

Financing of Ports Development



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WORLD BANK GROUP



Outline:

- **Global Trends, Challenges, and Opportunities**
- **Overview of WBG financing instruments**
- **Examples of WBG financed port development projects**

Global Trends & Uncertainties for Maritime Transport

- Geopolitical events affecting routes & flows
- Climate change and climate policies
- Sourcing of goods and potential near-shoring of supply chains
- Digitalization and AI
- New competing land corridors and/or sea routes (northern passage)
- Aging population in the global north and growing population in the global south

New challenges create new opportunities

- Transshipment of containers needs to be anchored in strong business and economic fundamentals
- Ports should look for new port to port trade partners in line with changing routes: North – South trade vs East – West Trade
- Potential opportunities in different business segments such as feeders, liquid bulk, and Ro-Ro
- Increased importance of import/exports and hinterland connectivity
- Ports & shipping increasingly part – as main nodes - of the broader logistics chain (trucking, railways, aviation, storage & logistics)
- Increased importance of near shoring of select supply chains and the role of SEZs.

Areas of focus: performance today, resilience and transition tomorrow

Ports remain the center of gravity, complemented by shipping, corridors and maritime services.

PORT REFORM & PRIVATE PARTICIPATION

Governance, landlord models, concessions, competition and regulatory capacity

PORT PERFORMANCE & CAPACITY

Terminal productivity, capacity expansion, maintenance, hinterland access and corridor integration

ENERGY TRANSITION

Shore power, renewable electricity, green fuels, efficient equipment and lower-carbon vessels

DIGITALIZATION & CYBER RESILIENCE

Port community systems, maritime single windows, operational data, automation and cybersecurity

RESILIENCE & CONNECTIVITY

Climate adaptation, disruption preparedness, Small Island Developing States, ferries and regional connectivity

SHIPPING & FLEET FINANCE

Energy-efficient ships, electric ferries, fleet renewal, ship finance and network analysis

Objective: efficient, resilient maritime gateways that crowd in investment and lower trade costs

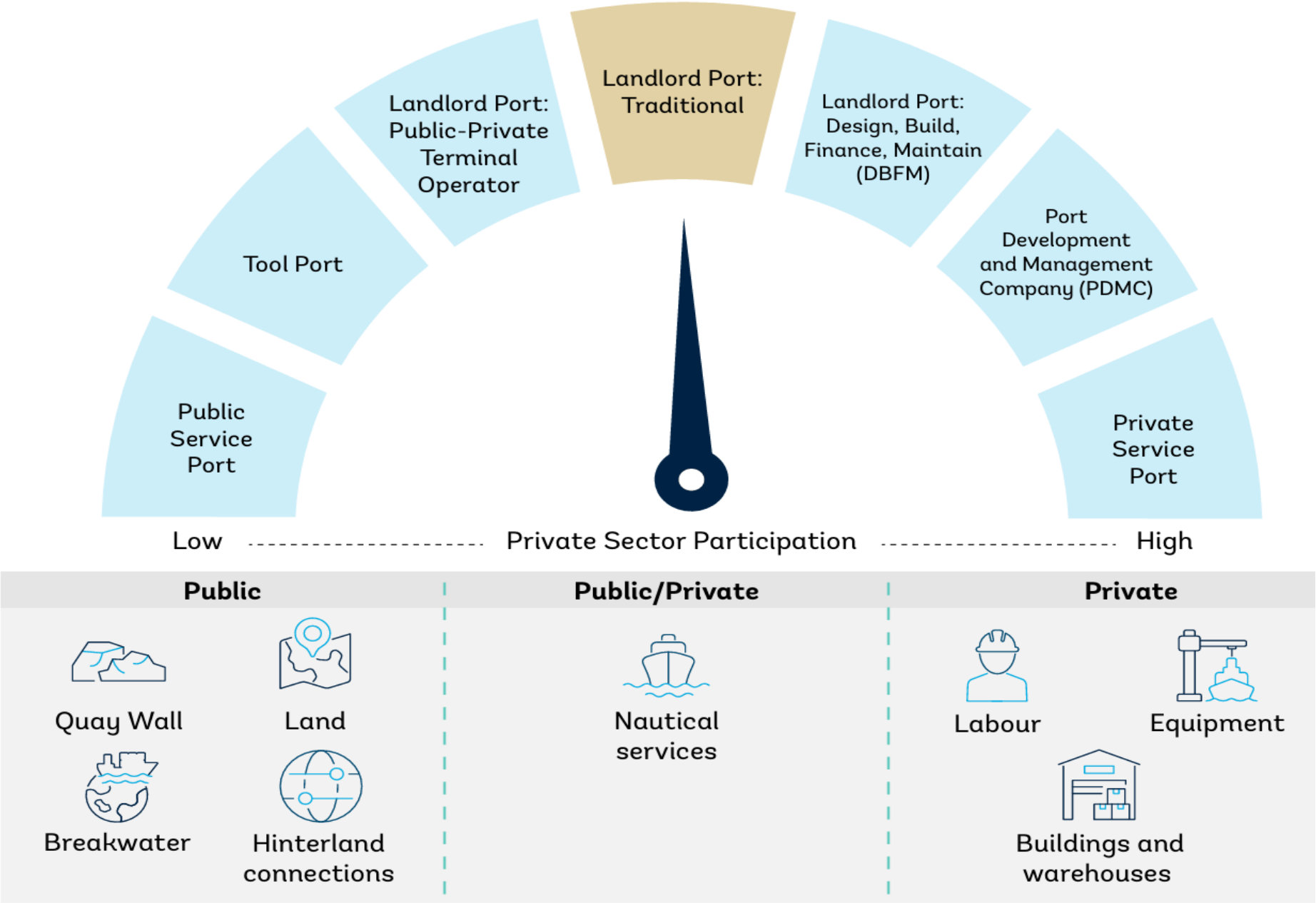
Enhanced importance of partnerships and collaboration

