



Private Participation in Infrastructure in Sub-Saharan Africa in the Last Decade

Between 2000 and 2009, 43 countries out of the 48 in Sub-Saharan Africa implemented 238 infrastructure projects with private participation (PPI). Those projects involved investment commitments (hereafter, investment) of \$47.6 billion¹. That investment together with additional investment in existing projects brought the total in the region to \$79 billion². With this, Sub-Saharan Africa accounted for 10% of the activity in developing countries by number of projects and 9% by investment. Since 2006 investment in the region has been in the range of \$12–\$13 billion per year.

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

Telecom has been the most successful sector, attracting 76% of regional investment (or \$60 billion) and implementing 97 projects in 37 countries.

- New telecom projects accounted for 47% of the investment in the sector, and additional investment in projects implemented in the 1990s for the remaining 53%.
- New projects were either greenfield operators (76) or divested telecommunications companies (19).
- Most projects were stand alone mobile operators followed by multiservice providers.

Transport was the second most active sector, accounting for 14% of regional investment (or \$10.8 billion) directed to 57 projects in 19 countries.

- The activity in transport was dominated by seaports with 37 projects and \$4.2 billion investment.
- There were also 12 railroads, 4 airports and 3 roads projects with investments of \$6.6 billion.
- Concessions were the prevalent type of PPI with 46 projects and \$6 billion. Greenfield projects followed with 6 projects and \$4.7 billion. Of that \$3.7 billion went to the Gautrain light rail in South Africa.

Energy accounted for 10% of regional investment (or \$8 billion) which was directed to 69 projects in 27 countries.

- Electricity generation accounted for most of the activity: 48 projects and \$4.5 billion investment. Those projects had a total capacity of over 6,620 MW.
- There were 16 projects involving electricity distribution and integrated utilities. Those projects involved investments of \$1.2 billion.
- There were five natural gas transmission and distribution projects representing investment of \$2.2 billion.
- Greenfield projects were the most used type of PPI: 43 projects and \$5.7 billion investment. Of these, 18 were rental power plants which were used to ameliorate the power crisis in the region.
- Concessions followed with 12 projects and \$1.7 billion investment.

Water and sanitation had 15 projects involving investments of \$179 million in 13 countries.

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

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

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