

An Overview of PPPs in Africa

Presentation at the 4th International PPP Forum

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7-9 May 2019

Palais des Nations, Salle XVIII

Geneva, Switzerland

Analysis on PPPs is happening with a diverse range of data, which calls for consolidated understanding of PPPs on the Continent.

- **One data source states that:**
 - PPP investments reached a peak of \$ 11.4 billion in 2013 (for 29 projects) before declining to less than \$5 billion (for less than 20 projects).
- **ECA analysis finds that:**
 - Since 1990 Africa has invested in estimated \$97,938 billion in PPPs. This is almost equivalent to the \$93billion, currently required for infrastructure financing in Africa.
 - An estimated 479 PPPs have been implemented in Africa, during that period. A total of 409 of them are still active.
 - Majority of the PPPs on the continent are concentrated in a few sectors.
 - The energy sector and particularly electricity, has the highest number of PPPs.
- 15 countries have implemented more than 10 PPPs since 1990 to present: Algeria, Côte d'Ivoire, Egypt, Gabon, Ghana, Kenya, Mauritius, Morocco, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda.

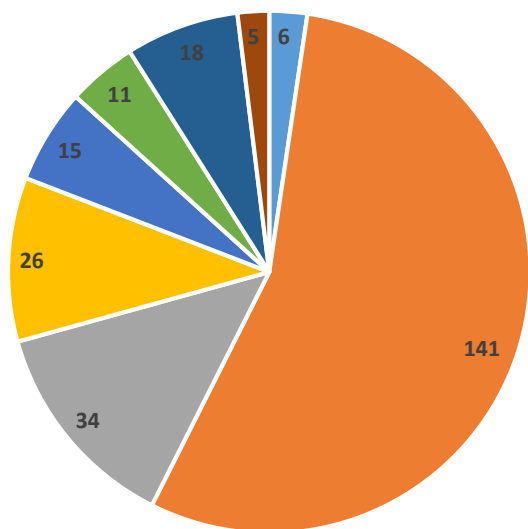
Existing data provides a snapshot of countries that have implemented more than 10 PPPs since 1990, along a regional distribution

Region	Number of Countries	Countries
Eastern Africa	4	Kenya, Rwanda, Uganda, Tanzania
Central Africa	1	Gabon
Northern Africa	3	Algeria, Egypt, Morocco
Southern Africa	3	Mauritius, Mozambique, South Africa
West Africa	4	Côte d'Ivoire, Ghana, Nigeria, Senegal

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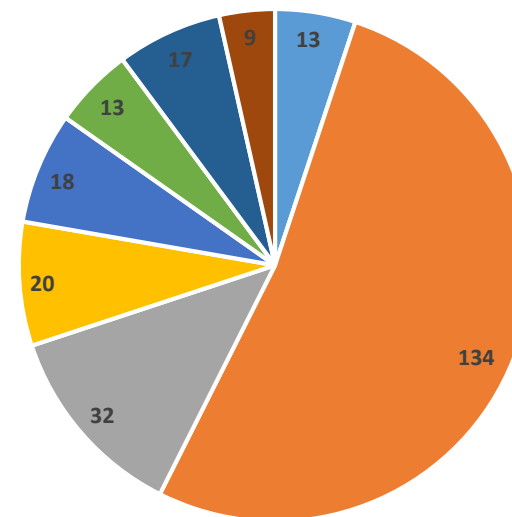
Further disaggregation of data provides sectoral distribution