The importance of private operators

- + Digitalization, Automation, Optimization & AI
- + Mobilization of financing & “skin in the game”
- + large private operators have strong ties to shipping companies => This helps bring and maintain business, increasingly important for robust business and operations
- Some ports have strategic national value with desire to keep public
- Easier contractually to adapt to business uncertainties

Typical Port Management Models

Source: Port Reform Toolkit,
the World Bank Group



Source: World Bank.

General allocation of responsibilities in port management models

Source: Port Reform Toolkit, the World Bank Group

Port management model	Private participation	Regulation	Infrastructure	Superstructure	Equipment	Labor	Nautical services
Public Service Port	Zero	Public	Public	Public	Public	Public	Public
Tool Port	Very low	Public	Public	Public	Public	Private	Public or private
Landlord Port (Traditional)	Medium	Public	Public	Private	Private	Private	Public or private
Landlord Port (Public-Private Terminal Operator)	Medium to high	Public	Public	Public & private	Public & private	Public & private	Public or private
Landlord Port (Design, Build, Finance, Maintain [DBFM])	High	Public	Public & private	Private	Private	Private	Public or private
Port Development and Management Company	Very high	Public	Public & private joint venture	Private	Private	Private	Private
Private Port	Maximum	Public or private	Private	Private	Private	Private	Private

Overview:

The **World Bank Group (WBG)** is a global development institution that provides financial and technical assistance to countries to reduce poverty and promote sustainable growth. Established in 1944, it consists of five institutions:



IBRD

INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT

Provides loans to
governments of middle-
income countries.



IDA

INTERNATIONAL
DEVELOPMENT
ASSOCIATION

Provides loans and grants
to governments of lower-
income countries.



IFC

INTERNATIONAL
FINANCE
CORPORATION

Promotes development by
financing private sector enterprises
in developing countries.



MIGA

MULTILATERAL
INVESTMENT GUARANTEE
AGENCY

Promotes foreign direct
investment into developing
countries by offering
political risk insurance
(guarantees) to investors
and lenders.



ICSID

INTERNATIONAL CENTRE
FOR THE SETTLEMENT OF
INVESTMENT DISPUTES

Provides international
facilities for conciliation and
arbitration of investment
disputes.

IBRD, IDA and IFC are all three rated AAA/Aaa. They share the same overall development goals but are legally separate entities. Each has its own risk profile and capital structure. The World Bank Treasury is the treasury for IBRD and IDA.



WORLD BANK GROUP

International Bank for Reconstruction and Development (IBRD):

- **IBRD** is the world's largest development bank, providing financial products and policy advice to Governments in middle-income and creditworthy low-income countries. It helps reduce poverty and promote sustainable growth by offering loans with favorable terms,
- **IBRD** loans have generally the same terms to all IBRD countries and require a sovereign guarantee.
- **IBRD** projects support Governments' reforms and investment and reinforces the WBG global clout and convening power.

