traffic congestion is one of Beirut’s most serious urban development problems. The Greater Beirut BRT Urban Transport Project aims to address this problem by implementing the first mass transit system in Lebanon and its supporting feeder network. A GIF grant is supporting the development of this project.

**BACKGROUND**

High population density, increased income levels, increased motorization, and the additional influx of Syrian refugees in recent years have all resulted in a rapid increase in traffic volumes in the Greater Beirut Area. Most users rely on private vehicles to meet their transportation needs as there is no mass transit or regular and reliable public transport services in the country. A bus rapid transit (BRT) system is one option for addressing these challenges.
WHY GIF

The GIF provided a Project Definition Activity to support its Technical Partner, the World Bank’s Transport Global Practice, to assess the various PPP options for the proposed BRT and feeder system. The GIF support includes:

- Undertaking a review of the regulatory and institutional context for the sector and status of existing operators
- Identifying PPP options for financing, operating and maintaining the BRT and feeder system
- Undertaking a detailed options appraisal
- Developing the financial model to assess the viability of attracting private finance
- Developing an outline PPP structure for the preferred option, and
- Conducting a high-level market sounding

Upon the request of the government of Lebanon, the GIF would provide full transaction advisory support until financial close.

PROJECT FEATURES

The proposed BRT line will connect Beirut's northern suburbs to the city center. The line will run approximately 24 km north of the city on lanes separated from general traffic to reduce travel times and offer a higher quality of service. The BRT line will continue in a loop around Beirut to connect commuters with the city center. Feeder lines will connect to the BRT; park and ride facilities are also planned.

In addition to operating and maintaining the BRT and feeders, it is expected that the private sector could finance (partially or fully) the purchase of the buses. The capital cost for the buses is approximately $110 million.

Several government entities are involved in the preparation of the project, including the Council for Development and Reconstruction, Ministry of Public Works and Transport, and the Railways and Public Transport Authority. The World Bank is supporting the government to implement a comprehensive national public transport program, including the BRT and feeder system. The World Bank is financing the infrastructure for the BRT system, as well as the regular bus network in Beirut.

This project represents the first phase in the government's Greater Beirut Urban Transport Plan. Following the implementation of the northern line, the government plans to undertake BRT lines to the south and east of the city.

EXPECTED RESULTS

This project is expected to:

- Provide an affordable and efficient transportation option for commuters to and within Beirut
- Reduce traffic congestion in the Greater Beirut area
- Reduce greenhouse gas emissions, and
- Lay the groundwork for an expanded BRT network in Beirut

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Definition Grant (Technical Partner, WB): .... $500,000
Anticipated GIF Project Structuring Support:................................. $2.5 – 3.5 million
Potential Private Investment Mobilized:................................. $80 – $110 million

SECTOR OVERVIEW

Transportation in Lebanon is costly and there are no reliable alternatives to private vehicles. Most users rely on private vehicles to meet their transportation needs, as there is no mass transit or regular and reliable public transport services in the country. Private cars comprise over 80 percent of vehicles circulating in Greater Beirut, with buses, microbuses and taxis forming the remainder.

The high costs and poor connectivity exacerbate inequitable growth between Beirut and hinterland regions, hindering access to employment and services for the poor and other vulnerable groups.

The Ministry of Public Works and Transport is responsible for public transport planning, licensing companies, and setting fares. The Railways and Public Transport Authority, a state-owned enterprise, is responsible for operating public transport services. The Ministry of Interior and Council of Development and Reconstruction also have responsibilities related to public transport services.
Manila’s Ninoy Aquino International Airport (NAIA) is the main gateway to the Philippines. However, NAIA has already reached its design capacity. The GIF and International Finance Corporation (IFC) are supporting the government to modernize the nearby Clark Airport through a public-private partnership, to add airport capacity to Manila.

BACKGROUND

Ninoy Aquino International Airport (NAIA), accounts for more than 72 percent of all international arrivals to the Philippines. Travelers, however, suffer from severe air traffic congestion. In 2015, NAIA’s four existing terminals handled 36 million passengers, far exceeding its design capacity of 30 million. Flights are frequently cancelled, delayed or diverted, leading to significant costs to airlines and passengers and resulting in poor passenger experience.

