



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

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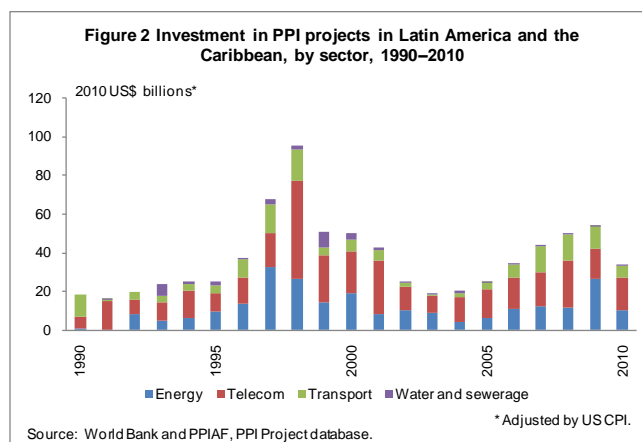
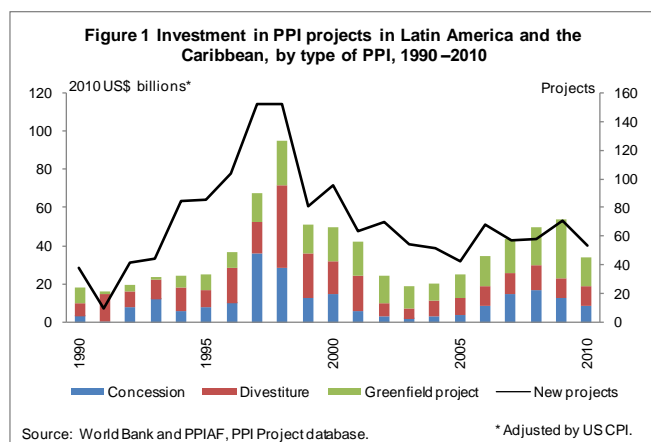
Private activity in Latin America declined sharply but became more dispersed in 2010

In 2010, 54 infrastructure projects with private participation reached financial or contractual closure in 11 low and middle-income countries in Latin America and the Caribbean, involving investment commitments (hereafter, investment) of US\$12.3 billion (table 1).¹ Infrastructure projects implemented in the 1990–2009 period attracted new investment of US\$21.9 billion, bringing total investment in infrastructure to US\$34.2 billion in 2010.²

Such level of activity represents a 37% drop by investment and a 24% decline by the number of projects from 2009 (figure 1). The decline in regional activity was driven by the slowdown in new projects which saw their investment drop by 62% from 2009. Most of the decline in new projects occurred among large projects (US\$500 million or more) which saw their investment fall by 76% in 2010 compared with 2009. By contrast, additional investment in projects implemented in 1990–2009 remained stable compared with 2009.

Regional investment was less concentrated on Brazil and more widespread across other countries than in the previous year. Brazil saw its share in regional investment decrease from 81% in 2009 to 53% in 2010 due to a 59% decline in investment in the country. Certainly, Brazil accounted for the decline in regional investment. If Brazil were excluded, investment in the region would have grown by 50% in 2010 compared with 2009. The 11 countries with new projects in 2010 represented a larger geographic scope for new activity than in 2009 and 2008 when only eight countries implemented new projects each year. In 2010 Brazil had 18 new projects, Argentina and Mexico followed with eight and seven new projects, respectively. Chile, Colombia and Peru each had five new projects. Nicaragua had two projects while Guatemala, Honduras, Jamaica, and Panama each implemented one new project.

Most of the private activity was concentrated on greenfield projects (BOT, BOO, and merchant), which attracted 44% of investment and 28 new projects. Concessions accounted for 26% of investment and 18 new projects. Divestitures attracted 30% of the regional investment; all of which was directed expansions in companies divested in 1990–2009. There were also eight new management contracts in 2010.



Energy had 24 projects in ten countries and investment of US\$10.4 billion. This investment represents a 60% decline from 2009. The absence of mega power plants—such as the US\$7 billion, 3.15 GW San Antonio Hydro power plant and US\$5.5 billion, 3.3 GW Jirau Hydro power plant which reached financial closure in Brazil in 2009—explained the sharp drop in investment in 2010. Energy comprised 30% of regional investment.

- Electricity generation accounted for the majority of activity, with 18 projects with US\$3.5 billion in investment and 1.4 GW of new generation capacity.

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¹ The PPI Project Database currently uses the World Bank's definition of low and middle-income countries released in July 2010. Investment data are in 2010 US dollar, using the US CPI to adjust to 2010 values.

