

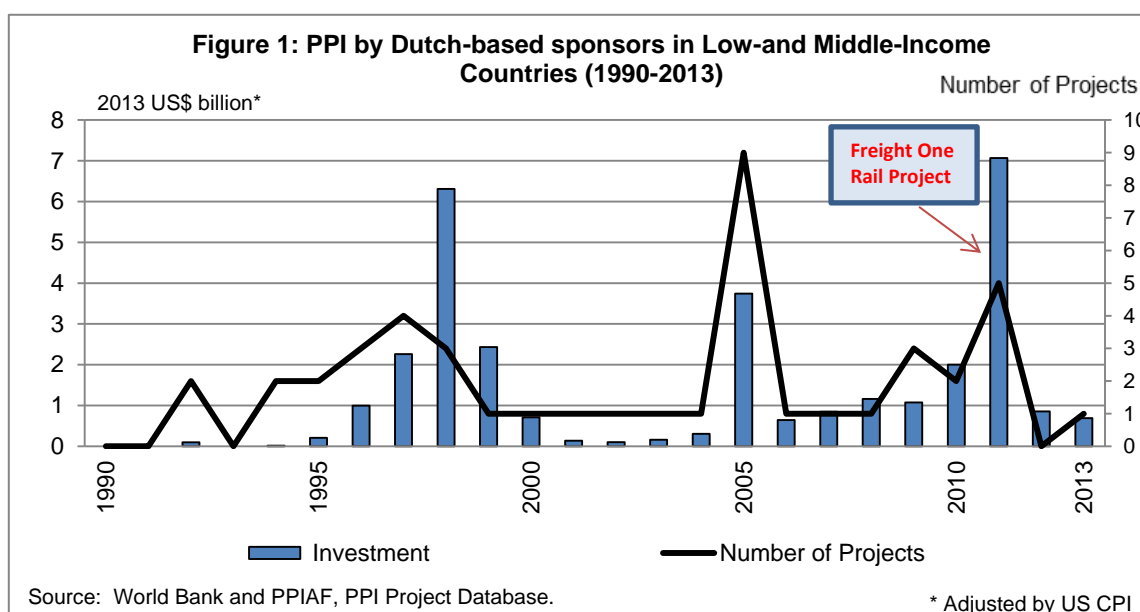
Snapshot: Dutch-sponsored Private Participation in Infrastructure (PPI)¹

March 2015

PPI Update Note

Introduction

Dutch-based companies sponsored 45 new infrastructure projects with investment commitments of US\$31.8 billion² from 1990 to 2013. These projects were implemented in 23 countries in energy, transport, telecom and water and sewerage sectors.³ Over 53% of all investment commitments closed in three years (1998, 2005 and 2011). Private investment commitments peaked in 2011 when Dutch-based companies sponsored five new infrastructure projects totaling US\$7.1 billion (Figure 1). The largest of the five deals was a US\$4.4 billion railroad project in Russia in which Dutch-based UCL Rail was awarded the project in 2011 as part of a consortium. However, the most active sponsor from 1990 to 2013 was Shell with total investment commitments of US\$7.4 billion in 13 projects. Overall, the majority of infrastructure investment by Dutch sponsors was concentrated in upper-middle income countries with 26 projects; twelve were in lower-middle income countries and seven were in low-income countries.⁴



This note is a product of the Public Private Partnership Group of the World Bank, and the Private Participation in Infrastructure Database (PPI Database), written by Yanhuan Wang and edited by Henry Kasper and Alexander N. Jett.

¹ Private Participation in Infrastructure (PPI) is defined by the World Bank's Private Participation in Infrastructure Database. Its methodology is available at http://ppi.worldbank.org/resources/ppi_methodology.aspx.

² Total investment amounts have been adjusted using 2013 US CPI values throughout the text.

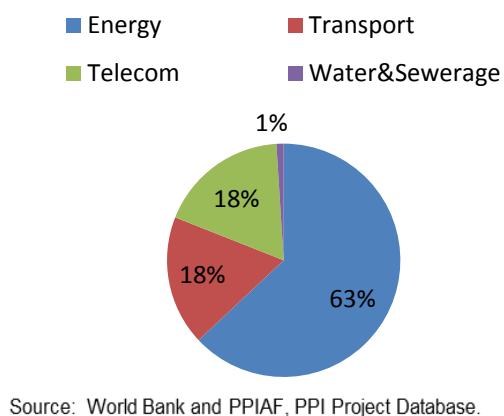
³ The analysis includes projects in which Dutch sponsors held an equity stake as of 2013. Cancelled projects, projects under development and projects where Dutch sponsors sold their equity participation before 2013 are not included.

⁴ This analysis uses the World Bank's country classification (July 2013), which groups developing countries in the following income categories: low-income countries (2013 GNI per capita of \$1,035 or less), lower-middle income countries (2013 GNI per capita of \$1,036 - \$4,085) and upper-middle income countries (2013 GNI per capita of \$4,086 - \$12,615).

Sector Overview

Of the 45 infrastructure projects, 27 were in the **energy** sector, representing 63% of total investment (Figure 2). About half of these commitments (US\$10.2 billion) were in Brazil. Energy projects were primarily greenfield power plants implemented under Build-Own-Operate (BOO) and Build-Operate-Transfer (BOT) arrangements. **Transport** and **telecom** attracted roughly US\$5.8 billion each and together comprised 36% of total investment (US\$11.6 billion of US\$31.8 billion). Over 91% of investment commitments in telecom took place in Kazakhstan and over 77% of investment commitments in transport took place in the Russian Federation, mostly due to a single railroad project. Dutch sponsors made limited investments in **water & sewerage** (0.4% of total investment). The two water projects—one each in Ghana and Philippines—reached financial closure in 2005 and 1997, respectively, for a combined US\$130 million.

Figure 2: PPI by Dutch Sponsors by Sector, 1990-2013



Regional Overview

Dutch-based sponsors were most active in two regions: **Europe and Central Asia (ECA)** and **Latin America and the Caribbean (LAC)**. ECA attracted 43% of total investment in eleven projects, while

LAC comprised 42% of total investment and was the recipient of 10 projects. Of LAC's 10 projects, seven were in Brazil, making it the largest destination of any country among Dutch-based sponsors. **Sub-Saharan Africa (AFR)** comprised 11% of total investment by attracting 12 deals. Leading the way was Nigeria with three, Ghana with two, Liberia with two and Mozambique with two. Australian sponsors had limited exposure to infrastructure projects in **South Asia**, which attracted only 0.3% of total investment. Awarded projects include a greenfield electricity generation plant in Bangladesh and a pair of transport projects—one in India and one in Pakistan.

Figure 3: PPI by Dutch Sponsors by Region, 1990-2013

