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The financialization of infrastructure in sub-Saharan Africa

Kate Bayliss and Elisa Van Waeyenberge

Abstract

Over the last decade, there has been a dramatic ramping up of advocacy for private finance, including through public-private partnerships (PPPs) in infrastructure provision. The 2015 development finance agenda around the Sustainable Development Goals (SDGs) added momentum, calling for the mobilization of private financial resources to fill a development "financing gap". This chapter considers the implications of interventions by donors and governments to construct infrastructure in a way that will be attractive to private investors. We argue that the growing policy orientation around the promotion of PPPs acts as an important wedge through which infrastructure policy is increasingly captured by finance, despite the relatively minor role that PPPs play in financing infrastructure in developing countries. Infrastructure as a physical spatial asset becomes condensed into financial metrics, seeking to offer secure revenue streams for investors. The role of the state is reconstructed as one of commissioner rather than a provider of services, effectively erasing the redistributive mandate with which infrastructure provisioning is associated. The policy turn to PPPs is part of a wider structural shift that promotes the interests of global capital in development. The specifics of the engagement with private finance in infrastructure vary substantially according to where an investment is located within broader structures of global capitalism, with lower income countries relying heavily on external funding and foreign consultants. Finally, an appearance of technocratic neutrality underpins the promotion of PPPs, which can negate more problematic questioning of whether the original policy is appropriate.

Keywords

Financialization; Public-Private Partnerships; Sub-Saharan Africa

Introduction

Over the last decade, development discourse and practices have witnessed a dramatic ramping up of advocacy of public-private partnerships (PPPs) in infrastructure provision (see Bayliss and Van Waeyenberge, 2018).[1] While building on the pro-privatization rhetoric of the past three decades, the current PPP revival represents a departure from previous privatization policy due to the central role played by global finance. This has led to a growing financialization of infrastructure. Diverse physical investments across an extensive range of spatial environments have become condensed into financial metrics seeking to offer secure revenue streams for investors. Infrastructure policy has become increasingly focused on reconstructing sector investment requirements around the interests of potential investors.

Financialization gained momentum with the UN Sustainable Development Goals (SDGs) in 2015 which called for global private resources to fill the “financing gap”, in particular through the deployment of PPPs. As part of this private turn in development finance (see Van Waeyenberge, 2015), donor efforts have become (increasingly) oriented around mobilizing funds from institutional investors, with the explicit promotion of developing country infrastructure as private (and financial) assets (see Bayliss and Van Waeyenberge, 2018). In a further elevation of private finance, the Billions to Trillions report (World Bank and IMF, 2015) and the follow-up Maximizing Finance for Development (MFD) strategy (World Bank and IMF, 2017a) called for public funds to be used to “leverage” private finance, such as by “de-risking” potential PPP projects (Jomo and Chowdhury, 2019). The logic of this approach is that public funds are in short supply and so bringing in private finance is essential both to finance infrastructure and to increase fiscal space (World Bank and IMF, 2017a, p. 5). Private finance is now deemed essential and “barriers” to private investment are presented as a reason for infrastructure failings. These narratives have been influential in shaping a policy agenda centered around the needs of private finance.

This chapter sheds light on the actors and processes involved in the attempts to increase the role of private finance in infrastructure across sub-Saharan Africa (SSA) and to assess the implications of PPP-promoting measures for development policies and practices in the context of shifting structures of global capitalism. We see PPPs as a wedge in reconceptualizing the meaning of infrastructure as well as redefining the policy space around infrastructure provision, with important repercussions over and above their (relatively small) immediate financial significance. The particular way in which PPPs are promoted across developing countries highlights the consolidation of a development policy regime that relies on ostensibly neutral sets of benchmarks, standards and various other instruments. The modalities of this policy regime have been in the making since development agencies sought to redefine their role in the wake of the private turn in development finance and have been further strengthened with the advent of the global financial crisis and an emerging glut of global finance (see Bayliss and Van Waeyenberge, 2018).

