

Development Co-operation Directorate  
Directorate for Financial and Enterprise Affairs  
Development Assistance Committee  
Investment Committee

**DONOR SUPPORT TO PUBLIC-PRIVATE PARTNERSHIPS: THE CASE OF THE DAKAR-DIAMNIADIO TOLL HIGHWAY PROJECT**

Meeting of the Advisory Group on Investment for Development

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**ABBREVIATIONS**

AfDB	African Development Bank
AFD	Agence Française de Développement
AGID	Advisory Group on Investment and Development
APIX	Agence Nationale Chargée du Développement de l'Investissement et des Grands Travaux (Investment Promotion and Large Projects Agency)
BOT	Build-own-transfer
CBAO	CBAO Groupe Attijariwafa bank (Senegalese commercial bank)
DAC	Development Assistance Committee
DFI	Development Finance Institution
GoS	Government of Senegal
IDA	International Development Association
IFC	International Finance Corporation
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
LIC	Low Income Country
MDB	Multilateral Development Bank
ODA	Official Development Assistance
ODF	Official Development Finance
OPEC	Organization of the Petroleum Exporting Countries
PIS	Pikine Irrégulier Sud (Irregular South Pikine)
PPF	Project Preparation Fund
PPI	Private Participation in Infrastructure (World Bank Database)
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	Public-Private Partnership
SPV	Special Purpose Vehicle
WADB	West African Development Bank
WBG	World Bank Group

## **DONOR SUPPORT FOR PRIVATE INVESTMENT IN INFRASTRUCTURE: THE CASE OF THE DAKAR-DIAMNIADIO TOLL HIGHWAY PROJECT**

### **I. Background and Introduction**

1. For developing countries, economic infrastructure is essential for economic growth and human development. But their investment spending in infrastructure (excluding operation and maintenance) would need to increase from the current USD 0.8-0.9 trillion per year to approximately USD 1.8-2.3 trillion per year by 2020<sup>1</sup>. Filling this financing gap may be challenging, as developing country governments are constrained by sustainable debt levels and aid budgets are also tight. In this context, the mobilisation of private resources is increasingly being considered.

2. As one of the deliverables for the Aid for Infrastructure Investment work stream<sup>2</sup>, the Development Assistance Committee (DAC) has been exploring what donors could collectively do more and better to mobilise the private sector to finance infrastructure. It has recently issued a stocktaking report on donor policies and financing in this area. Challenges identified include inter-agency co-ordination, additionality of donor support, transparency and accountability. To complement this stocktaking exercise, case studies are being carried out to draw lessons-learned from public-private partnership (PPP) infrastructure projects to identify the factors that led to financial closure.

3. With this aim, a range of projects using the World Bank's Private Participation in Infrastructure (PPI) Database and the DAC's Credit Reporting System (CRS) were proposed to the Advisory Group on Investment and Development (AGID) on 21 March 2014.<sup>3</sup> Based on the discussion, the Secretariat has selected the Dakar-Diamniadio Toll-Highway project in Senegal, a PPP project supported by donors in a low-income country in the transport sector.

4. The methodology used to carry out the case study involved a desk review of project reports and other sources as well as consultations with the Government of Senegal (GoS), *Agence Française de Développement* (AFD), relevant multilateral development banks and Eiffage, a leading French concessions and public works company. Based on the findings, the chronology of the project was put together—from regulatory and legal reforms to project preparation and financial closure—focusing on the actions of GOS and donors, along with the financial instruments used at each stage. Since the objective of this case study is to identify the factors that contributed to private sector participation, other aspects such as a detailed analysis of financial returns of the project or its development impact are not covered.

5. This case study is scheduled to be discussed at the AGID meeting on 16 October 2014. Other case studies will be carried out for donor supported PPP projects in Africa and Asia. The findings will be consolidated into more general lessons on mobilising private investment for infrastructure.

### **II. Project Description of the Dakar-Diamniadio Toll Highway project**

6. Senegal is located on the western tip of Africa, with a total population of around 13 million, of which 3 million live in the capital city, Dakar. While the country is classified as a Least Developed Country, the population living below the poverty line decreased from 55% in 2000 to 47% in 2013<sup>4</sup>. Agriculture is the primary source of employment in rural areas, but services and industry represent 85% of GDP<sup>5</sup>.

7. Becoming independent from France in 1960, the country has since been one of the most stable countries in Africa from a macroeconomic and political point of view, including by undergoing major democratic transitions in 2000 and 2012. While Senegal ranked 77th on the Transparency International's

2013 Corruption Perception Index, it was 112<sup>th</sup> in 2011, which indicates a reduction in overall corruption<sup>6</sup>. Furthermore, net annual FDI inflows increase fourfold since 2002 to USD338 million in 2012<sup>7</sup>. On the other hand, Senegal ranked 178<sup>th</sup> out of 186 countries in the 2014 World Bank Doing Business report, down two ranks compared to 2013<sup>89</sup>. In response, a vast reform programme was launched by the government to improve the business environment<sup>10</sup>.

8. The Dakar-Diamniadio Toll Highway project was developed in this context. It is a PPP project that includes the design, construction and operation of a portion of a 32 km highway that links Dakar and Diamniadio, a new economic pole located about 30 km away. The main objective of the project is to reduce congestion by creating an alternative road to the only existing road in and out of Dakar. Another objective is to take advantage of the construction of the road to upgrade an urban area in the surroundings of Dakar<sup>11</sup>. Furthermore, the PPP project is expected to have a demonstration effect of private sector participation in infrastructure in Africa<sup>12</sup>.

