Connecting people to markets and services for greater development impact

Virtual and physical connectivity promotes economic and social development worldwide. Efficient transport systems move goods and services, connect people to economic opportunities, and enable access to healthcare and education. Likewise, information and communication technologies (ICT) do the same—virtually—driving economic growth, citizen engagement, and job creation.

Demand for modern connectivity solutions has grown exponentially. Globalization, population growth, urbanization, technological progress, and the quest for economic growth have combined to make transport and ICT a cornerstone of the global development agenda.

Transport and ICT will be crucial to achieving the World Bank Group’s twin goals of eliminating extreme poverty and boosting shared prosperity. But to reach their full potential, these sectors must overcome challenges:

• **Accessibility and connectivity:** At least one-third of the world’s population is not served by an all-weather road, a crippling situation for economic growth, especially in landlocked countries. Some three billion people in developing countries have no access to the internet.
• **Affordability:** When adequate transport and ICT services are available, they are often prohibitively expensive. In Djibouti, a mobile broadband package costs more than the annual income of a typical wage-earner.
• **Urban congestion:** Rapid urbanization and motorization in developing countries is generating unprecedented levels of traffic congestion, with negative consequences for productivity, health, the environment, and income inequality.
• **Air pollution and road safety:** Road accidents claim 1.3 million lives every year and injure 78 million people worldwide—90 percent of them in developing countries. Urban air pollution, largely from transport, leads to the death of an estimated 800,000 people each year.
• **Climate change:** Motorized transport accounts for about one-fifth of worldwide greenhouse gas (GHG) emissions. Transitioning to cleaner, greener mobility solutions is critical to combating climate change. ICT-enabled solutions can help achieve a 16.5 percent reduction of projected annual GHG emissions by 2020.
• **Infrastructure financing gap:** Current investment in transport and ICT infrastructure will not meet the needs of developing countries. Innovative financing and higher private sector participation are needed to bridge the infrastructure funding gap and improve connectivity in client countries.

• **Inadequate capacity:** Successful development of transport and ICT sectors is undermined by weak governance, insufficient institutional capacity, lack of training, limited competition and lagging innovation.

**Transport and ICT poised to help**

It is the mission of the World Bank’s Transport and ICT Global Practice to help client countries tackle these challenges and connect citizens to the global economy in a sustainable, inclusive way.

Some 300 staff located in more than 50 countries support the work of the Transport and ICT Global Practice. They are uniquely positioned to provide cutting-edge expertise on transport and ICT issues, with a special emphasis on four strategic priorities:

• **Green Transport and ICT:** We help mitigate the climate impact of transport projects through better land use planning, logistics, and use of ICT, as well as shifting to lower-carbon transportation modes and more efficient technologies. We help design transport solutions that are resilient to climate impacts. The World Bank assesses GHG emissions for transport projects using a new approach that estimates the wider social costs of emissions, including air pollution and accidents, in addition to climate change. The World Bank is a member of the Climate and Clean Air Coalition, a partnership of nearly 50 countries working to reduce energy use and black carbon emissions from heavy-duty freight. The World Bank is also a member of the Partnership on Sustainable, Low Carbon Transport (SLoCaT).

• **Road Safety:** Transport and ICT, along with the multidonor World Bank-managed Global Road Safety Facility (GRSF), works with clients to mainstream road safety into transport projects. We also provide an extensive range of technical assistance and advisory services to help countries make their roads safer. At the midpoint of the UN Decade of Action, much work remains to help client countries meet their goal of reducing deaths and injuries from road traffic crashes by half and saving 5 million lives by 2020.

• **Internet for Development:** Increasing global Internet penetration from the current total level of 40 percent approximately to 75 percent would add $2 trillion to global GDP and create more than 140 million new jobs. The World Bank Group supports client countries in the creation of strategies, policies, and regulatory frameworks that enable private investment, in a competitive setting, and makes catalytic investments to address the need for broadband. The upcoming World Development Report 2016 on Internet for Development, will give further insights on the development impact of the Internet and provide recommendations on ICT policies and complementary reforms in other economic sectors.

• **Transport-Related Sustainable Development Goals (SDGs):** While there is no SDG on transport or ICT per se, six of them relate to these two issues. In collaboration with our partners, we have started working on transport and ICT related indicators that will help in monitoring the implementation of the SDGs. Those indicators will also enable us to consolidate the M&E framework in our projects.

Inspired by these four priorities, our work focuses on the following areas:

• **Urban Mobility:** Transport and ICT addresses urban mobility challenges with a particular emphasis on how ICT can address these issues and improve the productivity of transport infrastructure. We focus on how sustainable, smart mobility systems can help address urban poverty while also helping to mitigate climate change.

• **Development Corridors and Regional Integration:** We support the development of transport corridors through both physical investments and policy advice. Following a multi-sectorial approach and working closely with other Global Practices and other international institutions, we harmonize GHG accounting methodologies.

