

Panama as a Strategic Platform for Infrastructure Investment

Panama has established itself as a key destination for infrastructure investment in the region, driven by its geographic location, its role as a logistics and financial hub, and a strong track record in delivering large-scale projects. Over the years, the country has developed complex initiatives across sectors such as transportation, logistics, energy, and services, creating opportunities for contractors, developers, operators, and both local and international investors.

This environment offers attractive conditions for the private sector, provided that projects are structured on solid legal foundations that ensure predictability, legal certainty, and effective risk management.

Infrastructure investment typically involves significant capital commitments, long timelines, and multiple stakeholders. In this context, the legal framework should not be viewed merely as a compliance requirement, but as a strategic component that directly impacts the project's viability, execution, and the protection of the investment.

For companies looking to participate in public or private infrastructure projects in Panama, an early-stage legal assessment is essential to understand contractual obligations, risk allocation, payment mechanisms, required guarantees, and potential contingencies throughout the lifecycle of the project.

Institutional Framework and Project Execution

In public infrastructure projects, interaction with government entities is a central aspect of the process. The Ministry of Public Works plays a key role in the planning, tendering, contracting, and supervision of projects, while the Ministry of Economy and Finance is involved in their financial, fiscal, and budgetary evaluation.

For private sector participants, understanding how these institutions operate, along with approval processes and administrative timelines, is critical to developing realistic project schedules, anticipating potential challenges, and managing contractual execution effectively.

Construction and Engineering, Procurement and Construction (EPC) Contracts

Construction and engineering, procurement and construction (EPC) contracts are among the primary tools for risk allocation in infrastructure projects. Under these arrangements, an EPC contractor takes on full responsibility for the design, procurement of materials and equipment, and construction of the project, committing to deliver it in accordance with agreed technical specifications, timelines, and pricing.

For investors, developers, and operators, this contractual structure can provide greater predictability and control, provided that risks are clearly allocated during the negotiation phase. Properly structuring provisions related to scope, variations, timelines, penalties, guarantees, force majeure, and dispute resolution mechanisms is essential to preserving contractual balance and minimizing exposure to disputes.



Infrastructure projects often face legal challenges related to scope changes, permitting delays, subcontractor disputes, schedule adjustments, or differing contractual interpretations. If not properly managed, these issues can lead to cost overruns, unexpected delays, or complex disputes.

Active legal management during the execution phase allows for proper documentation of key events, timely activation of contractual mechanisms, and the protection of the parties' legal position, contributing to the continuity and stability of the project.

Investing in or participating in infrastructure projects in Panama requires legal counsel that combines regulatory knowledge, practical experience, and a strong understanding of the business. Beyond contract review, strategic legal support adds value through early risk identification, proper structuring of agreements, and ongoing legal management throughout the project lifecycle.

In this context, Alcogal advises companies and investors on the structuring, negotiation, and execution of public and private infrastructure projects in Panama, bringing experience in complex transactions and an approach aligned with clients' commercial and operational objectives.



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