



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

Regional overview

August 2011

A snapshot of private participation in infrastructure in Sub-Saharan Africa in the last decade

Between 2000 and 2010, 42 countries out of the 48 in Sub-Saharan Africa implemented 249 infrastructure projects with private participation (PPI).¹ These projects involved investment commitments (hereafter, investment) of US\$61.3 billion. That investment, together with additional investment in existing projects, brought the total in the region to US\$106 billion². With this, Sub-Saharan Africa accounted for 9% of the activity in developing countries by number of projects and 8% by investment.

Private activity in infrastructure in Sub-Saharan Africa was concentrated in Nigeria and South Africa, with each of these countries accounting for more than a quarter of total investments in the region.

IDA countries in the region implemented 216 projects which, together with additional investment in existing projects, involved investment of US\$75 billion. Investment in IDA countries varied between US\$10 billion and US\$12 billion in 2007–10. Telecommunications accounted for 80% of such investment and electricity for 12%.³

Telecom was the most successful sector, attracting 81% of regional investment (or US\$86 billion) and implementing 100 projects in 39 countries.

- Most of the projects (76) were new (greenfield) telecom operators which, together with the projects implemented in 1990s, attracted US\$65.2 billion in investment. The region also divested 21 telecommunications companies, which together with the projects implemented in 1990s, accounted for US\$20.3 billion in investment.
- Stand alone mobile operators, followed by multiservice providers, were the most common types (or categories) of projects.

Transport was the second most active sector, accounting for 11% of regional investment (or US\$11.3 billion) directed to 60 projects in 20 countries.

- The activity in transport was dominated by seaports with 40 projects and US\$4.8 billion in investment.
- There were also eleven railroads, five airports and four road projects with investments of US\$6.6 billion.
- Concessions were the prevalent type of PPI with 49 projects and investment of US\$6.4 billion. Greenfield projects followed with 6 projects and US\$4.9 billion. Of that amount, US\$3.9 billion went to the Gautrain light rail in South Africa.

Energy accounted for 8% of regional investment (or US\$8.8 billion) which was directed to 74 projects in 27 countries.

- Greenfield projects were the most used type of PPI: 48 projects and US\$6.5 billion in investment. Of these, 20 were rental power plants which were used to ameliorate the power crisis in the region.
- Concessions followed with 11 projects and US\$1.7 billion in investment.

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¹ The PPI Project Database currently uses the FY10 World Bank country classification released in July 2010. Data on infrastructure projects with private participation include primarily medium-size and large projects in low and middle income countries as reported by the media and other public sources. Small-scale projects are generally not included because of lack of public information. More information is available at <http://ppi.worldbank.org/>.

² Investment data are in 2010 US dollar using the US CPI to adjust to 2010 values.

³ IDA countries those that can borrow from International Development Association (IDA) on concessional terms given their relative poverty (GNI per capita below US\$1,135 in 2010) or lack creditworthiness to borrow on market terms. These data do not include blend countries in the region (Cape Verde and Zimbabwe).



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- Electricity generation accounted for most of the activity: 52 projects and US\$5.2 billion in investment. These projects had a total capacity of over 6,600 MW.
- There were 17 projects involving electricity distribution and integrated utilities. These projects involved investments of US\$1.3 billion.
- There were five natural gas transmission and distribution projects representing investment of US\$2.3 billion.

Water and sanitation had 15 projects involving investments of US\$187 million in 13 countries.

- 13 were for management or lease contracts: 11 for water and sewerage utility and 2 for sewerage treatment plant.
- The other two projects were a water utility concession in South Africa and a BOT for a water treatment plant in Sudan.