LATIN AMERICA & CARIBBEAN

PPP MARKET



iMC worldwide
Development | Management | Infrastructure

InfraPPP



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1. INTRODUCTION



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1.1. Introduction

Latin America & Caribbean (LAC).

The environment for public-private partnerships (PPP projects) in Latin America and the Caribbean has evolved positively in the last years.

After a decade of progress, 16 countries* in the region have created PPP-dedicated agencies which provide technical support and oversee private participation in infrastructure, demonstrating political support for private investment in infrastructure.

Although performance of PPP projects varies across the region, mobilization of private capital for infrastructure has taken a decidedly upward track and provides a good environment for public private partnerships. In 2019 investment in PPP projects increased to USD 13 billion from USD 8 billion in 2018 and USD 6 billion in 2017.

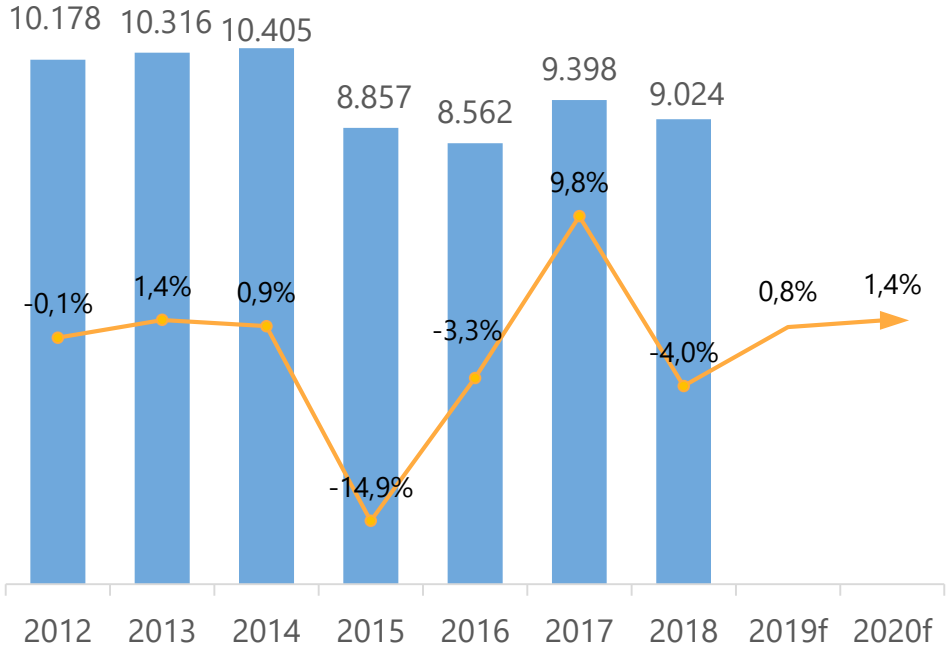
* Brazil, Mexico, Chile, Colombia, El Salvador, Guatemala, Bahamas, Nicaragua, Ecuador, Honduras, Trinidad and Tobago, Paraguay, Honduras, Costa Rica, Jamaica, Peru and Uruguay

Source: Infrascope 2019, InfraPPP

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1.2. GDP per capita. Latin America & Caribbean.

USD and growth (%). 2012-2020



The economic track in LAC has **lost momentum** in the last 4 years, with a decrease of 4% in the GDP per capita in 2018. However, there are **signals of recovery** for the following years with prospects of 1.4% growth for 2020.

Source: World Bank Data

1.3. Infrascope

PPP score. Latin America & Caribbean, 2019 (1-100)

Overall score	62
Regulatory framework	70
Institutional framework	56
Operational maturity	72
Investment climate	65
Financial Facilities	49

Latin America & Caribbean performed well in the Regulations and Operational Maturity on PPP projects. However, institutional framework and financial facilities for infrastructure are still emerging throughout the region. In summary, average score (62 over 100) assesses **LAC as a developed* region for Public-Private Partnerships.**