9. In 2012, after the election of President Macky Sall and the political changeover in the executive, the construction of the Dakar-Diamniadio Toll highway was completed as planned<sup>13</sup>. Since August 2013, the road has become fully operational between downtown Dakar and Diamniadio. According to the latest World Bank implementation report<sup>14</sup>, the average daily traffic is in line with initial forecasts, with the national road parallel to the new toll Road being significantly less congested. Travel time has also been reduced from about 90 to 60 minutes from Malick Sy to Diamniadio.

10. The Dakar-Diamniadio Toll Highway project actually concerns more than just the road. As the construction affects about 30 000 people, the project involves the creation of a resettlement area and the re-organisation of a densely populated urban area. An extension of the highway to reach the new Blaise Diagne International Airport is also under construction with support from AFD and the African Development Bank (AfDB). Information on these components of the project and the extension of the highway are provided in Annex I.

### III. Chronology of Events and Role of the Development Partners

#### *Alignment with Development Strategies*

Strong political commitment is key in promoting private investment in infrastructure<sup>15</sup>. More specifically, infrastructure projects need to be prioritised at senior political level and be part of long and medium-term development strategies to attract private investors<sup>16</sup>.

11. The idea of constructing an alternative highway to enter and exit Dakar dates back to the 1970s. The GoS commissioned a Swiss consulting firm, Electro Watt, to carry out pre-feasibility studies<sup>17</sup>, but the project did not materialise due to budgetary constraints. However, in early 2000s, after the election of President Abdoulaye Wade, the GoS issued a growth strategy, “Sénégal Emergent 2015” that included three pillars: (a) the construction of infrastructure under PPP schemes, (b) the strengthening of the private sector as a growth engine; and (c) the reinforcement of regional integration in West Africa.<sup>18</sup>

12. More generally, the creation of wealth through growth was also defined as one of the priorities of Senegal’s Poverty Reduction Strategy Papers (PRSP) I (2003-2005) and II (2006-2010)<sup>19</sup> of the World Bank. Here, the high production costs as well as poor infrastructure to support economic activity were identified as constraints in achieving high economic growth. Removing traffic congestion in the Dakar area was therefore seen as a priority<sup>20</sup>. After implementing two generations of PRSPs, the GoS announced the

“Senegal Emerging 2035” and elaborated the National Strategy for Economic and Social Development for 2013-2017 which reiterated the importance of improving road infrastructure to foster economic growth<sup>21</sup>.

13. In order to fulfil the above, the GoS created in July 2000 the *Agence pour la Promotion des Investissements et Grands Travaux* (APIX)<sup>22</sup> to serve as a dedicated agency to assist the Presidency in designing and implementing investment policies and in promoting private investment in large infrastructure projects. APIX is also designed as a one-stop-shop for foreign investors in order to reduce administrative red tape. APIX activities are overseen by the Strategic Committee for the Promotion of Investment (*Comité Stratégique pour la Promotion de l'Investissement*) composed of a President, three representative of the private sector, three representative of the public sector and the Director of APIX, all nominated by the President of Senegal.<sup>23</sup> In 2010, APIX had about 113 staff, of which a relatively large share was devoted to the on the Dakar Diambiadio Toll Highway project<sup>24</sup>.

14. In order to demonstrate commitment to the project and speed up the construction of the PPP project, the GoS fully financed the first sections of the highway without donor funding. The construction of this part of the highway, which was awarded to Senegalese, Chinese, and Portuguese companies under traditional procurement, was completed in 2009. This section of the highway remains free of charge to users.

### ***Reform of the Legal and Regulatory Framework***

Creating a sound and reliable enabling environment for PPPs—especially with a transparent and predictable procurement system—is crucial in attracting private investors to infrastructure projects<sup>25</sup>. Adopting specific PPP laws and establishing a dedicated PPP unit can also help enhance a greater private participation in infrastructure.<sup>26</sup>

15. To enhance private participation in infrastructure projects, the GoS started reforming its legal and regulatory framework. The effort was supported by the PPIAF. The following describes the sequence of events.

- In 2002, PPIAF provided a USD 410,000 grant to the GoS to assess its infrastructure and to identify opportunities to improve the legal and regulatory framework in increasing private sector participation<sup>27</sup>. Based on the assessment, PPIAF advised the GoS to, *inter alia*, adopt specific legislations for PPP-type contractual arrangements, such as build-operate-own and build-operate-transfer, and to simplify administrative procedures for private investors to enhance competition in infrastructure sectors.
- In 2004, building on these recommendations, the GoS passed a law that created a new category of public contracts to enable public and private entities to use PPP contracts. The PPP law also sets the rules for dispute settlements in case of termination and compensation. An Infrastructure Council<sup>28</sup> was also created to oversee the reform of the legal and regulatory framework for private investment in infrastructure and advise the Senegalese authorities during bidding processes.
- In 2007, based on a subsequent request by the GoS, PPIAF provided support to develop of a model for delegated contract management.<sup>29</sup>
- In 2007, the government also adopted a new procurement code to create a Public Procurement Directorate to control procurement transactions of any public authority and create a Public

Procurement Regulatory Authority. The Dakar-Diamniadio Motorway Project was the first PPP project to be developed within this new regulatory framework<sup>30</sup>.

### *Project Preparation*

As project preparation can amount to 2% of total project cost for projects costing more than USD 100 million, it is recommended to secure dedicated resources upfront. Pre-feasibility and feasibility studies are key as they provide an assessment of the project from a legal, technical, financial, social and environmental perspective. These studies are also a way to ensure that projects represent value-for-money. As a consequence, the authority in charge of preparing the project needs to possess significant technical and project management skills. If skill gaps are identified within the project team—which was the case of APIX officials in early stages of the project—additional expertise could be obtained through advisers while ensuring that skills are transferred.