This chapter draws on an extensive review of academic and grey literature and datasets. The following section focuses on the interventions by international agencies to support developing country governments in attracting private finance to infrastructure investment. Section 3 then considers the implications of this, in light of a wide body of literature showing weak evidence of benefits from private finance. We show that this policy framing is associated with a shift in understandings of infrastructure and a refocusing of the role of the state. Moreover, these developments are consistent with broader transitions in the structures of global capitalism. The chapter shows that the construction of infrastructure policy in terms of creating attractive commercial investments may result in a reorientation of development policy to meet the needs of global finance rather than improving conditions for the world's poorest.

Boosting private infrastructure investment

New narratives with regard to infrastructure and development have emerged over the last decade (see Bayliss and Van Waeyenberge, 2018; Romero and Van Waeyenberge, 2020). These put the private sector and PPPs at the center of infrastructure finance. PPPs take different forms and are often represented on a spectrum from traditional public procurement to outright privatization or divestiture, capturing differences in the nature and extent of the involvement and relations between private and public agents. However, the various forms of PPPs can be grouped together as manifestations of a push for the increased involvement of the private sector (and finance) in public service provision (see Romero and Van Waeyenberge, 2020). Using private finance for infrastructure investment has become the default option while the use of allegedly scarce public finance is seen as a last resort.

PPPs are supposedly associated with far-reaching benefits. The African Development Bank (AfDB) highlights how PPPs

> can offer a solution to increase investments and efficiencies in public infrastructure. PPPs leverage private sources of finance, optimize the quality and the value for money by leveraging private innovation and capital to provide public services more efficiently.
>
> (AfDB, 2021, p. 1)

An additional benefit is that PPPs provide off-budget finance. According to the G20 Compact with Africa (CwA) initiative, launched in 2017 to promote private investment in Africa,

> Reforming public utilities and commercializing them will shift their borrowing and performance risks off the public balance sheet, thereby creating fiscal space for non-commercial public infrastructure.
>
> (G20, 2017a, p. 16)

Given the desirability of private finance, the stumbling block to development becomes the capacity of governments to attract such funds. For example, the founding document of the G20s CwA declares that:

> Meeting Africa’s infrastructure financing needs crucially depends on countries’ ability to prepare, execute and monitor project contracts, including through public-private partnerships.
>
> (G20, 2017a, p. 25)

A major challenge to the rollout of this financing mechanism has been attracting interest from the private sector, particularly in poorer countries. Figure 5.1 shows that private participation in infrastructure has declined from a peak in 2012.

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Private investment accounted for less than 0.4% of GDP in emerging market and developing economies in 2017 (down from just over 0.5% between 2008 and 2012) (World Bank, 2018a). It remains stubbornly skewed toward middle-income countries (MICs), with China, Indonesia, Mexico, Brazil and Pakistan accounting for nearly 60% of all private infrastructure investment (World Bank, 2019). It is predominantly allocated toward the energy and transport sectors which together accounted for 95% of all Private Participation in Infrastructure (PPI) in 2017 (World Bank, 2018a). PPI in low-income countries (LICs) saw a steep drop in 2018 falling to its lowest level in the past ten years (World Bank, 2019, p. 14). In SSA, private infrastructure investment has been volatile. It declined steeply from 2013 and it was barely significant in 2016, accounting for only a small fraction of infrastructure investment (just over 4% in 2016), the bulk of which is allocated to energy and transport (ICA, 2017). Private investment recovered in 2018, but this was driven mainly by a surge in renewable energy projects in South Africa (World Bank, 2019, p. 11).