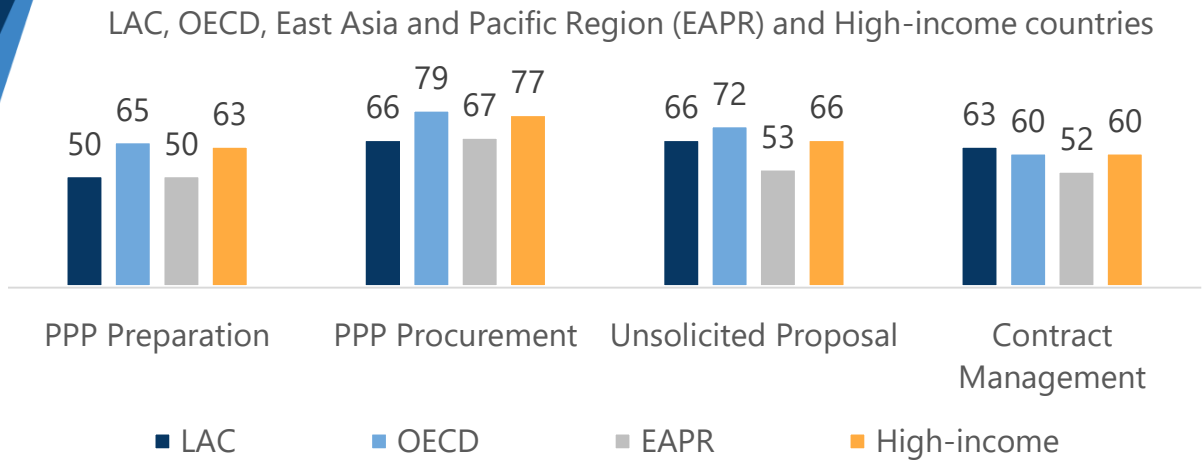
* Mature (80-100), Developed (60-79), Emerging (30-59), Nascent (0-29)

Source: The 2019 Infrascope

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1.4. Procuring Infrastructure PPP projects

PPP Regulatory Framework score



LAC region has solid scores in Unsolicited Proposals and Contract Management (above EAPR and High-Income countries). PPP Preparation and PPP Procurement have both still room for improvement.

Note: The possible scores range from 0 to 100. The economies with the highest scores, nearing 100, are considered to have a PPP framework that is closely aligned with international PPP good practices.

Source: Procuring PPP projects Report. 2018

2. PPP ACTIVITY

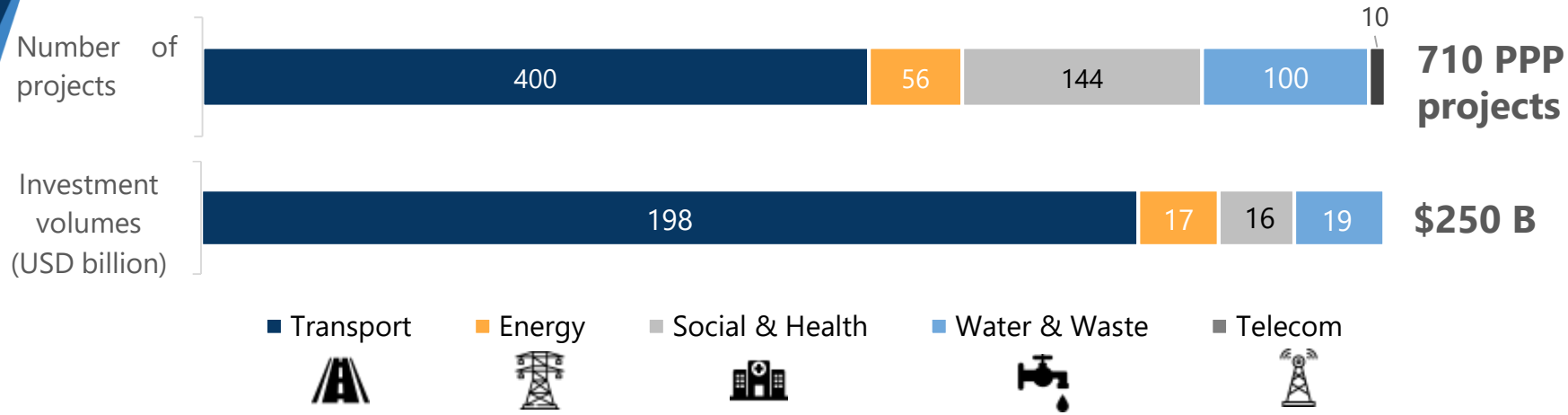




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2.1. PPP Project portfolio by sector (LAC)