16. Overall, project preparation was funded by the GoS, the World Bank and PPIAF. While, it is not possible to calculate the total cost of the preparation due to incomplete information, the following process took place.

- In 2005, the GoS commissioned French and Canadian consulting firms (Axelcium, SETEC, and Tescult) to carry out financial and technical pre-feasibility studies, which included analysis of traffic and toll acceptability.<sup>31</sup> Parts of these studies were funded by the GOS as well as the World Bank which provided USD 1.5 million from a Project Preparation Fund (PPF)<sup>32</sup>.
- Subsequently in 2006, APIX selected *Compagnie Benjamin de Rothschild*, a Swiss consulting firm, as the financial advisor for the feasibility studies and the preparation of the bidding process. The legal analysis was subcontracted to Norton Rose, a multinational law firm, and the technical analysis to Egis, a French consulting firm. The consultancy costs for *Compagnie Benjamin de Rothschild* were financed by a separate World Bank Project in Senegal, the Private Investment Promotion Project, approved in 2003, which had an objective of creating conditions to increase private investment.
- In 2007, PPIAF provided a USD 250,000 grant to generate recommendations for APIX’s operational reorganisation, to build capacity for APIX staff and develop contractual arrangements for the Dakar–Diamniadio Toll Highway project.<sup>33</sup> The same year, SETEC also carried out a complementary study on traffic prevision and toll sensitivity.

17. Based on the pre-feasibility and feasibility studies, it became clear that the GoS would need to provide a grant called an “investment subsidy” to the private sponsor to fund part of its construction costs. This is because, given the expected traffic and toll fees acceptable to the users<sup>34</sup>, the private sponsor would not be able to recover its cost to construct and maintain the road over the life of the concession. The provision of an investment subsidy by the GoS was therefore key in attracting potential private sponsors during the bidding process as well as ensuring the viability of the financial package in the long run.

### ***Bidding process and Negotiation of the Public Part of the PPP***

The bidding process can be divided in three different stages: the prequalification stage designed to exclude the bidders that do not have the technical and financial capacities to engage in the project; the request for proposals where pre-selected candidates deliver bidding offers; and selection of the final candidate. Throughout this process, local authorities need to ensure the integrity and competitiveness of the process.<sup>35</sup>

18. The bidding process to select the private sponsor for the Dakar Diamniadio Toll Highway Project took 28 months to complete. The process involved:

- The bidding process was launched in April 2007 after APIX obtained the necessary decrees and approval from the Infrastructure Council. Pre-qualification documents were reviewed by the Technical Committee of the Tender Evaluation Committee<sup>36</sup> with support from *Compagnie Benjamin de Rothschild*.
- In June 2007, three consortia were pre-qualified: Autoroute Dakar from Portugal, Delta Holding from Morocco and Eiffage from France<sup>37</sup>. During the following six months, APIX prepared the bidding documents and drafted the concession contract.
- Preliminary bidding documents were sent to the pre-qualified consortia in November 2007, which was followed by discussions, adjustment of bidding documents, offer submissions, and candidate selection with support from its advisors. APIX finally awarded the concession contract to the consortium led by Eiffage in July 2009.
- While preparing bidding documents, the GoS secured funding from the AfDB and AFD to provide the investment subsidy grant to the private sponsor<sup>38</sup> and assess the environmental and social components of the project. As the Dakar Diamniadio Toll Highway project was in line with the donors' priorities, they agreed to provide their respective concessional loans through co-ordination and joint missions.
- While AfDB and AFD were not directly involved in the bidding process itself, they reviewed the bidding documents ex-post and released a no-objection notification for the selection, as the investment subsidy was a vital component of the project. The AFD approved an ODA loan of EUR 80 million, of which USD 37 million was used to fund the public part of the PPP, with the rest being used for the other components of the project *i.e.* resettlement and restructuring of urban areas.<sup>39</sup> The AfDB approved a USD 67 million loan, which was fully used to fund the public part of the PPP.

### ***Negotiation of the Private Part of the PPP***

19. After the selection of Eiffage as the private sponsor, the Dakar-Diamniadio Toll Highway project was financed under a Build-Operate-Transfer (BOT) contract and structured around SENAC, a special purpose vehicle (SPV) created by Eiffage, which also provided it with equity (See Box 1 and Figure 2).