By leveraging its AAA credit rating, IBRD provides countries with cost-effective financing and risk management solutions to drive sustainable development.

Select Key Financial Products:

IBRD Flexible Loan (IFL):

- The primary lending product, offering long maturities, market-based interest rates reflecting **IBRD's AAA credit rating**, flexible repayment terms, and embedded risk management tools.

Risk Management Products:

- Helps clients manage currency and interest rate risks to enhance financial stability.

Catastrophe Risk Financing:

- Includes the **Catastrophe Deferred Drawdown Option (Cat DDO)** for post-disaster financing and catastrophe bonds transferring risk to investors.

International Development Association (IDA):

- **IDA** was established in 1960, is the part of the World Bank that helps the world's poorest countries.
- **IDA** provides grants and low-interest loans to low-income countries. IDA terms are generally for all low-income countries.
- **IDA** replenishments are done on a regular basis (~ every 3 years) where grants by donors to IDA are leveraged (~ 4 to 1) to increase the IDA financing envelope.

IDA is a largely subsidized financing to help the poorest. Regular IDA replenishment by donors allow sustaining low financing cost to low-income countries.

Key Products and Services:

Concessional Loans (Credits):

- IDA offers loans with zero or very low interest rates and extended repayment periods of 25 to 38 years, including a 5- to 10-year grace period. These terms alleviate the financial burden on low-income countries, enabling them to invest in critical areas such as infrastructure, education, and healthcare.

Grants:

- For countries at higher risk of debt distress, IDA provides grants that do not require repayment. This assistance supports initiatives aimed at boosting economic growth, reducing inequalities, and improving living conditions.

Policy Advice and Technical Assistance:

- Beyond financial support, IDA offers policy advice and technical assistance to help countries implement effective development strategies and build institutional capacity.

International Finance Corporation (IFC):

- **IFC** is the largest global development institution focused on the private sector in developing countries. With a **AAA credit rating**, IFC provides financing on favorable terms to support sustainable **private sector** growth.
- **IFC** instruments are generally priced on commercial terms, reflecting country, industry, and project risks
- At a project level, **IFC** financing has generally both development and profitability targets
- **IFC** can finance firms in select high-income countries (GCC) that are investing in developed economies.

IFC mobilizes capital and expertise to foster sustainable private sector development, driving economic progress in emerging markets.

Select Key Financial Products:

Investment Services:

- **Loans & Equity Investments** – Direct funding for private enterprises.
- **Trade & Structured Finance** – Supporting trade and large-scale projects.
- **Risk Management & Local Currency Financing** – Tools to manage financial risks.

Advisory Services:

- **Access to Finance** – Expanding financial inclusion.
- **Investment Climate** – Helping governments improve business environments.
- **Sustainability & Governance** – Promoting responsible business practices.

Multilateral Investment Guarantee Agency (MIGA):

- **MIGA** provides a range of guarantees instruments to de-risk investments and promote foreign direct investment in developing countries.
- **MIGA** products can ensure against a variety of risks be it political risks or project level risks (such as Partial Risk Guarantees PRGs), and contribute to credit enhancement.
- **MIGA** guarantees improve the returns and profitability of a range of financing products, be it governments' bonds or private sector investments.

**By mitigating investment risks,
MIGA boosts investor confidence
and facilitates sustainable
development.**

Select Key Financial Products:

Political Risk Insurance (PRI):

- Protects investors against risks such as **currency inconvertibility, expropriation, war & civil disturbance, breach of contract, and non-honoring of financial obligations**

Credit Enhancement:

- Helps projects secure financing on better terms by reducing investment risks

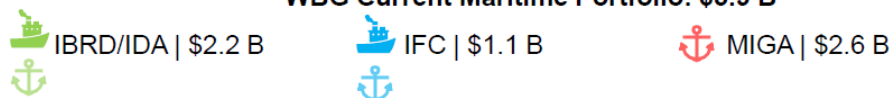
WBG Ports Financing: A global program, with new flagship engagements

Selected ongoing and advanced pipeline activities. Markers indicate country-level engagement, not precise project sites.

