



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 46

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Private activity in infrastructure in the Middle East and North Africa remained stable in 2009

In 2009, 8 infrastructure projects with private participation reached financial or contractual closure in 5 low- and middle-income countries, involving investment commitments of US\$2.2 billion (table 1)¹. Infrastructure projects implemented in the 1990–2008 period attracted new investment of US\$3.9 billion, bringing total investment commitments (hereafter, *investment*) to infrastructure in the region to US\$6.1 billion in 2009.²

This activity is similar to the one reported in the region in 2008, when 10 new infrastructure projects with private participation (PPI) reached financial closing and investment totaled US\$6.0 billion. However, it is half of the annual investment reported in 2006 and 2007 when large telecommunications projects were implemented and PPI investment in the region reached its peak.

Private activity was concentrated on greenfield projects (BOT, BOO and merchant), which accounted for 85% of regional investment and 4 new projects in 2009. The other projects were two concessions, one lease, and one management contract while the remaining investment went mainly to previously implemented divestitures.

Egypt and Jordan accounted for 56% of regional investment in 2009. While Jordan implemented two new projects, no new project was implemented in Egypt.

Telecom had two new projects and investment of US\$4.0 billion. This investment is similar to the one in 2008. Telecommunications accounted for 66% of the regional investment

- Egypt accounted for 45% of regional investment in telecom.
- The new projects were a new mobile operator in Tunisia (Orange) and a second management contract for mobile operator Alfa in Lebanon.
- Investment in previously implemented projects accounted for US\$3.8 billion while the two new projects attracted US\$196 million.
- Investment went to mobile operators (64%) and multi-service providers (36%).

Water and sewerage had two projects and investment of US\$1.4 billion in 2009. This represents a 62% increase from the level in 2008. The sector accounted for 23% of the regional investment.

- In Algeria, the Magtaa Desalination Plant reached financial closing under a 25-year BOT agreement. The project represents investment of US\$468 million.
- In Jordan, the Disi-Amman water conveyor reached financial closing under a 25-year BOT agreement. The project represents investment of US\$951 million.
- With these two projects, the region accounted for 71% of total PPI investment in water and sewerage in developing countries.

Energy had one BOT project in Jordan: the 373MW Al Qatarna Power project which represents total investment of US\$465 million. This level of activity was similar to 2008.

Transport had three seaport projects and investment of US\$153 million in 2009. This represents an 85% drop from the level in 2008.

- In Algeria, two 30-year concessions for the ports of Algires and Djen-Djen reached contractual closing. The contacts involve investment of at least US\$108 million.
- In Lybia, a 10-year lease contract for the Lattakia container terminal reached contractual closing. The contract involves investment of US\$45 million.

In addition to the eight projects that reached financial or contractual closure in 2009, at least two wastewater treatment plants, one electricity generation project, and one seaport project were awarded throughout the year but did not reached closure by December 2009.

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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/>.

² This note uses the World Bank's definition of low and middle countries includes in the Middle East and North Africa region as of July 2009. High income countries in the region such as Qatar, Omar, and Saudi Arabia Emirates are not included in the analysis.



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Table 1. Projects with private participation reaching financial or contractual closing in the Middle East and North Africa in 2009

Energy				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Jordan	Al Qatarna Power Project	BOT	Electricity	465

Telecommunications				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Lebanon	Alfa Second management contract	Management contract	Telecom	Not applicable
Tunisia	Orange Tunisie	Merchant	Telecom	196

Transport				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Algeria	Port of Djen Djen	BOT	Seaports	Not available
Algeria	Ports of Algiers	BOT	Seaports	108
Syrian Arab Republic	Lattakia container terminal	Lease contract	Seaports	45

Water and sewerage				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Algeria	Magtaa Desalination Plant	BOT	Treatment plant	468
Jordan	Disi-Amman water conveyor	BOT	Treatment plant	951

Note: BOT= Build, Operate, and Transfer

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.