The relatively low level of interest from private finance in LIC infrastructure has led to renewed donor efforts to make such investments more attractive. With PPPs promoted as the solution to infrastructure finance, the problem becomes one of a lack of "bankable" projects, for which read profitable (AfDB, 2018, p. 100).[2] Donor responses have been oriented around enhancing the role of private sector (see Bhattacharya et al., 2018, p. 10; G20, 2017b; World Bank and IMF, 2017b). A plethora of initiatives and mechanisms have emerged. The rest of this section discusses the different measures that the donor community deploys to promote private financial involvement in infrastructure. These include upstream measures that assist in transforming policy landscapes to ready them for PPPs, and downstream measures that mobilize development finance in support of specific PPP investments.

Upstream measures: project pipelines, standardization and creating markets

Upstream policies are oriented around project preparation, an area where state capacity limitations are deemed most prevalent (World Bank, 2014). Governments are required to implement reforms to create a so-called enabling environment for private infrastructure investment. Attention is needed to the institutional, legal, political, financial, regulatory and engineering contexts and specific analyses that translate an infrastructure concept into a "well-defined and properly structured project, with clear identification and allocation of risk" (G20, 2107a). The cost of project preparation can be high – estimated to be in the range of 5%–16% of total cost – and is often overlooked in the budgets of both investors and governments (G20, 2017a).

Countries are urged to design pipelines of projects in which investors can participate. A number of donor initiatives have emerged to help developing country governments with upstream measures (see the World Bank's PPP Knowledge Lab, and their PPP Reference Guide (World Bank, 2017b) for an extensive range of resources[3]). Specific initiatives include the World Bank's Global Infrastructure Facility (GIF)[4] which offers support for governments to develop a project pipeline with its Upstream Project Preparation Window. Similarly, a group of multilateral development banks (MDBs) have established a platform called SOURCE, which provides online support with infrastructure project preparation for governments. The facility offers standardized project preparation templates for 40 different infrastructures, from irrigation to hospitals. The platform is offered for free to developing country government agencies and, while primarily funded by MDBs and donors, it has benefited from increasing financial contributions from private sector infrastructure players. SOURCE is managed by the Swiss-based Sustainable Infrastructure Foundation (SIF). While intended to bring "transparency and consistency to the project development cycle" (SIF, 2018, p. 1), the SIF Strategic Committee includes private sector investors such as Microsoft, Bouygues, Autodesk and KPMG (SOURCE, n.d). Standardization of the provisions in concession agreements or other PPP contracts is intended to reduce transactions costs and overcome capacity constraints (G20, 2017a; Schmidt-Traub and Sachs, 2015, p. 14). The Compact with Africa for example suggests that standardization is a way to overcome governmental institutional constraints such as a lack of legal and commercial skills to negotiate with the private sector (G20, 2017a). Adopting standard contractual documentation is intended to increase investor interest. However, such measures are typically oriented around the needs of investors, for example, by offering regulatory certainty (AfDB, 2018, p. 99).

Downstream measures: support for specific projects

Donor efforts in downstream support for PPPs are focused around improving the conditions for investors with regard to specific projects. Key in this area is the notion of de-risking, where donor interventions aim to reduce specific project risks that might deter investors. This is also known as blending, where donors contribute directly to project finances, and leveraging, which includes mechanisms like guarantees which insulate investors from certain project risks. Development finance institutions such as the World Bank's International Finance Corporation (IFC) might take an equity stake in projects or provide concessional loan finance to "crowd in" private financing sources to projects and locations where private financiers may not be comfortable with the perceived level of risk (Chao and Saha, 2015). These measures have been gaining support in recent years among donors and governments, as for example in the G20s Compact with Africa (Bayliss et al., 2020; G20, 2017a).

A specific incarnation of de-risking takes the form of donor or public grant funding, known as viability gap funding to make projects commercially viable. For example, in Ghana, a Viability Gap Scheme fills capital investment funding gaps required to make infrastructure PPP projects profitable for investors (World Bank, 2012). In this vein, the World Bank's Private Sector Window was established in 2017 to catalyze private sector investment in low-income countries with a focus on fragile and conflict-affected states. The program provides World Bank support to ramp up de-risking measures to attract private investment to these locations. The EU's External Investment Plan, launched in 2016 is another example of downstream donor activity. This combines a guarantee scheme with other "blending" activities to unblock bottlenecks to private investment in Africa and other target countries (Bayliss et al., 2020).

