



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 48

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Private activity in infrastructure in Sub-Saharan Africa declined in 2009

In 2009, 11 infrastructure projects with private participation reached financial or contractual closing in 10 low- and middle-income countries, involving investment commitments of US\$1.2 billion (table 1)¹. Infrastructure projects implemented in the 1990–2008 period attracted new investment of US\$10.9 billion, bringing total investment commitments to infrastructure in the region to US\$12 billion in 2009.

This activity represents a decline of 11% by investment and 27% by number of projects compared with 2008. Investment in new projects fell by 60% from 2008. By contrast, investment in previously implemented projects remained stable.

Most of the private activity was concentrated in greenfield projects (BOT, BOO, merchant, rental), which attracted 80% of regional investment and 70% of new projects in 2009. The rest of the investment went primarily to divestitures.

Nigeria and South Africa accounted for 46% of regional investment in 2009, but none of them implemented a new project.

Telecom had investments of US\$11.3 billion which represents a 4% drop from the level in 2008.

- Telecommunications accounted for 96% of the regional investment.
- Of the total investment, four new projects implemented in four countries accounted for US\$500 million. while the rest was additional investment in previously implemented projects.
- The new projects included the partial divestiture of Sotelma, the state-owned multiservice provider in Mali, and three new mobile operators (Bintel in Gabon, Millicom International in Rwanda, and Green Network in Côte d'Ivoire).
- Nigeria and South Africa accounted for 48% of regional investment in telecom.
- Investment went mainly to mobile operators (68%) and multi-service providers (19%).

Energy had five projects in four countries and a total investment of US\$317 million in 2009. This level of investment represents a 42% decrease from the level in 2008.

- The five new projects were greenfield power plants and involved a total generation capacity of 244 megawatts (MW).
- In Liberia, the 35-MW Kakata power plant developed under the build-own-operate (BOO) modality reached financial closing. In Uganda, the 9-MW Buseruka Hydropower Plant developed under a 30-year build-operate-transfer (BOT) contract also reached financial closing. In Ethiopia, the government signed two 30-MW rental contracts. In Kenya the government also signed one 140-MW rental contract.
- In addition, a US\$105 million, 35MW expansion for Olkaria III geothermal project in Kenya reached financial closure. The first phase of Olkaria III geothermal project reached closure in 1999.

Transport had two projects involving investment of US\$423 million in 2009. This level of investment represents a 66% decline from the level in 2008.

- In Senegal, the 30-year Dakar-Diamniadio toll road concession reached contractual closing, involving investment of US\$264 million.
- In Guinea, the 25-year concession for the port of Conakry reached contractual closing. The contract involves investment of US\$159 million.

Water and sewerage saw no project in 2009.

Potential projects. In addition to the 11 projects that reached financial or contractual closing in 2009, at least 12 projects were awarded throughout the year but did not reach closing by December 2009. Those projects were distributed across sectors with four in energy, four in telecom and four in transport.

This note was written by Edouard Perard, research analyst, Finance, Economics, and Urban Development Department, Sustainable Development Network, World Bank.

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. Projects with private participation reaching financial or contractual closing in 2009

Energy				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Ethiopia	Aggreko 30MW Temporary power plant	Rental	Electricity generation	2
Ethiopia	Encom 30MW Temporary power plant	Rental	Electricity generation	2
Kenya	Aggreko 140 MW temporary rental power plant	Rental	Electricity generation	11
Liberia	Kakata power plant	BOO	Electricity generation	170
Uganda	Buseruka Hydropower Plant	BOT	Electricity generation	27

Telecommunications				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Côte d'Ivoire	Green Network	Merchant	Mobile access	n.a
Gabon	Azur	Merchant	Mobile access	50
Mali	Sotelma	Partial divestiture	Fixed access, mobile access, and long distance	383
Rwanda	Millicom Rwanda	Merchant	Mobile access	117

Transport				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Guinea	Port of Conakry	Concession (BROT)	Terminal	159
Senegal	Dakar Diamniadio Toll Road	Concession (BROT)	Highway	264

Note: BOT= Build, Operate, and Transfer; BOO = Build, Own, and Operate; Concession (BROT) = Build, Rehabilitate, Operate, and Transfer.

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.