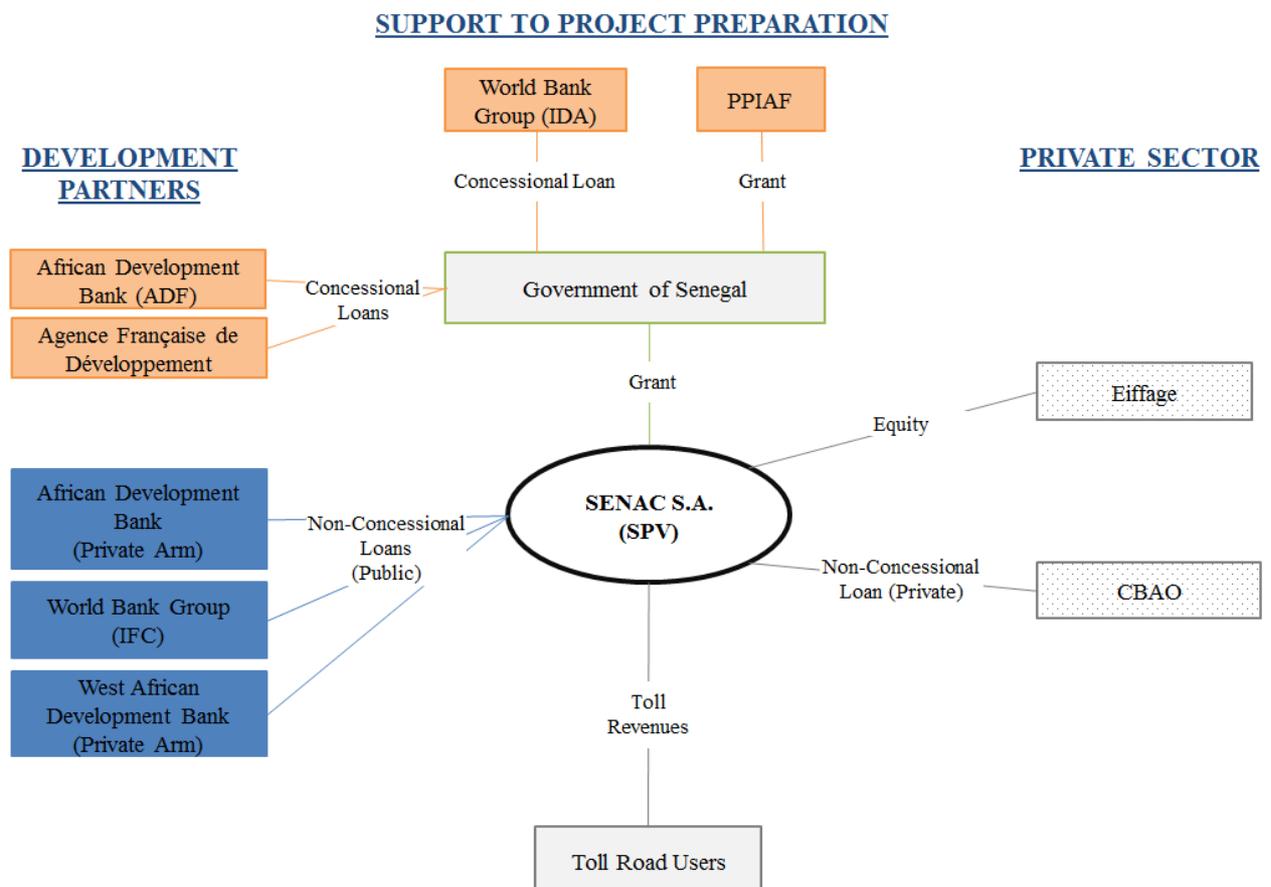
**Box 1. Build-Operate-Transfer and Special Purpose Vehicle**

Under a Build-Operate-Transfer (BOT) contract—one of the most common forms of a PPP contract—the public authority delegates the planning, construction and operation of a facility to a private partner. The private partner retains operating revenues—toll fees from users in this case—but the ownership of the facility remains public. At the end of the contract, the facility is transferred to the public sector.

The financial package is structured around a specific project company created by the private sponsors called the Special Purpose Vehicle. Creating a project company makes it possible to isolate the private sponsors: they provide equity to set up the SPV, which remains legally and financially independent. The private sponsors can therefore engage in riskier projects. The revenues generated by the SPV are used to cover operating costs and to service the debt contracted by the SPV. In case of project failure, lenders can only appeal to the SPV and not to its sponsors which have limited their liability to the invested equity amounts. Therefore, risks associated with the deal must be well assessed and allocated beforehand, which inevitably requires higher project preparation costs. On the other hand, residual profits can be used to pay dividends to the private sponsors.