While PPPs are presented as a source of infrastructure finance, they can place considerable demands on the public sector and rely on public resources. For example, the much-celebrated PPP toll road between Dakar and Diamniadio in Senegal heavily depended on various sources of official support (including via public sector loans, MDB concessional loans and non-concessional loans) for ultimately a private sector participation stake of less than 20% (Bayliss, Romero and Van Waeyenberge, 2021). Similarly with donor efforts to promote private investment in solar energy in Zambia, over 70% of project finance in the two solar PPPs was from development institutions to attract a minority equity stake from European investors for two solar power generation plants. These projects were furthermore underpinned by commitments by the state for a fixed payment to investors for 25 years (Bayliss and Pollen, 2021).

PPPs as a wedge: the capture of infrastructure policy by finance

The PPP agenda has led to major reconfigurations of developing country infrastructure policy landscapes toward creating conditions that are acceptable to global finance. Indeed, the drive for PPPs and private finance in infrastructure has translated into a series of legislative and regulatory reforms. In its review of the National Development Plans (NDPs) of 35 African countries, UNCTAD (2016) finds that 29 of these national plans link PPPs to national development goals. And the World Bank (2018b, p. 27) reveals that stand-alone PPP laws have been enacted in a large number of SSAn countries (see also Ambani et al., 2018).[5] Across various SSAn countries, the interest in PPPs has also manifested itself in the institution of PPP units. This reflects a common trend across the developing world, as it is perceived that these units can "facilitate the development of PPPs by centralizing PPP expertise in a single government agency" (World Bank, 2018b, p. 30). The specific form these units take as well as their formal place within the policy-making landscape, varies across countries, but, as local transmitters of a broader agenda, PPP units tend to share a set of characteristics. These include the following: responsibility for PPP regulation policy and guidance, capacity building for other government entities, promotion of PPP programs, technical support in implementing PPP projects and oversight in PPP implementation. The PPP unit hence performs an advisory (and promotion) role in support of specific procurement decisions located within relevant line ministries (World Bank, 2018b, p. 30).[6] PPP units emerge both with and without direct support from external agencies, although the fast-growing web of facilitation platforms and benchmarking exercises discussed above has increased the likelihood of their being established across countries [see the Annex of the G20s CWA for examples of the range of specific donor-funded initiatives in support of PPPs (G20, 2017a)].

Institutional and regulatory changes in support of PPPs have given rise to a proliferation of lists of “bankable” projects across SSAn countries which seek to advertise to (foreign) investors how different infrastructure projects provide attractive investment opportunities. These lists include a host of projects across sectors (e.g., from transport, hospitals, prisons, power to schools, universities) that have been prepared so that private investors can express interest. Kenya’s pipeline, for instance, includes 64 projects (in June 2022; Government of Kenya, 2022). Despite such enthusiasm in local development policies for PPPs, the outcomes of PPPs in practice have been problematic. The issues are well documented and widely known. They include high costs, limited efficiency gains, failure to address poverty, and cherry-picking from the private sector leading to fragmentation. Furthermore, measures to reduce private sector risk simply transfer this to the public sector (see Bayliss and Van Waeyenberge, 2018; Jomo et al., 2016; Romero, 2015 and references therein). Moreover, PPPs and private finance are not substitutes for public funds. PPPs bring investment that is repaid with a profit. They may bring advantages over public finance in terms of the speed of allocation, or predictability of financial flows but they are not a source of funding. Countries with weak fiscal positions, such as highly indebted poor countries, may be likely to seek private infrastructure finance for large projects due to their constraints (Arezki et al., 2018) but these then can lead to even greater fiscal liabilities in the long term. Policy advocacy is noticeably vague when it comes to the wider benefits of PPPs. For UNCTAD (2016, p. 111) many of the formulations in support of PPPs across NDPs lack specificity, and, although PPPs are promoted as conduits of development across these NDPs, it remains unclear how PPPs are likely to fulfill this function. Yet, despite well-documented limitations, infrastructure policy continues to be oriented around the creation of bankable opportunities.

