



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 45

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Driven by Brazil, private infrastructure activity in Latin America showed strong growth in 2009

In 2009, 69 infrastructure projects with private participation reached financial or contractual closing in eight low-and middle-income countries in Latin America and the Caribbean, involving investment commitments (hereafter, *investment*) of US\$31 billion (table 1).¹ Infrastructure projects implemented in the 1990–2008 period attracted new investment of US\$21 billion, bringing total investment in infrastructure to US\$52 billion in 2009. This amount is 34% of the total investment to developing countries, the highest share of any developing region.

This activity represents an increase of 8% by investment and 19% by the number of projects from 2008. Investment in new projects rose by 83% from 2008. By contrast, investment in projects implemented in previous years fell by 33%.

Brazil, which saw investment grow by 26%, accounted for 75% of investment and 47 of the 69 new projects in the region. The other countries with new PPI projects were Peru (eight projects), Chile (five), and Mexico (four), and the Dominican Republic (two). Argentina, Costa Rica, and Haiti each implemented one new project.

Most of the activity was concentrated in greenfield projects (BOT, BOO, merchant, rental), which attracted 54% of investment and 48 new projects. Concessions followed with 24% of investment and 20 new projects. Divestitures accounted for 18% of the investment and there was one management contract.

Energy had the most activity with 43 projects in four countries and investment of US\$25.1 billion. This investment represents a 127% increase from 2008, the highest level since 1998. Energy comprised 48% of regional investment.

- Brazil had 37 projects and 93% of regional investment in energy. Of these, 26 projects were for greenfield power plants and 11 for new transmission lines. However, two mega projects (Santo Antonio and Jirau hydro power plants) accounted for almost half of the investment in Brazil.
- Chile implemented three projects: the Totoral wind farm, the Monte Redondo wind farm and the Chacayes hydroelectric plant. These projects were implemented under Merchant and BOO schemes.
- In Peru, a transmission line and a hydroelectric plant reached financial closing while Costa Rica implemented the Eolica Guanacaste wind farm. These projects were signed under BOO/BOT contracts.
- Electricity generation accounted for 31 projects with US\$19.9 billion in investment and 10.4 GW of new capacity. The two mega hydropower plants in Brazil explained most of the new investment and generating capacity, with investment totaling US\$12.1 billion and capacity totaling 6.5 GW.
- There were also 12 electricity transmission projects extending 4,276 kilometers with investment of US\$1.5 billion.

Telecom did not have any new projects, but the sector attracted investment of US\$14.8 billion. This represents a 37% decline from the level in 2008. Telecom accounted for 28% of regional investment.

- Brazil accounted for just 29% of regional investment in the sector.
- Investment went mainly to mobile operators (39%) and multi-service providers (38%).

Transport had 23 projects in six countries and investment of US\$12.1 billion. Investment dropped by six percent from the level in 2008. Transport comprised 23% of regional investment.

- Brazil implemented eight transport projects and accounted for 71% of regional investment (US\$8.5 billion).
- Mexico followed with four projects and investments of US\$1.6 billion. Peru had with six projects and investment of US\$828 million. The Dominican Republic and Chile had two projects each and Argentina had one project.
- Roads were the most active subsector with 18 projects and US\$9.8 billion in investment. These projects included 5,330 km of roads, primarily in Brazil and Mexico. Of the roads, 15 were concessions and three were BOTs
- There were three port projects; the largest one was Super Port Acu LLX Minas-Rio in Brazil.
- There was also a new railway project in Peru and an airport concession in Argentina.

Water and sewerage had three projects and investments of US\$14.8 million, the lowest activity since the early 1990s.

- Two new utility concessions were signed in Brazil with one involving investment of US\$6 million. The other project was a management contract for a small utility in Haiti.
- The remaining water and sewerage investment was in previously implemented concessions in Brazil.

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¹ 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/>.



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Table 1. Infrastructure projects with private participation reaching financial or contractual closing in Latin America and the Caribbean in 2009

