



Photo © mcurado/iStock

PPIAF Supports Institutional and Policy Reforms in Mauritania

In line with the 2015-2017 strategy, the Public Private Infrastructure Advisory Facility (PPIAF) reinforced its support to West African francophone countries to enable private sector participation in infrastructure. This assistance comprises programmatic support (the West African Economic and Monetary Zone UEMOA PPP program) and country programmatic supports (such as Guinea and Mauritania phased PPP Programs). In September 2014, PPIAF provided a grant to Mauritania, a country in the Sahel region of West Africa, to strengthen its enabling environment for Public Private Partnerships (PPPs) and build government capacity to identify and implement them. This support helped the Ministry of Finance (and line ministries) examine key policy, legal, and institutional constraints inhibiting the development of PPPs in Mauritania and understand them in-depth. PPIAF support also helped to successfully identify three major infrastructure projects mature enough to be developed by the private sector through a PPP operation including the container terminal in the port of Nouakchott, solid waste management in Nouakchott, and oil storage in the port of Nouadhibou. The second on-going PPIAF activity also identified additional PPP projects.

Today, the Mauritanian government is fully committed to developing PPPs to develop infrastructure. It set up a high-level inter-ministerial committee to provide oversight on all aspects of PPP development in the country, for example, in establishing suitable regulations, approving transactions, and setting up a PPP Unit. The PPP law was passed and ratified in December 2016. Supporting decrees are also under development and are expected to be adopted by the end of July 2017. A pipeline of projects have been

identified under the two phases, requiring estimated investments of approximately \$950 million.

PPIAF SUPPORT

Like other Sub-Saharan African countries with natural resources, and despite excellent prospects in the mining and fishing industries, Mauritania suffers from a deficit in infrastructure. This contributes to its poor performance on most developmental indicators: only 20 percent of the population has access to

electricity; 50 percent does not have reliable access to clean water; and approximately 40 percent still lives in poverty. Funding is scarce, and the lack of adequate infrastructure is discouraging potential investors. PPPs offer a potential solution to addressing the infrastructure deficit, but Mauritania's government has little experience with them outside the telecommunications sector. Since 2012, the government has undertaken important reforms to strengthen its economy and encourage investment. These include doing business reforms, a new investment code, a new public procurement law, improved governance of the fishery and mining sectors, and the creation of the Nouadhibou Free Zone, Mauritania's economic hub. The government also plans to enhance the use of PPPs as a mechanism for procuring and financing infrastructure projects and services in the public sector. The success of PPPs in Mauritania will depend, to a large extent, on the establishment of a solid strategic, institutional and legal framework.

In response to a request from the government, PPIAF provided technical assistance to strengthen the design and implementation of Mauritania's PPP program. The first phase of PPIAF support consisted of:

- An assessment of the existing legal framework, which was initially limited to sectoral legislation.
- Identification of gaps in the existing PPP framework.
- Development of a pipeline of priority PPP projects, including the container terminal in the port of Nouakchott and oil storage in the port of Nouadhibou.

Based on the findings, the World Bank supported the drafting of the PPP law passed in 2016. Additionally, several training sessions were delivered in collaboration with the African Development Bank (AfDB) on PPP best practices.

This initial success led to a second phase of PPIAF support for a PPP Unit and the assessment of priority projects. The Bank intends to further support the government in selecting projects, developing feasibility studies, and preparing viable projects. New activities under implementation include the following key actions to support the operationalization of the new PPP Unit:

- Preparing operating guidelines and procedures for processing PPP projects.
- Providing assistance to ministries, municipalities, and agencies to identify, prioritize, assess, develop, negotiate and monitor PPP projects.
- Disseminating PPP information.
- Providing in-depth PPP training and capacity building.

OUTCOMES

In agreement with the findings of the study, the government passed a PPP law and created the PPP Unit. Upon government review of the PPP diagnostic analysis, the Ministry of Finance requested multi-donor follow-up support to help establish the PPP Unit with initial capacity building support, technical back-stopping for the PPP guidelines, and further support to PPP transaction advisory services.

In addition to the adoption of the PPP law, the two grants helped develop and prioritize a short list of projects out of which the following have been selected for further preparation studies:

- Container terminal in the port of Nouakchott (estimated investment: \$ 237.8 million).
- Oil storage in the port of Nouadhibou (estimated investment: \$94.1 million).
- Rehabilitation and operation of petroleum facilities (estimated investment: \$180 million).
- Construction and operation of a refrigerated hangar at Nouadhibou Airport (estimated investment: \$850,000).
- Construction and operation of a refrigerated warehouse at Nouadhibou Port (estimated investment: \$19.5 million).

Strong political commitment and the establishment of a steering committee, composed by focal points from line ministries and the Ministry of Finance, were key success factors. Prior to the PPIAF intervention, there was neither a dedicated government entity to support the PPP process nor a clear legal and regulatory framework for PPPs. PPIAF's technical assistance helped Mauritanian public authorities recognize PPPs as a viable means for financing infrastructure while improving their understanding of PPP objectives and processes.

DONOR COORDINATION

In addition to the commitment from the Mauritanian government, strong collaboration among multilateral development banks, such as the World Bank Group, AfDB, and the French Development Agency (AFD), was instrumental to the success of the project. The World Bank Group team has been coordinating the various activities and is still leading the project, under which some PPP activities will be funded, such as drafting associated decrees, conducting workshops and seminars, and organizing study tours.

RELATED PPIAF ACTIVITIES IN MAURITANIA

2016: Development of Policy and Institutional Mechanisms for PPP and Identification of Viable PPP Projects \$401,595.