² 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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- Four electricity transmission projects reached financial closure, representing US\$1.5 billion in investment and involving a total length of 1,984 kilometers.
- Brazil had ten greenfield projects and attracted 59% of regional investment in energy. Of these projects, seven were for renewable power plants and three were for transmission lines.
- Mexico saw two greenfield windfarm projects (La Venta III and Oaxaca I) and a greenfield natural gas pipeline (Guadalajara—Manzanillo) reached financial closure.
- Peru implemented three greenfield BOO/BOT contracts: the 168MW Cheves run-of-river hydropower plant, Chilca La Planicie - Zapallal Transmission Line, and the Maple Energy Ethanol Co-generation Facility.
- Nicaragua closed financing on two greenfield power projects, the Eolico Amayo Wind Farm (Phase II) and the Polaris Geothermal Power Plant (Phases I and II).
- Chile, Guatemala, Honduras, Jamaica, and Panama each implemented one greenfield power plant, while Colombia signed a 20-year concession for Sopesa, the integrated electric utility serving San Andres and Providencia islands. This contract was the second Sopesa's concession. The first contract was a 14 year concession which was granted in 1996 and expired in May 2010.

Telecom did not have any new projects, but previously implemented projects attracted investment of US\$16.7 billion. This investment represents a 7% increase from the level in 2009. Telecom accounted for 49% of regional investment.

- Brazil accounted for just 53% of regional investment in the sector.
- Investment went mainly to mobile operators (45%) and multi-service providers (30%).

Transport had 23 projects in six countries and investment of US\$5.9 billion. This investment represents a 53% drop from the level in 2009 and the lowest level since 2006. Compared with previous years, the lack of large projects in Brazil accounted for almost all the investment decline in the sector. Transport comprised 17% of regional investment.

- Road was the most active subsector with 18 projects and US\$4.5 billion in investment in 2010. These projects included 9,866 km of roads, nearly double the total length of road projects with private participation that reached closure in 2009. Of the road projects, nine were concessions, eight were management contracts and one was a greenfield BOT contract.
- Three port projects (two greenfield projects and one concession) and two airport concessions reached financial or contractual closure in 2010.
- Argentina signed six-year management contracts for eight national road corridors. These contracts replaced the five-year management contracts granted in 2003 for the same corridors that expired in 2009.
- Brazil implemented three projects which involved investment of US\$1.3 billion. Most of this investment was for US\$740 million, greenfield Porto Sudeste LLX. The other two projects were the BA-093 highway system concession in Bahia state and a seaport concession.
- Chile implemented three road concessions and one airport concession (Carlos Ibanez Airport).
- Colombia led regional investment with four projects that attracted total investment of US\$2.4 billion. Of that amount, two projects (Ruta del Sol Sections II and III) accounted for approximately US\$1.9 billion. Colombia also signed an airport concession and a greenfield container terminal in Buenaventura.
- Mexico signed two new concessions for federal roads and implemented a greenfield BOT project for the first phase of an urban toll road (Rio de los Remedios-Ecatepec).
- Peru began implementing the concession to rehabilitate and operate IIRSA Centro section two.

Water and sewerage had seven projects in three countries and investments of US\$1.1 billion. This represents the highest investment in the sector since 2004. Water and sewerage accounted for 3% of regional investment.

- Investment, however, was largely driven by a single greenfield project in Mexico: the US\$739 million, Atotonilco Waste Water Treatment Plant. At the time of project closure, Atotonilco was reported to be the largest wastewater treatment plant in the world with a nominal capacity of 1.99 million cubic meters per day.
- In Brazil municipalities implemented five concessions which represented a total investment of US\$215.6 million. The five projects serve a total population of 387,000 inhabitants. Four of the projects were for operating small water and sewerage utilities and the remaining project was for expanding and operating a sewerage collection and treatment system.
- Peru implemented Huascacocha Water Transfer Project, a 20-year greenfield BOT designed to increase the raw water supply of Sepadal, the state-owned water utility of Lima and neighboring port city of Callao, by a range between 147,000 and 173,000 cubic meters per day. The project was expected to benefit 2.4 million inhabitants.



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Table 1 Projects with private participation reaching financial or contractual closure in Latin America and the Caribbean in 2010