Number of projects and investment volumes in USD



Transport sector leads the PPP market in LAC region in both number of projects and investment volumes (USD198 billion and 400 PPP projects). **Social & Health, Water and Energy** share the remaining investment on PPP projects.

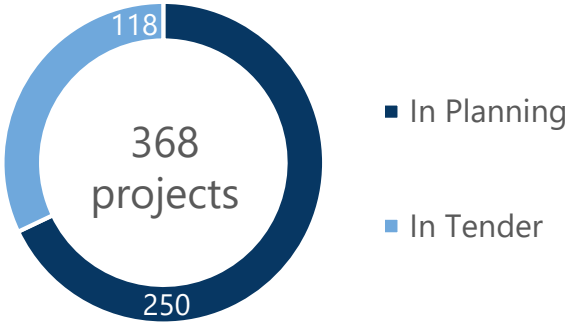
Note: The total amount of projects and investment involve all the projects in different stages until November 2019.

Source: InfraPPP World Project Database 2019

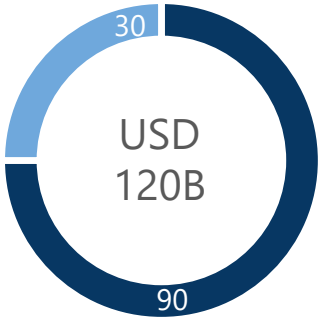
2.2. PPP Project portfolio by stage (LAC)

Projects in pipeline (in planning + in tender*)

Number of projects



Investment volumes (USD billion)



LAC has a pipeline composed of **368 PPP projects** involving a total forecasted investment of **USD120 billion**:

- **In planning**: 250 projects - USD 90 billion.
- **In tender**: 118 projects - USD 30 billion.

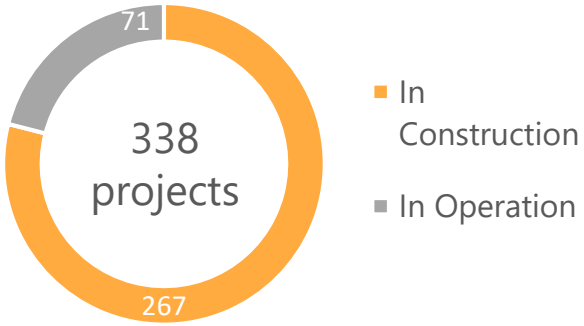
* PPP projects at planning or tender stage.

Source: InfraPPP World Project Database 2019

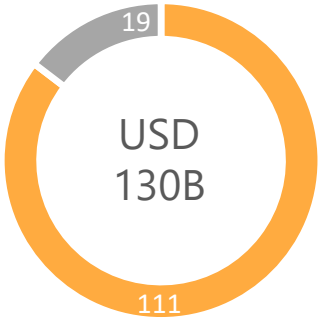
2.3. PPP Project portfolio by stage (LAC)

Active projects (in construction + in operation)

Number of projects



Investment volumes (USD billion)



Latin America & Caribbean has a total of **338 active PPP** projects involving a total investment of **USD130 billion**:

- **In construction**: 267 projects - USD 111 billion.
- **In operation**: 71 projects - USD 19 billion.

Source: InfraPPP World Project Database 2019

3. TOP COUNTRIES





3.1. Top PPP countries. LAC.

PPP Activity 2018-2019

	BRAZIL	COLOMBIA	CHILE	PERU
PPP projects in Pipeline	• Number: 61 • Value: $43B	• Number: 22 • Value: $6B	• Number: 10 • Value: $8B	• Number: 14 • Value: $8B
PPP projects active	• Number: 56 • Value: $21B	• Number: 20 • Value: $12B	• Number: 18 • Value: $6B	• Number: 15 • Value: $6B

Source: InfraPPP World Project Database 2019

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4. TOP PROJECTS





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4.1. TOP PPP projects in pipeline. LAC.

