COVID-19 AND THE TRANSPORT SECTOR

WORLD BANK RESPONSE

Franz Drees-Gross
Regional Director, Infrastructure
Latin America and the Caribbean

11 June 2020
WB Response to COVID-19 in Transport

- Public Transport
- Aviation
- Maritime and Logistics Sector
- Transport and the Green Economy
- Transport and the Economic Recovery
Support for Urban Public Transport

- **Global Knowledge Exchanges** between Chinese (Shenzen and Beijing), Korean (Seoul) and Spanish (Madrid) public transport operators and those in developing countries on COVID-smart operating practices;

- **Global assessment** of COVID impacts on public transport (→ Arturo’s presentation) and quantification of **financial impacts by region** (→ LCR assessment of UT operators);

- Pre-design of **liquidity facility for public transport operators and utilities** (water, electricity) to provide public and commercial financing to UT operators (lines of credit, guarantee schemes). Early country level discussions (Colombia, Peru, Panama);

- Design support for expansion of **pedestrian walkways and bicycle paths as well as bus priority lanes** (India, Mexico City, Lima);

- Discussion of **COVID Green Label in India** (certification scheme for public buses, auto-rickshaws, app-based taxis to verify COVID-smart operations)
Support for the Aviation Sector

- **Sector assessments and research**
  - Global assessment of the impact on air transportation;
  - Regional review of the airline sector in LAC (19 carriers);
  - Country analyses on air transport (Morocco, Ethiopia).

- **Technical, policy, and regulatory advise**
  - TA: Existing RAS now includes COVID-19 related work on airlines (Uzbekistan) and airports (Bahrain);
  - Policy: Policy triggers in discussion for DPOs concerning the restructuring or privatization of state-owned carriers (Tunisia, Cabo Verde);
  - Regulation: Technical exchange with ICAO, IATA, ACI on new regulations.

- **Financing**
  - Infrastructure: Regional Air Transport Project in the Caribbean includes to include equipment and infrastructure for COVID-19;
  - Private sector: IFC is considering support for viable carriers in Africa.
Global Knowledge Exchange with China and developing countries to discuss China’s experience managing supply chains during COVID outbreak;

Global Assessment of COVID and supply chains

Monitoring COVID impact on delivery of key supplies (e.g. truck movements that are essential for food, medical supplies)

- 22 countries in Africa have closed land borders completely. WFP is feeding 35m people in African conflict zones and fragile areas;

Contributions to guidelines for “new normal” port operations;

Support for IMO’s Facilitation Convention to roll-out electronic data exchange for all ports.
Low fuel prices create conditions for reviewing pricing policies and restoring fiscal space
- Country level policy discussions on the reduction of fuel subsidies and energy policies favorable to renewable energies (India left prices at the pump constant);

Emergency packages represent a great entry point to push for institutional and policy reforms
- Colombia Infrastructure DPL (development policy loan);
- Bailouts can be subject to strong climate conditions (electric buses for UT, scrapping of polluting old buses)

For further Thought….Green funds with inclusion of clauses that support the cost of structural changes
- Subsidies and financing options for fleet renewal;
- Integration of informal operators;
- Financial mechanisms to help operators transition the crisis.
Transport and the Economic Recovery from COVID-19

Rural Road Maintenance (250,000 – 500,000)

Water and sanitation systems (about 100,000)

Highways (about 10,000)

Energy (<1,000)

Short-term employment generated by a USD1 billion public investment

(calculated for Latin America after the 2008/9 Global Financial Crisis)

Source: Schwartz, Andres, Dragoiu, WB, 2009
WB Response to COVID-19 in Transport

Thank You