2

WBG IN MARITIME: LEVERAGING PUBLIC SECTOR FUNDING AND PRIVATE SECTOR FINANCE

WBG Current Maritime Portfolio: \$5.9 B



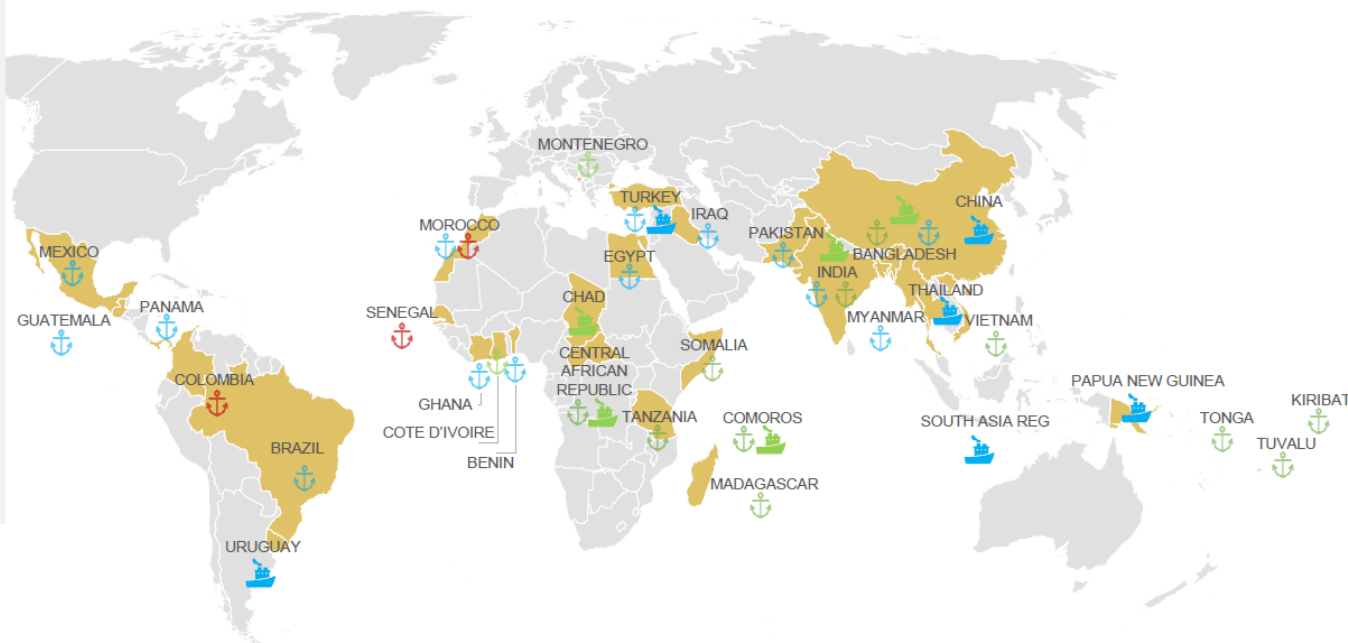
Note: This map does not include IBRD/IDA advisory or technical assistance provided to the Caribbean, Morocco, Colombia, South Africa, Sri Lanka, etc.

Highlights

- Over 50% of IFC's port portfolio is driven by global clients managed by the Global team



- IBRD maritime portfolio includes port development and connectivity projects, including river transportation and inter-island travel
- MIGA's port projects make up 40% of their transport exposure



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Upcoming large programs

TANZANIA | KAZI MPA

A regional Central Corridor program in preparation, including Dar es Salaam port modernization and connectivity (BANDARI), rail, road and logistics interventions. Board approval is targeted for March 2027.

SOUTH AFRICA | SPRINT MPA

A phased port and rail transformation program focused on operational performance, financial sustainability and infrastructure quality. Expected approval: December 2, 2026.

The proposition to partners

The World Bank Group can engage upstream, invest alongside the private sector, and bring global evidence to implementation.

1

SYSTEM VIEW

Ports are gateways within corridors and shipping networks, not isolated assets.

2

PUBLIC + PRIVATE

Public investment in common infrastructure and reform can unlock competitive private investment.

3

PERFORMANCE + TRANSITION

Capacity, productivity, resilience, digitalization and energy transition must be addressed together.

4

GLOBAL + LOCAL

Global benchmarks and toolkits are translated into country programs and bankable transactions.

Partnership opportunity: identify where policy, infrastructure, terminal investment, shipping solutions and data can be sequenced for maximum development impact.

