



## Private Participation in Infrastructure in Middle East and North Africa in the Last Decade

Between 2000 and 2009, 12 countries out of the 13 of the Middle East and North African region implemented 98 infrastructure projects with private participation (PPI). Those projects involved investment commitments (hereafter, investment) of \$51.6 billion<sup>1</sup>. That investment together with additional investment in existing projects brought the total in the region to \$60.9 billion<sup>2</sup>. With this, the Middle East and North Africa accounted for 4% of the activity in developing countries by number of projects and 6% by investment. Annual investment in the region was around \$12 billion in 2006 and 2007, but then declined to half of that amount.

Private activity in infrastructure in the Middle East and North Africa was concentrated on **Egypt, Algeria and Morocco**. These countries accounted for more than 60% of total investments in the region.

**Telecom** has been the most successful sector, attracting 69% of regional investment (or \$42.3 billion) and implementing 30 projects in 11 countries.

- New telecom projects accounted for 78% of the investment in the sector, and additional investment in projects implemented in the 1990s for the remaining 22%.
- Most new projects were greenfield operators (20) and attracted \$19.5 billion in investment. The region also divested 6 telecommunications companies worth \$13.3 billion in investment. In addition, 4 management contracts were signed for existing operators.
- Most projects were stand alone mobile operators followed by multiservice providers.

**Energy** accounted for 14% of regional investment (or \$8.8 billion) which was directed to 23 projects in 9 countries.

- Electricity generation accounted for most of the activity: 18 projects and \$6.1 billion investment. Those projects had a total capacity of over 10,100 MW.
- There were two electricity distribution projects and one combined water supply and electricity distribution project. Those projects involved investments of \$1 billion.
- There were also two natural gas transmission projects representing investment of \$1.7 billion.
- Greenfield projects were the most used type of PPI: 18 projects and \$7.7 billion investment. There were also 3 divestitures and 2 concessions with investments of \$1.1 billion.

**Transport** was the third most active sector, accounting for 11% of regional investment (or \$6.6 billion) directed to 29 projects in 9 countries.

- The activity in transport was dominated by seaports with 18 projects and \$4.4 billion investment.
- There were also 9 airports, 1 railroad and 1 road projects with investments of \$2.2 billion.
- Greenfield projects were the prevalent type of PPI with 11 projects and \$3.4 billion. Concession followed with 10 projects and \$3.0 billion.

**Water and sanitation** accounted for 5% of regional investment (or \$3.3 billion) which was directed to 16 projects in 3 countries: Algeria, Jordan and Lebanon.

- Of the 16 water projects, 13 were located in Algeria: nine greenfield projects for desalination treatment plants worth \$2.1 billion and four management contract for water utilities.
- The other projects were two greenfield projects for water supply in Jordan and a management contract for a water utility in Lebanon.

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<sup>1</sup>Data are reported in 2009 US\$ dollars adjusted by the US Consumer Price Index. 2009 data are preliminary and include only investment in new projects.

<sup>2</sup>The data on additional investment cover the period of 2000-2008, and includes projects that reached financial or contractual closure in 1990-1999.