

IMPACT STORIES



PPIAF Supports a Pioneering Transaction in Africa: The Dakar–Diamniadio Toll Road in Senegal

PPIAF's support to the government of Senegal led to the construction of the Dakar–Diamniadio Toll Road, one of the first toll roads to be built in Sub-Saharan Africa (excluding South Africa) through a public-private partnership. The highway will provide substantial socioeconomic benefits for the 2 million Senegalese living in Dakar and surrounding cities.

The highway is essential to Dakar's development as a subregional economic center. It will reduce congestion in Dakar and improve the ease of travel to and from the Dakar metropolitan area, which includes the emerging business center of Diamniadio.

In 2007 the Public-Private Infrastructure Advisory Facility (PPIAF) approved a \$250,200 grant to help establish the institutional and regulatory framework for the transport sector in Senegal. The PPIAF grant supported technical assistance to the National Agency for the Promotion of Investments (APIX) to consolidate the institutional framework and develop contractual arrangements for the Dakar–Diamniadio Toll Highway project.

The highway will reinforce the Dakar metropolitan area as the driver of Senegal's economic development. It will help expand this densely populated capital city and integrate it with the rest of the country and subregion, directly benefiting its people, businesses, and economy. The highway is expected to reduce congestion and travel time by more than half.

PPIAF SUPPORT

The Dakar–Diamniadio Toll road project exemplifies PPIAF's strategy to encourage public-private partnerships for developing priority infrastructure projects in Sub-Saharan Africa. PPIAF support was focused on five areas:

- Designing and proposing a framework for the oversight of the highway project that reflects the context and institutional characteristics of Senegal.
- Helping to build consensus on the option or models preferred by the government through seminars for specific stakeholder groups.
- Recommending an operational organization for the administrative entity responsible for the oversight of the highway concession.
- Providing tailored technical assistance for that entity's efforts in building technical and operational capacity.
- Contributing to a broader review of the institutional management of public-private partnerships in Senegal under the direction of APIX.

OUTCOMES

The institutional and regulatory framework developed under the PPIAF technical assistance for the oversight of the highway concession contract was adopted by the government of Senegal in early 2009. In addition, a segment of the road to be developed pursuant to a 30 year concession was successfully awarded to a private sector company.

DONOR COORDINATION

PPIAF has established strong relationships with the donors and private firms involved in the highway and, through APIX, with the government of Senegal. The Pikine–Diamniadio road segment is the private component of a larger €448 million road network being developed by the government of Senegal together with the World Bank, African Development Bank (AfDB), and Agence Française de Développement (AFD).

IMPACTS

PPIAF's intervention in Senegal contributed to the development of the €448 million project, one of the first toll roads in Sub Saharan Africa (excluding South Africa) structured as a public-private partnerships (PPP), where various road segments are being financed either by the public sector ("the public sector component"), or by both the public and private sectors ("the PPP component").

The **PPP component** of the road consists of the 20.4 km Pikine–Diamniadio section. This road segment was concessioned to Société Eiffage de la Nouvelle Autoroute Conçédée ("SENAC"), a Senegalese special purpose company created to implement the project, owned by the Eiffage Group, one of the leading construction groups worldwide and one of France's main toll road operator. The concession contract between the government of Senegal and SENAC was signed on July 2, 2009; it requires the concessionaire to build, finance, operate and maintain the Pikine–Diamniadio segment for 30 years, and to operate and maintain other existing road segments for the same period of time.

The PPP component of the road reached financial closing on November 15, 2010. This road segment in the amount of €225 million will be financed as follows: €95 million, representing 42% of total project costs, with equity from the sponsors and debt from international financial institutions, and the remaining €130 million, representing 58%

of total project costs, will be financed with public sector funds, consisting of loans from: AfDB in the amount of €50 million, AFD in the amount of €25 million, and government of Senegal in the amount of €55 million.

The **Public sector component** of the road consists of the 4.2 km road segment Pikine-Patte d'Oie.

This component in the amount of €223 million will be financed as follows: funds from the government of Senegal in the amount of €120 million and loans from the World Bank IDA in the amount of €70 and from AFD in the amount of €33 million.

The project is expected to create more than 1,435 new jobs. The concessionaire pledged to employ 1,000 local people during the construction period. Once completed, the Dakar–Diamniadio toll road is expected to cut the average commute to and from Dakar from the current two hours to less than 30 minutes. Presently, over 100,000 vehicles commute to and from Dakar on a daily basis using a single double lane road.



RELATED PPIAF ACTIVITIES IN SENEGAL

- 2000: Country Framework Report, **\$410,000**
- 2003: Enhancing Delegated Contract Management Framework, **\$73,000**
- 2007: Institutional and Regulatory Arrangements for the Dakar-Diamniadio Toll Road, **\$250,000**
- 2009: Analysis of Spatial and Growth Pole Approach for Sustainable Development, **\$75,000**

Learn more about the
Dakar–Diamniadio Toll Highway project at
www.investinsenegal.com