

LatAm Uncovered – The IDB Interview

Angus Leslie Melville

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As hosts of last week’s splendid PPP Americas conference in Panama, it would be unseemly not to have invited the Inter American Development Bank for a podcast... and it’s a good job we did as they had a lot to say about LatAm infra.

IJGlobal content director Angus Leslie Melville sits down with IDB PPP team leader Gaston Astesiano (pictured below on stage at the conference with Cristina Simón, head of social infrastructure at IDB Invest) and PPP senior specialist Carolina Lembo for a fireside chat that is a must-listen for anyone interested in the LatAm infrastructure sector.

Conversation starts off with an overview of the challenges and opportunities for PPP across Latin America with Gaston recognising that the region has its hurdles to overcome... not least due to the Covid pandemic.

As Gaston said: “Countries are facing a double challenge – the fiscal consolidation process together with a big infrastructure gap and the need to cover that infrastructure gap both by quantity and quality of infrastructure to achieve sustainable development goals.”

IDB assesses the regional market every 2 years through Infrascopes which identifies the need to generate sustainable financing for project preparation and structuring with the goal of delivering robust project pipelines – and they’re coming.

Gaston is bullish for the region: “Latin America is the region that mobilised the most private capital to infrastructure when compared to other developing regions across the world.





“More than 36% of private capital to infrastructure goes to Latin America. Very strong markets like Brazil, Chile, Peru and Colombia have been able to attract a lot of capital.”

However, he admits that while regional infrastructure investment is dominated by key markets, PPP is gaining a foothold in pioneer nations like Panama where 2 roads and a transmission line are working their way through procurement... with many others following.

Carolina (pictured left) ran progressed the discussion on the evolution of PPP sectors across the region: “In Latin America and the Caribbean, the access gap to water and sanitation services is still significant. An average annual investment of 0.5% of regional GDP – around \$400 billion – is needed until 2030 to close this gap.”

She adds: “In the specific case of Peru, only 65% of the wastewater collected goes through a treatment system. In that sense, wastewater management facilities are key to close the sanitation gap in the country and bring access to services, which reduces diseases resulting from the lack of drinking water and basic sanitation. That also contributes to control river pollution and fostering economic development.”

To hear all about the plans for the regional PPP market, listen to the podcast...



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