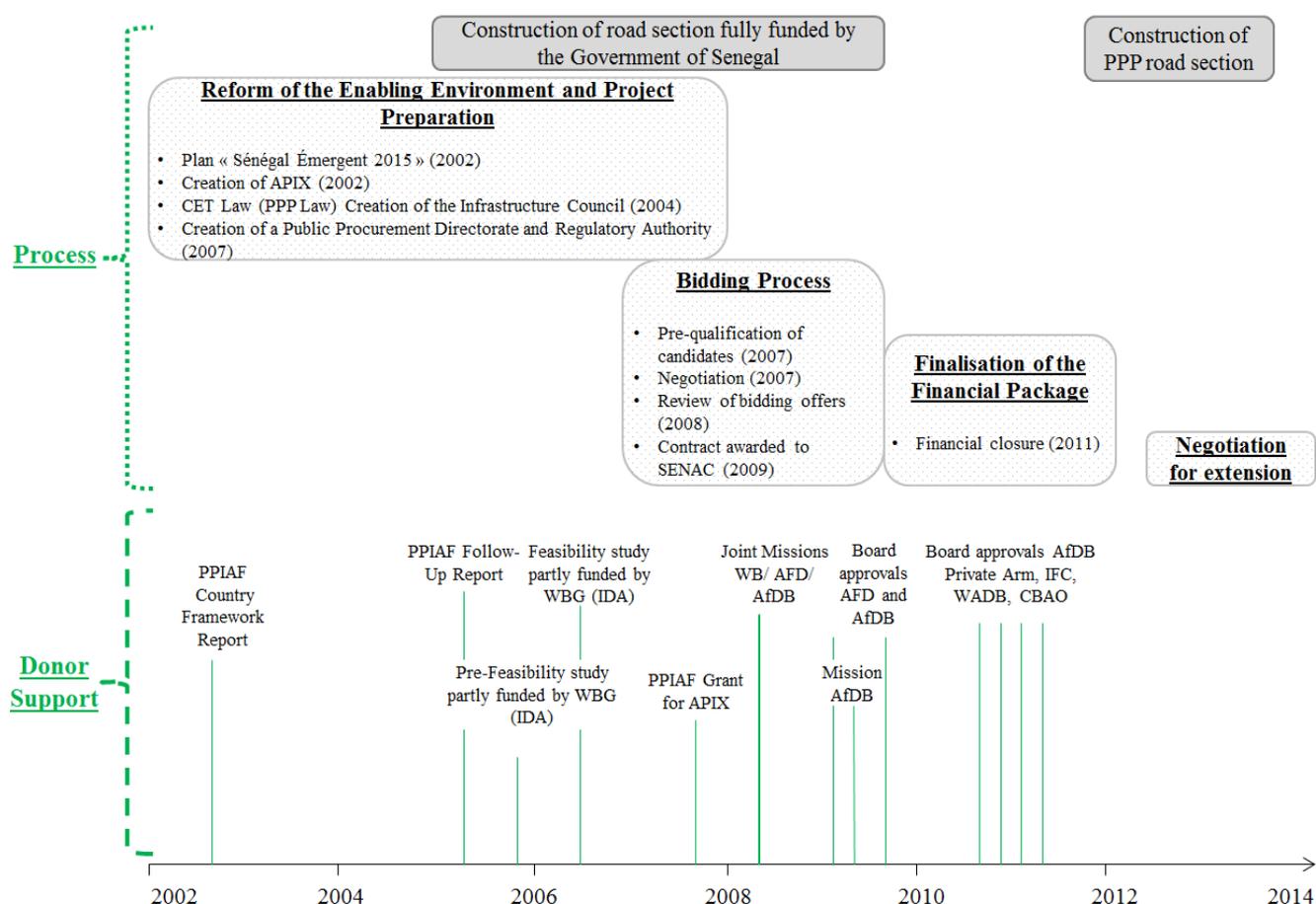
20. Donor support to SENAC consisted of non-sovereign loans provided by IFC—the lead arranger of the debt financing for the private part of the PPP—<sup>40</sup> the West African Development Bank (WADB) and by the private arm of the AfDB. SENAC was also funded by two private actors: Eiffage, the private sponsor of the project that provided the equity, and CBAO Groupe Attijariwafa bank, one of the leading Senegalese banks which provided non-concessional debt (See Figure 1).

**Figure 1. Contractual Arrangement of the PPP**



21. IFC, AfDB, and WADB carried out separate risk analyses of the project to assess commercial viability<sup>41</sup> and decided on the terms and maturity of the respective loans for SENAC according to their own criteria. However the IFC, AfDB, and WADB aligned their board approvals (See Figure 2) and disbursement timelines.<sup>42</sup> As a result, the IFC board approved a total USD 27 million for the project, partly in the form of a senior loan and partly in the form of a subordinated loan<sup>43</sup>; the private arm of AfDB provided a USD 16 million senior loan; and the WADB agreed on a USD 29 million loan<sup>44</sup>. At the same time, information regarding repayment conditions such as the interest rates applied and the maturity of these loans is not publicly available. The private bank CBAO was crowded-in last by providing a USD 8 million commercial loan<sup>45</sup> to SENAC.

**Figure 2. Summary of Project phases and involvement of development partners**



#### IV. Financing of the Project

22. The financing of the Dakar Diamniadio Toll Highway PPP project can be divided into project preparation costs and road construction costs.

##### *Project Preparation Costs*

23. In general, project preparation costs for pre-feasibility and feasibility studies can represent up to 3-4% of the total costs for projects costing less than USD 100 million and 2-3% for larger projects<sup>46</sup>. As

the exact amounts committed by the GoS and the World Bank for Project Preparation are unavailable, it is not possible to estimate this share for the Dakar Diamniadio Toll Highway project (See Table 1).

**Table 1. Distribution of Project Preparation Costs**

Institution	Nature	Amount (USD million)
Government of Senegal	n/a	n/a
PPIAF	Grant	0.25
World Bank (Project Preparation Fund)	Grant	1.25
World Bank - IDA (Private Investment Promotion Project)	Concessional Loan	n/a

Source: APIX, PPIAF, World Bank

### Road Construction Costs

24. Of the total financial package, the public side of the PPP represents 57% of the road construction costs, *i.e.*, GoS budget (19%) and the sovereign loans of donors to GoS (38%). The remaining 43%, which is for the private side of the PPP, was funded by private actors (17%) and the private sector arms of MDBs (which are public institutions) (26%) through non-concessional loans to the SPV (See Table 2).

25. In terms of mobilisation of financing from the private sector, normally, one might say that the non-sovereign lending by the development partners of 26% was able to leverage the 17% from the private sector (ratio of 1:0.7). However, in the case of this project, the sovereign loans by the AFD and AfDB of 38% that allowed GoS to provide the investment subsidy was crucial in getting the private sector to be interested in the project to begin with. Therefore, one could then say that both the sovereign and non-sovereign lending by the development partner of 64% was able to leverage the remaining 17% of private investment (ratio of 1:0.3), although it is not clear what made CBAO decide to invest in this project. This illustrates the difficulty in trying to attribute which official development partner and financial instrument actually leveraged how much from the private sector.

