

PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 61

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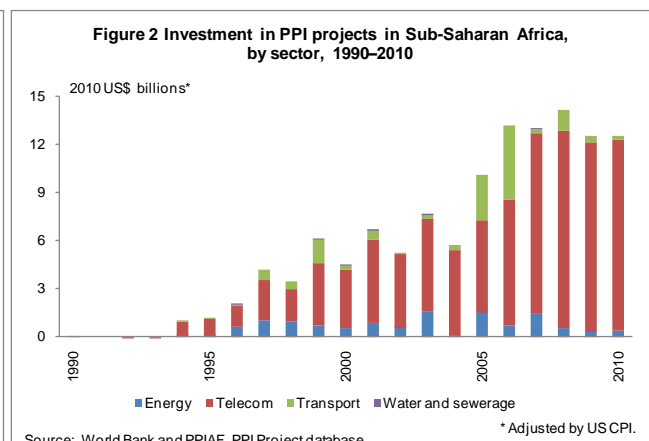
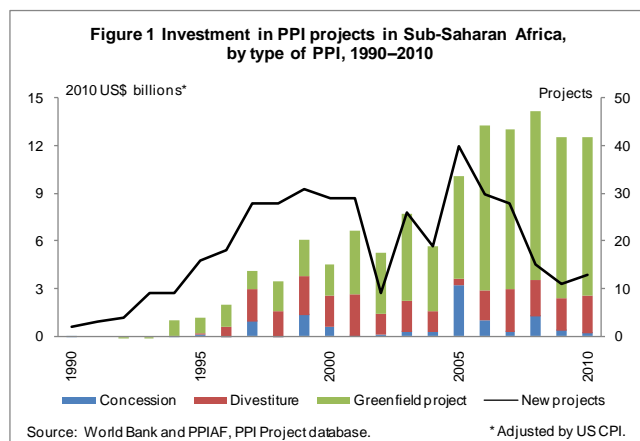
Private activity in infrastructure in Sub-Saharan Africa remained stable in 2010

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/>.



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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.



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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)



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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	Bollore 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.