Webinar

The Role of Infrastructure and its Governance for Sustainable Recovery in Latin America and the Caribbean

Tuesday, June 15th, 2021

8am - Central America
9am - Bogota / Lima / Mexico
11am - Brasilia / Buenos Aires
4pm – Paris
Good governance is an essential element in all aspects of successful delivery of an infrastructure project. Robust governance frameworks are the foundations for resilient infrastructure investment models and are necessary to build social acceptance, transparency and trust. According to the UK Office of Government Commerce (OGC), five of the eight causes of project failure identified in 2005 were related to weaknesses in governance. In contrast, the OGC found that seven of the ten common causes of trust identified in 2010 were attributed to good governance. Moreover, the Infrastructure UK’s Cost Review Report 2010 and the UK National Audit Office’s Guide to Initiating Successful Projects emphasise the relevance of good governance in terms of focusing more on the early stages of infrastructure projects in order to ensure their successful implementation by enabling the right delivery environment and an institutional capacity that fits complexity.

In the current context, governments in the Latin American region are looking for options to build infrastructure, finance investments and complement public resources to face the COVID-19 crisis and relaunch their economies. The alternatives include traditional public procurement, but also Public-Private Partnerships (PPP). However, the experience with PPPs in many cases has been negative, with unsatisfactory results and corruption scandals. Furthermore, in some cases, for example, in sub-national governments, institutional capacities may not be adequate.

In July 2020, the OECD Council adopted the Recommendation on the Governance of Infrastructure, which aims to provide a tool to help governments invest in infrastructure projects in a profitable and affordable way, backed by citizen and stakeholders trust. Likewise, in 2012 the OECD issued the Recommendation on Principles for Public Governance of Public-Private Partnerships, which aims to ensure that PPP projects create value and avoid design failures. For example, the Recommendation provides guidance on when it is adequate to use a PPP and how to align different elements for good governance, such as institutional design, regulation, competition, transparency, fiscal policy, and integrity.

Moreover, in 2015 the OECD Council adopted the Recommendation on Public Procurement, which aims to ensure that public procurement is managed with a comprehensive and strategic approach. It also aims to be a reference for the modernisation of public procurement systems and is directed at all levels of government and state-owned enterprises. This instrument addresses the entire public procurement cycle, integrating it with other elements of strategic governance, such as budgeting, financial management, and other service delivery mechanisms.

This webinar on “The role of infrastructure and its governance for sustainable recovery in Latin America” is a preparatory event for the Ministerial Conference on Governance of the OECD Regional Programme for Latin America and the Caribbean "Government integrity and citizen trust: the other vaccine", to be hosted by El Salvador on December 2021.

It seeks to foster analysis and debate on how to ensure that infrastructure investments and public procurement can become a lever for economic recovery after the COVID-19 crisis, while discussing alternative infrastructure delivery methods (such as PPPs) that facilitate investment, and recognising and mitigating the risks that these methods imply in order to generate public trust.
Opening Session: Investment in Infrastructure As a Lever For Economic Recovery in Latin America

The opening session will highlight the role of investment in infrastructure as a means of boosting the economy and mitigating the negative effects in terms of employment and inequality, as well as the need to ensure good governance of infrastructure projects.

Opening remarks:

- Andreas Schaal, Director, Global Relations Secretariat, OECD
- Edwin Lau, Head of the Infrastructure and Public Procurement Division, OECD
- Romeo Rodriguez, Minister of Public Works and Transport, El Salvador

Panel Discussion - Ensuring Good Governance of Sustainable Infrastructure Projects From Their Conception

The success or failure of an infrastructure project is often determined from its early stages. An adequate pre-investment process allows the generation of well-formulated and sufficient projects to guarantee a significant and impactful investment flow. The management capacity for the preparation of feasibility studies and final designs, an early identification of implementation risks, as well as the design of mitigation strategies, are key elements to prevent delays, cost overruns, and poor quality. Likewise, they constitute a fundamental milestone for the early incorporation of considerations on sustainability and resilience of the infrastructure to be developed.

In this session, speakers will discuss experiences from OECD and Latin American countries to strengthen public sector capacities and promote adequate collaboration with the private sector regarding the planning and pre-investment phases.

Panellists:

- Pablo Fernando Seitz Ortiz, National Director of Public Procurement, Paraguay
- Fabiano Mezadre Pompermayer, Undersecretary of National Infrastructure Planning, Ministry of Economy, Brazil
- Carmen Yagüe, Advisor in the Minister’s Cabinet, Ministry of Transport, Mobility and Urban Agenda, Spain

Moderator:

- Ana Maria Ruiz Rivadeneira, Infrastructure Governance Policy Specialist, OECD

Panel Discussion - Opportunities and Risks of Infrastructure Delivery Methods: The Challenge of Building Trust

The COVID-19 crisis discovered weaknesses in health infrastructure and severe economic contractions call for investment (public and private) as a lever for recovery. However, the region’s experience with schemes such as PPPs and concessions has not always been positive, which has led to lack of trust from the public opinion. In addition, the contracting of public works could be limited by scarce budgetary resources. This session will explore the advantages that different methods of infrastructure delivery can offer, the risks, and the mitigation measures to address the trust deficit and provide legitimacy to projects. The discussion will examine experiences and good practices in taking advantage of different delivery methods to build trust in infrastructure projects and the institutions that manage them.

Panellists:
• **Rogelio Rivero**, General Director of Highway Development, Ministry of Communications and Transportation (SCT), Mexico

• **Álvaro Errea**, Ministry of Transport, Argentina

• **Sofía Prudencio Gamio**, Executive President, Supervisory Agency for State Procurement, Peru

• **Felix Leon Morales**, Chief of Cabinet, General Directorate for Concessions, Ministry of Public Works, Chile

**Moderator:**

• **Jacobo Pastor García Villarreal**, Senior Specialist in Integrity and Public Procurement Policies, OECD

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17: 40-18: 00 CEST

**Questions and Answers**

*Discussion with participants.*

**Moderators and closing remarks:**

• **Paulo Magina**, Deputy Head of the Infrastructure and Public Procurement Division, OECD

• **Sebastian Nieto-Parra**, Head of the Latin America and the Caribbean Unit, OECD Development Centre

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1 To be confirmed