The development of Clark Airport, located about 90 km from Manila, may address the current urgent capacity constraint in a cost-efficient way. It has good airside facilities (as a former U.S. airbase) and is located on government-owned land that can accommodate future expansions. Clark is also well-connected to Metro Manila and nearby provinces via three modern expressways, all operated under private concessions.
WHY GIF

The GIF support will help the government to attract experienced international sponsors and finance providers, linking them with local resources and helping projects reach financial close. The GIF team will work closely with the technical partner team—IFC, as transaction advisor to client counterpart—in structuring the transaction, contributing the GIF team’s own airport project experience, sharing lessons learned and introducing good practices across the GIF pipeline.

PROJECT FEATURES

The project will include a new passenger terminal with improved facilities and services, upgraded airport infrastructure, and the transfer of airport operations to a private operator. The project is a brownfield airport PPP with a significant construction component estimated at $313 million.

The structuring of the project will require a complementary regulatory framework that will rationalize the division of flights between NAIA and Clark. Such a framework is an important risk mitigating measure for the project.

EXPECTED RESULTS

The project is expected to deliver improved airport terminal services to between five and eight million local and international passengers annually. This in turn will:

◆ Boost travel and tourism to the country, which contributes approximately $12 billion to the Philippine economy and provides 1.26 million jobs (2014 figures)

◆ Lower the cost of air travel

◆ Improve the country’s business and trade competitiveness

◆ Contribute to the decongestion of the Manila metropolitan area, and

◆ Spur the development of new growth centers outside the Manila metropolitan area

The project also aligns with the government’s strategy to develop and expand growth centers outside the Manila metropolitan area. Clark Airport will serve several developed economic zones in Central Luzon, most prominent of which are the Clark and Subic Special Economic Zones, which jointly contributed about $6 billion in total exports in 2015, account for 11 percent of the country’s GDP.

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Preparation & Structuring Activity
(Technical Partner, IFC): ................................................................. $1,214,000

Potential Private Investment Mobilized: .............................. $142 million
Tunisia’s demand for power has been growing steadily for the last two decades, while its national gas production has been falling. This led the government to reconsider its energy strategy. One option is purchasing power from Europe through an interconnector cable between Tunisia and Italy’s power grid. A GIF grant is supporting the development of this project.

BACKGROUND

Because of economic growth, Tunisia’s growing peak demand—currently at 4,000 megawatts—is likely to outstrip its generation capacity soon. To meet future demand, it must either increase supply by importing electricity or developing new power sources. The option of importing surplus electricity from Europe is attractive but will involve complex bilateral agreements between private and state-owned firms and participation of international development institutions.
WHY GIF

The GIF provided a Project Definition Activity of about $350,000 to support its technical partner, the World Bank's Energy Global Practice, to develop a high-level options analysis and transaction design and to identify additional work required at the project preparation stage. The GIF is now committing an additional $7 million to fund project preparation and transaction advisory work. The support will include:

- Undertaking technical feasibility and environmental and social impact studies
- Agreeing on the commercial and regulatory structure
- Supporting the transaction design, including ownership and governance arrangements for the line and the approach to procurement
- Developing the financial model assessing the viability of the project vehicle
- Negotiating and securing the necessary financing plan for the interconnector including assessing equity from the sponsors, and liaising with private providers and other DFIs

The GIF will provide support to the government of Tunisia until financial close. Half of the GIF funds will be reimbursable upon the project reaching financial close.

PROJECT FEATURES

The proposed project will lay a 200 km of subsea power cable with a capacity of 600 megawatts between Tunisia and Sicily in Italy. The cable will supply up to 16 percent of Tunisia's power needs. In due course, it will also enable exports of power from Tunisia to Europe, especially renewable energy from Tunisia. It will also close the Europe-Maghreb network loop that runs through Morocco, Spain, France, Italy, Tunisia, and Algeria, and help to create an integrated grid in the region.

The sponsors of the project are STEG, the Tunisian government, and the Terna Group, the private Italian power grid operator.

Investment requirements are estimated around €600 million. Because of the large capital costs, large economic benefits, and to achieve the best value for money, the sponsors are considering a range of financing options including equity financing, grant financing from the European Union through the Projects of Common Interest program, concessional financing from development finance institutions, and financing from private banks. Given its complexity and strategic importance, it is likely that the interconnector will need public sector involvement on the part of STEG and the government of Tunisia.