However, the continued promotion of PPPs in the absence of substantive evidence of their benefits is associated with some more fundamental transitions in global capitalism. In the pages that follow, we focus on how infrastructure has been reframed, whose interests it comes to represent, and how a bias in favor of private investors is furthered.

Reframing infrastructure

First, the framing of infrastructure needs in terms of lack of finance has led to a fundamental shift in understandings of infrastructure, from a physical construction of pipes and bricks to a financial revenue stream. This process has necessitated the "erasure" of a history of infrastructure as public works so that different sectors, locations and timings can all be converted into single, ahistorical asset class, or a "universal global thing called 'infrastructure'", regardless of history, context or material form (Bear, 2020, p. 46).

As PPP advocacy has gathered momentum, the underlying nature of public infrastructure is obscured. Rather than reflecting a standard product, infrastructure by its nature is intended to induce change so, for example, a road is expected to have social and economic benefits and lead to changes in transportation that will have an impact on spatial developments. Hence, infrastructure needs to be understood in terms of a fluid integrated system rather than discrete segments (see Helm, 2013). As Appel, Anand and Gupta (2018, p. 12) point out,

> Rather than being a singular thing, infrastructure is instead an articulation of materialities with institutional actors, legal regimes, policies and knowledge practices that is constantly in formation across space and time.

The system of the infrastructure itself is located in a social dimension assuring the conditions of social reproduction of households across sectors. Indeed, households do not face water and energy and housing bills in isolation. Justifying an increase in tariffs (as an infrastructure project is made bankable) on the basis of alleged willingness to pay fails to take into consideration the implications for other dimensions of social reproduction and deprivation. Yet, once infrastructure needs are framed (almost exclusively) in terms of a lack of funds, private finance is easily promoted as the solution, and policy becomes focused on attracting the private sector.

Rethinking the role of the state in infrastructure

This leads to a second point. The shift in infrastructure policy cultures is associated with a transformation in understanding the role of the state and the public good. The expansion of PPP policies has consolidated a view of the state as commissioner of services rather than provider, as the notion of infrastructure-as-asset displaces previous notions of infrastructure as the "structural underpinning of the public realm" (Hildyard, 2016, p. 22), framed by overall imperatives of accessibility and quality for all (see Romero and Van Waeyenberge, 2020). The state is increasingly seen as fulfilling a residual role, providing for those most difficult to serve, rather than infrastructure policy being situated as part and parcel of the broader redistributive mandate of the state in which infrastructure is governed by "collective and universal principles and practices of delivery" (Bayliss and Fine, 2016, p. 6). Furthermore, with a focus on PPP pipelines, the ambition is no longer to design comprehensive infrastructure plans but to prepare lists of separate projects, each of which offers profitable opportunities to (typically foreign) investors. The promotion of PPPs prejudices alternatives and risks compromising the wider public good. For example, Aizawa (2018) carried out a review of 12 PPP guidelines published by major regional or international organizations.[7] She highlights the significant gaps across PPP guidelines, including how these "leave out the viewpoint of the public or non-commercial stakeholders" and have little interest in issues of public benefit or public good (Aizawa, 2018, p. 4). Interestingly, Aizawa (2018, p. 4) finds that "most [guidelines] lack helpful guidance on the circumstances under which PPPs should be used or avoided". The author adds that, in the persistent absence of evidence that PPPs have a strong positive impact on public service delivery, including in terms of improving access, the issue arises as to whether the panoply of resources in support of PPPs could not have been better directed in support of the public financing and provision of infrastructure.

