



# PUBLIC-PRIVATE PARTNERSHIPS: TRANSPORT INFRASTRUCTURE IN SUB-SAHARAN AFRICA

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Transport infrastructure in Sub-Saharan Africa (SSA) lags behind the other regions of the world. The density, and quality, of transport infrastructure in the region is inadequate. Poor transport infrastructure is an obstacle to economic growth. It impedes the flow of services, goods and people. In turn, this slows the pace of development in SSA. The biggest barrier to improved transport infrastructure in SSA is the vast shortfall in financing required for the execution of projects.

Public-Private Partnerships (PPPs) are a solution for the addressing of SSA's transport infrastructure needs. A PPP is a relatively new method of development finance. In its simplest form, a PPP is a contractual agreement between the government of a country and a private firm. The key features of a PPP are;

The sharing of risk between the public and private parties, helping to minimize costs in the process.

Upon completion of the project the government retains ownership of the asset.

Structured in a way that the private firm can achieve a reasonable return on investment.

Improved efficiency of infrastructural projects that are delivered to the public.

PPPs have become an attractive solution to help developing countries combat the challenges that they face when trying to meet their infrastructural needs. PPPs offer efficient project delivery and operation, competition reinforcement, access to advanced technology and a reduction of government budgetary constraints by giving access to private capital.

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## KEY POINTS

**Public - Private Partnerships (PPPs) as an emerging method of development finance**

**Transport Infrastructure in Sub-Saharan Africa (SSA): PPPs as a solution to addressing the region's infrastructural needs.**

**Key factors for successful implementation of transport infrastructure PPPs in SSA**

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This thesis analyzed PPPs that have been created to date, for the benefit of transport infrastructure in SSA. The research design chosen for this thesis was that of case studies. Four cases were carefully selected across the four main sectors of transport infrastructure; road, rail, airport and port. Furthermore, one case study was chosen for each of the sub-regions that make up SSA.

Case Study	Sector	Country	SSA Sub-Region
Dakar-Diamniadio	Road	Senegal	Western Africa
Port of Maputo	Port	Mozambique	Eastern Africa
CAMRAIL	Rail	Cameroon	Middle Africa
Skukuza	Airport	South Africa	Southern Africa

The purpose of this study was to show that there can be a positive relationship between PPPs and the development of transport infrastructure in SSA. By cross-examining the four cases, this thesis was able to show a positive correlation between PPPs and transport infrastructure in the region. Three key factors for successful implementation of transport infrastructure PPPs were interpreted;

- 1 – Strong political commitment
- 2- Experienced private entity
- 3 – Strong involvement of development finance institutions

One case in particular, the Dakar-Diamniadio road PPP in Senegal, was characterized by all three of these key factors. There was a high-level of coordination and transparency between both the public and private entities. While the benefits were clear for all stakeholders. This PPP serves as a great example for future transport infrastructure projects in the region.

Another good example for the future is the Maputo Port PPP which was part of a wider transnational development initiative, the Maputo Development Corridor (MDC). The governments of Mozambique and South Africa, along with experienced private entities, cooperated

effectively to complete the project which has stimulated economic development in Maputo and the regional hinterlands of south-eastern Africa.

The successful transport infrastructure PPPs in Senegal and Mozambique offer encouragement to other countries in SSA that have had little to no projects to date. Such countries should take steps to create an environment that will attract private participation in transport infrastructure PPPs in order to achieve accelerated development in the coming years.

The population of SSA is projected to double between now and 2050. It is being predicted that by then one in four people globally will be Sub-Saharan African. This means that the governments of SSA will be presented with major infrastructural demands in the coming decades in order to cope with the explosion in population and rapidly increasing urbanization.

PPPs can provide the answer to the myriad of challenges that face the nations of SSA when it comes to developing their transport infrastructure. The governments in the region do not have the financial or technical capabilities to develop efficient transport infrastructure on their own. PPPs offer efficient project delivery and operation. PPPs offer government access to the advanced technology of the private sector while reducing the financial burden at the same time.

This study has added to the knowledge on the topic of transport infrastructure PPPs in SSA by presenting the key factors that contribute to the efficient implementation of projects in the region. The case study approach led to the identification of specific actions taken by governments, private entities and development finance institutions that directly led to the successful implementation of transport infrastructure PPPs in SSA.



Improved transport infrastructure in SSA will increase connectivity in the region. In turn, increased connectivity will promote both local and international trade, helping to make the nations of SSA more competitive in an increasingly globalized world. Transport infrastructure PPPs can be the answer to addressing SSA's infrastructural needs.



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