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TRANSPORT TRENDS AND ECONOMICS

Studies on transport economics and track costs undertaken by other organizations

Submitted by the World Bank

ECA TRANSPORT PROJECTS

1. Four new transport loans have been signed in 2006 calendar year, three of which are with Central and Eastern European (CEE) countries and one in the Caucasus. All four are financed by International Bank of Reconstruction & Development (IBRD) totaling to US\$635 million. In addition, International Development Association (IDA) Grant of US\$ 5million was signed with Georgia for facilitation of infrastructure investments in energy and transport sectors. One more IDA loan is expected to be signed by the end of 2006 with Georgia for US\$19 million. Fifteen loans are anticipated to be signed in 2007 calendar year, of which four would be financed by IDA (total of US\$89 million), ten by IBRD (total of US\$1,036 million), and one by IBRD/IDA (US\$20 million and USD\$5 million).

2. The main trends observed in 2006 lending activities compared to those in 2005 and prospects for 2007:

- Number of loans signed as well as total dollar amount has almost doubled since 2005.
- Main focus of majority loans signed in 2005 was directed toward railways (two of three), while in 2006 the focus has shifted toward roads and trade/transport facilitation (TTF) activities.
- Increased trend of focus on trade and transport facilitation is seen in the pipeline projects.
- Recipients of loans in both years, 2005 and 2006, were primarily middle-income EU accession countries (IBRD financed loans), while in 2007 prospects the growing trend of lending activities is seen in low-income countries (IDA financed loans).
- Compared to 2005, the lending activities in the South Caucasus are increasing with one loan and one grant signed in 2006, one to be signed by the end of 2006, and four under preparation.

3. The following table lists the loans signed in 2005 calendar year comparing to those in 2006 and prospect loans for 2007:

Project	IBRD/IDA	Amount	Focus	Country
2005				
Railways Reform	IBRD	19.38	Rail	Macedonia
Railways Restructuring	IBRD	184.7	Rail	Turkey
Road Maintenance & Rehab. 2	IBRD	130.5	Roads	Poland
Total		334.58		
2006				
Trade & Transport Integration	IBRD	75.3	TTF	Croatia
Road Maintenance & Rehab. 3	IBRD	180.2	Roads	Poland
East-West Highway Improvement 1	IDA	19	Roads	Georgia
Highway 2	IBRD	200	Roads	Azerbaijan
Transport Sector Support	IBRD	180	Road/Rail	Romania
Infrastructure Pre-investment Facility	IDA(grant)	5	IPF grant	Georgia
Total		659.5		
2007 Prospects				
Traffic Management & Safety	IDA	10	Urban Transp	Armenia
Trade & Transport Facilitation 2	IBRD	10	TTF2	Macedonia
Trade & Transport Facilitation 2	IBRD	50	TTF	Bulgaria
Rail Trade & Transport Facilitation	IBRD	80	TTF	Azerbaijan
Highway 3	IBRD	200	Roads	Azerbaijan
East-West Highway Improvement 2	IDA	39	Roads	Georgia
Road Infrastructure & Safety	IDA	30	Roads	Bosnia-Herzegovina
Transport	IBRD	20	Roads	Albania
	IDA	5		
Road Infrastructure Rehabilitation	IBRD	116	Roads	Bulgaria
Roads & Safety Improvement	IBRD	300	Roads	Ukraine
Road Sector Program Support	IDA	10	Roads	Moldova
Transport Infrastructure Rehabilitation	IBRD	150	Roads	Poland
Serbian Railwai Reform	IBRD	30	Railway	Serbia & Montenegro
Rijeka Gateway II	IBRD	50	Ports/Waterway	Croatia
Special Economic Zones	IBRD	50	Gen/Trade Facil	Russia
Total		1150		