Persistent bias

Finally, the policy turn to PPPs is part of a wider structural shift that promotes the interests of global capital in development. The prioritization of PPPs has led to a reconfiguration of the policy realm in support of purportedly technocratic measures such as bankability, yet these incorporate an inherent bias. Proposals to standardize contracts provide a good example. The World Bank's Guidance on Contractual Provisions (World Bank, 2017a) has attracted negative criticism from the advocacy community for favoring investors over citizens and the environment, and offering investor protection that exceeds provisions under much-contested investment treaties. For the Heinrich Boll Foundation the guidelines contradict Principle 8 of the UN Guiding Principles on Business and Human Rights following which governments should maintain sufficient policy space to meet their human rights obligations (Alexander, 2017 and see also Shrybman and Sinclair 2015) Bayliss and Van Waeyenberge (2018) also note that the proposals for standards tend to be devoid of sector-specific features, with sectoral specificities subordinate or incidental to the broader purpose of generating revenue streams for financial investors.

Indeed, PPP advocacy entrenches an approach to development policy that has been promoted since the Washington Consensus (WC), characterized by capital account openness, low levels of taxation, encouraging foreign investment, discouraging State Owned Enterprises, etc. But, while during the original era of the WC in the 1980s, reforms were imposed through conditionalities regulating access to much-needed (official) development finance, a different regime of policy adoption has come to prevail governed by standards, benchmarks, etc. Policy reforms are no longer necessarily integrated into conditionalities but promulgated via an insidious web of policy governance as development finance shifts to emphasize the role of the private sector. This regime of policy influence has been in the making since the turn to private finance in the mid-1990s, as traditional donors increasingly project roles for themselves as "brokers between the global market system and the interests of emerging countries and poor people" (Kim, 2017) rather than providing funding to governments for the direct financing and provision of infrastructure (see Van Waeyenberge and Fine, 2011). This switch in policy emphasis has been strengthened, since the Global Financial Crisis, as direct and indirect official (public) support for private participation in infrastructure has massively increased (see Romero and Van Waeyenberge, 2020).

The progression of the private finance agenda has cast infrastructure in a generic form not just across sectors, but also across locations. Yet, the ways in which private finance is engaged in infrastructure vary substantially according to where an investment is located within broader structures of global capitalism. Low-income countries tend to fare worst in terms of attracting investment and capacity to ensure beneficial outcomes (World Bank, 2018b). Indeed, lack of capacity is widely cited as a constraint to the effective implementation of PPPs and numerous donor programs have been launched to address such limiting factors. Clearly many countries lack the expertise to negotiate and monitor contracts on a scale to match that of international capital. Smaller economies such as Rwanda, Uganda, Zambia and Ghana face a broader shortage of staff with expertise in areas such as risk evaluation, contract design, project preparation and financing, and economic analysis of PPP benefits compared with alternatives (EIU, 2015). Low-income countries are often reliant on external funding and foreign consultants which means that interventions take a standard form rather than being rooted in the development constraints that are faced locally. However, blaming capacity for weak implementation has echoes of wider narratives related to so-called good governance. For Best (2014, p. 122),

> the good governance agenda … allowed the IFIs to shift significant responsibility for those failures [of development finance] onto low-income governments while at the same time developing new forms of expertise to respond to the "problem" of governance.

With PPPs, a focus on capacity constraints appears to be neutral and suggests that these can be overcome by training, technical expertise and standardization. Such a focus can negate more problematic questioning of whether the original policy is appropriate.

Conclusion

So far, PPPs play a relatively small role in infrastructure investment in developing countries. But over the last decade, the development finance community has increased its efforts, both financial and non-financial, to further the private sector's role in infrastructure. This has been emblematic of the promotion of PPPs as a way to finance large infrastructure needs in developing countries. These needs are understood in terms of a financial gap and, combined with arguments regarding fiscal constraints, the private sector emerges as the way forward. Establishing a PPP Unit is seen as a sensible part of infrastructure policy. Yet PPPs create fiscal risks for governments. While the impact so far is marginal in low-income countries, efforts to de-risk PPPs such as with guarantees, create contingent liabilities, usually in foreign currency that are akin to debt. In the long-term PPPs often lead to financial outflows as debt repayments or shareholder profits. This has significant overarching distributional implications, with essential infrastructures in developing countries possibly offering a basis for revenue extraction in the service of private (and often foreign) finance (see Bayliss and Van Waeyenberge, 2018).

