

The Essential Role of Law Firms in the Success of Public-Private Organizations in Panama

Public-Private Partnerships (PPPs) have gained relevance in recent years, especially in developing countries such as Panama. These alliances enable governments to collaborate with private companies to undertake large-scale infrastructure and public service projects that would otherwise be challenging. Law 93 of 2019, regulated by Executive Decree No. 840 of 2020, has established a robust legal framework to facilitate these initiatives.

PPPs are not exclusive to Panama; other jurisdictions in Latin America have also successfully implemented this model to develop essential infrastructure projects. In Chile, for example, a PPP was used to build the Autopista Central in Santiago, one of the most important roads in the country. The Ruta del Sol Highway project, developed under the PPP model, has significantly improved road connectivity in Colombia. In Peru, Line 1 of the Lima Metro is a clear example of how a PPP can transform public transportation in a densely populated city.

Panama has begun to implement this model, and the first PPP in our country marked a significant milestone. Alcogal was honored to advise Intervial Chile S.A., part of the Colombian ISA Group, on the “Rehabilitation, Improvement, and Maintenance by Performance Standards of the East Pan-American Highway” project. With an initial investment of approximately US\$283 million, this project includes the rehabilitation and improvement of 246 kilometers of the East Pan-American Highway, which is vital for connectivity between the province of Panama and the country’s eastern region. It will also directly benefit around 145,000 people.

The success of PPPs depends heavily on the quality of the legal advice behind them. Alcogal, with its vast experience and comprehensive approach, plays a crucial role in identifying potential risks, preventing non-compliance, and ensuring that all contract terms are adhered to as agreed and in accordance with current legal regulations.

Implementing a PPP is complicated for companies, mainly due to the complexity of the contracts and the possible ambiguity in the interpretation of their clauses. Additionally, the rigidity of government procedures and the need to subscribe to a trust in co-financed PPPs are factors that further complicate the execution of a PPP project. These challenges make early intervention by experienced lawyers crucial to avoid future



problems and ensure the project runs smoothly. Alcogal, with the advice provided to its client in the first PPP in Panama and collaboration with Alcogal Trust from the same business group, stands as a strategic partner in creating effective, comprehensive, and timely legal solutions for implementing PPPs.

In this way, Alcogal is positioned as a comprehensive and reliable option for companies seeking efficiency in time and resources, ensuring that PPP projects run smoothly and achieve the desired success.

In summary, companies’ success in implementing PPPs in Panama is closely linked to the quality of the legal advice that supports them. Thanks to its vast experience and comprehensive approach, Alcogal stands out as the leading law firm in this field by ensuring legal compliance and that PPP projects run smoothly and achieve the expected success.