

COVID-19: opportunities for African governments in the Public-Private Partnership

While the COVID-19 pandemic is primarily a public-health crisis, it has also had cataclysmic social and economic effects, requiring governments to respond promptly to the threat while efficiently managing critical public resources. Public-Private Partnerships (PPPs) offer an opportunity to governments to leverage the private sector's experience and capital in order to help bridge infrastructure gaps. The following addresses four areas for which PPPs may serve as useful tools to governments in the aftermath of the COVID-19 crisis.

Opportunities in PPPs



Agriculture PPPs: As a fallout to COVID-19, nationwide shutdowns, characterized by sealed borders and limited trade, have not only caused labour shortages in key sectors of African economies, but have also resulted in disruptions in food supply chains. Governments can employ PPPs to effectively collaborate with the private sector in order to bolster their food supply chains and, thus, reduce the chance of food crises occurring in their countries.



Healthcare PPPs: Private sector participation can assist governments' efforts to broadly enhance their healthcare systems in order to meet the basic needs of their citizens and to respond to any future public health threats. PPPs in the healthcare sector may facilitate the development of new and upgraded healthcare facilities and equipment as well as new disease fighting medical technologies.



Internet Connectivity and Infrastructure PPPs: The need for social distancing has resulted in increased usage of the internet to communicate, educate and work. PPPs offer an opportunity for governments to collaborate with private sector actors to improve internet access in their countries through projects related to submarine cable connectivity, and for the development and improvement of broadband networks and fiber network infrastructure.



Water and Sanitation PPPs: In countries where access to clean water is limited, the basic solution promoted to combat COVID-19, that is, washing hands, may not be feasible or effective. PPPs can be used to improve countries' access to clean water and adequate sanitation services, which in turn will decrease the ability of pandemic viruses such as COVID-19's spreading at the rates at which it is currently doing so.

PPPs in perspective

Due to the complexity and variability of PPPs across sectors and jurisdictions, an in-depth analysis of all relevant considerations is required on a case-by-case basis prior to engaging in a PPP. While PPPs can serve as a useful tool to leverage the private sector's initiative and expertise, as well as their ability to raise capital, it is important to note that they also have the potential to bring about burdensome fiscal and financial consequences to governments if not properly managed or negotiated. The decision to undertake infrastructure development through a PPP model should be carefully weighed against other options, and preferably supported by relevant studies and technical data. Key parameters such as the selection of the private partner, the negotiation of contractual documents reflecting a balanced allocation of risks, and the impact of contingent liabilities, should all be given sufficient time and consideration to achieve a well-prepared and thoroughly negotiated PPP project. It is paramount, therefore, that governments benefit from expert legal and transactional advice throughout all the phases of development of a PPP project, to ensure adequate protection of public interest.

The ALSF has vast experience in supporting African governments in the negotiation of PPP projects relating to infrastructure, and can provide assistance to governments wishing to undertake PPPs by providing legal assistance related to all aspects of the PPP process, from the procurement to the post-contractual management phase.

For more information regarding the work of the ALSF, please visit our website, **www.afisf.org**.
For queries regarding this sector and/or to submit a formal request for assistance please contact: **alsf@afdb.org**.



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