SCCT (EGYPT)

- Suez Canal Container Terminal S.A.E (SCCT), the largest container terminal in Egypt, is located at the northern end of the Suez Canal and offers favorable access to key markets in the wider Mediterranean region, Egypt, Levant, Black Sea, and Adriatic Sea.
- In FY24, IFC signed a **US\$175 million** own account debt financing to fund the design, construction, and operation of a 2.1 million twenty-foot equivalent unit (TEU) expansion adjacent to the SCCT's current terminal in Port Said East, Egypt.



PROJECT HIGHLIGHTS

- The project is expected to **improve operational efficiency and productivity, promote global trade, and reduce GHG emissions.**
- This transaction supports a strategic transshipment hub's **expansion** project, resulting in a total installed capacity of 6.6 million TEU from the current 4.5 million TEU.
- **Facilitating decarbonization:** SCCT will electrify port equipment, install energy-efficient LED lighting and pilot electric trucks to replace diesel trucks during the expansion's operational phase.
- IFC played a **countercyclical financing role** and helped raise **additional long-term financing** for the project at a critical time.



DAMIETTA CONTAINER TERMINAL (EGYPT)

- Damietta is one of the oldest ports in Egypt and a leading port in the Mediterranean. Damietta Alliance Container Terminals is owned by Eurogate, Contship Italia, and Hapag-Lloyd, the world's fifth-largest shipping company.
- In **FY24**, IFC signed a **US\$455 million** financing package for Damietta Alliance Container Terminals, which included IFC own account loan of **US\$120 million** to support the construction and operation of a second container terminal.



PROJECT HIGHLIGHTS

- The project will support the development of a superstructure and other infrastructure at Damietta Port, **tripling its capacity to handle containers**, while reducing the cost and time of trade. Damietta has a strategic geographical location in the East Mediterranean that is an important transit point for trade routes between Europe and Asia.
- **E&S support:** IFC will also provide capacity building to help Damietta Alliance Container Terminals strengthen its environmental and social management system, including processes to oversee safe and healthy working conditions, manage the project works and engagement with local communities in line with IFC's Performance Standards.



TANGER MED PORT AUTHORITY (MOROCCO)

- The Tanger Med port complex is a global logistics hub located on the Strait of Gibraltar, offering handling capacity for over 9 million containers, 7 million passengers, 700,000 trucks and 1 million vehicles. It has become the first port in Africa and the Mediterranean and performs among the top globally in terms of efficiency.
- In **FY25**, IFC and MIGA committed a debt financing package of **EU400 million** for Tanger Med Port Authority (TMPA) to support the extension of the Passenger and Roll-on/Roll-off Port at Tanger Med. The financing consists of an A loan of **EUR150 million**, an MCPP loan of **EUR47 million**, and **EUR203 million** of commercial loans supported by a non-honoring guarantee from MIGA.



PROJECT HIGHLIGHTS

- The project will support the extension of the Passenger and Roll-on/Roll-off Port at Tanger Med. Once completed, this will enable **additional passenger activity and increased truck processing** from a current capacity of 700,000 trucks per year **to more than 1 million units per year**.
- IFC's loan to Tanger Med is **the first sustainability linked loan** in Morocco and **among the first in the port sector in emerging markets** globally. It is also **IFC's first financing to a landlord port authority**.
- The project demonstrates how World Bank Group instruments can be leveraged in a complementary manner to mobilize private capital at scale for developmental infrastructure projects. **IFC played a key role in mobilizing the commercial bank tranche**.



Morocco: Boosting maritime connectivity through private investment Tanger Med Port Complex (TMPC) Project

Project Overview

- Extension of the Passenger and Roll-on/Roll-off port at Tanger Med port to increase passenger activity and increased truck processing up to 1.5 million/year
- The transaction was processed in tandem with IFC and demonstrates how various World Bank Group instruments can be leveraged in a complementary manner to mobilize private capital at scale

Guarantee Holders



Cover Details

- Amount: \$214m (loan)
- Tenor: 15 years
- Risk: Non-Honoring of Financial Obligation by a State-Owned Enterprise (NH-SOE)
- Issued: October 2024

Simplified Project Structure

■ Obligor ■ Guarantee holder



Non-Honoring Guarantee



Tanger Med
Port Authority (SOE)

Loan



Internal funds

Debt



Oman: Promoting economic diversification away from hydrocarbons

Special Economic Zone at Duqm Project

Project Overview

- Design and construction of infrastructure projects for the development of the Special Economic Zone at Duqm

