



PPI data update note 61

August 2011

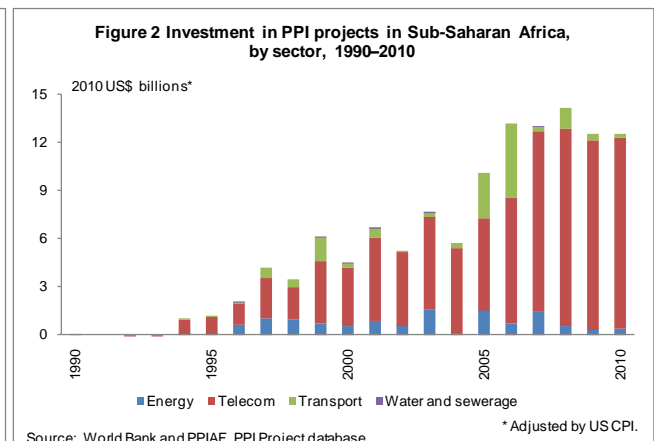
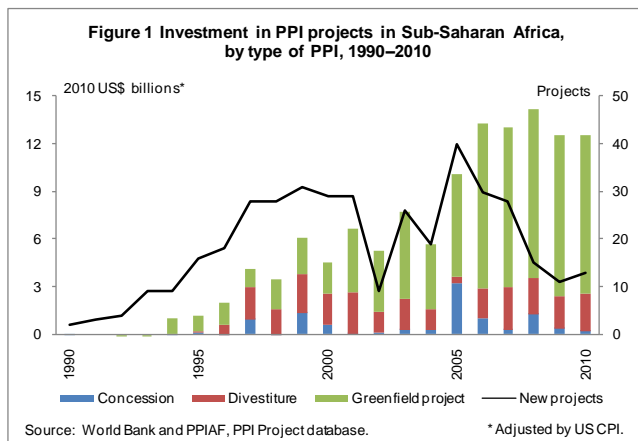
Private activity in infrastructure in Sub-Saharan Africa remained stable in 2010

In 2010, 13 infrastructure projects with private participation reached financial or contractual closure in 11 low- and middle-income countries, involving investment commitments of US\$1.5 billion (table 1).¹ Infrastructure projects implemented in the 1990–2009 period attracted new investment of US\$11.1 billion, bringing total investment commitments (hereafter, *investment*) to infrastructure in the region to US\$12.6 billion in 2010.²

This level of activity is similar to the one reported in 2009, which saw 11 projects and US\$12.6 billion in total investment. In 2010, investment in new projects increased by 21% compared with 2009 while investment in previously implemented projects declined by 3%.

Most of the private activity was concentrated on greenfield projects (BOT, BOO, merchant, or rental assets), which attracted 79% of regional investment and five of the thirteen of new projects in 2010. The rest of the investment went primarily to divestitures (figure 1).

Nigeria and South Africa accounted for 41% of regional investment in 2010, but South Africa implemented only one new project and Nigeria had no new project.



Telecom had investments of US\$12 billion which represents a 1% increase from the level in 2009.

- Telecommunications accounted for 95% of the regional investment (figure 2).
- Six countries implemented six new projects which attracted a total investment of US\$850 million. Additional investment in previously implemented projects accounted for the remainder of the investment in the sector.
- The new projects included the partial divestiture of three national operators in Angola, Chad and Zambia; a management contract for the national carrier in Ethiopia; and, two new mobile operators (one in Mozambique and the other in the Republic of Congo).
- Nigeria and South Africa accounted for 42% of regional investment in telecom.
- Investment went mainly to mobile operators (64%) and multi-service providers (33%).

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

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/>.



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

Energy had four projects in four countries and a total investment of US\$370 million in 2010. This level of investment represents an 11% increase from the level in 2009.

- The new projects involved a total generation capacity of 243 megawatts (MW) and included three greenfield power plants, a greenfield project to generate and distribute electricity, and a management contract for an integrated utility.
- In Cameroon, the 216 MW Kibri power plant reached financial closure under a 20-year build-operate-transfer (BOT) agreement. In Liberia, a 5-year management contract was signed for the state-owned Liberia Electricity Corporation. In Senegal, the Saint-Louis-Dagana-Podor Rural Electrification project reached financial closure under a 25-year BOT contract. In South Africa, the 15 MW rental power plant NewCogen started operation under a 5-year agreement.

Transport had three projects involving investment of US\$250 million in 2009. This level of investment represents a 43% decline from the level in 2009.

- In the Republic of Congo, the 25-year concession for the three airports in Brazzaville, Pointe Noire and Ollombo reached contractual closure.
- In Liberia, the 25-year concession for the Port of Monrovia reached contractual closure, representing US\$120 million in investment.
- In Sierra Leone, the 20-year concession for the Port of Freetown Container Terminal reached contractual closure. The contract involves investment of US\$130 million.

Water and sewerage saw no project in 2010.



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

Table 1. Projects with private participation reaching financial or contractual closure in 2010

Energy					
Country	Project name	PPI Type and Subtype	Segment	Total Investment*	Sponsors
Cameroon	Kribi Power Plant	Greenfield project (BOT)	Electricity generation	342	AES Corporation (56% / United States)
Liberia	Liberia Electricity Corporation Management Contract	Management and lease contract (Management)	Electricity distribution and generation	Not Applicable	Manitoba Hydro International (100% / Canada)
Senegal	Saint-Louis - Dagana - Podor Rural Electrification	Greenfield project (BOT)	Electricity distribution and generation	22	Office National de l'Electricite (73% / Morocco), International Finance Corporation (17%.)
South Africa	NewCogen power plant	Greenfield project (Rental)	Electricity generation	6	IPSA Group PLC (100% / United Kingdom)

Telecommunications					
Country	Project name	PPI Type and Subtype	Segment	Total Investment*	Sponsors
Angola	Movicel Angola	Divestiture (Partial)	Mobile access	200	Porturil Investimentos (40% / Angola), Modus Comunicacoes e Imagem Lda (19% / Angola)
Chad	Société de telecommunications du Tchad (Sotel)	Divestiture (Partial)	Fixed and mobile access	303	Libya Africa Portfolio for Investments (LAP) (60% / Libya)
Congo, Rep.	Azur Congo	Greenfield project (Merchant)	Mobile access	Not available	Bintel (100% / United Arab Emirates)
Ethiopia	Ethio Telecom	Management and lease contract (Management)	Fixed and mobile access	Not applicable	France Telecom (100% / France)
Mozambique	Movitel	Greenfield project (Merchant)	Mobile access	29	Viettel Telecom (Vietnam), SPI Holding (Mozambique)
Zambia	Zamtel	Divestiture (Partial)	Fixed access	319	Libya Africa Portfolio for Investments (LAP) (75% / Libya)



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

Transport					
Country	Project name	PPI Type and Subtype	Segment	Total Investment*	Sponsors
Congo, Rep.	Brazzaville, Pointe Noire and Ollombo Airports	Concession (BROT)	Runway and terminal	Not available	Egis Group (100% / France)
Liberia	Port of Monrovia	Concession (ROT)	Terminal	120	AP Moller - Maersk Group (100% / Denmark)
Sierra Leone	Port of Freetown Container Terminal	Concession (BROT)	Channel dredging and terminal	130	Bollere Group (100% / France)

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

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.