**Table 2. Distribution of the Road Construction Costs**

		Nature	Amount (USD million)	Share
Public Part of PPP	<b>a. Government of Senegal</b>	<b>Government Budget</b>	<b>54</b>	<b>19%</b>
	<b>b. Official Development partners</b>	<b>Sovereign Loans</b>	<b>105</b>	<b>38%</b>
	AFD	Concessional Loan	37	13%
	AfDB (African Development Fund)	Concessional Loan	67	24%
	<b>Subtotal Public Part of PPP</b>		<b>158</b>	<b>57%</b>
Private Part of PPP	<b>a. Official Development partners</b>	<b>Non-sovereign Loans</b>	<b>72</b>	<b>26%</b>
	World Bank - IFC	Non-concessional Loan	27	10%
	AfDB (Private Arm)	Non-concessional Loan	16	6%
	West African Development Bank	Non-concessional Loan	29	10%
	<b>b. Private Sector</b>	<b>Equity and Non-sovereign loan</b>	<b>48</b>	<b>17%</b>
	Concessionaire (SENAC)	Equity	40	14%
	CBAO Groupe Attijariwafa Bank	Non-concessional Loan	8	3%
<b>Subtotal Private Part of PPP</b>		<b>120</b>	<b>43%</b>	
<b>Total Construction Costs of PPP</b>			<b>278</b>	<b>100%</b>

Source: AfDB Project Appraisal Report, World Bank Appraisal Report (Annex 5); IFC communiqué. Amounts were converted from UA and Euros to USD and only include the cost of the construction and equipment of the highway. Compensation and resettlement costs for Project Affected People are not included.

## V. Key Findings for Donors

26. One of the key factors of success of this PPP project was the long-term and high-level commitment of the Government. Since the early 2000s, the project was a priority in successive development plans of the GoS as well as for some donors; and it was continued by the GoS in spite of political change. Furthermore, the GoS also demonstrated commitment by fully funding the first section of the road from its own budget. Therefore, for donors considering financing a PPP or leveraging private investment for an infrastructure project, it is important to:

- verify that the project has been a well-founded and broad-based priority for the partner country, including in long-term development strategies, which would make it likely to receive support over time even with political change.
- verify that there is demonstration of high-level political commitment, including by allocating sufficient counterpart funding to the project.

27. Before engaging in the project, the GoS passed a PPP law and created a dedicated agency supervised by the President of Senegal to undertake the planning and management of PPP projects. The reform of the enabling environment and institutional set-up was financially supported by PPIAF. Therefore, it is important for donors to:

- verify that the partner country has implemented or is in the process of carrying out legal and regulatory reforms, particularly to establish an appropriate institution to implement PPP projects.
- when appropriate, offer technical assistance in supporting the above reforms.

28. While the total cost for the project preparation is unclear, it appears that feasibility studies have been implemented without notable controversy, with financing from the GoS and the World Bank. Subsequently, AFD and AfDB provided sovereign concessional loans to the GoS to finance the investment subsidy for the private sponsor. Furthermore, IFC contributed and arranged the private debt financing of the PPP from the private arms of AfDB and WADB. It is presumed that parts of the World Bank that supported the project preparation stage and IFC for the private financing were well co-ordinated, as well as the sovereign and non-sovereign arms of AfDBs. Donors need to:

- ensure a co-ordinated approach to support the partner country in carrying out project preparation—including to adequately finance feasibility studies—and in bringing together the financing package, particularly within MDBs.

29. In terms of determining who leveraged how much from the private sector, this case has shown that the picture is rather complex. While there is a tendency to attribute amounts mobilised from private sources to the development finance institutions (such as the IFC, non-sovereign arm of AfDB, and WADB in this case), this PPP would not have become possible without the sovereign lending of AFD and AfDB that provided the investment subsidy. Therefore,

- caution is needed in the attribution of mobilisation of private resources to specific development partners.

**ANNEX I – OTHER COMPONENTS OF THE PROJECT AND EXTENSION OF THE ROAD**

The reorganisation of urban areas in the surroundings of Dakar is divided into two sub-components: the creation of a new urban zone, the Tivaouane Peul Resettlement Area in the North of Dakar, as displaced persons can choose to be either financially compensated or resettled, and the upgrade of Pikine Irrégulier Sud (PIS), a densely populated area crossed by the new Dakar-Diamniadio Highway that lacks basic infrastructure and subjected to floods. These activities are supported by development partners and are partly funded by AFD and the World Bank Group. The other type of activity is the project preparation, monitoring and evaluation undertaken by APIX.

Regarding the reorganisation of urban areas, the Tivaouane Peul Resettlement Site is functional as the last infrastructure is expected to be completed by June 2014. However, as of April 2014, only 33 families were living in the relocation site. The reallocation of displaced persons in Tivaouane Peul was affected by delays during the procurement process as the allotment of the works was rejected by the National Procurement Regulation Authority. Furthermore, the closing of the biggest dump of the region, the Mbeubeuss landfill, was a prior condition to the settlement of affected people in the Site according to the Financial Agreement with IDA. The Financial Agreement was restructured three times as the opening of a replacement landfill is to be confirmed by the GoS<sup>47</sup>. As for the upgrade of the PIS area, the contractors are being selected and works are expected to be completed by the end of 2016<sup>48</sup>.

The Government of Senegal is finalising the financial package for the extension of the Dakar-Diamniadio toll road to reach the new Blaise Diagne International Airport, presently under construction. The project consists of a 17 km extension of the existing highway under a PPP scheme. On the public side of the PPP, AFD will support the Government of Senegal through a USD 120 million concessional loan, which includes support to project management as AFD funds advisory services for this new section of the highway. Development partners and private financiers on the private side of the PPP remain the same, as well as financial and technical advisors funded by AFD.