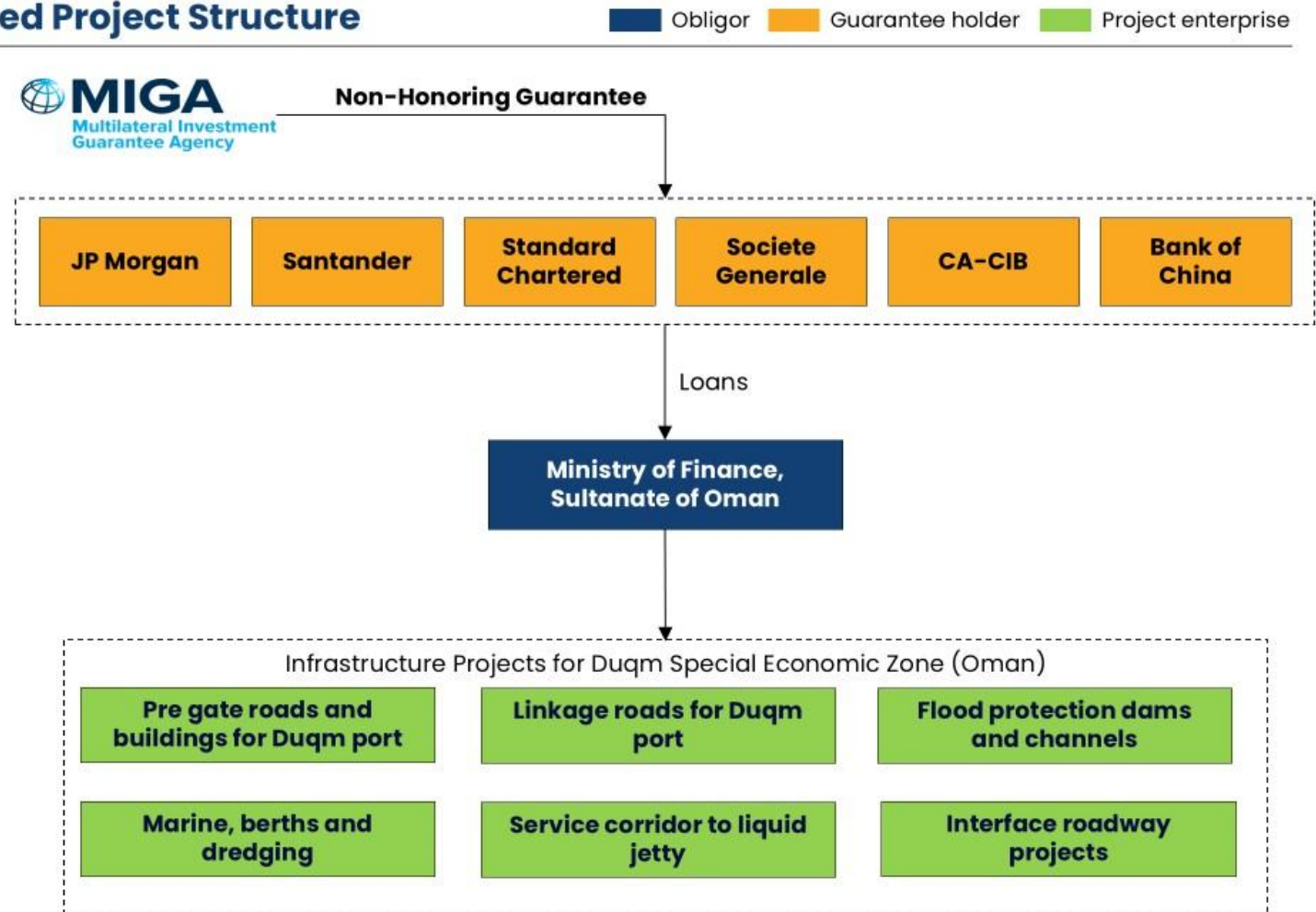
Guarantee Holders



Cover Details

- Amount: \$1,700m (loan)
- Tenor: 15 years
- Risk: Non-Honoring of Sovereign Financial Obligations
- Issued: June 2019

Simplified Project Structure



Djibouti: Improving container facilities to increase port traffic

Doraleh Container Terminal Project

Project Overview

- Development, construction and operation of a Greenfield Container Terminal with capacity for 1.5m tcus
- Musharaka Agreement created unincorporated joint venture as owner of the assets

