

## IMPACT STORIES



# PPIAF Supports the Reconstruction of Infrastructure in Post-Conflict Countries in Sub-Saharan Africa

PPIAF supports reconstruction efforts in many post-conflict countries in Sub-Saharan Africa, fostering sustainable economic growth through private sector involvement in infrastructure. In particular, PPIAF involvement in the Democratic Republic of Congo, Guinea-Bissau, Liberia, and Sierra Leone has contributed to the reconstruction and rehabilitation of infrastructure, the reform of institutions, and the creation of a strong framework for public-private partnerships (PPPs).

Rebuilding infrastructure is a key priority in post-conflict countries because it is an essential step on the path to social and economic recovery. Countries emerging from conflict urgently need to provide or re-establish access to basic infrastructure services, but are often unable to do so quickly due to a lack of adequate public revenues, government capacity, and investor interest. In most cases, the starting point in the post-conflict infrastructure reconstruction process is the development of a sound institutional framework to encourage private sector investments in strategic sectors such as energy, transport, telecommunications, and water and sanitation.

### PPIAF SUPPORT AND RESULTING OUTCOMES AND IMPACTS

Since 1999, the Public-Private Infrastructure Advisory Facility (PPIAF) has facilitated private participation in infrastructure by establishing strong PPP frameworks in the following post-conflict countries, among others:

- Democratic Republic of Congo (DRC): PPIAF's support has been focused in the water and sanitation sector through three grants totaling \$788,403 from 2002 to 2008. A study of options for private sector participation in solid waste management systems for the capital city Kinshasa led to the implementation of solid waste management pilot projects, which were funded under the European Union's €22 million *Programme d'Assainissement Urbain de Kinshasa* (PAUK).

PPIAF's long-term support to the water sector in the DRC is having a significant pro-poor impact and contributing to the achievement of the Millennium Development Goals by helping to increase the quantity and quality of water services as well as access to safe drinking water for approximately 8 million residents in urban areas. Following the recommendations of a PPIAF study, the government of the DRC has structured a management contract for the national water utility, REGIDESO, to be awarded to a private operator. The management contract is expected to restore REGIDESO to sound financial footing and make a significant improvement in its commercial operations.

- Guinea-Bissau: In 2007 PPIAF supported the establishment of institutional and regulatory frameworks for infrastructure PPPs based on international experience and emerging practices in the region. The \$75,000 activity focused on the development of draft PPP legislation and amendments to the Code of Public Contracts. As a result of this work, a PPP law was enacted by the Council of Ministers in April 2009, creating an enabling environment for infrastructure PPPs. Following the enactment of that law, the government has initiated a program to design and implement PPP projects in the transport and electricity sectors, and is also considering establishing a PPP unit and regulatory agencies.

- Liberia: The government of Liberia, whose fixed telecommunications network was demolished during the country's long civil war, benefited from \$395,000 in PPIAF support from 2007 to 2009. The funding helped (1) implement a comprehensive fee and taxation policy for telecommunications to improve citizens' access to information and communications technologies, (2) finalize a telecommunications license by facilitating consensus-building through industry consultations and regular discussions between the industry and public stakeholders, and (3) prepare a study for Liberia Telecom Corporation that identified options for transforming and positioning the company for future growth and value creation.

In 2009 the government of Liberia agreed to implement important reforms in the telecommunications sector. These reforms, which were recommended by a PPIAF study, consist of policy measures to set a cap on the number of national service providers and carriers in the telecommunication service sector and constitute a significant step towards the liberalization of Liberia's telecommunications sector.

- Sierra Leone: PPIAF has also helped the government of Sierra Leone begin its recovery from a devastating civil war by providing \$187,850 in technical assistance funding in 2002. The money has been used to review options for private participation in the financing, ownership, and operation of the power sector, and to review the performance of the National Power Authority (NPA) and Bo-Kenema Power Service (BKPS), the country's two major power operators. In 2005 the NPA Act was established to open the energy sector to more private participation.

Since 1999 PPIAF, a multidonor technical assistance facility, has helped developing countries use public-private partnerships to improve their infrastructure. A key focus has been upstream technical assistance to support the development of an enabling environment for such partnerships.

This series highlights how PPIAF's support has made an impact on the ground.

In 2007, \$75,000 in PPIAF funding assisted the government of Sierra Leone with the implementation of its telecommunications reform and recovery program as codified in the newly adopted Telecommunications Act, and supported dialogue on sector policy issues with an emphasis on access to a full range of services at competitive prices.

Finally, the government is now also exploring options for possible private participation in the Sierra Leone Airports Authority as a result of a PPIAF-funded study in 2008. Private investments are anticipated for the construction of a new runway, new terminal building, storage facilities, and the rehabilitation of all domestic airfields.

## DONOR COORDINATION

PPIAF's work in the DRC, Guinea-Bissau, Liberia, and Sierra Leone has benefited from significant coordination with multiple donors and international finance institutions, including the World Bank, the International Telecommunications Union (ITU), the Soros Foundation, the United States Agency for International Development (USAID), the UK's Department for International Development (DFID), and the United Nations Development Program (UNDP).

### RELATED PPIAF ACTIVITIES IN POST-CONFLICT COUNTRIES

- 2001: Sierra Leone, Private Sector Participation in the Power Sector, **\$75,000**
- 2004: Democratic Republic of Congo, Infrastructure Development and PSP Workshops, **\$118,000**
- 2007: Liberia, Telecom Sector Licensing Study and Industry Consultation, **\$75,000**
- 2008: Democratic Republic of Congo, Road Show for Water Management Contract, **\$89,700**
- 2008: Guinea-Bissau, Port Sector Reform Study, **\$251,850**
- 2008: Sierra Leone, PSP Options Study for Sierra Leone Airports Authority, **\$230,250**
- 2009: Liberia, Technical Support to the Power Sector, **\$446,000**
- 2010: Sierra Leone, Development of Institutional and Legal PPP Framework, **\$74,940**