



PPPs in Latin-America

Recent experience

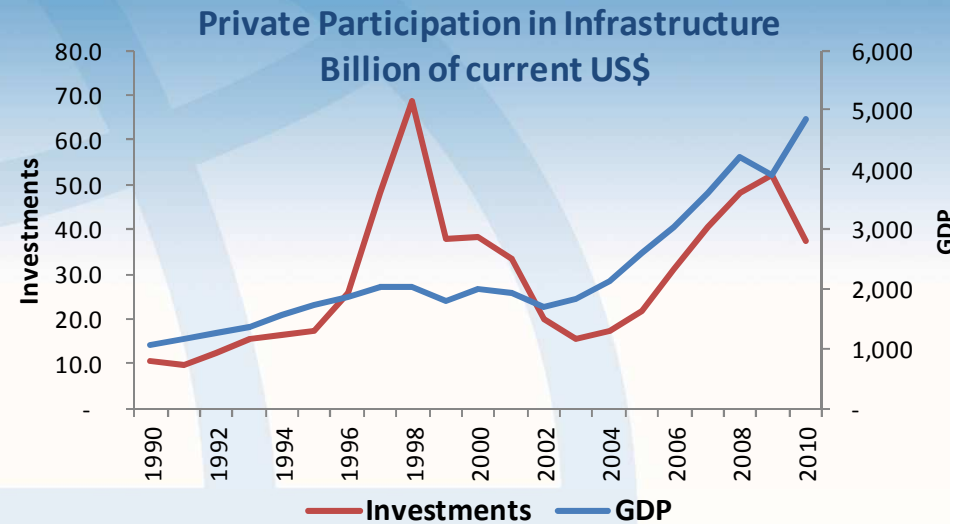
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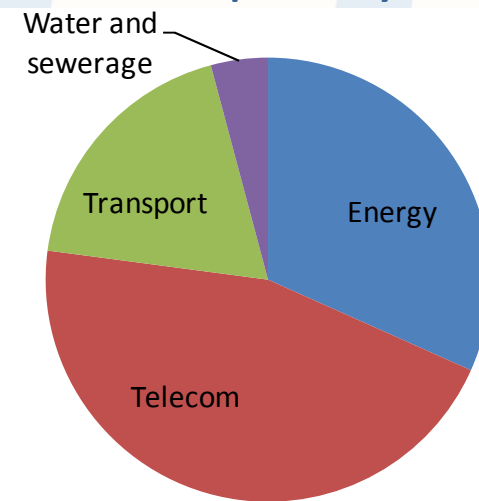
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Investment needs are growing in Latin-America

- Postponed investments in infrastructure
 - Social and productive
 - Fiscal adjustment-> less investments and demand
- But in the last decade:
 - Growth and macroeconomic sustainability
 - Trade and national market
 - But still income distribution inequality



Private Participation by Sector

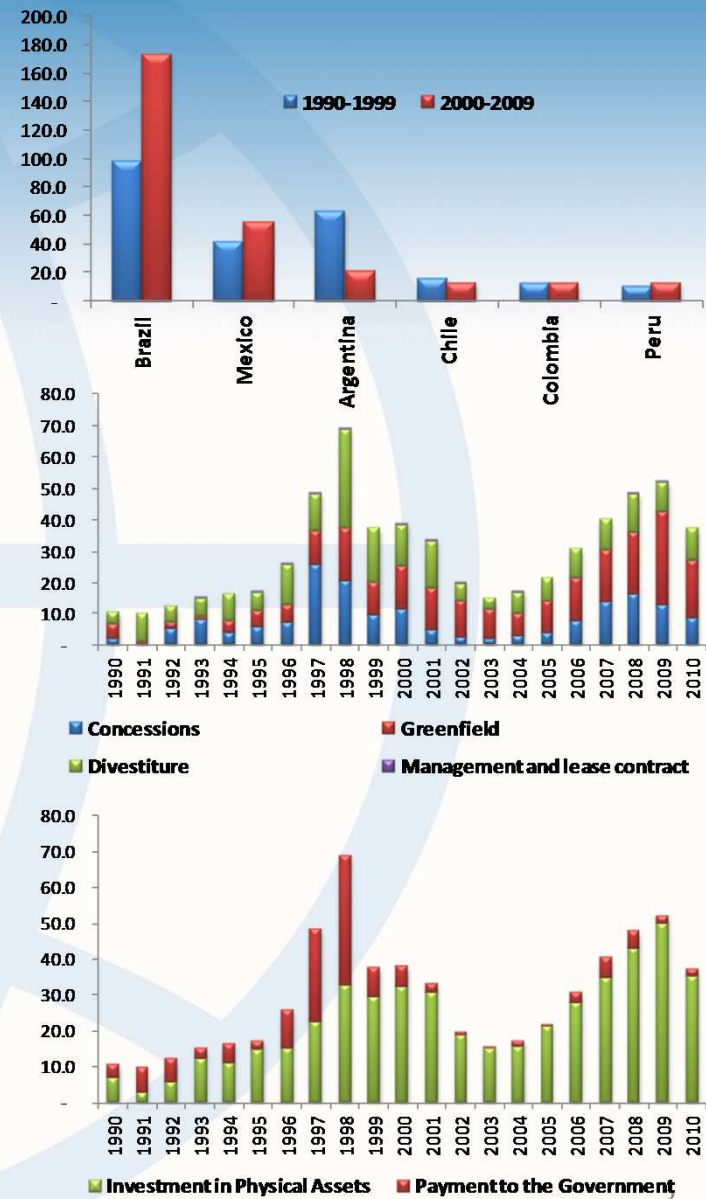


Source: PPIAF and WB



Where and how

- Brazil, Mexico, and Argentina concentrate a large share of the market
 - Argentina switched to a public procurement model
 - Brazil and Mexico increased their market in the last decade
- Almost equal distribution between Greenfield, concessions, and divestitures
- In a few cases, there are payments to the government



Some recent trends in Transport PPPs

- Public subsidies when public initiatives
 - Roads
 - Regional airports and small ports
- Full cost-recovery from user charges: private initiatives
 - Airports, ports, and railroads (cargo)
- Public initiatives in roads
 - Long-term CREMAS
 - Low construction and demand risk
- Economic growth can eliminate the needs of public subsidies and create more private initiatives
- Nowadays, PPPs are being analyzed and even implemented on social infrastructure (prisons, hospitals, stadiums)