Biggest projects in pipeline by investment volume – 2018/19

Source: InfraPPP World Project Database 2019

Piracicaba-Panorama road concession



- **Country: Brazil**
- **Sector: Road**
- **Stage: In tender**
- **Value: $3.7 B**
- **Description:**

Modernization, expansion, operation and maintenance of the State Road System between the cities of Piracicaba and Panorama. The project involves a single lot of approximately 1.273 km of runways.

Lima-Ica railway PPP project



- **Country: Peru**
- **Sector: Railway**
- **Stage: In tender**
- **Value: $3.3 B**
- **Description:**

Development and operation of a 300-km railway line connecting the departments of Lima and Ica in western Peru, which will serve both passenger trains and cargo.

Santiago-Valparaíso HSR PPP project



- **Country: Chile**
- **Sector: Railway**
- **Stage: In tender**
- **Value: $2.2 B**
- **Description:**

Development of a high-speed rail (HSR) line linking the Chilean capital Santiago with the port city of Valparaíso, spanning 120km. Trains would travel at a maximum speed of 200km/h, yielding journey times of 45 minutes.

Health Centers PPP Portfolio in Bogotá



- **Country: Colombia**
- **Sector: Health**
- **Stage: In planning**
- **Value: $1.5 B**
- **Description:**

The portfolio will include a hospital in Usme with 221 beds; another in Bosa with 215 beds; the Santa Clara hospital, with 314 beds, the Maternal and Infant Institute, with 113 beds, and the Nuevo Simón Bolívar hospital, with 409 beds.

4.2. TOP PPP active projects. LAC.

Biggest active projects by investment volume – 2018/19

Source: InfraPPP World Project Database 2019

Metro Line 2 concession in Lima



- **Country: Peru**
- **Sector: Railway**
- **Stage: Fin. Close**
- **Value: $4.5 B**
- **Description:**

The project involves the financing, design, construction, operation and maintenance of a 27km east-west metro line with 27 stations and an 8km airport branch with a further eight stations.

Porto do Açu oil terminal PPP in RJ



- **Country: Brazil**
- **Sector: Port**
- **Stage: Awarded**
- **Value: $4.3 B**
- **Description:**

The project involves the development of a port terminal to move 21 million cubic meters of natural gas per day, as well as two thermoelectric plants in Porto do Açu in Rio de Janeiro.

Bogotá Metro Line 1 PPP project



- **Country: Colombia**
- **Sector: Railway**
- **Stage: Awarded**
- **Value: $3.5 B**
- **Description:**

Bogotá´s first metro line will have a length of 23.96 kilometers and will go from the Portal of the Americas to Caracas Avenue. The metro will have 16 stations, 10 interchanges 1.4 kilometers on average.

Americo Vespucio Oriente highway PPP



- **Country: Chile**
- **Sector: Road**
- **Stage: Fin. Close**
- **Value: $1 B**
- **Description:**

40-year concession that entails building and operating a 9.3km underground expressway running from El Salto avenue to Príncipe de Gales avenue under the current Américo Vespucio beltway.

5. TOP PLAYERS





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5.1. TOP PPP projects Players (LAC)

Deals* and Investment - 2018/19



PROJECT OWNERS

- Sacyr: 12 Deals. $5.3 B
- ACS: 3 Deals. $5.2 B
- CCR Group. 3 Deals. $2.1 B
- Mota-Engil: 5 Deals. $1.0 B

FINANCIAL ADVISORS

- Structure Banca: 3 Deals
- IFC. 2 Deals.
- PwC: 2 Deals.
- Royal Bank Canada: 2 Deals

LENDERS

- FDN: 14 Deals.
- SMBC: 8 Deals.
- Banco Santander: 7 Deals
- IDB: 7 Deals

*Deals: Operations involving PPP projects

Source: InfraPPP World Project Database 2019



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