

IJLatAm: Pandemic boosts social infra PPPs in Peru

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The Covid-19 pandemic has highlighted Peru's need for greater investment in social infrastructure, which is driving the next round of public private partnerships to be awarded by ProInversion, the governmental PPP procurement agency.

Delegates at IJGlobal's event to replace its famed [Miami IJLatAm 2020](#) conference heard that a \$4 billion portfolio of social infrastructure projects will be awarded until H2 2021, according to ProInversion executive director Rafael Ugaz Vallenias.

The largest of these social projects is the headwaters and pipeline works for Lima's potable water supply, which is being procured by the ministry of housing, construction and sanitation. The project will be located in Junin and Lima.

The call for tenders is scheduled for Q4 2020, with an estimated award date on Q2 2021. Total investment is expected to amount to around \$600 million for the 30-year contract.

ProInversion plans to index around 30% of the project's revenues in US Dollars, in order to ensure bankability, as the main revenues will be paid in Soles, the local currency.

Peru also intends to implement PPPs in the health sector, with the auction of two hospitals:

- Piura
- Chimbote

Call for tenders will be issued in Q1 2021, with the auction expected for Q3 2021. The 20-year contracts will be awarded under the co-financed state initiative, totalling \$254 million. Investment will be split into \$143 million for Piura Hospital and \$109 million for Chimbote.

Other projects expected for 2021 are the water treatment plants PTAR Puerto Maldonado (\$57 million) and PTAR Huancayo (\$165 million). Several other water and sanitation projects are under study, but still in early stages of development.

"Covid has shown that we are not developed enough, more infrastructure is needed, including basic social infrastructure. It is clear that the private sector plays a role here... We need to use any tools to close the infra gap in Peru," Ugaz Vallenias told virtual delegates.

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