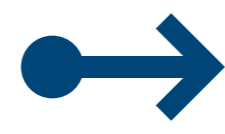
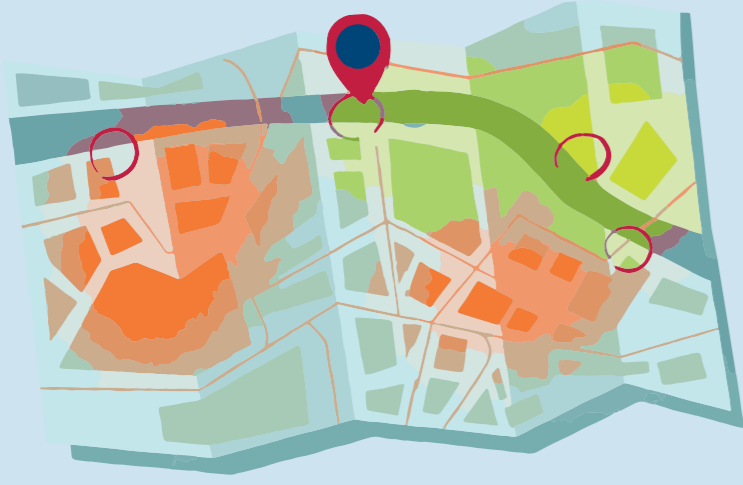


In cooperation with partners worldwide, this publication has been developed by the Global Initiative on Disaster Risk Management (GIDRM), a project commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.



# Risk-informed public investment

## Public investments in the context of COVID-19 recovery:



The pandemic had a global impact, disrupting basic services and access to critical infrastructure causing health and economic crises in many regions. It uncovered the interdependencies between sectors and the challenges of

cascading risks, pushing governments to take action towards more risk-informed public investment. National governments worldwide have been working towards strengthening guidelines for investment project identification, formulation and evaluation to improve resource allocation and incorporate disaster risk management (DRM) and climate change adaptation (CCA).

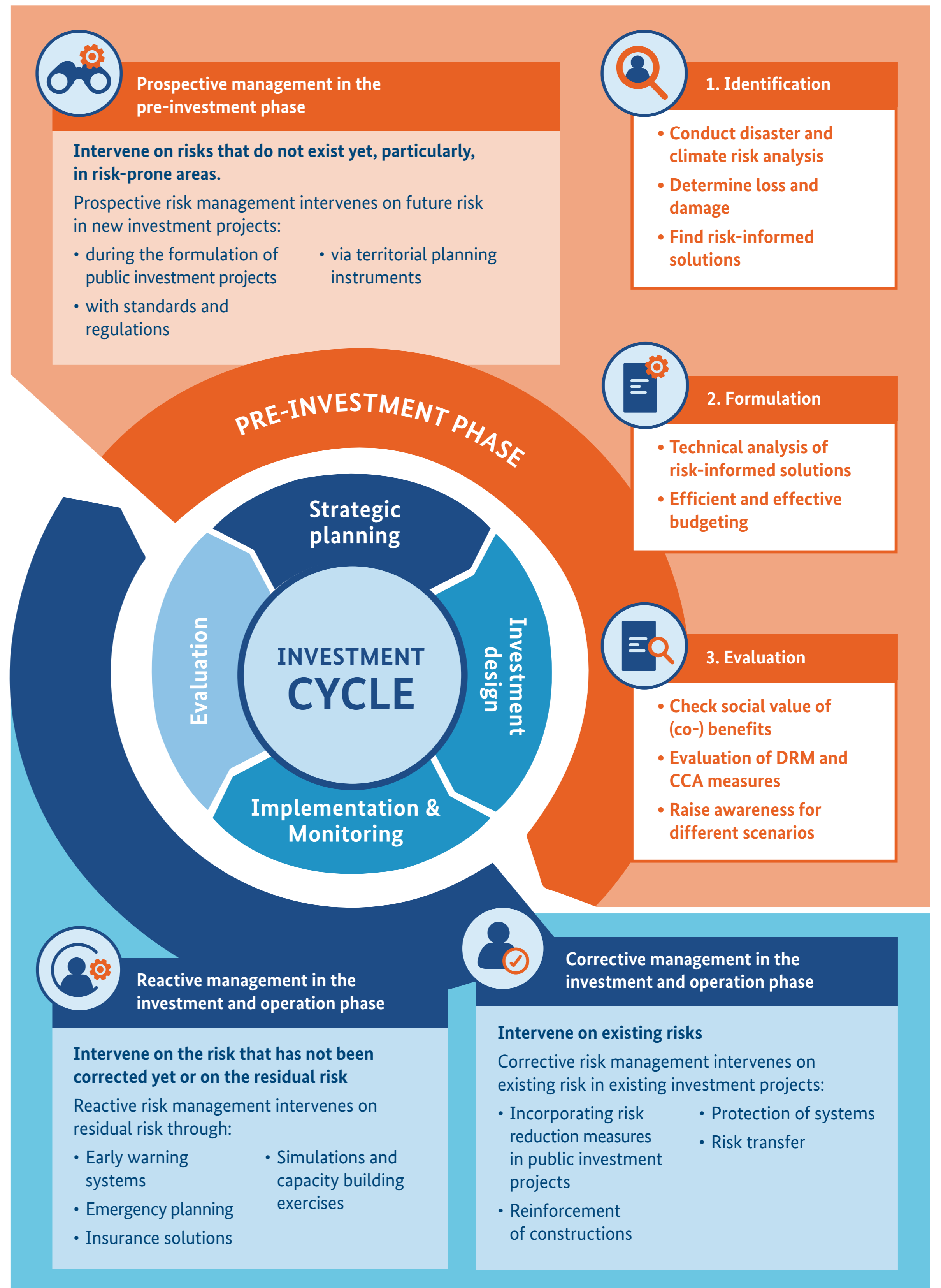
COVID-19 response measures in forms of public investments by the SNIPs were vital to stabilise the economic situation in many countries in the region. Besides budget amendments, many countries made structural changes to public investments structures and processes in response to COVID-19 by modifying the components of their national public investment systems: regulatory frameworks, human resources, training, methodologies, processes and procedures, project data and information systems for project management as well as sources of financing.

