Regional overview

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). 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 billion. 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%.

**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.

This note was written by Ada Karina Izaguirre, Infrastructure Specialist, in the Finance, Economics, and Urban Development Department of the World Bank’s Sustainable Development Network.

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).
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.