Energy					
Country	Project Name	PPI Type (subtype)	Segment	Total Investment*	Sponsor
Brazil	Brilhante Transmissora Transmission Line Project	Greenfield project (BOT)	Electricity transmission	226	Cobra Group (/ Spain), Elecnor (Spain)
Brazil	Ibitiuva Bioenergetica Biomass TPP	Greenfield project (BOO)	Electricity generation	68	SUEZ (76% / France)
Brazil	LT Tucuruí - Jurupari and LT Oriximana - Jurupari	Greenfield project (BOT)	Electricity transmission	1,109	Isolux Corsan (100% / Spain)
Brazil	Luzboa Small Hydro Power Plants BRA-Minas Gerais I (Phase I)	Greenfield project (BOT)	Electricity generation	13	Luzboa SA (100% / Brazil)
Brazil	MPX Taua Energia Solar	Greenfield project (BOT)	Electricity generation	6	EBX Capital Partners (100% / Brazil)
Brazil	Narandiba Substation	Greenfield project (BOT)	Electricity transmission	29	Iberdrola SA (39% / Spain), Previ (49% / Brazil)
Brazil	Passo Ferraz Small Hydropower Plant	Greenfield project (BOT)	Electricity generation	6	Eletrisa (100% / Brazil)
Brazil	Piraua and Gravata Windfarms	Greenfield project (BOO)	Electricity generation	83	Gestamp Renewables (50% / Spain), Eolica Tecnologia Ltda (50% / Brazil)
Brazil	Rio do Braco Run of the River Hydropower Plant	Greenfield project (BOT)	Electricity generation	35	PCH Rio do Braco S.A. (Brazil), Carbon do Brasil Consultoria Empresarial Ltda (Brazil)
Brazil	Santa Clara Wind Farm Complex	Greenfield project (BOT)	Electricity generation	456	CPFL Energia (100% / Brazil)
Chile	San Andres and El Paso Hydroelectric Plants	Greenfield project (BOT)	Electricity generation	256	HydroChile (100% / Chile)
Colombia	Sociedad Productora de Energia de San Andres y Providencia (Sopesa II)	Concession (BROT)	Electricity distribution, generation, and transmission	Not Available	Inversiones y Representaciones Vasquez (30% / ..), Electricas de Medellin (22% / Colombia), Transpetrol (21% / ..), Distribuciones Electricas de Sabanas (20% / Colombia)
Guatemala	Jaguar Energy Guatemala	Greenfield project (BOO)	Electricity generation	758	Ashmore Energy International (AEI) (100% / United States)
Honduras	Cerro de Hula Wind Farm	Greenfield project (BOO)	Electricity generation	25	Globeleq (70% / United Kingdom)



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Jamaica	West Kingston Power Project (JEP3)	Greenfield project (BOO)	Electricity generation	132	Conduit Capital Partners LLC (100% / United States)
Mexico	Guadalajara Manzanillo Gas Pipeline	Greenfield project (BOT)	Natural gas transmission	360	TransCanada Pipelines Ltd. (100% / Canada)
Mexico	La Venta III	Greenfield project (BOT)	Electricity generation	225	Iberdrola SA (100% / Spain)
Mexico	Oaxaca I Wind Farm	Greenfield project (BOT)	Electricity generation	215	ACS Group (Actividades de Construccion y Servicios) (Spain), Energias Ambientales de Guadalajara S.L (Spain)
Nicaragua	Eolico Amayo Wind Farm (Phase II)	Greenfield project (BOO)	Electricity generation	45	Ashmore Energy International (AEI) (62% / United States)
Nicaragua	Polaris Geothermal Power Plant Phases I and II	Greenfield project (BOT)	Electricity generation	370	Ram Power Corp. (100% / United States)
Panama	Pando and Monte Lirio Hydropower Project	Greenfield project (BOT)	Electricity generation	300	Inveravante Inversiones Universales, S.L (51% / Spain), Fundacion Fernando Eleta Almaran (Grupo Eleta) (49% / Panama)
Peru	Cheves Hydropower Project	Greenfield project (BOT)	Electricity generation	253	SN Power (99% / Norway)
Peru	Chilca La Planicie - Zapallal Transmission Line	Greenfield project (BOT)	Electricity transmission	130	Interconexion Electrica SA (ISA) (60% / Colombia), Empresa de Energia de Bogota S.A. ESP (40% / Colombia)
Peru	Maple Energy Ethanol Co-generation Facility	Greenfield project (Merchant)	Electricity generation	74	Maple Energy Plc (100% / United Kingdom)

Transport					
Country	Project Name	PPI Type (subtype)	Segment	Total Investment*	Sponsor
Argentina	Corredor Vial N 1	Management and lease contract (Management contract)	Highway	Not Applicable	Benito Roggio e Hijos S.A. (Argentina), CPC SA (Argentina)
Argentina	Corredor Vial N 2	Management and lease contract (Management contract)	Highway	Not Applicable	Esuco SA (Argentina), Contreras Hermanos SA (Argentina)
Argentina	Corredor Vial N 3	Management and lease contract (Management contract)	Highway	Not Applicable	Jose Cartellone Construcciones Civiles SA (Argentina), Rovella Carranza SA (Argentina)