Sectoral Distribution of the Most Recent PPPs



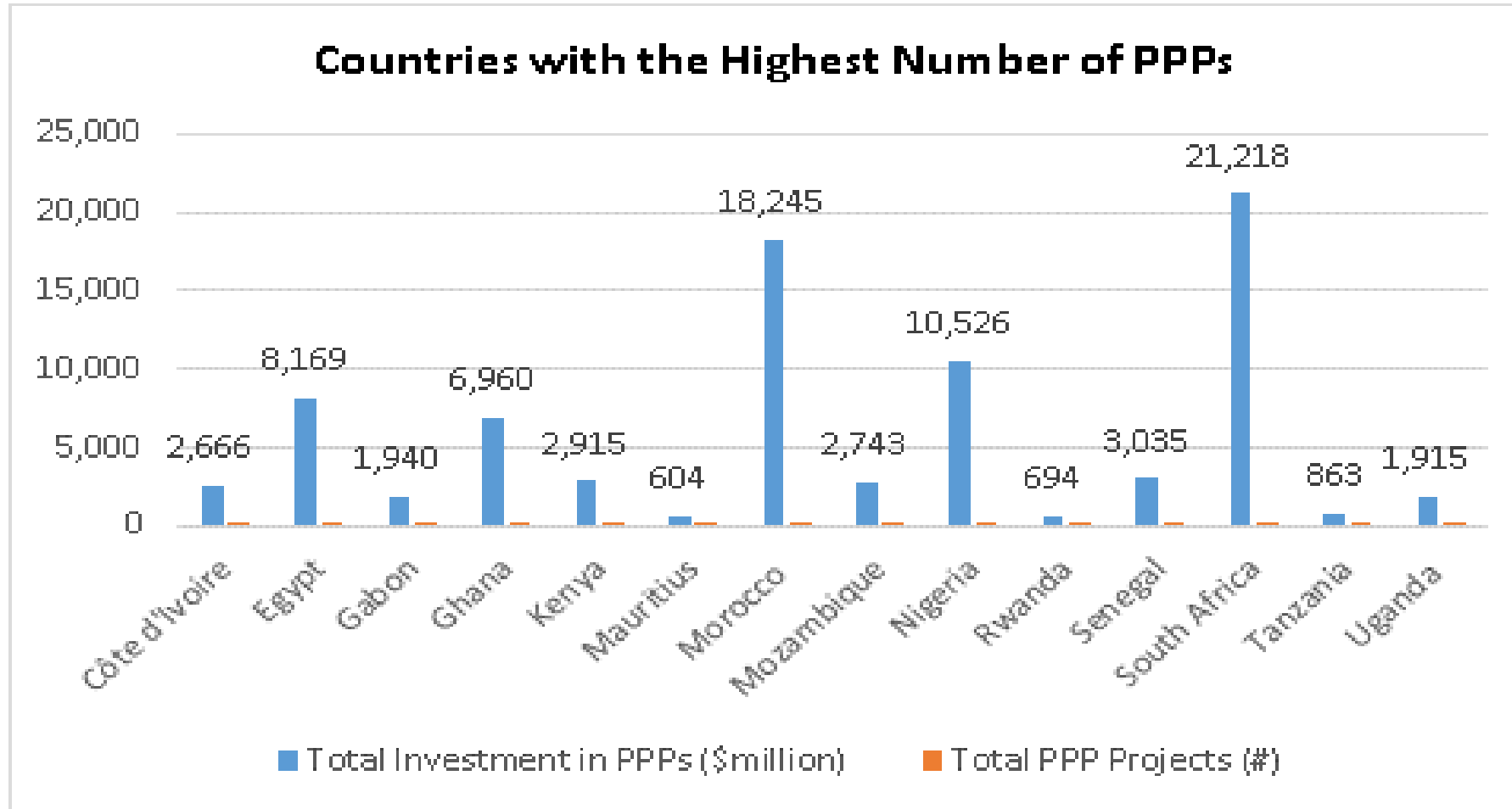
- Natural Gas
- Electricity
- Ports
- Water and Sewage
- Railways
- Airports

Sectoral Distribution of the Largest PPPs



- Natural Gas
- Electricity
- Ports
- Water and Sewage
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Further disaggregation of data also shows countries with the largest investments in PPPs










- South Africa has had the most number of PPPs, followed by Nigeria at 84 and 42 respectively.
- Morocco and South Africa have invested the largest amounts in PPPs.

Data shows that African countries have a PPP Framework, which consists of either laws, policies, procedures, institutions, rules and regulations that can be applied to PPP implementation.

- **Of the 15 countries with most PPPs, only 3 (Algeria, Côte d'Ivoire, South Africa) lack a law specifically for PPPs, although, they have other sectoral laws.**
 - Although South Africa has no specific PPP Law, it has significant experience with PPPs. The legislation governing national and provincial PPPs is the Treasury Regulation 16, issued under the Public Finance Management Act of 1999.
- **Of the 15 countries, only 2 (Algeria, Côte d'Ivoire) lack a PPP Unit.**
- **Majority of African countries (for which data is available) have a PPP Framework.**
 - A total of 29 African countries have PPP Units.
 - There is variation in the placement of the PPP units, although most of the Units are under the Ministry of Finance. Some PPP Units are located under the Presidency, Prime Minister's Office.
 - 39 countries have a PPP Framework, i.e. laws or regulations that are applicable to PPPs.
- Majority of African countries, also apply sectoral laws and those related to procurement.

Lessons we are learning for the success of PPPs:

- Policy certainty 
 - Project pipeline 
 - Right partnerships 
 - Transparency and consistency 
 - Use of tech to reduce transaction costs 
 - Good assessment of risks and allocation among parties 
 - Pricing 
- Good policy and regulatory environment
 - Long-term planning
 - Market intelligence and experience
 - Good governance
 - Digital tech embedding
 - Tested market; technical skills (law, finance, sector); negotiation
 - Tariffs review, regulatory independence

Lessons we are learning for the success of PPPs:

- Patience, clarity
- Track record
- Thorough planning
- Monitoring, regulation and enforcement
- Competition to drive prices down
- PPP facilitation and coordination
- Regional PPPs

Implied capacity development:

- Communication and relationships
- Market development
- Data, statistics, planning, models
- Independent regulatory authorities
- New models of engagement, tender mgt
- PPP laws, institutions
- Regional frameworks, cooperation, cross-pricing

Emerging Key issues include:

1. In the context of development finance, how do we facilitate further uptake of PPPs in Africa?
2. How do we achieve high-level policy engagement in Africa on PPPs, and what are the recommendations for doing so?
3. How do we accelerate market-testing of more PPPs in Africa, in order to avoid losing fiscal space due to guarantees?
4. How do we strengthen PPP Units as a vehicle for capacity building across various areas?
5. In the context of the 5th International Forum on PPPs coming to Africa in 2020, what are the priority issues for the continent to flag?
6. What are the recommendations from this meeting and the way forward?



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