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1 Deloitte, 2014
Cross Cutting Solution Areas, we focus on enhancing the development impact of corridors and promoting competitiveness through better businesses linkages, reduction of regulatory and institutional barriers, impediments at border-crossings, and the creation of an enabling environment for private sector investment.

**• Road Asset Management and Rural Accessibility:** A modern, well-maintained network of rural and inter-urban roads can bring major development benefits to communities through better access to jobs, markets, and services; greater comfort, speed and safety; and lower vehicle operating costs. The World Bank helps clients deliver the infrastructure and policy reform, and regulatory environment required to achieve sustained rural accessibility to transport.

**• Railways:** Nearly two-thirds of all rail freight in the world moves in developing countries, and more than three-quarters of that is carried in just three countries: China, India, and the Russian Federation. Transport and ICT seeks to enhance the efficiency of freight and passenger rail in client countries as an effective means to deliver high-capacity transport at lower costs.

**• Air Transport:** We help developing countries where the air transport sector infrastructure, regulations, and systems lag behind global standards.

**• Leveraging the Private Sector:** Private sector participation is a game changer in infrastructure financing, particularly in telecommunications and transport. In collaboration with IFC, the World Bank seeks to help client countries manage private-sector participation by improving policy, regulatory frameworks, and institutional arrangements through technical and other assistance.

**• Mainstreaming ICT:** ICT has a transformative potential for every sector of development, from intelligent transportation systems to precision agriculture or better governance. The rise of ICT activities has given citizens access to more accountable, responsive, and transparent government. We work across sectors to harness and promote new and innovative technologies.

The Transport and ICT Global Practice supports these critical development areas through infrastructure lending, technical assistance and advisory services. We help our clients fight poverty and boost prosperity in a sustainable way by improving connectivity and competitiveness, linking people to markets and social services, stimulating economic growth, increasing climate resilience, and reducing their carbon footprint.
The World Bank Group is the largest provider of development finance for transport globally, with an active transport portfolio of $41 billion (as of December 31, 2014). Roughly three-quarters of World Bank projects include an ICT-related component, and ICT-specific projects account for $1.5 billion of the Bank’s portfolio.

The Transport and ICT team collaborates actively with other Global Practices and sectors across the World Bank Group. It also relies on, hosts and serves as Secretariat for several trust funds and global partnerships including: the Global Road Safety Facility (GRSF), the Africa Transport Policy Program, the ICT4D Multi-Donor Trust Program, and the Multi-Donor Trust Fund on Sustainable Logistics.

Transport and ICT projects deliver impact

The World Bank’s work on transport and ICT has led to real and lasting impacts on poverty reduction and sustainable growth by connecting people to markets, driving job creation, reducing the cost of transport, and providing improved government services through technology or through a host of other channels.

We are making a difference in urban mobility. Over the last 20 years, the World Bank has spearheaded several major suburban rail and metro projects in Brazil to improve accessibility to formal jobs, especially for the bottom 40 percent. In the Sao Paulo Metropolitan Region, 150,000 low-income families now have access to an additional 2.5 million jobs as a direct effect of the project. In Rio de Janeiro, the share of household income devoted to transport decreased from 30 percent to 13.1 percent for the lowest income bracket as the result of an integrated fare system.

We are making a difference in green transport. In the city of Wuhan, China, more than one million privately owned vehicles have claimed the streets in recent years, bringing increased pollution and greater demand for land to facilitate parking and roadways. The Wuhan Urban Transport Project has helped the city build 10 new bus depots and terminals to attract mass transit users and stem the rising tide of cars. As a result of the project, the public transport network has expanded and bus ridership has increased by 40 percent. The project also helped build or revitalize cycling and walking paths, as well as training local officials on how to plan and develop sustainable urban transport options.

We are making a difference in road safety. GRSF and partners supported the assessment of more than 40,000 km of roads for stronger safety measures, including in the Philippines, India and Brazil. Similarly, GRSF supported the establishment of a regional road safety observatory in Latin America to improve data collection, along with capacity building in more than 20 countries. That project was replicated in the Pacific Islands. GRSF also contributed to the improvement of safety awareness amongst children and youth in Mengzi City (China) to reduce risky traffic behaviors and the occurrence of traffic injuries, deaths and disabilities on school roads.

We are making a difference to ensure broadband for all. In Mozambique, we financed a project to open the telecommunications market through an international tender for a new mobile operator. After two years, the new entrant built 2,800 2G/3G base stations and laid 25,000 kilometers of fiber optical cable, covering 100 percent of districts and highways and serving nearly 80 percent of the population. By the end of 2013, the company increased its coverage in rural areas from 60 percent to 85 percent and doubled the number of covered people from 35 percent to 75 percent. Nearly 600,000 people in five rural districts have telecommunications services for the first time.