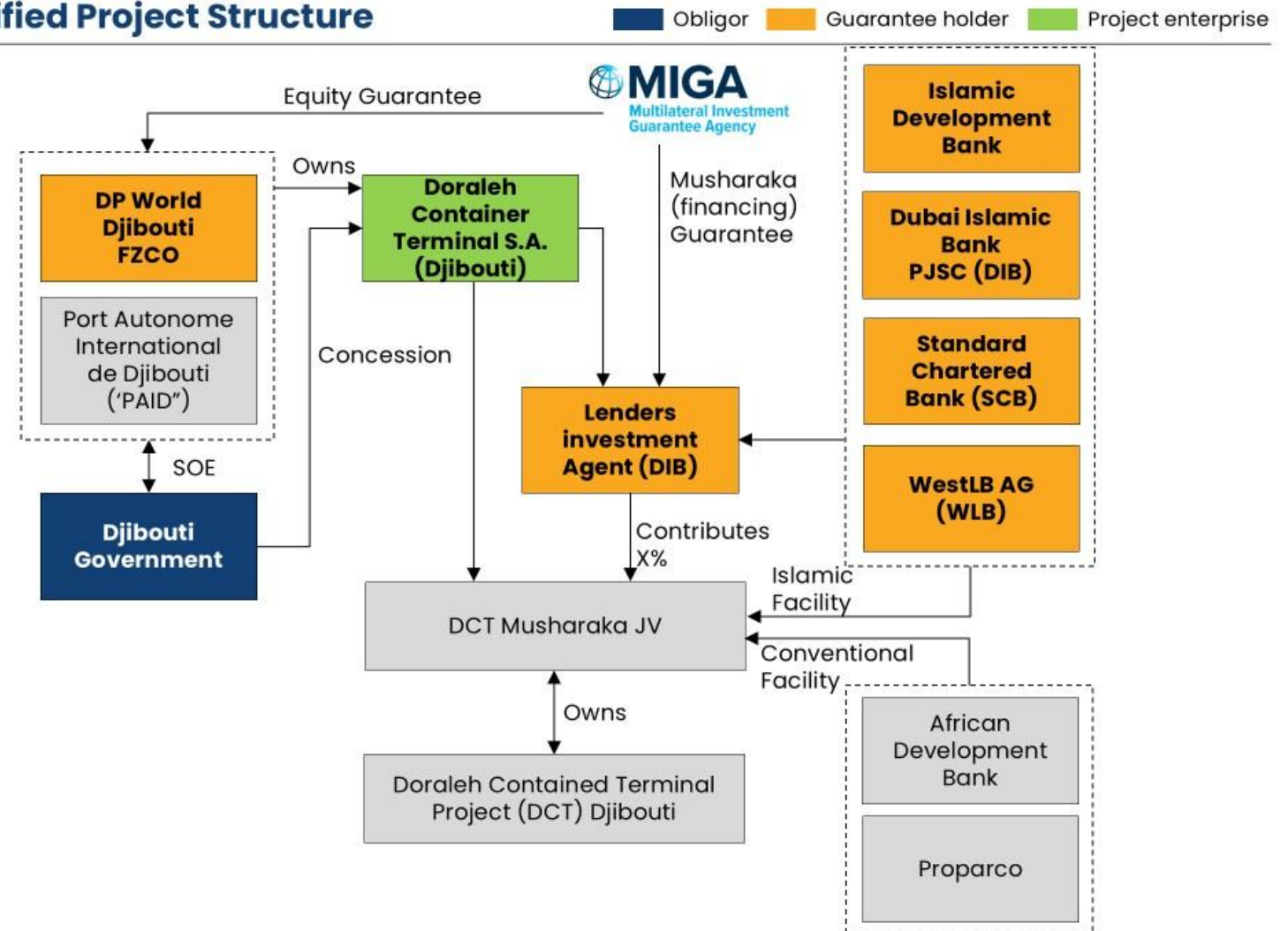
Guarantee Holders



Cover Details

- Amount: \$427m (equity, debt)
- Tenor: 10 years
- Risks: Breach of Contract, Expropriation, Currency Inconvertibility & Transfer Restriction, War & Civil Disturbance
- Issued: December 2007

Simplified Project Structure



Thank You