## ANNEX II – LIST OF INTERVIEWEES

(Phone, Conference, E-mail)

<b>Surname</b>	<b>First Name</b>	<b>Organisation</b>	<b>Job Title</b>
Ndong	Dominique	APIX	Coordonnateur Général des Grands Travaux
Guillot	Gérard	AFD	Chef de projet Transport et Énergie
Pilloud	Sylvain	AFD	Coordonnateur Régional
Diop-Diallo	Rokhaya	AfDB (Private sector)	Finance Officer (Dakar)
Mohamed	Ali Ismail	AfDB (FAD)	Principal Transport Economist (Dakar)
Payerne	Didier	SENAC	Directeur Opérationnel

## ENDNOTES

- <sup>1</sup> Bhattacharya, A., M. Romani and N. Stern, (2012), *Infrastructure for Development: Meeting the Challenge*, Centre for Climate Change Economics and Policy, Grantham Research Institute on Climate Change and the Environment, in collaboration with Intergovernmental Group of Twenty Four. <http://www.cccep.ac.uk/Publications/Policy/docs/PP-infrastructure-for-development-meeting-thechallenge.pdf>. Estimates adapted from Fay, M *et al.* (2011). *Infrastructure and Sustainable Development*. In: Fardoust, S. *et al.* (eds.), *Postcrisis Growth and Development: A Development Agenda for the G-20*. [http://siteresources.worldbank.org/DEC/Resources/PCGD\\_1-62.pdf](http://siteresources.worldbank.org/DEC/Resources/PCGD_1-62.pdf)
- <sup>2</sup> Programme of Work and Budget 5.1.3.3.2
- <sup>3</sup> Selection was based on the following criteria: (1) significant private investment has been made; (2) the project has reached financial closure; (3) several DAC Members and MDBs are co-financiers; (4) availability of information and likelihood of co-operation from host government, development partners, private sector, and others in carrying out the case studies; and (5) diversity in country income levels, sub regions, sectors and types of private sector participation.
- <sup>4</sup> World Bank, (2014), "Poverty headcount ratio at national poverty line (% of population)", World Bank data. <http://data.worldbank.org/indicator/SI.POV.NAHC/countries/SN?display=graph>
- <sup>5</sup> CIA (2014), "The World Factbook" Central Intelligence Agency. <https://www.cia.gov/library/publications/the-world-factbook/geos/sg.html>
- <sup>6</sup> Transparency International (2013), "How corrupt is your country?" (2013) Corruption Perceptions Index 2013. <http://cpi.transparency.org/cpi2013/results/>
- <sup>7</sup> World Bank (2014a) "World Development Indicators", The World Bank <http://wdi.worldbank.org/table/6.9#>
- <sup>8</sup> World Bank (2014b) *Doing Business 2014 Understanding Regulations for Small and Medium-Size Enterprises*, The World Bank, <http://www.doingbusiness.org/reports/global-reports/doing-business-2014>
- <sup>9</sup> World Bank (2013a) *Doing Business 2013 Smarter Regulations for Small and Medium-Size Enterprises*, The World Bank, <http://www.doingbusiness.org/reports/global-reports/doing-business-2013>
- <sup>10</sup> Groupe consultatif Sénégal (2014), *Environnement des affaires, Note technique thématique, Programme sur les réformes de l'environnement des affaires et de la compétitivité*, Groupe Consultatif Sénégal <http://www.gcsenegal.gouv.sn/docs/GC2014-037%20-%20Note%20-Prog%20sur%20les%20reformes%20de%20l'env%20des%20aff%20et%20de%20la%20competitivite.pdf>
- <sup>11</sup> World Bank (2009), *Project appraisal document on a proposed credit in the amount of SDR 71.2 million (USD 105 million equivalent) to the Republic of Senegal for a Dakar Diamniadio Toll Highway Project*, World Bank, Washington D.C. <http://documents.worldbank.org/curated/en/2009/05/10561129/senegal-dakar-diamniadio-toll-highway-project>
- <sup>12</sup> IFC (2010a), *Summary of Proposed Investment, Societe Eiffage de la Nouvelle Autoroute Concedee*, <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/78e3b305216fcd8a85257a8b0075079d/50d29200bd0c3a8b8525773e0077c1f3?opendocument> [3 April 2014]
- <sup>13</sup> Conseil Présidentiel de l'Investissement (2012), « Compte rendu de la 11ème session du 14 décembre 2012 », Présidence de la République du Sénégal, Dakar, [http://investinsenegal.com/IMG/pdf/cr\\_11eme\\_session\\_cpi\\_2\\_2\\_.pdf](http://investinsenegal.com/IMG/pdf/cr_11eme_session_cpi_2_2_.pdf)
- <sup>14</sup> World Bank (2014c), *Senegal - Dakar Diamniadio Toll Highway : P087304 - Implementation Status Results Report : Sequence 09*, World Bank, Washington D.C. <http://documents.worldbank.org/curated/en/2014/05/19511395/senegal-dakar-diamniadio-toll-highway-p087304-implementation-status-results-report-sequence-09>
- <sup>15</sup> OECD (2012), *Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships*, OECD, Paris, <http://www.oecd.org/gov/budgeting/PPP-Recommendation.pdf>
- <sup>16</sup> OECD (2014), *Lessons learnt from Investment Policy Reviews with a Focus on Infrastructure Sectors in Latin America, Africa, South East Asia (SEA) and the Middle-East and North-Africa (MENA)*, OECD, Paris, p.7
- <sup>17</sup> Information on the funding of these pre-feasibility studies is unavailable.