EXPECTED RESULTS

The project is expected to:

- Provide Tunisia with power at competitive rates and strengthen the security of supply
- Facilitate trade in electricity between North Africa and Europe
- Achieve climate-smart objective through emissions reductions with electricity generated to high environmental standards, and
- Lay the groundwork for future integration and export of renewable solar energy to Europe

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Definition Grant (Technical Partner, WB): $350,000

Anticipated GIF Project Structuring Support: $7.0 million

Potential Private Investment Mobilized: €120 – €300 million
Ukraine’s ports and inland waterway system plays a key role in export and trade, particularly in the agricultural sector. The GIF is working with EBRD and the World Bank to develop options for private sector participation in expanding, modernizing, and operating the Black Sea ports of Olvia and Kherson.

**BACKGROUND**

Port Olvia and Port Kherson in southern Ukraine provide easy access for the Ukrainian economy to the Black Sea, the inland waterway system, and the national railway. The Ministry of Infrastructure of Ukraine has identified the two ports as pilot concessions to test the implementation phase of its national seaport strategy. The potential concessions aim to increase cargo flows through the two ports by improving the utilization of the existing port infrastructure, developing new terminals and facilitating greater cargo specialization under independent port operators. These improvements will help Ukraine manage projected increases in trade and exports, particularly in the agricultural sector. Key to the success of these pilot concessions will be establishing options with clear technical and commercial viability, and ensuring the concessions are consistent with Ukraine’s legal and institutional framework.
SECTOR OVERVIEW

Growth of the Ukrainian economy is heavily dependent on exports of commodities, most of which are shipped via the country’s ports. Port Olvia is one of the 13 Ukrainian ports on the Black and Azov seas where a role for the private sector is being considered.

Ukraine’s largest ports (Odessa, Illichivsk and Yuzhny) account for 63 percent of cargo turnover. The estuary of Dnipro includes two other seaports beyond Olvia and Kherson: Mykolayiv Port and the Nika Tera Terminal. These ports mainly service bulk cargo, including metal ore, grain, coal, vegetable oils. Odessa is the principal port for container traffic.

Growth opportunities for ports are significant, driven by agricultural exports, of which over 90 percent is transported by sea. Without upgrades to port infrastructure, seaport capacity for these products will be exceeded by 2020.

Ukraine’s port sector is supervised by the Ministry of Infrastructure of Ukraine through the intermediary of the Ukrainian Seaport Authority.

WHY GIF

The GIF is contributing to EBRD’s and the WBG’s efforts by funding a study that aims to increase institutional capacity and ascertain a better understanding of realistic market demand and the feasibility of various possible technical options. The work is being undertaken in the context of an ongoing revision to the concession law and government processes, and in coordination with the Ministry of Infrastructure, port officials, and industry stakeholders. Successful closure requires good coordination among these entities and on the upfront definition of clear and efficient obligations and tasks. The GIF’s involvement provides the funding necessary to ensure robust project preparation documents and a platform for coordination between the multilateral partners.

PROJECT FEATURES

The project under consideration will introduce private sector participation for expanding, upgrading, and operating all or part of the Olvia and Kherson port terminals. Improvements under consideration include greenfield terminals, berths, improvement of land access and possible agri-processing facility. Estimated investment could be up to $250 million by 2020, depending on the final investment options chosen by the Government of Ukraine. Following initial prefeasibility work delivered by EBRD and the World Bank, the EBRD is currently leading discussions with the government on a joint EBRD and IFC support during the transaction phase. This project supports the Ukrainian government’s strategy for developing its national transportation infrastructure. It also complements involvement of the GIF and the World Bank in an evaluation of Ukraine’s waterways river transport.

EXPECTED RESULTS

The project is expected to:

◆ Review current legislation and regulatory issues related to the proposed port concession
◆ Lay the groundwork for medium and long-term development projects in Port Olvia and Port Kherson
◆ Improve coordination among key stakeholders, including the Ministry of Infrastructure, the Ukrainian Seaport Authority, the Ministry of Finance and the Ministry of Economic Development and Trade,
◆ Define the Port Olvia and Port Kherson development scheme under concession/PPP,
◆ Develop and improve road and rail access to the ports,
◆ Generate concession fees and tax revenues for the government,
◆ Provide greater opportunities for Ukrainian trade, particularly in the agricultural sector.

POTENTIAL GIF LEVERAGE

GIF funding may leverage private sector financing:

GIF Approved Project Definition Grant (Technical Partner, EBRD): ........$220,000
GIF Approved Project Definition Grant (Technical Partner, WB): ..........$390,000
Anticipated GIF Project Structuring Support (EBRD/IFC): ..................$0.8 million
Potential Private Investment Mobilized: .....................................$250 million