Energy				
Country	Project Name	PPI Subtype	Segment	Total Investment*
Brazil	Alegria Wind Park	Greenfield project (BOO)	Electricity generation	147
Brazil	Anhanguera Small Power Plant	Greenfield project (BOT)	Electricity generation	50
Brazil	ATE IV - Sao Mateus Transmissora de Energia	Greenfield project (BOT)	Electricity transmission	78
Brazil	ATE V - Londrina Transmissora de Energia S.A.	Greenfield project (BOT)	Electricity transmission	64
Brazil	ATE VI - Campos Novos Transmissora de Energia S.A.	Greenfield project (BOT)	Electricity transmission	59
Brazil	ATE VII Foz do Iguacu Transmissora de Energia S.A.	Greenfield project (BOT)	Electricity transmission	27
Brazil	Barra do Brauna Hydro Power Plant	Greenfield project (BOT)	Electricity generation	96
Brazil	Bons Ventos Wind Farm Portfolio	Greenfield project (BOO)	Electricity generation	377
Brazil	Centrais Elétricas da Paraíba (EPASA)	Greenfield project (BOO)	Electricity generation	304
Brazil	Chapadao - Jatai Transmission Line	Greenfield project (BOT)	Electricity transmission	154
Brazil	Codora Thermal Power Plant	Greenfield project (BOO)	Electricity generation	33
Brazil	Companhia Nacional de Acucar e Alcool (CNAA)	Greenfield project (BOO)	Electricity generation	0
Brazil	ETH Bioenergia	Greenfield project (BOO)	Electricity generation	0
Brazil	Gargau Wind Power Plant	Greenfield project (BOO)	Electricity generation	65
Brazil	Geradora de Energia do Norte S.A.	Greenfield project (BOO)	Electricity generation	300
Brazil	Guaira Thermal Power Plant	Greenfield project (BOO)	Electricity generation	50
Brazil	Impsa Wind Farm Portfolio	Greenfield project (BOO)	Electricity generation	720
Brazil	Iracema Transmissora de Energia	Greenfield project (BOT)	Electricity transmission	131
Brazil	Itaqui Power Plant	Greenfield project (BOO)	Electricity generation	900
Brazil	Jauru Transmissora de Energia	Greenfield project (BOT)	Electricity transmission	202
Brazil	Jirau Power Plant	Greenfield project (BOT)	Electricity generation	5,300
Brazil	Juba-Jauru-Maggi-Nova Mutum Transmission Line	Greenfield project (BOT)	Electricity transmission	109
Brazil	Malagone Hydroelectric Power Plant	Greenfield project (BOT)	Electricity generation	46
Brazil	Pipoca Small Power Plant	Greenfield project (BOT)	Electricity generation	58
Brazil	Pocos de Caldas Transmissora de Energia	Greenfield project (BOT)	Electricity transmission	154
Brazil	Porto do Pecem I Power Plant	Greenfield project (BOO)	Electricity generation	1,400
Brazil	Porto do Pecem II Power Plant	Greenfield project (BOO)	Electricity generation	640
Brazil	Ribeirao Preto Transmissora de Energia	Greenfield project (BOT)	Electricity transmission	119
Brazil	Santo Antonio Power Plant	Greenfield project (BOT)	Electricity generation	6,800
Brazil	Sao Domingos II Hydro Power Plant	Greenfield project (BOT)	Electricity generation	68
Brazil	Sao Fernando Thermal Power Plant	Greenfield project (BOO)	Electricity generation	0
Brazil	Sao Simao-Itaguacu-Barra dos Coqueiros Transmission Line	Greenfield project (BOT)	Electricity transmission	50
Brazil	Serra do Facao Power Plant	Greenfield project (BOT)	Electricity generation	708
Brazil	Sykue Thermal Power Plant	Greenfield project (BOO)	Electricity generation	50
Brazil	Vale do Paracatu Thermal Power Plant	Greenfield project (BOO)	Electricity generation	0
Brazil	Vale do Sao Simao Thermal Power Plant	Greenfield project (BOO)	Electricity generation	32
Brazil	Viana Thermal Power Plant	Greenfield project (BOO)	Electricity generation	150
Chile	Chacayes Hydro Project	Greenfield project (BOO)	Electricity generation	428
Chile	Monte Redondo Wind Farm	Greenfield project (BOO)	Electricity generation	100
Chile	Total Wind Farm	Merchant	Electricity generation	140



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Costa Rica	Consortium Planta Eolica Guanacaste	Greenfield project (BOT)	Electricity generation	110
Peru	La Joya Hydroelectric Plant	Greenfield project (BOO)	Electricity generation	0
Peru	Transmission Line Carhuamayo – Carhuaquero	Greenfield project (BOT)	Electricity transmission	329

Transport				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Argentina	Trelew Airport Expansion	Concession (BROT)	Airports	6
Brazil	Ayrton Senna - Carvalho Pinto Highway	Concession (BROT)	Roads	727
Brazil	BR-324 and BR-116 Highways	Concession (BROT)	Roads	950
Brazil	Dom Pedro I Highway	Concession (BROT)	Roads	1,700
Brazil	Marechal Rondon Leste Highway	Concession (BROT)	Roads	909
Brazil	Marechal Rondon Oeste Highway	Concession (BROT)	Roads	806
Brazil	Raposo Tavares Highway	Concession (BROT)	Roads	1,242
Brazil	Santos Vehicles Terminal	Concession (RLT)	Seaports	125
Brazil	Super Port Acu LLX Minas-Rio	Greenfield project (BOO)	Seaports	900
Chile	Autopista Vallenar-Caldera	Concession (BROT)	Roads	290
Chile	Coronel-Tres Pinos Highway (Ruta 160)	Concession (BROT)	Roads	191
Dominican Republic	Boulevard Turistico Del Atlantico	Concession (BROT)	Roads	180
Dominican Republic	Santo Domingo Puerto Plata Highway	Concession (BROT)	Roads	450
Mexico	La Piedad Bypass and Access to Mexico-Gudalajara Highway	Greenfield project (BOT)	Roads	140
Mexico	Proyecto Pacifico Norte (Farac IIA)	Concession (BROT)	Roads	662
Mexico	San Luis Potosi Colorado-Estacion Doctor Highway	Greenfield project (BOT)	Roads	57
Mexico	Viaducto Bicentenario (Phase 1)	Greenfield project (BOT)	Roads	361
Peru	Autopista del Sol II	Concession (BROT)	Roads	365
Peru	Costa Sierra: Ovalo-Chancay-Huaral-Acos Stretch	Concession (ROT)	Roads	31
Peru	Inca Rail	Greenfield project (BOO)	Railroads	0
Peru	Nuevo Mocupe-Cayalti-Oyotun Highway	Concession (BROT)	Roads	16
Peru	Paíta Port	Concession (BROT)	Seaports	133
Peru	Red Vial IV	Concession (BROT)	Roads	283

Water and sewerage				
Country	Project name	PPI Subtype	Segment	Total investment*
Brazil	Aguas de Aracoíaba	Concession (BROT)	Water utility with sewerage	0
Brazil	Aguas de Canaa	Concession (BROT)	Water utility with sewerage	6
Haiti	Societe des Eaux de Saint Marc (SESAM)	Management contract	Water utility without sewerage	0

Note: BOT= Build, Operate, and Transfer; BOO = Build, Own, and Operate; Concession (BROT) = Build, Rehabilitate, Operate, and Transfer; Concession (RLT) = Rehabilitate, lease or rent, and transfer

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.