- <sup>18</sup> APIX (2010a), « Dix ans au service des investisseurs et des grands travaux du chef de l'État », APIX, Dakar, <http://destinationsenegal.net/documentos/APIX-FR.pdf>
- <sup>19</sup> Poverty Reduction Strategy Papers were initiated by the IMF and the World Bank in 1999 to support partner countries in elaborating a comprehensive strategy for poverty reduction.
- <sup>20</sup> Gouvernement du Sénégal (2006), Poverty Reduction Strategy Paper II, [http://siteresources.worldbank.org/INTPRS1/Resources/Senegal-PRSP\(Sept2007\).pdf](http://siteresources.worldbank.org/INTPRS1/Resources/Senegal-PRSP(Sept2007).pdf)
- <sup>21</sup> Gouvernement du Sénégal (2012), *Stratégie Nationale de Développement Économique et Social 2013-2017*, [http://www.gouv.sn/IMG/pdf/SNDES\\_2013-2017\\_-\\_version\\_finale\\_-\\_08\\_novembre\\_2012.pdf](http://www.gouv.sn/IMG/pdf/SNDES_2013-2017_-_version_finale_-_08_novembre_2012.pdf)
- <sup>22</sup> APIX (2014a), « Investissements », <http://www.gouv.sn/Investissements.html> [08/09/2014]
- <sup>23</sup> APIX (2014b), « APIX, votre partenaire », <http://www.apix.sn/page.htm> [08/09/2014]
- <sup>24</sup> APIX (2010b), *Annual Report*, [http://investinsenegal.com/IMG/pdf/rapport\\_annuel\\_2010.pdf](http://investinsenegal.com/IMG/pdf/rapport_annuel_2010.pdf)
- <sup>25</sup> OECD (2014), *op. cit.*, p. 22
- <sup>26</sup> OECD (2012), *op. cit.*
- <sup>27</sup> PPIAF (2012), *PPIAF Assistance in Senegal*, PPIAF, Washington D.C. [http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF\\_Assistance\\_in\\_Senegal.pdf](http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF_Assistance_in_Senegal.pdf)
- <sup>28</sup> The Infrastructure Council is composed with three full-time counsellors and nine part-time counsellors. Full-time counsellors are members or former members of the Supreme Court, the Constitutional Council or the Court of Auditors. Part-time counsellors are chosen as follows: three deputies chosen by the President of the National Assembly, the representatives of the private sector and three representatives of NGOs related to the protection of human rights and infrastructure users.
- <sup>29</sup> Information on the amount committed by PPIAF to develop this model is unavailable
- <sup>30</sup> APIX (2007), *Autoroute à péage Dakar-Diamniadio*, APIX, Dakar, [http://investinsenegal.com/IMG/pdf/fiche\\_autoroute.pdf](http://investinsenegal.com/IMG/pdf/fiche_autoroute.pdf)
- <sup>31</sup> Information on the costs of pre-feasibility studies is unavailable
- <sup>32</sup> World Bank (2009), “Annex 5: Project Costs” in *Project appraisal document on a proposed credit in the amount of SDR 71.2 million (USD 105 million equivalent) to the Republic of Senegal for a Dakar Diamniadio Toll Highway Project*, World Bank, Washington D.C., p. 65  
<http://documents.worldbank.org/curated/en/2009/05/10561129/senegal-dakar-diamniadio-toll-highway-project>
- <sup>33</sup> PPIAF (2012), *op. cit.*
- <sup>34</sup> Information on the projected number of cars and toll tariffs are unavailable
- <sup>35</sup> OECD (2012), *op. cit.*
- <sup>36</sup> The Tender Evaluation Committee was composed with two representatives of the State, a representative of the Ministry of Finance, a representative of the Audit institution, a representative of APIX and a representative of the Infrastructure Council.
- <sup>37</sup> AfDB (2010), “Autoroute Dakar-Diamniadio”, AfDB, Tunis, <http://www.afdb.org/fr/projects-and-operations/project-portfolio/project/p-sn-db0-010/> [29 April 2014]
- <sup>38</sup> African Development Fund (2009), *Project Appraisal Report of the Dakar-Diamniadio Highway Project*, AfDB, Tunis, [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Senegal\\_-\\_Dakar-Diamniadio\\_Highway\\_Project\\_-\\_Appraisal\\_Report.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Senegal_-_Dakar-Diamniadio_Highway_Project_-_Appraisal_Report.pdf). The GoS also contacted the Japan International Cooperation Agency, the Korea International Cooperation Agency, the Nigeria Trust Fund, and the Organization of the Petroleum Exporting Countries Fund, but they did not participate in the project.
- <sup>39</sup> Amounts given in Units of Accounts used by the African Development Bank were converted to USD using AfDB currency equivalents (April - 2009)
- <sup>40</sup> IFC (2010b), *World Bank Group Supports First Toll Road Public-Private Partnership in West Africa*, IFC, Washington D.C. <http://ifcext.ifc.org/ifcext/pressroom/ifcpressroom.nsf/0/b8a89a9be4265591852577dc007be517?opendocument> [12 May 2014]
- <sup>41</sup> The detailed risk assessment is unavailable
- <sup>42</sup> Information on the terms of non-concessional loans is unavailable

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<sup>43</sup> The distribution between the senior loan and the subordinated loan is not available

<sup>44</sup> Information on the terms of WADB non-concessional loan and level of seniority is unavailable

<sup>45</sup> IFC, *op.cit.*

<sup>46</sup> PPIAF (2009), *op.cit.*

<sup>47</sup> World Bank (2013), *Amendment to the Financing Agreement for Credit 4579-SN*, World Bank, Washington D.C. <http://documents.worldbank.org/curated/en/2013/07/18021612/official-documents--amendment-financing-agreement-credit-4579-sn>

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<sup>48</sup> World Bank (2014c), *op. cit.*

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