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Argentina	Corredor Vial N 4	Management and lease contract (Management contract)	Highway	Not Applicable	Isolux Corsan (Spain), CCI Construcciones SA (Argentina)
Argentina	Corredor Vial N 5	Management and lease contract (Management contract)	Highway	Not Applicable	IECSA SA (Argentina)
Argentina	Corredor Vial N 6	Management and lease contract (Management contract)	Highway	Not Applicable	Corporacion America (CASA) (Argentina), Helpport S.A. (Argentina)
Argentina	Corredor Vial N 7	Management and lease contract (Management contract)	Highway	Not Applicable	Vialco S.A. (Argentina), JCR SA (Argentina), Electroingenieria SA (Argentina)
Argentina	Corredor Vial N 8	Management and lease contract (Management contract)	Highway	Not Applicable	Supercemento S.A. (Argentina), Luciano S.A. (.), Ferrovial Group (Spain), Grupo Petersen (Argentina)
Brazil	BA-093 (Bahia) Highway System	Concession (BROT)	Highway	447	Odebrecht SA (50% / Brazil), Invepar (50% / Brazil)
Brazil	Porto Sudeste LLX	Greenfield project (BOO)	Terminal	740	EBX Capital Partners (68% / Brazil)
Brazil	Santos Port Bulk Solids Terminal (Tegran)	Concession (ROT)	Terminal	171	Louis Dreyfus SAS (40% / France), Cargill, Inc. (60% / United States)
Chile	Autopistas de Antofagasta	Concession (BROT)	Highway	320	Skanska (100% / Sweden)
Chile	Carlos Ibanez Airport II	Concession (BROT)	Runway and terminal	13	Agunsa (89% / Chile)
Chile	Route 66, Camino de la Fruta	Concession (BROT)	Highway	322	Besalco (38% / Chile), Icafal (25% / Chile), Empresa Constructora Belfi (38% / Chile)
Chile	Ruta 5 Puerto Montt Pargua	Concession (BROT)	Bridge and highway	168	ACS Group (Actividades de Construccion y Servicios) (100% / Spain)
Colombia	Buenaventura Container Terminal	Greenfield project (BOT)	Terminal	224	Grupo Maritim TCB (30% / Spain)
Colombia	Nor-Oriente Airport Concession Package	Concession (BROT)	Runway and terminal	150	Incoequipos S.A. (Colombia), Nexus Banca de Inversion (Colombia)
Colombia	Ruta del Sol (Section 2)	Concession (BROT)	Bridge and highway	1,085	Odebrecht SA (62% / Brazil)
Colombia	Ruta del Sol (Section 3)	Concession (BROT)	Highway	900	Impregilo SpA (Italy)
Mexico	Libramiento de Celaya Toll Road	Concession (BROT)	Highway	122	Construcciones Rubau S.A. (50% / Spain), Constructora y Pavimentadora VISE SA de CV (50% / Mexico)



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Mexico	Mitla-Tehuantepec Highway	Concession (BROT)	Highway	740	ICA SA de CV (100% / Mexico)
Mexico	Rio de los Remedios-Ecatepec urban toll road (Phase I)	Greenfield project (BOT)	Bridge and highway	237	ICA SA de CV (50% / Mexico)
Peru	IIRSA Centro Second Stretch	Concession (BROT)	Highway	127	Concay SA (Colombia), Incoequipos S.A. (Colombia), Nexus Banca de Inversion (Colombia), Constructora Colpatria SA (Colombia)

Water and Sewerage

Country	Project Name	PPI Type (subtype)	Segment	Total Investment*	Sponsor
Brazil	Andradina Water and Sewerage System	Concession (ROT)	Water utility with sewerage	16	Cab Ambiental (70% / Brazil)
Brazil	Blumenau Sewerage System	Concession (BROT)	Sewerage collection and treatment	175	Odebrecht SA (100% / Brazil)
Brazil	Castilho Water and Sewerage System	Concession (BROT)	Water utility with sewerage	4	Cab Ambiental (70% / Brazil)
Brazil	Piquete Water and Sewerage System	Concession (BROT)	Water utility with sewerage	3	Cab Ambiental (100% / Brazil)
Brazil	Santa Gertrudes Water and Sewerage System	Concession (BROT)	Water utility with sewerage	17	Odebrecht SA (100% / Brazil)
Mexico	Atotonilco Waste Water Treatment Plant	Greenfield project (BOT)	Sewerage treatment plant	793	Acciona (25% / Spain), Impulsora Del Desarrollo Y El Empleo En América Latina SA de CV (IDEAL) (41% / Mexico), Mitsui (25% / Japan)
Peru	Huascacocha Water Transfer Project	Greenfield project (BOT)	Dam and water pipelines	120	Construtora OAS (100% / Brazil)

Note: BOT= Greenfield (BOT); BOO = Greenfield (BOO); Concession (BROT) = Concession (BROT); Concession (RLT) = Rehabilitate, lease or rent, and transfer

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.