Public investment projects aim to promote and facilitate capacities (human capital development, innovation, research, etc.) and resilient infrastructure (roads, public buildings, bridges, etc.) to support the production, access and distribution of goods and services and contribute to a country's development. Disruptions in basic services and infrastructure due to hazards or disasters have long-term impacts on economic development. Apart from direct expenditures for emergency relief, rehabilitation, reconstruction and the provision of alternative services, economic growth often drops in the wake of large-scale extreme events.

If climate and disaster risks are not sufficiently considered, public investment projects might not be sustainable in the face of existing and future risks. Risk-informed public investment assesses the extent to which an infrastructure or a service is at risk. Based on multi-sectoral cooperation, this approach strives towards including possible known and unknown risks in decision-making around public investments. All activities associated with reducing any type of risk in an investment project represent costs and benefits, which must be identified, measured, and valued.

In Latin America, GIDRM III cooperated with the Latin American Network of National Public Investment Systems (Red SNIP) and ICAP to ensure more risk-informed public investment.

## 1 Investment Cycle



## 2 Cooperation with ICAP and the Red SNIP in Latin America

### What is the Red SNIP?

The Network of National Public Investment Systems of Latin America and the Caribbean (Red SNIP) was created in 2010 to strengthen sustainable, effective, and efficient public investment that enhances positive economic and social impact as well as resilient and inclusive development in the LAC region.



The network is comprised of state institutions that govern the public investment processes in the member countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, and Uruguay.

The Red SNIP is supported by ECLAC, the Inter-American Development Bank and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

### What is ICAP?

Since January 2021, the Central American Institute of Public Administration (ICAP) has been developing the regional project called INCENTIVA (Central American Initiative for Public Investment with Added Value), financed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH through the GIDRM project.

In close cooperation with the regional SNIP networks, INCENTIVA seeks to strengthen national public investment systems through methodological and technological tools that generate public value in the management of public investment projects and contribute to the post-pandemic economic recovery in face of systemic risks. The project is implemented in Central America (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama) and the Caribbean (the Dominican Republic).