Furthermore, in low-income countries, including in SSA, private finance for infrastructure has not responded as intended by the development finance community, with very low shares of infrastructure privately financed in practice. Nevertheless, the implications of the international policy direction have been pervasive. These relate to the way in which infrastructure policy has become conceptualized, with previous notions of infrastructure as “structural underpinning of the public realm”, or as serving the public good, rapidly evaporating in favor of “profitable business opportunity” or “financial asset”. Such displacement strongly bears on the way in which infrastructure projects are designed, on the criteria that govern the particular shape of an infrastructure plan (e.g., access versus profitability), on the perceived and actual role of the state, the scope for accountability, and so on. As such, while PPP policies are yet to bear financial fruits, they operate as a powerful wedge in the financialization of public policy.

The benefits of PPPs then are far from obvious, yet policy remains framed in terms of how to overcome implementation constraints. PPPs are not the only solution proposed to address the financing gap. Other avenues for raising development finance include curbing tax evasion and limiting capital flight. But international institutional innovation around these solutions has been minimal, in contrast with efforts to boost private sector finance which is “where the energy lies” in development finance debates and reforms (Mawdsley, 2018, p. 192). These initiatives elevate the roles played by international finance, as development institutions partner with venture capital, hedge funds, investment banks and sovereign wealth funds (Mawdsley, 2018). Moreover, the emphasis on raising private finance distracts from other aspects of development finance such as raising aid flows (Jomo and Chowdhury, 2019).

Best (2014, p. 4) describes how development institutions approach their ultimate objective of improving policies and outcomes in developing countries “far less directly than in the past”. This is clearly demonstrated in the case of PPPs. The pathways by which these might lead to equitable sustainable development are not charted. Best (2014) notes that, in the face of persistent failures of development policies, international agencies shift the terms of the debate. The financialization of infrastructure finance in SSA is a prime example of this. Social outcomes can be set aside when the goal has become simply one of raising finance.

Figure 5.1 Investment commitments in infrastructure projects with private sector participation in emerging market and developing economies (EMDEs), 2009–2018.

Source: World Bank (2019).

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[1] There are multiple definitions of infrastructure and these have themselves been subject to change. We adopt a broad definition to include both what is, on the one hand, sometimes referred to as economic (or “hard”), such as roads, ports, airports, and so forth, and, on the other, social (or “soft”) infrastructure such as education and health provision. PPPs tend to take the form of long-term contractual arrangements for the private sector to provide infrastructure assets and services that traditionally would have been provided by governments.

[2] For the AfDB (2018, p. 100) a project is “bankable” when “it provides clear incentives for lenders to consider financing it”.

[3] See https://pppknowledgelab.org/tools/tools-assess-whether-implement-project-ppp?ref_site=kl#source.

[4] The Global Infrastructure Facility (GIF) was set up by the World Bank as a PPP “facilitation platform” that seeks to connect global financial flows with infrastructure needs in developing countries (see https://www.globalinfrafacility.org/). Other such platforms include the Global

Infrastructure Hub set up by the G20 (see https://www.gihub.org/), see Bayliss and Van Waeyenberge (2018) for a discussion.

[5] This compares to 41% for OECD HICs.

[6] Aizawa (2018, p. 22) notes that most discussions of PPP units do not acknowledge the way in which these units perpetuate a policy bias in favor of PPPs.

[7] In Annex 1, Aizawa (2018) provides a list of PPP documents from which she selected 12 specific guidelines for her review.