The World Bank Group
Public-Private Infrastructure Advisory Facility

PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

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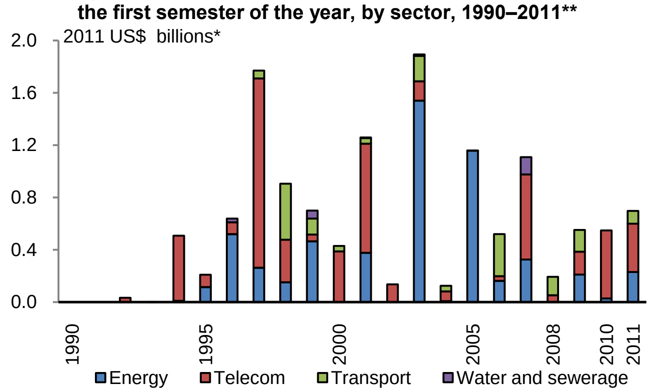
Private Investment in Sub-Saharan Africa in the first half of 2011 increased compared to recent years

In the first semester of 2011, three new projects reached financial closure in Sub-Saharan Africa, representing investment commitments of US$697 million.[1] Investment in the first semester of 2011 increased by 27% compared with the first semester of 2010, and has risen steadily since the financial crisis of 2008 (Figure 1).[2] By number of projects, activity in 2011 decreased by 50% compared with the first semester of 2010 indicating fewer, larger projects (Figure 2). The three projects in Sub-Saharan Africa were notable for their use of financial products from multilateral and bilateral agencies.

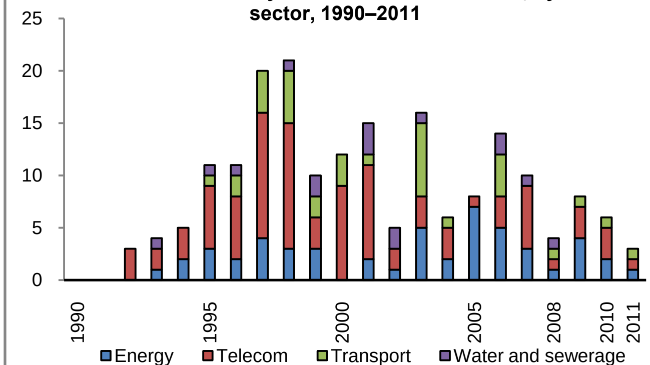
Figure 1 Private Investment commitments in Africa, in the first semester of the year, by sector, 1990–2011**



* Adjusted by US CPI.
**New projects only

Source: World Bank and PPIAF, PPI Project Database.

Figure 2 New projects closing during the first semester of the year in Sub-Saharan Africa, by sector, 1990–2011



Source: World Bank and PPIAF, PPI Project Database.

In **Energy**, the Zambian government granted a 25-year power purchase agreement to Itezhi-Tezhi Power Corporation (ITPC), a joint venture established by state owned Zambia Electric Supply Corporation (ZESCO) and Tata Africa Holdings Limited, a subsidiary of TATA Enterprises, India. ITPC was to build and operate a 120MW facility at the Itezhi-Tezhi dam with operation scheduled for 2014. Financing included a US$50 million loan from Exim Bank of India, and US$180 million facility led by African Development Bank, Proparco, FMO and the Development Bank of South Africa (DBSA).

In **Transport,** the South African government awarded a 15-year toll concession to the South African Infrastructure Investment Company (SAIIC) for the construction, operation and eventual transfer of additional border facilities at the Beitbridge Border Post between South Africa and Zimbabwe.

Bilateral support for the Beitbridge project was strong, with the South Africa export credit agency ECIC providing political risk insurance and commercial risk insurance. Financing consisted of a US$26 million equity tranche from South African sponsors Old Mutual, Sanlam and Nedbank. Standard Bank was the mandated arranger of an 11-year US$71 million debt package. The project included a debt guarantee.

In **Telecom**, the Malawi Communications Regulatory Authority (MACRA) granted Celcom (South Africa) a 15-year license to operate a nationwide telecommunications network in the entire Republic of Malawi from 2011 onwards. The license required Celcom Ltd. to provide fixed-line and mobile services and pay MACRA a license fee based on net operating revenue.

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[1] Data on transport 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] The PPI Project Database currently uses the FY12 World Bank country classification released in July 2011. Investment data are in 2011 US dollar using the US CPI to adjust to 2011 values. Data at http://ppi.worldbank.org/ are reported in millions of current U.S. dollars unless otherwise indicated. Investment is for new projects only; therefore investment in existing telecom projects is excluded.